



Investment Approach

Clime's investment approach seeks to deliver strong risk adjusted total returns to investors over the long term. Clime focuses on delivering consistent strong results by identifying undervalued companies and, via the macroeconomic overlay, enhancing return and managing risk. We strive to ensure that risks taken in the portfolio are appropriately compensated and employ a decision framework of:

- Capital deployed;
- At what risk;
- For what likely outcome.

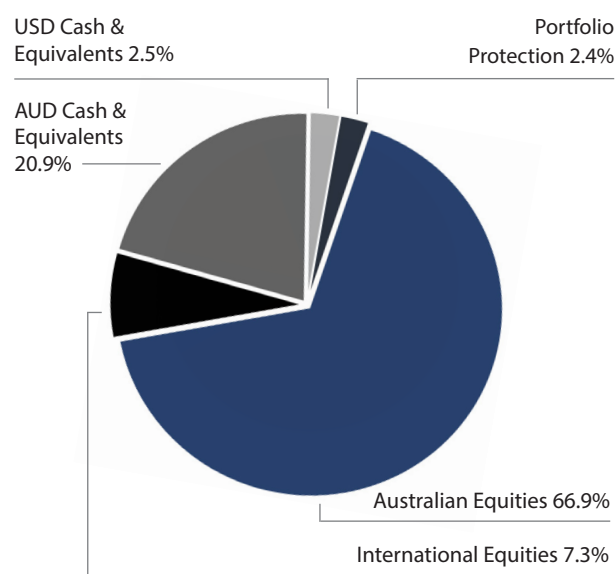
Top Holdings (Weightings %)

Australian Equities - Large Cap	
Australia & New Zealand Banking Group	3.73
SEEK Limited	3.26
National Australia Bank	1.81
Australian Equities - Mid Cap	
Crown Resorts Limited	4.76
Henderson Group	4.13
APN Outdoor Group	4.04
Gateway Lifestyle Group	3.88
Australian Equities - Small Cap	
Nick Scali Limited	3.73
Collins Foods Limited	3.00
Speedcast International Limited	2.88
International Equities	
iShares Russell 2000 ETF	1.11
Oracle Corp	1.03
China Mobile	0.98
AUD Cash	20.94
USD Cash	2.47

Net Tangible Assets (NTA)

	February	January	December
NTA before tax	\$0.90 ^{1,3}	\$0.91 ^{1,2}	\$0.94 ^{1,2}
NTA after tax	\$0.91	\$0.91	\$0.94
CAM Share Price	\$0.90	\$0.90	\$0.88
Yield Excl. Franking	5.3%	5.3%	5.5%

Asset Allocation



Company Overview (\$m)

Australian Securities	\$55.73
International Securities	\$5.87
AUD Cash & Equivalents	\$16.84
USD Cash & Equivalents	\$1.99
Total Portfolio including Cash	\$80.43

¹ Fully diluted NTA per share incorporates the fully paid ordinary shares converting preference shares on issue and bonus entitlements due to be paid on conversion of the preference shares. Converting Preference shareholders will accrue the bonus issue and upon conversion will receive 1.387 Ordinary Shares for every Converting Preference Share. Converting Preference shareholders will mandatorily convert into ordinary shares in April 2017.

² On 5 December 2016, the Board declared a fully franked dividend of 4.5 cents per share in respect of the Company's converting preference shares and a fully franked ordinary dividend of 1.20 cents per share for ordinary shareholders for the quarter ending 31 December 2016. These dividends were paid on 24 and 25 January 2017. NTA before and after tax disclosed above for January is after the effect of this dividend payment and for December is before the effect of this dividend payment.

³ On 21 February 2017, the Board declared a fully franked dividend of 4.5 cents per share in respect of the Company's converting preference shares and a fully franked ordinary dividend of 1.20 cents per share for ordinary shareholders for the quarter ending 31 March 2017. These dividends are payable on 27 and 28 April 2017. NTA before and after tax disclosed above for February is before the effect of this dividend payment.

Ordinary Shares Overview (ASX:CAM)

Share Price (at month end)	\$0.90
Rolling 12 Month Dividend	4.8cps
Historical Dividend Yield	5.3%
Percentage Franked	100%
Grossed Up Yield	7.6%
Dividend Reinvestment Plan	Yes

Preference Shares Overview (ASX:CAMPA)**

Share Price (at month end)	\$1.29
Rolling 12 Month Dividend	18.0cps
Historical Dividend Yield	14.0%
Percentage Franked	100%
Grossed Up Yield	19.9%
Dividend Reinvestment Plan	No

** CAMPA will mandatorily convert into ordinary shares in April 2017.

Total Shareholder Returns, January 2009 to February 2017: \$10,000



Clime Capital Limited (ASX:CAM)

Data Source: Thomson Reuters

Summary

The Clime Capital (CAM) portfolio delivered a return (net of fees) of -0.6% for the month. On a financial year to date basis, the Clime Capital portfolio has delivered a return (net of fees) of 6.7%.

Within the portfolio, capital allocation decisions are made across a number of asset classes. These are Australian Equities, International Equities, Hybrids and Interest Bearing Securities and both AUD and USD Cash and Equivalents. The Australian Equity asset class exposure encompasses three sub-portfolios: Large Cap, Mid Cap and Small Cap.

The following changes were made to the portfolio for the month of February:

- Australian Equity Large Cap Sub-Portfolio: Added to existing position in ANZ.
- Australian Equity Mid Cap Sub-Portfolio: Added to existing positions in GTY & HGG, introduced a new position in ISD, exited the position in OFX and decreased weighting in APO, AAD & AHG.
- Australian Equity Small Cap Sub-Portfolio: Added to existing positions in HFA, MUA, RCG & VRS, marginally reduced weighting in SDA.
- International Equity Sub-Portfolio: Introduced new positions in BIDU, IBM & VFH (Vanguard Financials ETF), reduced position in SH.

We segment the Company into four sub-portfolios with each component portfolio purposefully designed to deliver stated investment objectives. Key contributors and detractors to the CAM return for the month were:

- Australian Equity Large Cap Sub-Portfolio: Positive contributors SEK (8.7%), ANZ (5.5%) & NAB (5.5%), no detractors.
- Australian Equity Mid Cap Sub-Portfolio: Positive contributors CWN (11.1%), GTY (5.4%) & APO (5.3%), detractors AAD (-22.1%), ISD (-13.9%).
- Australian Equity Small Cap Sub-Portfolio: Positive contributors MUA (14.6%), IMF (11.4%) & NCK (11.1%), detractors VRS (-31.9%), RCG (-16.9%) & CKF (-3.2%).
- International Equity Sub-Portfolio: Positive contributors CTSH (11.3%), MDT (5.1%) & ORCL (4.8%), detractors BIDU (-5.8%) & SH (-5.0%).

Though cash holdings marginally reduced over the month, the portfolio remains conservatively positioned with a reasonable portion of the portfolio allocated to Cash & Equivalents. In an environment of heightened geopolitical risk and elevated market pricing, we will maintain our focus on capital preservation while looking to selectively deploy capital as and when value based opportunity presents.

Copyright © 2017 Clime Capital Limited (ASX:CAM). All rights reserved. The information provided in this document and climecapital.com.au is intended for general use only. The information presented does not take into account the investment objectives, financial situation and advisory needs of any particular person nor does the information provided constitute investment advice. Under no circumstances should investments be based solely on the information herein. Climecapital.com.au is intended to provide educational information only. Please be aware that investing involves the risk of capital loss. Data for graphs, chart and quoted indices contained in this report has been sourced by IRESS Market Technology, Thomson Reuters, Clime Asset Management and StocksInValue unless otherwise stated. Past performance is no guarantee of future returns.