



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.

Net Tangible Assets (NTA)

	November	October	September
NTA before tax	\$0.94 ¹	\$0.91 ¹	\$0.89
NTA after tax	\$0.92	\$0.90	\$0.89
CAM Share Price	\$0.870	\$0.870	\$0.870
Trailing 12 months dividends	4.95 cents	4.9 cents	4.9 cents
Yield Excl. Franking	5.7%	5.6%	5.6%
Yield Incl. Franking	8.1%	8.0%	8.0%

¹ On 29th November 2017, the Board declared a fully franked dividend of 1.25 cents per share in respect of the Company's ordinary shares for the period 1 October 2017 to 31 December 2017. This dividend will be paid on 25th January 2018. NTA before and after tax disclosed above for October and November 2017 is before the effect of this dividend payment.

Company Overview (\$m) (Cum Dividend)

Australian Securities	\$71.91
International Securities	\$9.08
AUD Cash & Equivalents	\$2.12
USD Cash & Equivalents	\$1.18
Total Portfolio including Cash	\$84.29

Portfolio Update

The Clime Capital (CAM) portfolio performed well during November, delivering a return (net of fees) of 2.5% for the month. For the financial year to date, the Clime Capital portfolio has provided a total return (net of fees) of 8.3%.

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 November:

- **Australian Equity Large Cap Sub-Portfolio:** Commenced building a position in CBA, marginally reduced ANZ. Exited position in VCX.
- **Australian Equity Mid Cap Sub-Portfolio:** No meaningful changes.
- **Australian Equity Small Cap Sub-Portfolio:** Incrementally added to BVS and ONT, marginally decreased exposure to IMF. Exited RFF.
- **International Equity Sub-Portfolio:** Commenced building a position in TCEHY. Reduced exposure in NTES and YUM.

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 RHC (+4.3%), CSL (+3.2%), detractors NAB (-6.5%), ANZ (-2.3%).
- **Australian Equity Mid Cap Sub-Portfolio:** Positive contributors SDA (+24.5%), CCP (+14.3%), JHG (+8.6%), APO (+5.8%), detractors IPH (-6.2%), ORA (-3.2%).
- **Australian Equity Small Cap Sub-Portfolio:** Positive contributors CGL (+11.5%), JIN (+14.5%), CKF (+9.0%), HSN (+6.8%), APD (+5.7%), VRS (+5.9%), detractors BVS (-5.5%), ONT (-4.2%).
- **International Equity Sub-Portfolio:** Positive contributors NTES (+18.0%), YUM (+13.7%), FMS (+4.1%), detractors PCLN (-8.1%).

As the level of US National Debt tracks towards \$20.6 USD trillion dollars and the US Federal Reserve undertakes a reversal in its bond buying program at a rate that would take more than 37 years to complete, investor optimism continues unabated - spurred on by the likely passage of tax cuts via the Republican tax bill. In the near-term these tax cuts would further extend the level of US

National Debt towards \$22 USD trillion dollars. Beyond the US, bond (and equity) buying programs continue in Europe and Japan and we observe the apparent disconnect where equities and long-term bonds are again both going up in price (decreasing long-term bond yields).

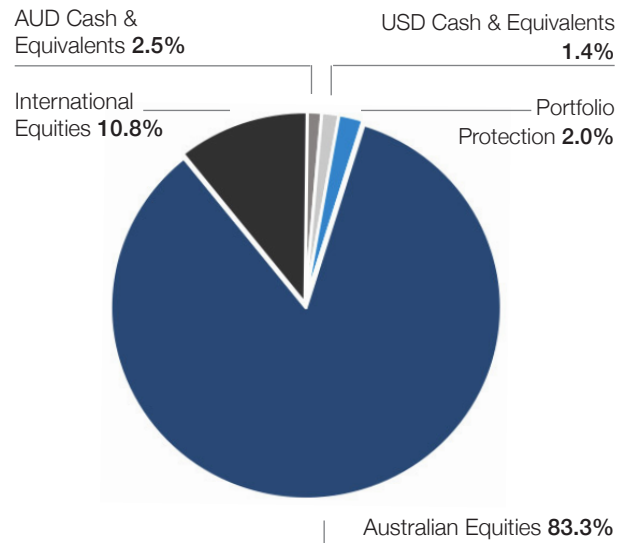
Locally, many Australian households collectively remain under the strain of record levels of indebtedness, coupled with low / no growth in wages and continuing increases in 'essentials' cost of living.

We believe this environment creates an elevated potential for the erosion of capital. We encourage investors to remain aware of valuation - the price paid for future growth, future earnings and future distributions - in the current market environment.

The Clime Capital portfolio is performing well. Its positioning aligns with our view of an investing landscape where genuine growth remains difficult to find. Broadly speaking, we remain constructive on harnessing yield in the larger part of the ASX investment universe and seeking out growth opportunities outside of ASX large caps (and internationally) in selective high quality businesses.

The portfolio continues to be well positioned with the ability to access select opportunities as they become apparent.

Asset Allocation



Ordinary Shares Overview (ASX:CAM)

Share Price (at month end)	\$0.87
Rolling 12 Month Dividend	4.95cps
Historical Dividend Yield	5.7%
Percentage Franked	100%
Grossed Up Yield	8.1%
Dividend Reinvestment Plan ("DRP")	Yes ²

Quarterly Fully Franked Dividend

The company announced a fully franked quarterly dividend of 1.25c per share.

Key dates for Dec 2017 Quarter Dividend

Dividend ex-date	03/01/2018
Record date	04/01/2018
Last election date for DRP	05/01/2018
Payment date	25/01/2018

Top Holdings (Weightings %)

Australian Equities - Large Cap

National Australia Bank	4.17
Australia & New Zealand Banking Group	3.73
Ramsay Healthcare Limited	3.73

Australian Equities - Mid Cap

APN Outdoor Group	3.64
Janus Henderson Group Plc	3.64
Qube Holdings Limited	3.38
Speedcast International Limited	3.26

Australian Equities - Small Cap

Navigator Global Investments Limited	3.53
Citadel Group Limited	2.90
Collins Foods Limited	2.75

International Equities

Priceline.com Inc	1.90
Alphabet Inc	1.34
Cognizent Tech Solutions	1.13

AUD Cash

USD Cash	1.40
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² DPR operates at 1% discount to weighted average price of shares sold on the record date and the three preceding dates.

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