



## 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.

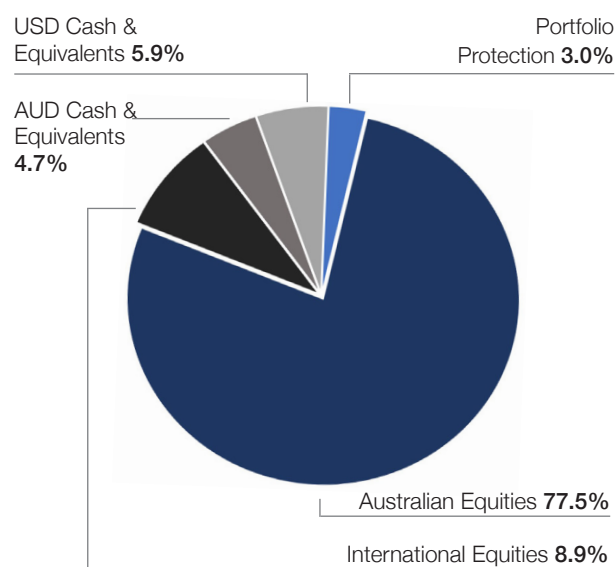
## Top Holdings (Weightings %)

<b>Australian Equities - Large Cap</b>	
Australia & New Zealand Banking Group	4.79
National Australia Bank	4.54
Ramsay Healthcare Limited	3.66
<b>Australian Equities - Mid Cap</b>	
Janus Henderson Group Plc	4.51
Qube Holdings Limited	3.94
APN Outdoor Group	3.90
Gateway Lifestyle Group	3.60
<b>Australian Equities - Small Cap</b>	
Collins Foods Limited	3.37
HFA Holdings Limited	3.07
Citadel Group Limited	2.67
<b>International Equities</b>	
Alphabet Inc	1.25
Medtronic Plc	1.13
Cognizant Tech Solutions	1.11
<b>AUD Cash</b>	
	4.65
<b>USD Cash</b>	
	5.90

## Net Tangible Assets (NTA)

	July	June	May
NTA before tax	\$0.87 <sup>1</sup>	\$0.89 <sup>1</sup>	\$0.88
NTA after tax	\$0.87	\$0.90	\$0.89
CAM Share Price	\$0.880	\$0.870	\$0.860
Yield Excl. Franking	5.5%	5.6%	5.6%

## Asset Allocation



<sup>1</sup> On 7 June 2017, the Board declared an increased fully franked dividend of 1.25 cents per share in respect of the Company's ordinary shares for the period 1 April 2017 to 30 June 2017. This dividend was paid on 27 July 2017. NTA before and after tax disclosed above for June is before the effect of this dividend payment and for July is after the effect of this dividend payment.

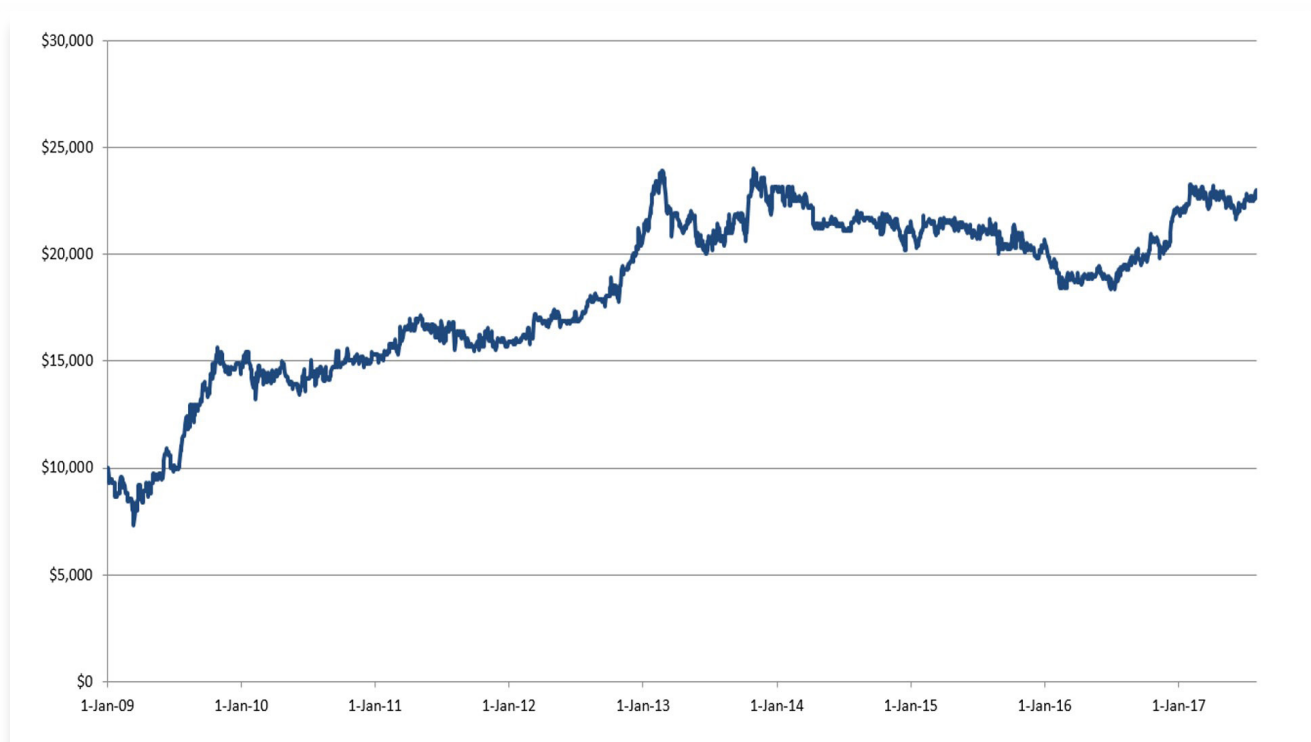
## Ordinary Shares Overview (ASX:CAM)

Share Price (at month end)	\$0.880
Rolling 12 Month Dividend	4.85cps
Historical Dividend Yield	5.5%
Percentage Franked	100%
Grossed Up Yield	7.9%
Dividend Reinvestment Plan	Yes

## Company Overview (\$m)

Australian Securities	\$63.16
International Securities	\$6.94
AUD Cash & Equivalents	\$3.65
USD Cash & Equivalents	\$4.63
<b>Total Portfolio including Cash</b>	<b>\$78.38</b>

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



Clime Capital Limited (ASX:CAM)

Data Source: Thomson Reuters

## Summary

The Clime Capital (CAM) portfolio had a steady start to the new financial year and delivered a return (net of fees) of -0.5% for the month.

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 July:

- Australian Equity Large Cap Sub-Portfolio: Introduced new positions in CSL & VCX.
- Australian Equity Mid Cap Sub-Portfolio: Introduced a new position in CCP, reduced exposure to CWN.
- Australian Equity Small Cap Sub-Portfolio: Introduced new positions in HSN, IDR & OML, and reduced exposure in MUA.
- International Equity Sub-Portfolio: Added to existing position in PCLN.

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 ANZ (1.2%) & VCX (+4.1%), detractor RHC (-2.8%).
- Australian Equity Mid Cap Sub-Portfolio: Positive contributors AHG (15.6%) & CWN (+3.5%), detractor IPH (-3.6%).
- Australian Equity Small Cap Sub-Portfolio: Positive contributors CGL (9.8%), HFA (6.2%), FLK (+6.0%) & JIN (+4.2%), detractors MUA (-31.7%) & SDA (-11.1%).
- International Equity Sub-Portfolio: Positive contributors BIDU (22.1%) & PCLN (3.7%), detractors MDT (-3.9%) & GOOG (-2.2%).

Globally, investor optimism continues to buoy international equities. There are clearer economic signs of growing resilience in the US recovery and an improving outlook in Europe. We believe valuations remain full, opportunities may be fleeting, future returns are more subdued and (despite investor complacency) embedded financial risks are elevated. Recent USD weakness and the RBA's poorly managed 'contextualisation' of the theoretical neutral interest rate setting has seen a surge in the AUDUSD beyond 80c. We see the AUDUSD easing lower over 2H2017.

Locally, beyond those companies able to exploit market gaps created by disruptive technology, ASX-listed businesses positioned towards structural growth industries such as inbound tourism, the ageing population (selective health care and seniors living), education (international tertiary students / student accommodation, child care), funds management and quality food production will continue to be sought after. As value-based investors, we need to ensure that we pay an appropriate price for these structural growth opportunities. Generally speaking, we see these as more likely to be within the mid and small-cap market segments

We believe the Clime Capital portfolio is well positioned with the ability to access select opportunities as they become apparent.

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