



INVESTMENT UPDATE
CTN ANNUAL GENERAL MEETING
NOVEMBER 2016

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1. ECONOMIC OUTLOOK AND STRATEGY IMPLICATIONS



GLOBAL GROWTH MOMENTUM HAS IMPROVED BUT STRUCTURAL HEADWINDS REMAIN

- Global growth profile has exhibited some signs of improvement
 - US ISM and German IFO supportive of improved growth momentum
 - Fed funds Dec rate hike on target
 - Global growth however to remain modest
- Bulks, energy and metal prices have recovered strongly
 - China stimulus late 2015 holding up steel prices
 - Structural headwinds re Chinese bank NPL
- Bond market correction has been swift
 - Sharp spike in long bond yields does not reflect a pick up in economic activity, more the perceived shift in global policy prescription
 - Expect bond yields to grind higher but not significantly so.
- Aussie economy continues to transition well
 - Growth around trend with pulse activity improving and strong commodity prices imply AUD to remain stronger in the short term
 - Difficult for RBA to cut with improving commodity prices but low rates the theme

RECOVERY IS PARTLY DUE TO MULTIPLE FISCAL AND PBOC STIMULUS
CHINESE STEEL PRICES HAVE SUPPORTED COKING, ORE AND THERMAL

Iron Ore Prices - China Import Fines 62% Fe spot

USD/metric tonne, Tianjin port. Daily data

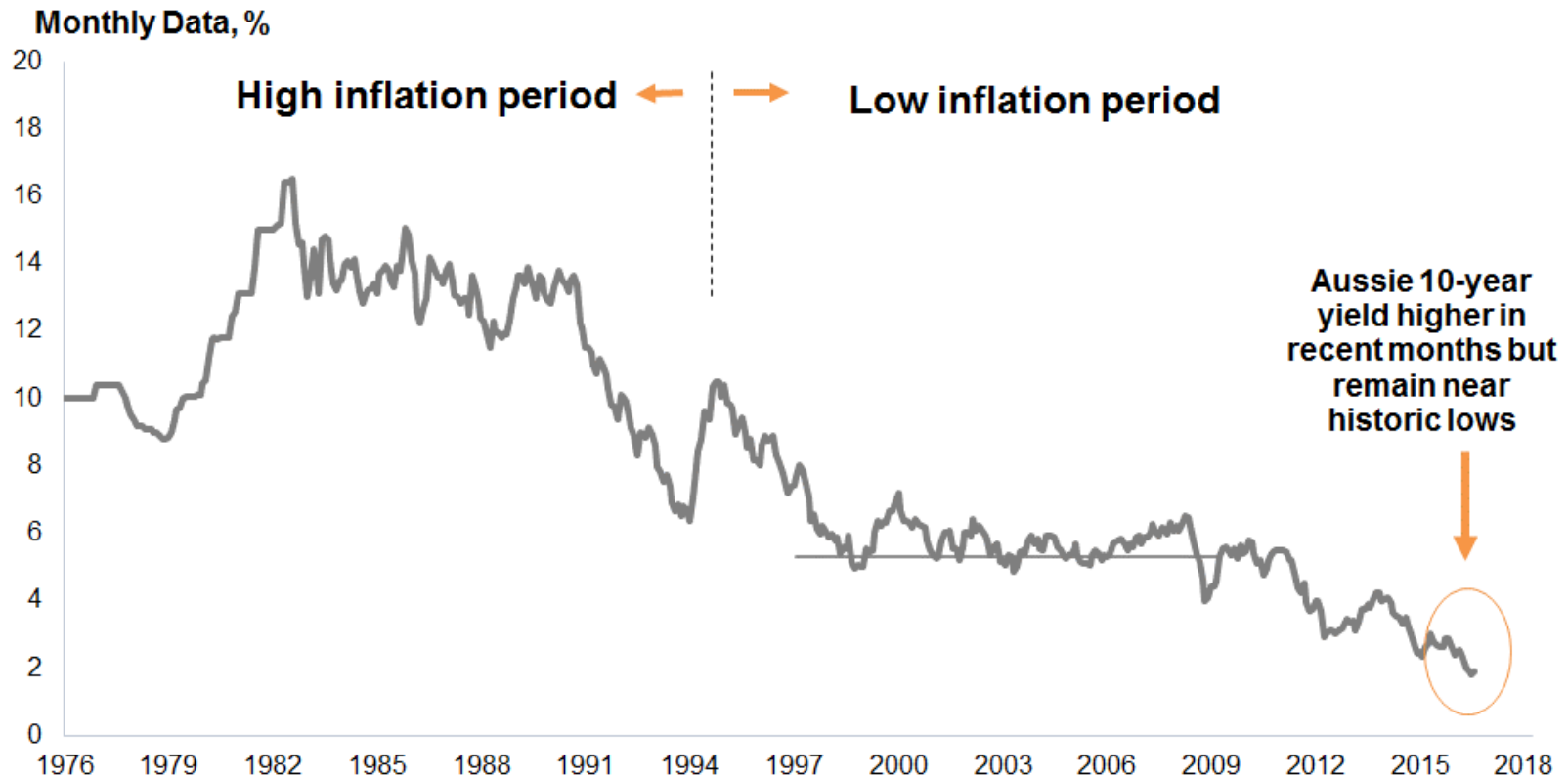


Source: Bloomberg, Contango

Price index is volume weighted average of transaction spot

AUSSIE LONG BOND YIELDS HIGHER AS US BONDS YIELDS RISE
DESPITE WEAKER BOND MARKET YIELDS REMAIN STRUCTURALLY LOW

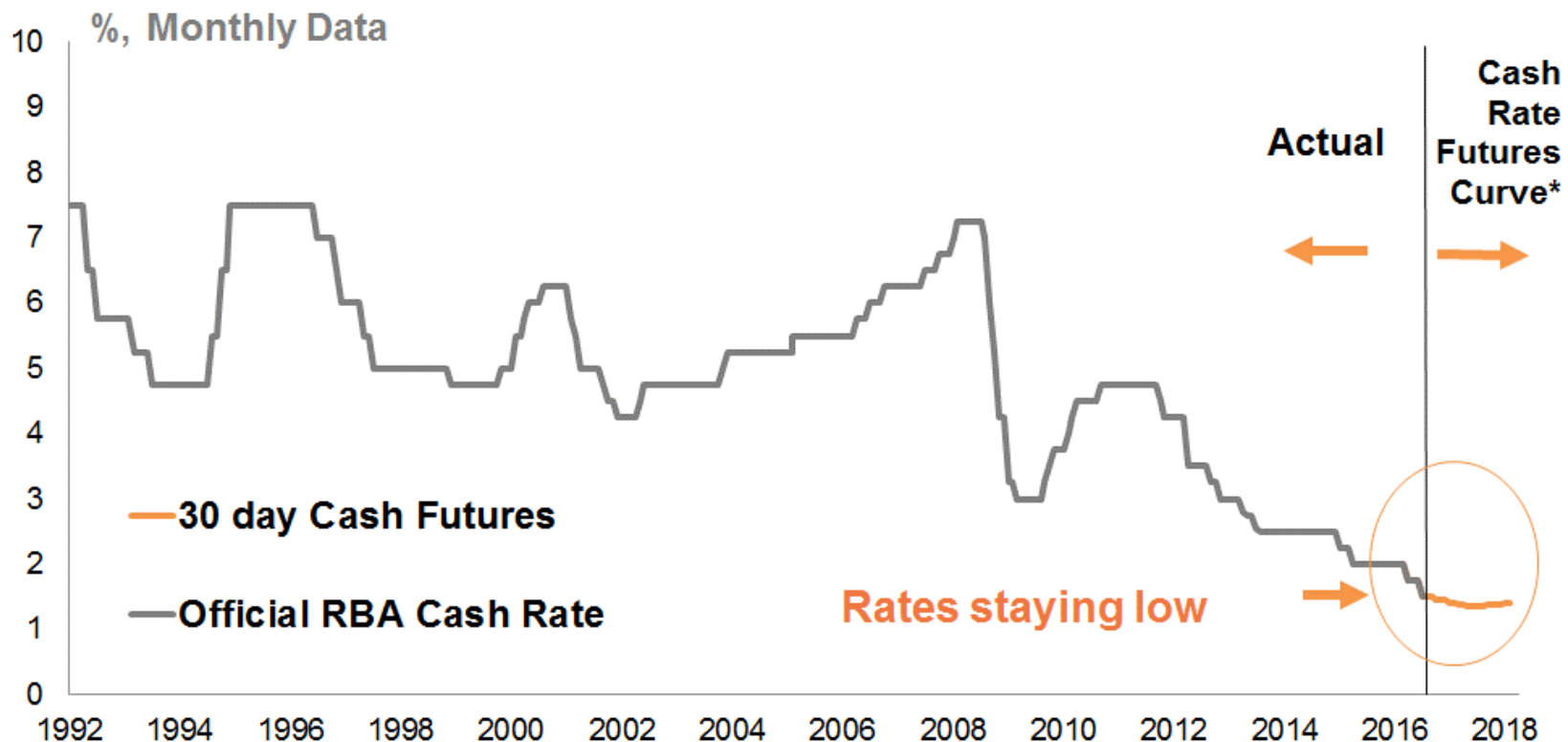
Australian 10 Year Bond Yield



Source: Bloomberg, Contango

MARKET STILL PRICING IN LOW DOMESTIC RATES
STRUCTURALLY LOW INFLATION SUPPORTS LOW RATE

Official RBA Cash Rate & Implied Cash Futures Curve



Source: Bloomberg, Contango

2. PORTFOLIO REVIEW



MICRO CAP FUND'S PERFORMANCE (LIC) HAS BEEN STRONG SINCE INCEPTION

October 2016	MicroCap Fund	Small Ordinaries	Added Value
3 Months	2.2%	-4.7%	7.0%
6 Months	17.6%	6.2%	11.4%
1 Year	30.1%	14.9%	15.2%
3 Years pa	10.7%	4.4%	6.3%
Since inception (March 2004) pa	16.3%	5.3%	11.0%

Gross Performance

LIC

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND'S

SEPTEMBER 12 MONTH STOCK ATTRIBUTION

Code	Stock	O/U Weight	Value Added
SAR	SARACEN	2.9%	3.8%
MYX	MAYNE PHARMA GP	3.1%	2.6%
CAT	CATAPULT GP INTL	2.4%	2.3%
HUB	HUB24	3.2%	2.2%
GMM	GENERAL MINING	1.4%	2.1%
WEB	WEBJET	1.8%	2.1%
WAF	WEST AFRICAN RES	0.6%	1.9%
A2M	A2 MILK COMPANY	0.5%	1.8%
ORE	OROCOBRE	1.6%	1.4%
PME	PRO MEDICUS	1.4%	1.4%

Code	Stock	O/U Weight	Value Added
ASB	AUSTAL	1.7%	-1.9%
EPD	EMPIRED	0.7%	-1.6%
GFY	GODFREYS GP	0.4%	-1.6%
EPW	ERM POWER	0.7%	-1.4%
SEH	SINO GAS & ENERGY	0.2%	-1.3%
SGH	SLATER & GORDON	0.1%	-1.2%
YOW	YOWIE GP	0.9%	-1.2%
TWR	TOWER	1.0%	-1.0%
PHG	PULSE HEALTH	0.7%	-1.0%
NST*	NORTHERN STAR RES	-1.4%	-1.0%

* Stocks not held.

September 2016

12 Month Attribution

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND'S

SEPTEMBER QUARTERLY STOCK ATTRIBUTION

Code	Stock	O/U Weight	Value Added
WAF	WEST AFRICAN RES	1.7%	1.2%
WEB	WEBJET	1.9%	0.9%
HUB	HUB24	2.9%	0.9%
CDV	CARDINAL RES	0.6%	0.7%
EML	EMERCHANTS	2.2%	0.6%
RAN	RANGE INTERNATIONAL	1.4%	0.5%
RVR	RED RIVER RES	0.5%	0.5%
BGL	BIGAIR GP	1.0%	0.5%
RXP	RXP SERVICES	1.4%	0.4%
CLV	CLOVER CORP	0.7%	0.4%

Code	Stock	O/U Weight	Value Added
GMM	GENERAL MINING	1.5%	-0.9%
ORE	OROCOBRE	1.5%	-0.6%
WHC*	WHITEHAVEN COAL	-0.8%	-0.6%
PLS	PILBARA MINERALS	1.0%	-0.4%
XIP	XENITH IP GP	1.7%	-0.3%
MYX	MAYNE PHARMA GP	2.6%	-0.3%
CWY	CLEANAWAY WASTE MGT	-1.0%	-0.3%
CDP	CARINDALE PROPERTY TRUST	1.4%	-0.3%
YOW	YOWIE GP	0.7%	-0.3%
RSG*	RESOLUTE MINING	-0.8%	-0.3%

* Stocks not held.

September 2016

3 Month Attribution

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND'S SEPTEMBER 12 MONTH SECTOR ATTRIBUTION

Sector	O/U weight	Added Value
Energy	-2.8%	-2.9%
Materials	-7.6%	5.8%
Industrials	2.8%	-0.5%
Consumer Discretionary	-3.0%	-1.5%
Consumer Staples	-4.9%	0.8%
Health	3.0%	3.7%
Financials	0.1%	4.5%
Information Technology	7.2%	0.9%
Telcos	-1.2%	-0.4%
Utilities	0.2%	-1.7%
Cash & Futures	-4.2%	0.1%
Total		8.7%

September 2016

12 Month Attribution

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND'S SEPTEMBER QUARTERLY SECTOR ATTRIBUTION

Sector	O/U weight	Added Value
Energy	-2.5%	-0.6%
Materials	-4.4%	0.5%
Industrials	1.3%	-0.6%
Consumer Discretionary	-6.2%	1.4%
Consumer Staples	-5.9%	-0.1%
Health	3.1%	0.1%
Financials	0.3%	1.0%
Information Technology	5.0%	0.9%
Telcos	-0.3%	0.5%
Utilities	-0.8%	0.1%
Cash & Futures	-4.4%	0.9%
Total		4.2%

September 2016

3 Month Attribution

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND'S STOCK POSITIONS CONSISTENT WITH STRATEGY VIEW

Code	Stock	Over %	Code	Stock	Under %
CAT	CATAPULT GRP INTL.	3.3	LNK*	LINK ADMIN. HLD.	-1.8
HUB	HUB24 LTD	3.1	EVN*	EVOLUTION MINING LTD	-1.7
EML	EMERCHANTS LTD	3.0	MQA*	MACQUARIE ATLAS RDS.	-1.5
ENN	ELANOR INVESTOR GRP	2.9	NHF*	NIB HOLDINGS LTD	-1.4
WEB	WEBJET LTD	2.4	OZL*	OZ MINERALS LTD	-1.4
SGF	SG FLEET GROUP LTD	2.4	IGO*	INDEPENDENCE GROUP NL	-1.3
PPS	PRAEMIUM LTD	2.3	CHC*	CHARTER HALL GROUP	-1.3
ORE	OROCOBRE LTD	2.2	MTS*	METCASH LTD	-1.3
QMS	QMS MEDIA LTD	2.1	WOR*	WORLEYPARSONS LTD	-1.3
XIP	XENITH IP GROUP LTD	2.1	CWY*	CLEANAWAY WASTE MGMNT.	-1.3

* Stocks not held

LIC

October 2016

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

MICRO CAP FUND

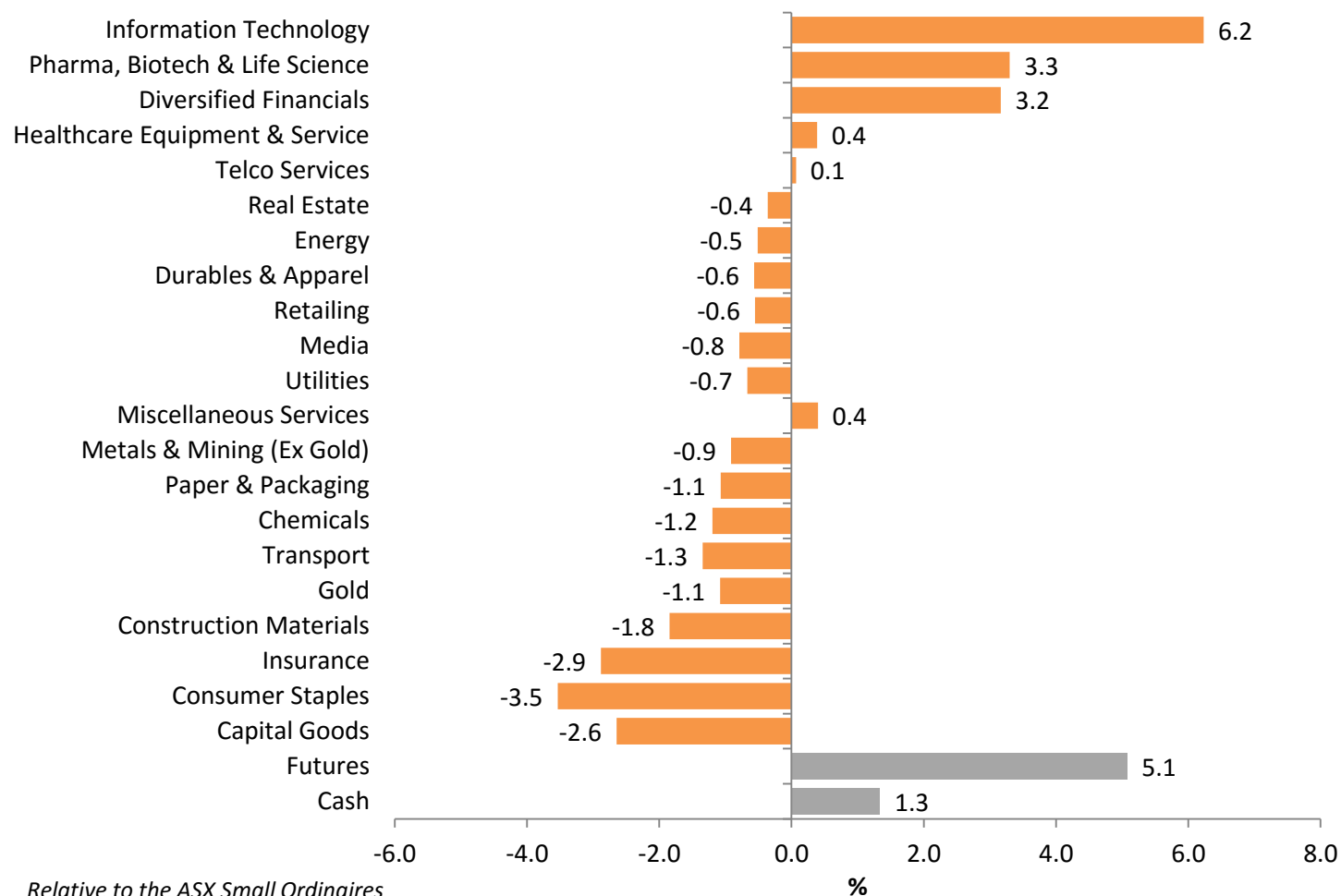
SOME GENERAL INVESTMENT THEMES

- Aging Population and Health
- Wellness and Vanity
- Quality Food/Brand Australia
- IT/Social Media
- Outdoor Advertising
- Tourism and leisure
- Cyber Security
- Lithium
- SMSF and Superannuation

MICRO CAP FUND

EMPLOYING AND ACTIVELY MANAGING RISK

Micro Cap Portfolio Active Weights: Contango Industry Sectors



MICRO CAP FUND'S ACTIVE RISK POSITIONS ARE CONSISTENT WITH THE FUNDS OBJECTIVES

October 2016	Contango Micro Cap	ASX Small Ords Index
Price to Earnings Ratio	14.8	14.8
Dividend Yield (net)	3.5	3.9
Dividend Yield (gross)	4.4	4.6
EPS Growth (%)	17.3	12.0
Return on Equity (%)	15.8	14.9
Beta	0.8	1.0
Tracking Error*	8.26	-

Source: Bloomberg, Bloomberg AIMS, Heuristic Investment Systems

3. STOCK COMMENTARY



STOCK COMMENTARY

EMEFCY GROUP LTD (EMC)

- Global manufacturer of energy efficient wastewater treatment solutions and provider of Treated Water--as--a--Service
- Disruptive technology providing a low cost sources of Class A recycled water, (90% energy savings, 65%+ opex savings, 60% capex savings to comparable plant).
- Technology proven
- Sales into China (\$20bil opportunity)
- Cash on balance sheet
- Upside: Sales into China, developing world, developed world e.g. hotels, commercial buildings.

Emefcy Group LTD (EMC)



STOCK COMMENTARY

COGSTATE (CGS)

- Digital test for the measurement of neurological performance. Used in clinical trials for drugs treating Dementia, Alzheimer's etc
- CGS's tests are less prone to errors, cheaper and have 10 years of data to support accuracy
- >47m people suffer from Dementia, growing at 8m p.a.
- Drug companies are spending more on these areas. Success could drive further development and potentially a diagnostic product
- Cash on balance sheet
- Very strong sales momentum (1Q17 contracts +100% on pcp)

Cogstate (CGS)

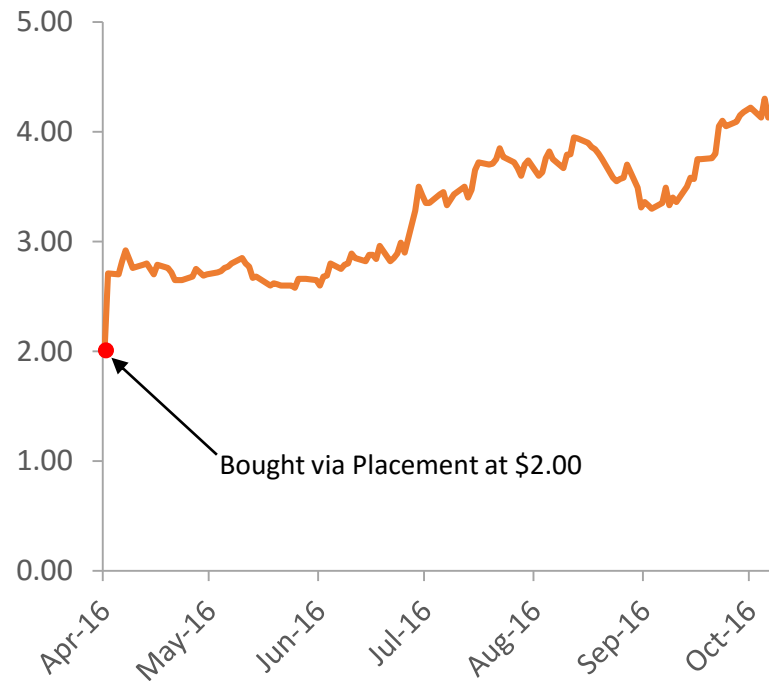


STOCK COMMENTARY

MOTORCYCLE HOLDINGS (MTO)

- Largest motorcycle retailer in Australia
- 4 main revenue streams; i) new & used bikes ii) accessories & parts iii) servicing & repairs, and iv) finance & insurance
- Industry consolidator, like AHG & APE
- Big earnings uplift on acqu's with better systems, sourcing and products
- Barriers - each dealership has an allocated geographic area
- Strong management - founder is CEO & 22% shareholder

MotorCycle Holdings (MTO)



4. OVERVIEW OF THE MANAGER

CONTANGO ASSET MANAGEMENT

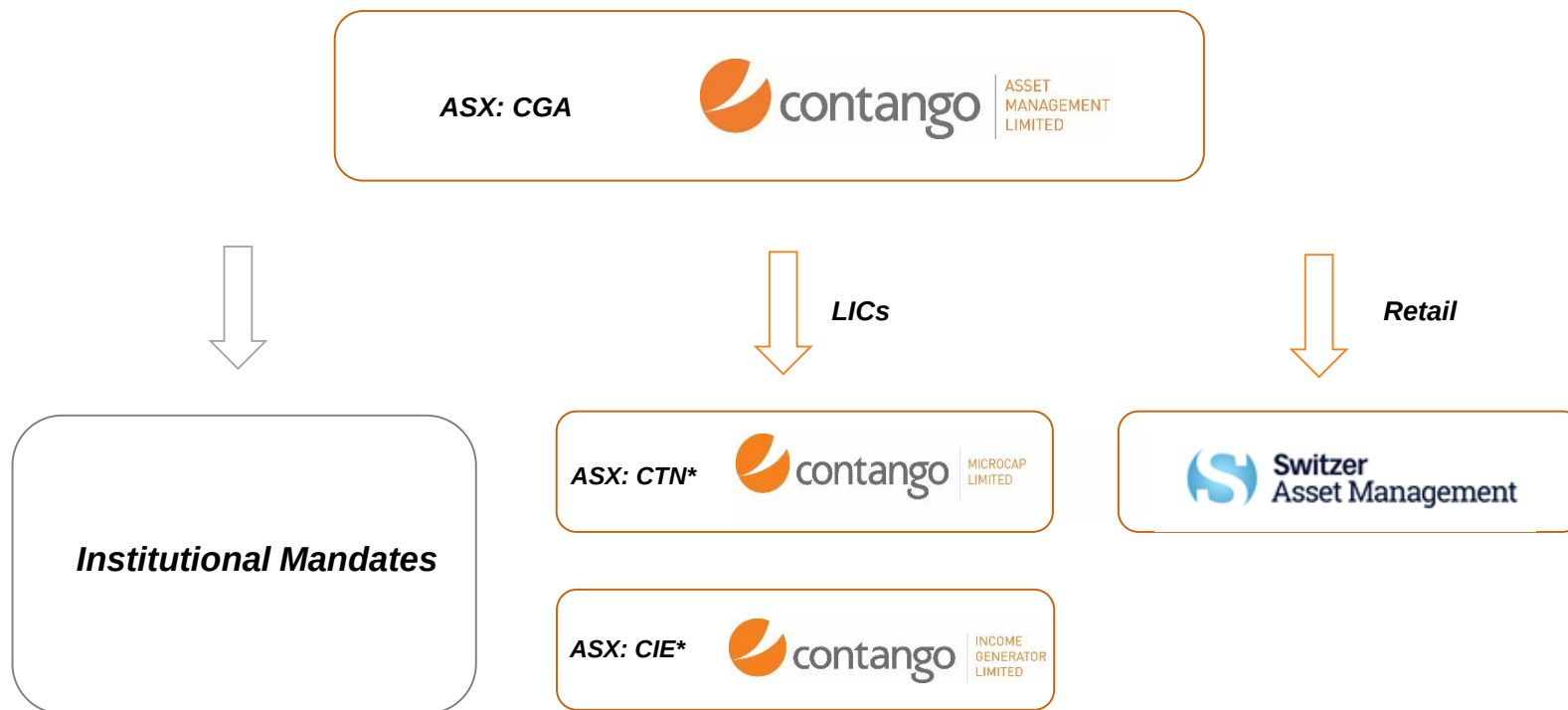
CONTANGO STRUCTURE IS ALIGNED WITH CLIENTS ESTABLISHED INSTITUTIONAL AND LIC FUND MANAGER

ASX: CGA



- Contango Asset Management (CGA) is a listed and established institutional and LIC fund manager
- CGA Board: Roger Amos (Chair), Patricia Toh, Marty Switzer, Charlie Aitken and George Boubouras (MD)
- Audit Committee, Risk Committee and REM Committee
- Key cornerstone investor (19.9%) from Pacific Point Partners (James Packer and Rob Rankin)

CONTANGO GROUP STRUCTURE IS ALIGNED WITH CLIENTS ESTABLISHED INSTITUTIONAL AND LIC FUND MANAGER

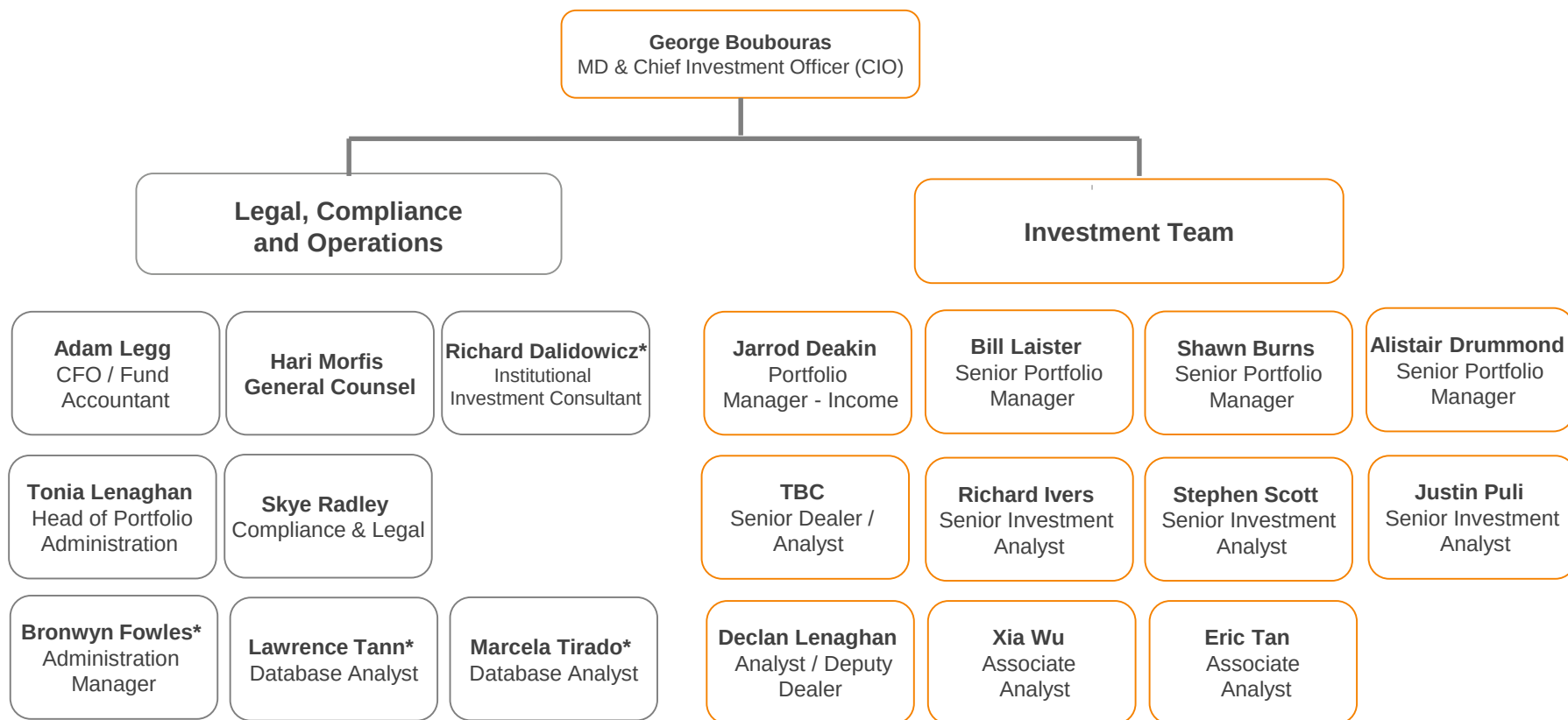


***LICs – Long-term Investment Management Agreements**

46.25% ownership – JV with Switzer Financial Group (Contango manages retail mandates)

CONTANGO HAS A FLAT AND EFFICIENT STRUCTURE

EXPERIENCED AND LARGE INVESTMENT TEAM



* Contract/part time employee

5. SUMMARY

SUMMARY

STRONG PERFORMANCE FROM MICROCAP

- Microcap sector has continued to out perform the broader equity market.
- Exposure to emerging companies help investors deliver lower correlated exposure.
- Contango continue to pursue core thematic investment themes. These include: ageing population and health, quality food, IT/social media, outdoor advertising, tourism and leisure, cyber security, SMSF sector and lithium.
- Investment team resourcing above industry peers. Increased investment on additional portfolio attribution and risk systems.
- The manager is listed on the ASX (CGA) with key cornerstone investor (James Packer and Rob Rankin).
- Listed fund manager structure is transparent.

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