CONTANGO MICROCAP LIMITED

MONTHLY NTA STATEMENT 30 JUNE 2017

Contango Microcap Limited (CTN) is Australia's longest running micro-cap LIC. The company was founded in 2004 and has delivered significant performance since its inception. The aim of the company is to achieve of a long term return over and above the benchmark ASX All Ordinaries Accumulation Index and to also pay regular and franked dividends. To achieve its objective, the fund invests in a diversified portfolio of ASX listed micro-cap stocks with a market cap of between $30 million and $350 million.

The Company's portfolio is managed by Contango Asset Management Limited. Contango Asset Management use a unique top-down and bottom-up investment approach that has delivered strong returns since inception.

KEY DETAILS	
Report Date:	30 June 2017
ASX Code:	CTN / CTNG
Listed on ASX:	25 March 2004
Investment Manager:	Contango Funds Management Ltd
Benchmark:	Small Ordinaries Index
No. of stocks held:	93
Max cash position:	50%
Stock universe:	Market cap $30m-350m
Portfolio size:	$198.2 million
Shares on issue:	168.289 million
Share Price:	$0.900

ASSET COMPOSITION

ASSET COMPOSITION	31 MAY 2017		30 JUNE 2017	
Investment Type	**$m**	**%**	**$m**	**%**
Resources	42.1	26.4	43.4	26.9
Industrials	127.8	80.0	127.6	78.9
Equity index futures	9.8	6.1	7.8	4.8
Liquidity	14.8	9.3	18.4	11.4
Borrowings (Convertible notes)	(26.2)	-16.4	(26.2)	-16.2
Tax liability	(8.6)	-5.4	(9.4)	-5.8
Net Assets After Tax	**$159.8**	**100.0%**	**$161.6**	**100.00**
Ordinary Shares on Issue	168.492m		168.289M	
Convertible Notes on Issue	265,000		265,000	

NET TANGIBLE ASSETS

NET TANGIBLE ASSETS	31 MAY 2017	30 JUNE 2017
NTA of investments before tax	**$0.999**	**$1.016**
NTA of investments before tax on unrealised gains	$0.986	$1.001
NTA after tax	**$0.948**	**$0.960**
Month-end closing share price (CTN.ASX)	$0.900	$0.900
Month-end closing convertible note price (CTNG.ASX)	$99.99	$100.25

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MONTHLY PORTFOLIO UPDATE

The performance of the CTN portfolio was 1.7% over the month versus the benchmark return of 2.0% resulting in underperformance of –0.3%

The Small Ordinaries (2.0%) Index outperformed the S&P/ASX100 Index (+0.03%) driven by strong performance from the Small Industrials Index (+2.4%) which outperformed the S&P/100 Industrials Index +0.5%. The Small Resources Index (-0.01%) outperformed the S&P/100 Resources Index (-2.4%).

Strong performances came from Consumer Staple (+7.0%), Health Care (+5.0%), Consumer Discretionary (+3.4%) and Industrials (+3.2). The weakest sectors were Utilities (-13.5%), Energy (-2.9%), Telecommunications (-1.6%) and REITS (-1.1%).

Key positive contributors to the portfolio for the month included: **Catapult** (44.7%), **West African Resources** (+31.5%), Ausdrill (27.4%)**, Imdex** (+18.0%), **Nearmap** (+17.5%) **Motorcycle Holdings** (14.5%) and **Cogstate** (+11.8%).

Key detractors over the month were: **Impression Healthcare** (-31.1%), **Galaxy** (-27.4%)**, Havilah** (-23.2%), **Yowie** (-19.2%) and **Tawana** (-18.8%)**.**

PERFORMANCE*

PERFORMANCE	CTN PORTFOLIO	ASX SMALL ORDS	ADDED VALUE
1 Months	1.7%	2.0%	-0.3%
3 Months	-6.3%	-0.3%	-6.0%
6 Months	-9.7%	1.1%	-10.8%
1 Year	-6.1%	7.0%	-13.1%
Since Inception (Mar 2004) pa	14.0%	5.2%	8.9%

TOP 10 HOLDINGS

CODE	STOCK	WEIGHT (%)
EML	EML PAYMENTS LTD	3.7
ASL	AUSDRILL LTD	3.4
ENN	ELANOR INVESTOR	3.3
ASB	AUSTAL LIMITED	2.7
VLW	VILLA WORLD LTD	2.7
CAT	CATAPULT GRP INT	2.5
PEA	PACIFIC ENERGY LTD	2.5
RVR	RED RIVER RESOURCES	2.5
HPI	HOTEL PROPERTY I	2.4
VEE	VEEM LIMITED	2.3

Source: Bloomberg

SECTOR ALLOCATIONS

SECTOR	WEIGHT %
Consumer Discretionary	10.5
Consumer Staples	0.5
Energy	4.0
Financials Ex-REITs	10.8
Health Care	8.9
Industrials	9.9
Information Technology	9.9
Materials	21.4
REITs	7.4
Telecommunication Services	2.0
Utilities	2.7
[Cash]	7.9
[Futures]	4.1

Source: Bloomberg

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NOTES
* Past performance is not a predictor of future returns.

DISCLAIMER:
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