Contango MicroCap Limited

ABN 47 107 617 381
Level 27, 35 Collins Street
Melbourne VIC 3000
P | 03 9222 2333
F | 03 9222 2345
W | www.contangomicrocap.com.au
E | contango@contango.com.au

MONTHLY NTA STATEMENT

02 April 2014

31 MARCH 2014 NTA VALUE	Value per share
NTA of investment before any tax effect	$1.243
NTA before tax on unrealised gains [*]	$1.221
NTA after tax on unrealised gains [**]	$1.153

On 7th March 2014, CTN went ex-dividend of 4.0 cents per share.
After making adjustment for the reduction in the share price as a result of the dividend, the share price based investment return for shareholders was a fall of 0.9% during March. The corresponding return of the ex-dividend after-tax NTA was an increase of 1.9%

	March 2014	March 2014 Quarter
CTN Investment Portfolio[1]	**2.16%**	**3.03%**
Small Ordinaries Accum Index	-1.16%	0.89%
Emerging Companies Accum Index	-0.65%	1.13%

CTN CELEBRATES ITS 10 YEAR ANNIVERSARY

On the 25th of March Contango MicroCap Limited (ASX: CTN) celebrated its 10 year anniversary as a listed company. Since its inception, the performance of the underlying investment portfolio ranks as one of the best performing Australian Equity investment funds offered by an Australian fund manager.[3]

The performance of the portfolio compares favourably to Australian investment indices.

	CTN Investment Portfolio	All Ords Accum Index	Small Ords Accum Index	Emerging Co's Accum Index
6 m	**5.1%**	5.7%	0.7%	-2.7%
1 Yr (p.a)	**13.1%**	13.2%	-1.5%	-8.2%
3 Yrs (p.a)	**-0.9%**	7.7%	-5.3%	-15.7%
5 Yrs (p.a)	**17.0%**	13.6%	8.7%	6.4%
7 Yrs (p.a)	**4.6%**	2.9%	-3.8%	-5.2%
10 Yrs (p.a)	**17.4%**	9.2%	4.9%	3.0%

As Australia's first and highly successful listed microcap investment manager it has been our pleasure to have discovered and invested in many outstanding companies that have grown and contributed to the employment, innovation and technological developments of the Australian economy. In addition, Microcaps have delivered strong returns for shareholders whose role in contributing to the funding and development of many of these companies is significant.

Through its recent acquisition of Contango Asset Management Limited, CTN has strengthened the resources it can commit to finding those companies poised to become successful small and large cap companies over the next decade. We recognise our shareholders contribution to the Australian Microcap sector and Australian economy, and note that at 31st March 2014 CTN recorded its highest ever number of shareholders being 4,694.

Net Tangible Assets	Previous Month End	Current Month End
	28 February 2014 (cents)	31 March 2014 (cents)
NTA of investments before any tax effect	**125.3**	**124.3**
Tax associated with realised positions	-1.9	-2.2
NTA before tax on unrealised gains *	123.4	122.1
Tax associated with unrealised positions	-6.3	-6.8
NTA after tax on unrealised gains **	**117.1**	**115.3**
Month-end closing share price	107.5	102.5

Asset Composition	Previous Month End		Current Month End	
	28 February 2014		31 March 2014	
Investment Type	**$m**	**%**	**$m**	**%**
Resources	39.18	19.9	36.76	18.8
Industrials (incl. CTN's investment manager)	142.45	72.7	152.81	78.0
Equity index futures	5.40	2.8	4.58	2.3
Total equity market exposure	**187.03**	**95.4**	**194.15**	**99.1**
Net portfolio liquidity	8.99	4.6	1.75	0.9
Total Investment Portfolio	**$196.02**	**100%**	**$195.90**	**100%**
Shares on Issue	**156.460m**		**157.643m**	

20 largest listed stock holdings and their weights within the CTN Investment Portfolio

Code	Stock	Wgt	Code	Stock	Wgt %
SGH	Slater & Gordon Limited	3.6%	VRL	Village Roadshow Limited	2.4%
GEM	G8 Education Limited	3.2%	GBT	GBST Holdings Limited	2.3%
MYX	Mayne Pharma Group Limited	3.2%	SYR	Syrah Resources Limited	2.3%
TGS	Tiger Resources Limited	3.0%	INA	Ingenia Communities Group	2.2%
BTT	BT Investment Management Limited	2.7%	AUB	Austbrokers Holdings Limited	2.2%
CWP	Cedar Woods Properties Limited	2.6%	SFW	Sfg Australia Limited	2.0%
AHE	Automotive Holdings Group Limited	2.6%	ASB	Austal Limited	2.0%
VLW	Villa World Limited	2.5%	NHF	NIB Holdings Limited	2.0%
PRT	Prime Media Group Limited	2.5%	EPW	ERM Power Limited	1.9%
IPP	iProperty Group Limited	2.4%	MLD	MACA Limited	1.8%

The CTN Investment Portfolio held 67 securities at 31 March 2014. In addition to this CTN owns 100% of fund manager Contango Asset Management Limited representing 6% of CTN's Net Tangible Assets.

STRONG LONG TERM PERFORMANCE

CTN first listed on the ASX on 25 March 2004. The underlying investment portfolio has provided a compound return of 17.4% per annum[3] since inception in March 2004, substantially outperforming relevant indices and demonstrating the skill and experience of the investment managers.

At CTN we believe that listed funds are and will continue to play a very important role in Investor and SMSFs portfolios. The desirability of regular dividends for income planning, the transparency of the underlying portfolio, the franking credit advantage and the convenience and security of ASX listing are bringing more investors to listed funds.

DIVIDEND INFORMATION

On 24 February 2014 the company advised an INCREASE in the FY14 Interim Dividend from the proposed amount of 3.0 cents per share to 4.0 cents per share. Dividend information in March was:

- Shares traded ex-dividend on **Friday 07 March 2014** ("**Ex-date**").
- The dividend was **25% Franked** (1.0 cent per share)
- Those shareholders recorded in the register at the close of business on **Friday 14 March 2014** were entitled to receive the dividend ("**Record Date**").
- The payment of dividend and issue of shares under the Dividend Reinvestment Plan occurred on **Monday 31 March 2014**. ("**Payment Date**").
- The Price at which the company **Dividend Reinvestment Plan ("DRP")** issued new shares to shareholders was $1.003 per share.

CTN OFFERS A FIRM DIVIDEND POLICY[4]

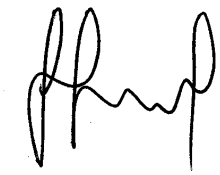
The Company's dividend policy is to pay annual dividends amounting to a minimum 6% pa of the company NTA prevailing at the commencement of the Financial Year. In line with the dividend policy CTN is able to provide an *indication* of future dividends.

Please note that these are not a formal declaration of dividend. Shareholders and investors should only rely on the Official Declaration of Dividend for confirmation as to dividend amount and relevant dates including what level of franking may be attached to any dividends declared.

At 2 April 2014 CTN provides investors with an *indication* of the next dividend proposed to be paid as per the company dividend policy:

***Indicative*[5] Dividend Information as at 2 April 2014**		**Amount**
FY14 Final	**October 2014: *Proposed*[#]**	**3.3 cents p/s**

Since declaring its first dividend in December 2004, CTN has declared a total of 75.0 cents per share (cps) in dividends to shareholders amounting to a total payout of over $82.3m.



Glenn Fowles - Director - CONTANGO MICROCAP LIMITED

* Unaudited, *before* provision for tax on unrealised gains.
** Unaudited, *after* provision for tax on unrealised gains.
# Based on Dividend Policy announcement of 16 April 2010 - 6% pa applied to the after tax NTA prevailing on 1 July 2013 being $1.052, representing a total minimum indicative amount of 6.3 cents per share to be attributed to the period.

NEW: CTN PHONE APP IS NOW AVAILABLE FOR FREE DOWNLOAD

CTN wants to keep you up-to-date with information you need as a shareholder or interested party. So we have developed a dedicated iPhone, iPad App and Android App for phones and tablets that you can download for free.

It uses push technology to notify you the moment an announcement, report or news item has been added to the CTN web site. You can quickly check updated share prices, market charts, news and research.

Our Investor Centre App is now available to download for free from the iTunes or the Google Play store.

Further Information			
Investment Manager	Contango Asset Management Ltd	**Inception Date**	25 March 2004
Shares on issue	156.5 million	**Portfolio Size**	$196 m
Stock Universe	Generally those $10m-$350m market cap. at time of acquisition	**Number of stocks held**	Targeting 60-100 stock holdings. 67 securities held at 31.03.2014
Companies we look to invest in	Those with a proven track record that are looking to expand Particularly those with potential to move from micro to smalls to large		
Companies we look to avoid	Pseudo-private Equity Biotech or early stage companies	Mining Companies at exploration stage	
Investments Held	A diversified portfolio of 60 to 100 Australian microcap companies listed on the ASX		

Notes

[1] Past performance is no indicator of future performance or returns. Gross return before the impact of fees and taxes. Refers to the performance of the underlying investment portfolio and Performance information is historical. Performance returns may vary. Investors in LICs need to understand the distinction between Portfolio Performance, NTA Performance and Share Price return.

[2] Total Return refers to the performance of the Share Price including Dividends Paid. Past performance is no indicator of future performance.

[3] 17.4%pa since inception is the performance of underlying investment portfolio. Past performance is no indicator of future performance or returns. Gross return before the impact of fees and taxes. Not to be confused with NTA or Share Price performance.

[4] Dividend Policy announcement of 16 April 2010 – Annual Dividends amounting to a minimum 6%pa of each year's July 1 NTA value.

[5] This is not to be read as either a Formal Declaration or announcement as to when Formal Declaration will be made. It is an Indicative Dividend only and you should only refer to the Official Declaration of Dividend in any decision making.

Disclaimer

This document and all comments within including documents referenced or linked are not to be construed as providing investment advice. Anyone reading this should seek advice from a licensed financial adviser before making any investment decision. Performance information is historical. Performance returns may vary. Past performance is not indicative of future performance. Investors in LICs should understand the distinction between Portfolio Performance, NTA Performance and Share Price return. Microcaps can be a volatile investment category and CTN may not be suitable for your investment requirements. This document does not contain a Declaration of Dividend for any future period.