



# Contango. Asset Management

Investor Presentation  
Marty Switzer | Managing Director and CEO

August 2020

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Performance information is historical. Performance returns may vary. Past performance is not indicative of future performance. Performance has been calculated based on cumulative daily returns excluding any allowance for fees, expenses and taxes.

WCM manages WCM Quality Global Growth Fund (WCMQ), WCM Quality Global Growth Fund (Managed Fund) and WCM International Small Cap Growth Fund (Managed Fund) according to the same investment principles, philosophy and execution of approach as those used for its WCM Quality Global Growth Composite ("QGG") and WCM International Small Cap Growth Composite ("SIG").

As WCMQ, WCM Quality Global Growth Fund (Managed Fund) and WCM International Small Cap Growth Fund (Managed Fund) have only been in operation for a relatively short period of time, this presentation makes reference to the WCM Quality Global Growth Composite ("QGG") and WCM International Small Cap Growth Composite ("SIG") on slides 8 and 9 to provide a better understanding of WCM has managed these strategies over a longer period. The Composites contains fully discretionary QGG equity and SIG equity accounts. The QGG Composite was created 31 March 2008 and the SIG Composite 31 December 2014.

However, it should be noted that due to certain factors including, but not limited to, differences in cash flows, fees, expenses, performance calculation methods, and portfolio sizes and composition, there may be variances between the investment returns demonstrated by each of the portfolios in the future.

For the same reason, although this presentation makes reference to the performance of WCM as the Investment Manager of the Composites, the data for the Composites is provided purely for indicative purposes to demonstrate how WCM has performed historically in its role as the investment manager to this specific strategy. The performance for the composites is not the performance of the Funds' and is not an indication of how WCMQ, WCM Quality Global Growth Fund (Managed Fund) and WCM International Small Cap Growth Fund (Managed Fund) would have performed in the past or will perform in the future. The material should not be viewed as a solicitation or offer of services by WCM. It is provided for information purposes only.

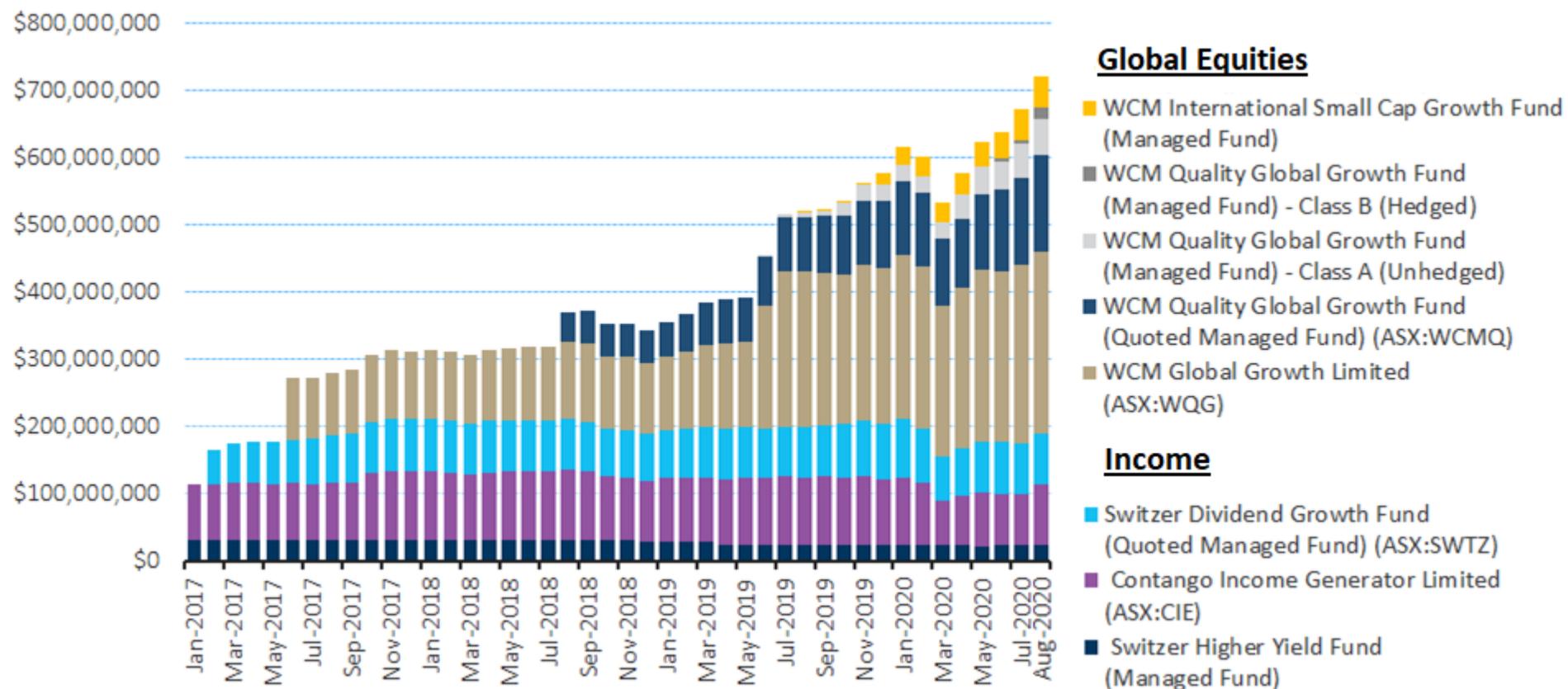
Any performance data quoted represents past performance of the respective strategy. Performance figures are also shown for the MSCI All Country World Index (gross) Return, ("MSCI AC World Index"). The MSCI All Country World Index (gross) is a trademark/service mark of Morgan Stanley Capital International. MSCI All Country World Index (gross) is designed to measure global developed and emerging equity market performance. The index is unmanaged, is market-value weighted and is shown for illustration only and cannot be purchased directly by investors.

# Key Highlights

July 19	Contango reaches half a billion in funds under management ( <b>FUM</b> ).
August 19	Launch of WCM International Small Cap Growth Fund (Managed Fund) ( <b>WCMS</b> ).
August 19	WCM Global Growth Limited ( <b>WQG</b> ) initiates dividend payments.
September 19	WCM Quality Global Growth Fund (Managed Fund) ( <b>WCMM</b> ) receives a 'Recommended' rating from research house Zenith.
October 19	WCMM awarded a \$20m mandate from Australia's fastest growing independent financial planning dealer group.
November 19	Completion of small shareholding top up/mop up resulting in a 48% reduction in total shareholder numbers and ongoing corporate costs.
December 19	WCM Quality Global Growth (Quoted Managed Fund) passes \$100m FUM in less than 18 months.
January 20	WCMS seeded by leading wealth managers and included on a number of wealth platforms.
April 20	Reduction to cost base in response to COVID-19 challenges.
May 20	Introduction of WQG dividend reinvestment plan ( <b>DRP</b> ).
June 20	Launch of hedged version of WCMM.
July 20	Announcement of WQG DRP participation incentive and commencement of partial franking of dividends.
August 20	WCMM receives platform approval for inclusion on BT Wrap and BT Panorama, complementing Netwealth, HUB24 and Macquarie Wrap.
August 20	Independent directors of Contango Income Generator ( <b>CIE</b> ) announce proposal to adopt new investment strategy managed by WCM Investment Management.

# Strong Growth in Retail FUM since 2017

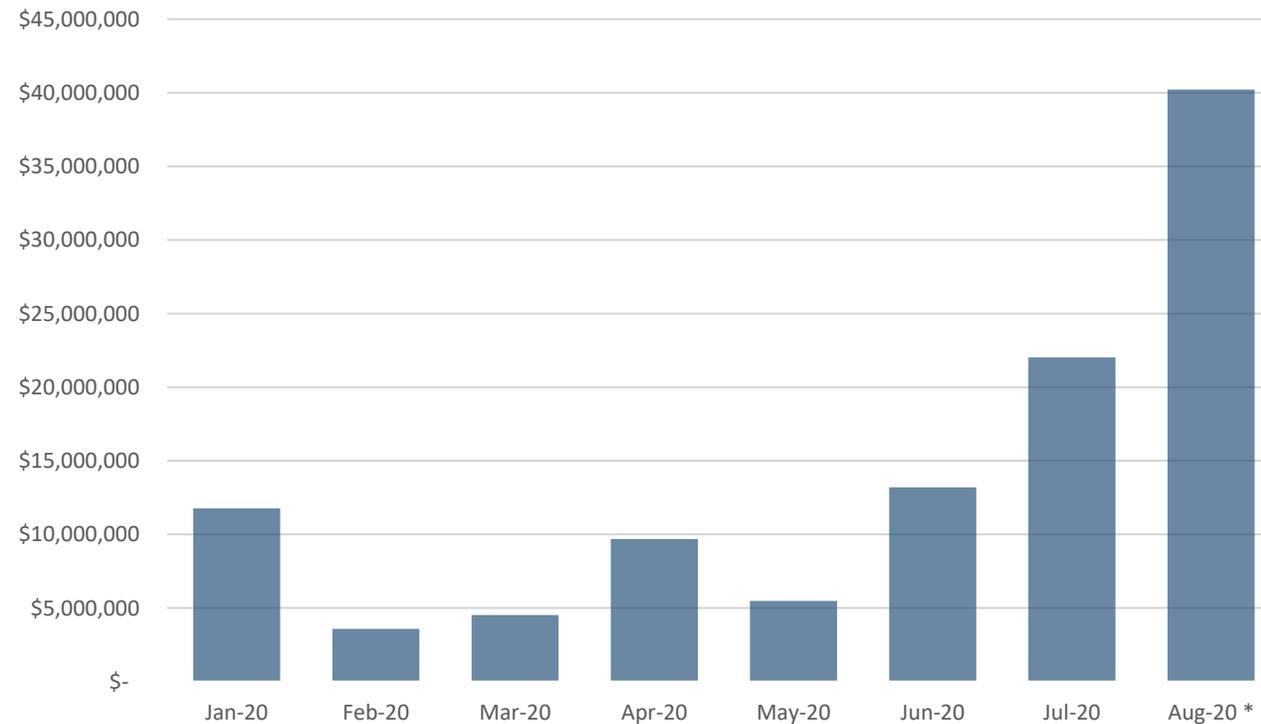
As at 21 August 2020, Contango's FUM totalled \$722 million



\*NB: Contango Microcap Limited management rights reassigned in October 2017

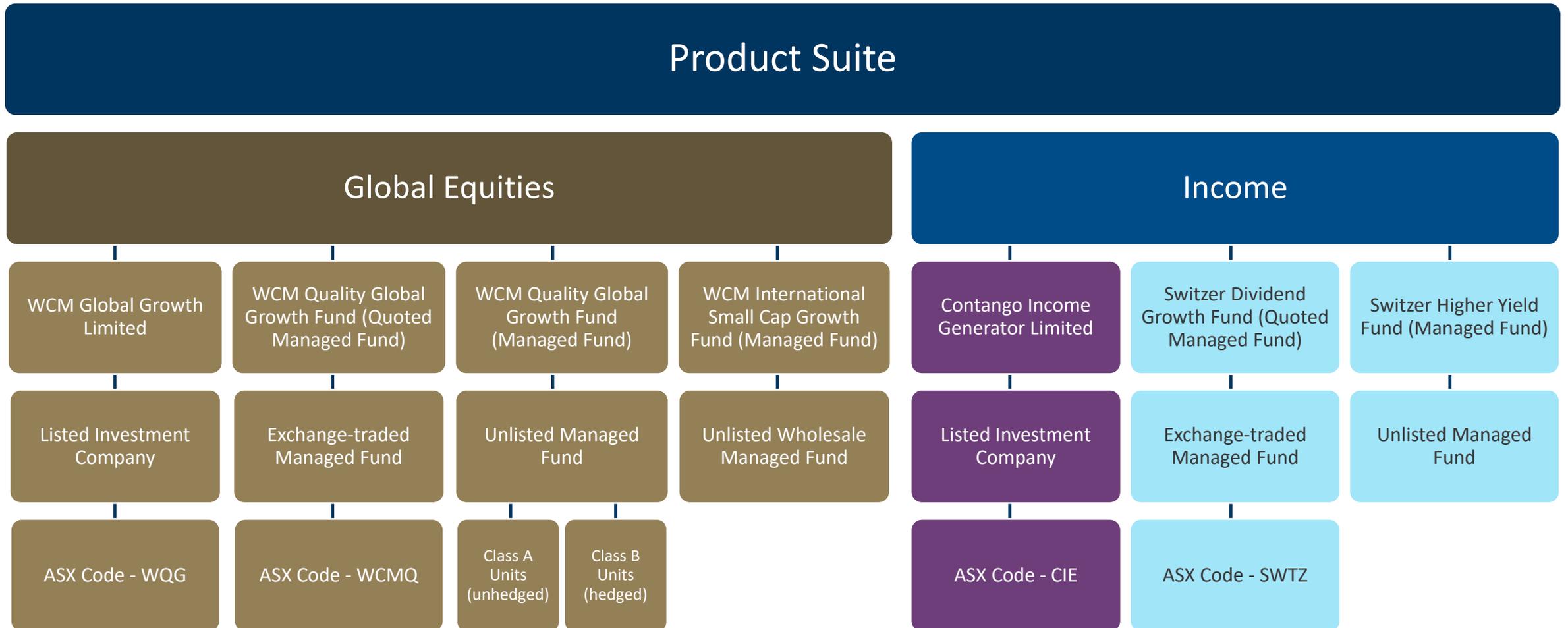
# Strong Growth in Retail FUM inflows

Positive net inflows were recorded in every month throughout FY2020, including during the COVID-19 market downturn. Inflows have recently accelerated.



*\* Data as at 25 August 2020. August 2020 include \$9.8 million inflow from CIE share placement*

# Contango Asset Management Product Suite



# Global Equities Update - WCM

Since partnering with Contango in June 2017, WCM now has \$531m in retail FUM in Australia

Product	FUM	Highlights
WCM Global Growth Limited	\$270m	<ul style="list-style-type: none"> <li>FUM growth of \$88m since 1 July 2019.</li> <li>Commencement of unfranked dividends in August 2019, with partial franking from September 2020.</li> <li>Introduction of DRP and attractive DRP incentive initiative.</li> <li>Solid progress in closing NTA discount through engagement strategy targeting the IFA and direct channels.</li> </ul>
WCM Quality Global Growth Fund (Quoted Managed Fund)	\$144m	<ul style="list-style-type: none"> <li>FUM growth of more than \$70 million since 1 July 2019.</li> <li>'Recommended' rating from research house Lonsec.</li> </ul>
WCM Quality Global Growth Fund (Managed Fund)	\$70m	<ul style="list-style-type: none"> <li>Launched in June 2019.</li> <li>'Recommended' rating from research house Zenith.</li> <li>Awarded a \$20 million mandate by Lifespan Financial Planning.</li> <li>Currency hedged class of units launched in June 2020.</li> </ul>
WCM International Small Cap Growth Fund (Managed Fund)	\$47m	<ul style="list-style-type: none"> <li>Launched in August 2019 as a wholesale vehicle targeted at leading wealth managers and HNW investors.</li> <li>Seed funding from leading wealth management firms.</li> </ul>
<b>Total FUM</b>	<b>\$531m</b>	

*\*Figures as at 21 August 2020*

# WCM Platform Availability Expanding

WCM's product suite has been approved for use the following platforms:

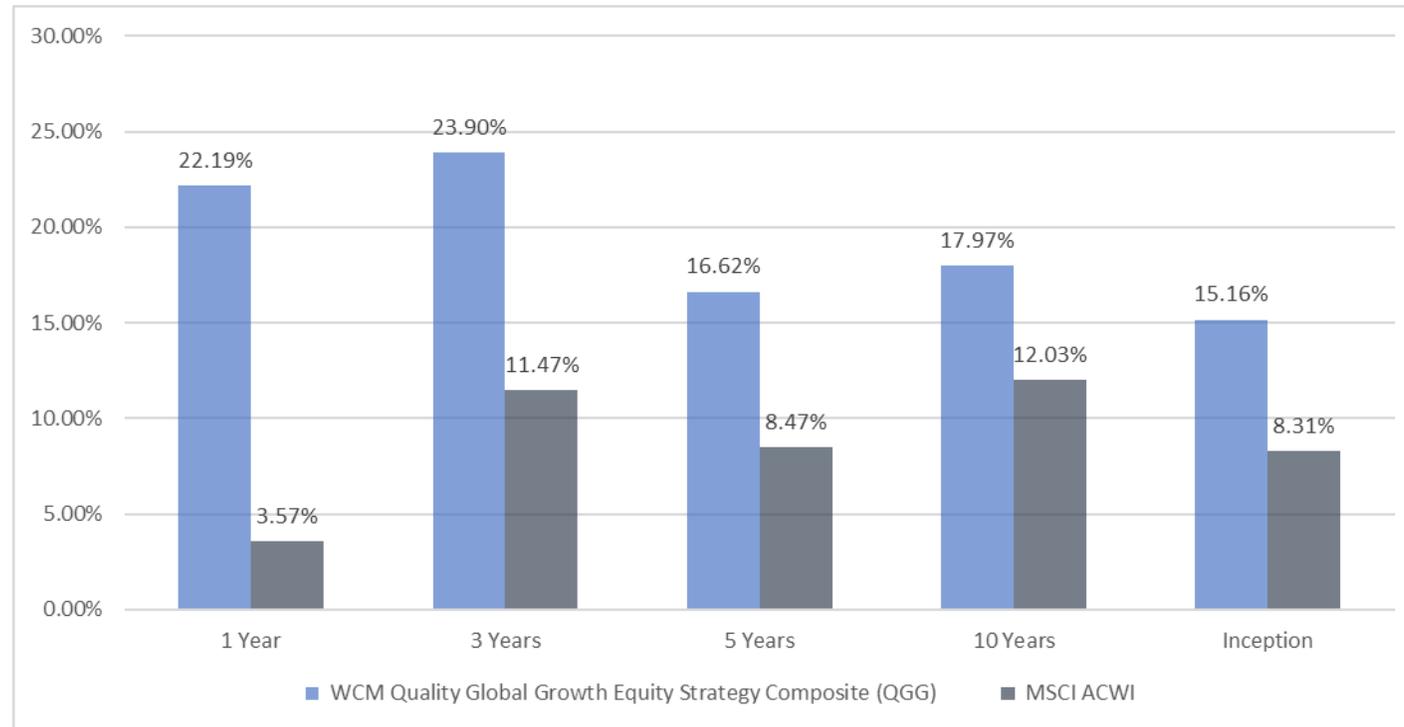
WCM Global Growth Limited	WCM Quality Global Growth Fund (Quoted Managed Fund)	WCM Quality Global Growth Fund (Managed Fund)	WCM International Small Cap Growth Fund (Managed Fund)
<ul style="list-style-type: none"> <li>• AMP North</li> <li>• BT Panorama</li> <li>• BT Wrap</li> <li>• Macquarie</li> <li>• Netwealth</li> </ul>	<ul style="list-style-type: none"> <li>• AMP North</li> <li>• BT Panorama</li> <li>• BT Wrap</li> <li>• HUB24</li> <li>• Macquarie</li> <li>• Netwealth</li> <li>• PowerWrap</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ausmaq</b></li> <li>• <b>BT Panorama</b></li> <li>• <b>BT Wrap</b></li> <li>• <b>Colonial First Wrap</b></li> <li>• <b>HUB24</b></li> <li>• <b>Investment Exchange</b></li> <li>• <b>Macquarie</b></li> <li>• <b>Netwealth</b></li> <li>• <b>Omniport</b></li> <li>• <b>PowerWrap</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Ausmaq</b></li> <li>• <b>Macquarie</b></li> <li>• <b>Managed Accounts</b></li> <li>• <b>PowerWrap</b></li> </ul>

Platforms added since 30 June 2019 are shown in **bold**.

The CGA distribution team continues to work with a number of other wrap platform providers.

# An Impressive Large-Cap Track Record

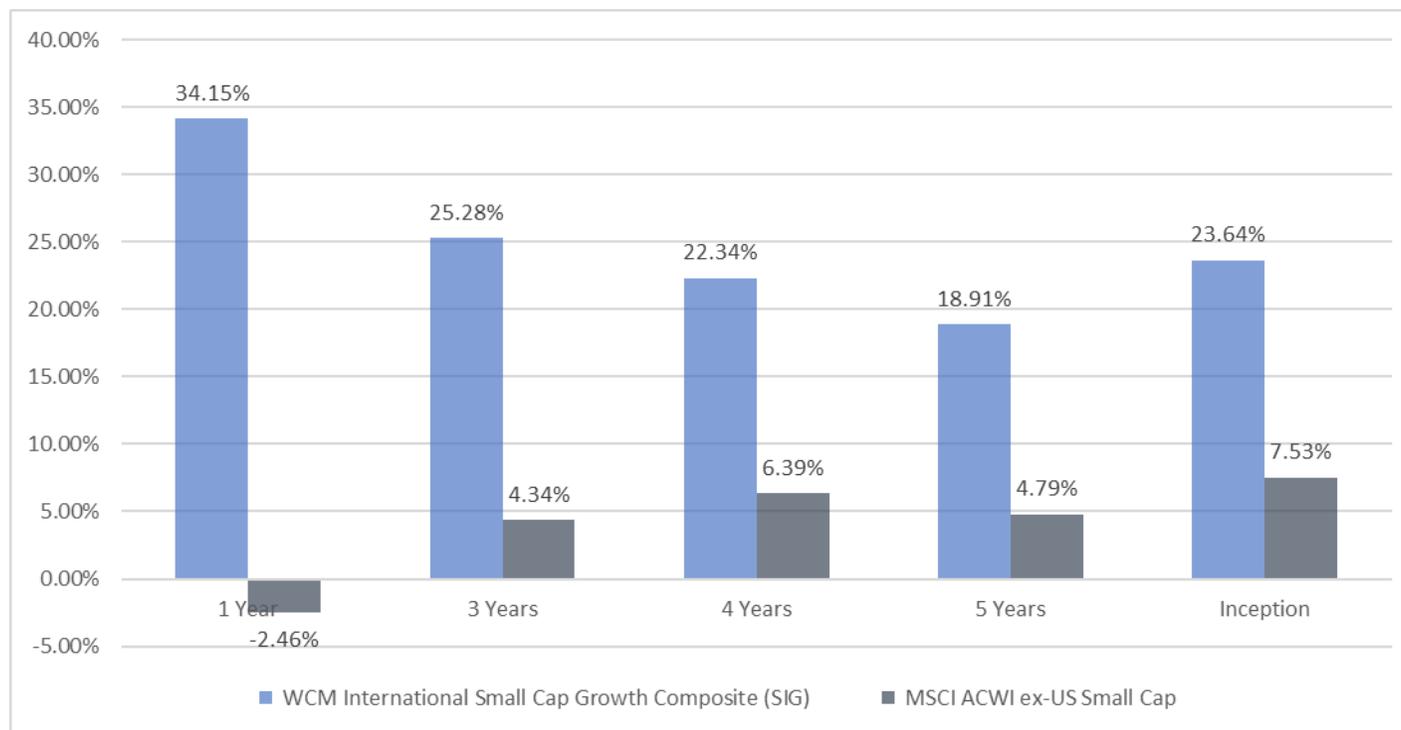
Annualised returns of WCM's Quality Global Growth strategy vs its benchmark.



Data as at 31 July 2020 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Inception date of the WCM Quality Global Growth Equity Strategy is 31 March 2008. WCM manages WQG, WCMQ and WCMC according to the same investment principles, philosophy and execution of approach as those used for the Composite, however it should be noted that due to certain factors including, but not limited to, differences in cash flows, fees, expenses, performance calculation methods, and portfolio sizes and composition, there may be variances between the investment returns demonstrated by each portfolio in the future. For comparison purposes, the composite is measured against the MCSI All-Country World Index (ACWI).

# An Impressive Small-Cap Track Record

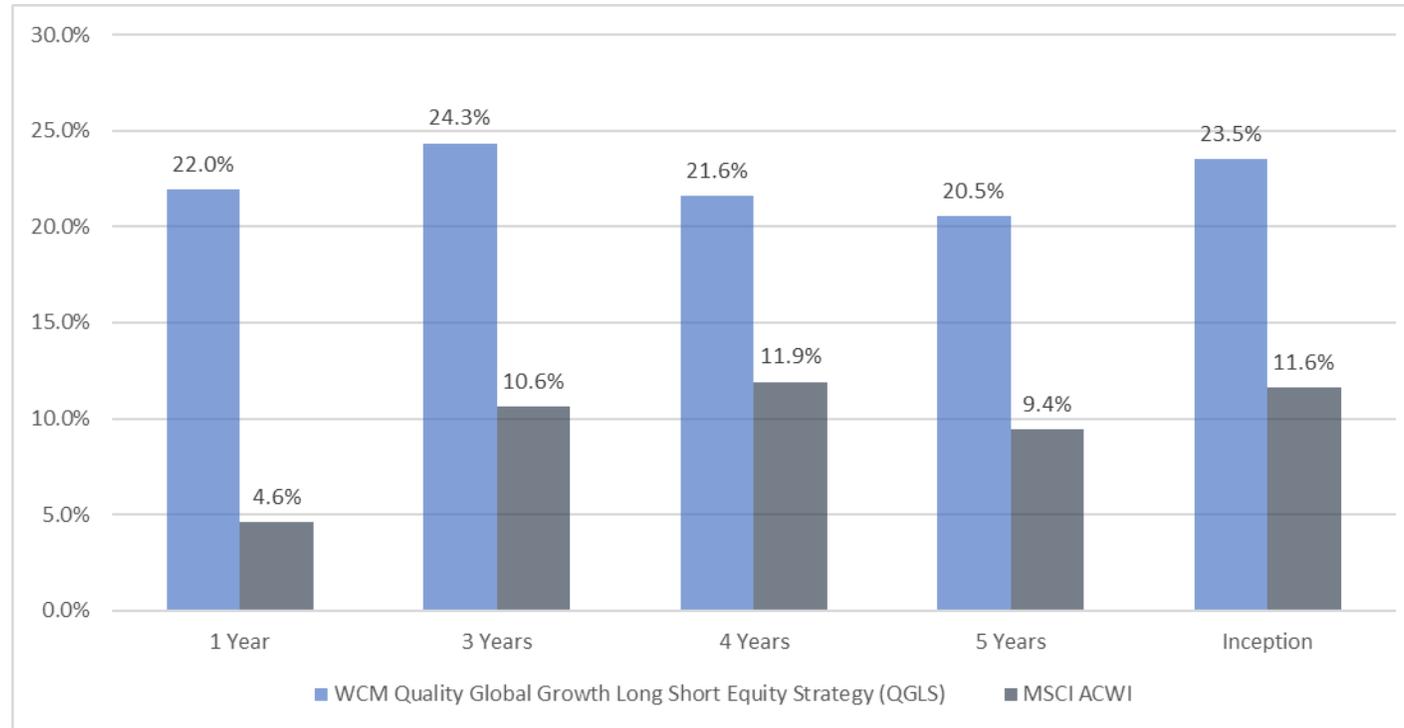
Annualised returns of WCM's International Small Cap Growth strategy vs its benchmark



Data as at 31 July 2020 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Inception date of the WCM International Small Cap Growth Equity Strategy Composite is 31 December 2014. WCM manages the WCM International Small Cap Growth Fund (Managed Fund) (the Fund) according to the same investment principles, philosophy and execution of approach as those used for the Composite, however it should be noted that due to certain factors including, but not limited to, differences in cash flows, fees, expenses, performance calculation methods, and portfolio sizes and composition, there may be variances between the investment returns demonstrated by the Fund and the Composite in the future. For comparison purposes, the Composite is measured against the MCSI All-Country World Index ex-US Small Cap.

# An Impressive Long Short Track Record

Annualised returns of WCM's Quality Global Growth Long Short Equity strategy vs its benchmark



Data as at 30 June 2020 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Inception date of the WCM Quality Global Growth Long Short Equity Strategy Composite is 30 June 2014. For comparison purposes, the composite is measured against the MSCI All-Country World Index (ACWI).

# Australian Equities Update - CIE and SWTZ

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## Contango Income Generator (ASX:CIE)

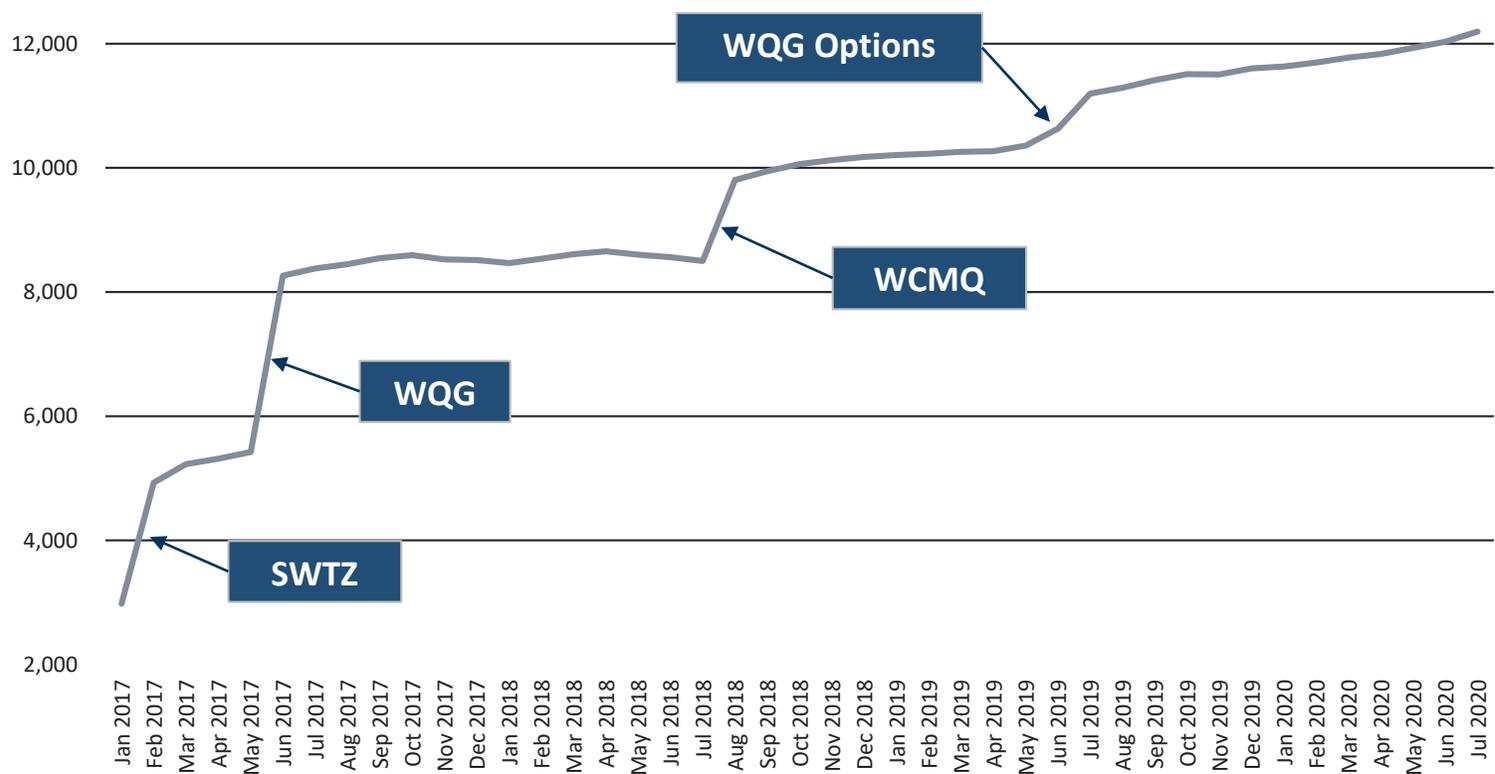
- CIE is a listed investment company that focuses on higher yielding ASX listed securities outside the ASX top 20.
- In August 2020, the independent directors of CIE announced a proposal to adopt a new investment strategy, the WCM Quality Global Growth Long Short Strategy, to be managed by WCM Investment Management.
- Successful completion of \$9.8 million share placement and announcement of a share purchase plan offer to all shareholders.
- Shareholder meeting to approve change of investment strategy on 18 September 2020.

## Switzer Dividend Growth Fund (ASX:SWTZ)

- The Switzer Dividend Growth Fund (SWTZ) is an income-focused exchange traded managed fund with a mix of yield and quality companies targeted at the direct market.
- SWTZ declared a net dividend yield of 3.58% and a gross yield including franking of 4.87% in the 12 months to 30 June 2020.
- FUM has grown by approximately \$10.2 million since 31 March 2020.
- As at 21 August 2020, SWTZ had FUM of \$77.5 million.

# Growth in Retail Investor Base

As at 31 July 2020, Contango had 12,194 unitholders and shareholders across its product suite



Product	Shareholders / Unitholders
Switzer Dividend Growth Fund (Quoted Managed Fund) (ASX:SWTZ)	2,803
Contango Income Generator Limited (ASX:CIE)	2,493
WCM Global Growth Limited (ASX:WQG)	3,177
WCM Quality Global Growth (Quoted Managed Fund) (ASX:WCMQ)	3,335
Other	386
<b>Total</b>	<b>12,194</b>

# Strong Financial Position with Improving Performance

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## Cash

- Contango's cash balance at 30 June 2020 was \$3.94 million.
- Contango currently has a receivable of \$3.32 million in total (net of GST) from NAOS Asset Management Limited for the assignment of an investment mandate.
- This receivable is payable in annual installments of \$1.66 million (net of GST) in June 2021 and 2022.
- Contango has cash and receivables of approximately \$8.25 million at 30 June 2020 and non-current debt of \$1.25 million.

## Financial Performance

- First meaningful performance fee received in June 2020 relating to the WCM Quality Global Growth and International Small Cap Growth portfolios totalling \$0.17 million.
- Increasing annualised revenue in line with strong growth in FUM.
- Full year revenue benefit in FY2021 from continuing retail FUM growth in 2HY2020 and into FY2021.
- Strict cost control continues to be a key focus for management.
- Operating cost base has reduced materially in FY2020 and is now on a sustainable footing.
- Continued investment in distribution capability and new products to drive further increases in FUM.

# Strategic Priorities FY2021



# Contact Details

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