

Quarterly activity report – for the quarter ended 30 September 2022

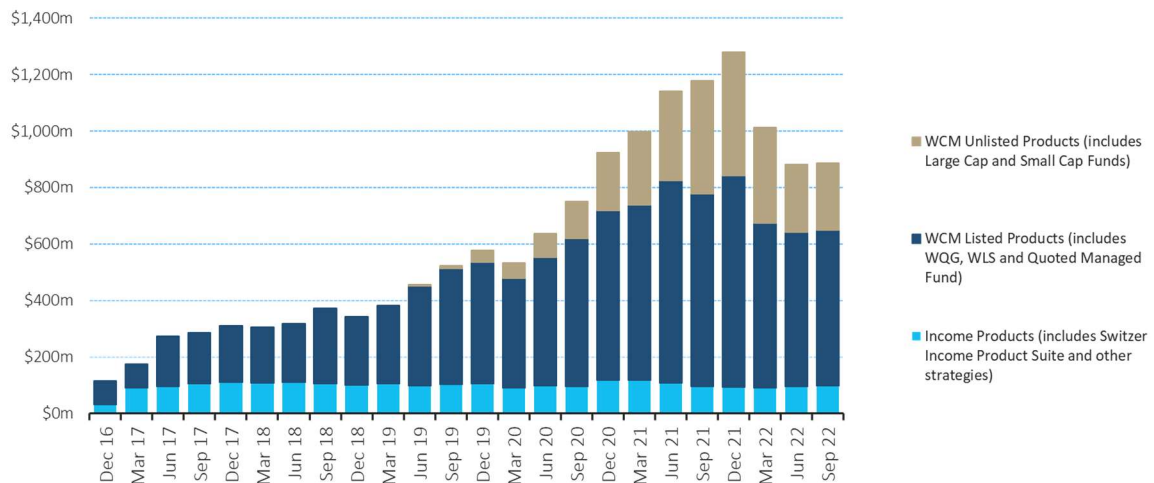
FUM Update

Contango Asset Management Limited (ASX:CGA) (**Contango** or the **Company**) is pleased to announce that its total Funds Under Management (**FUM**) was \$886 million as at 30 September 2022. As at 27 October 2022, total FUM was \$920 million¹.

Following a brief respite in July 2022, the significant market declines in the following two months meant the September 2022 quarter was the third consecutive negative quarter² of the calendar year for global equity markets. High inflation and central banks' commitment to fighting it through higher interest rates remain the primary short-term headwind for both equity and bond markets.

Nonetheless, FUM remained steady from the June 2022 quarter, with continued contributions from the WCM Large Cap strategy and Woodbridge Private Credit Fund offsetting volatility in global equity and bond markets.

The chart below illustrates the quarterly movement in FUM since 31 December 2016:¹



*NB: Excludes Contango Microcap management rights reassigned in October 2017.
Excludes FUM associated with the Vantage distribution initiative.*

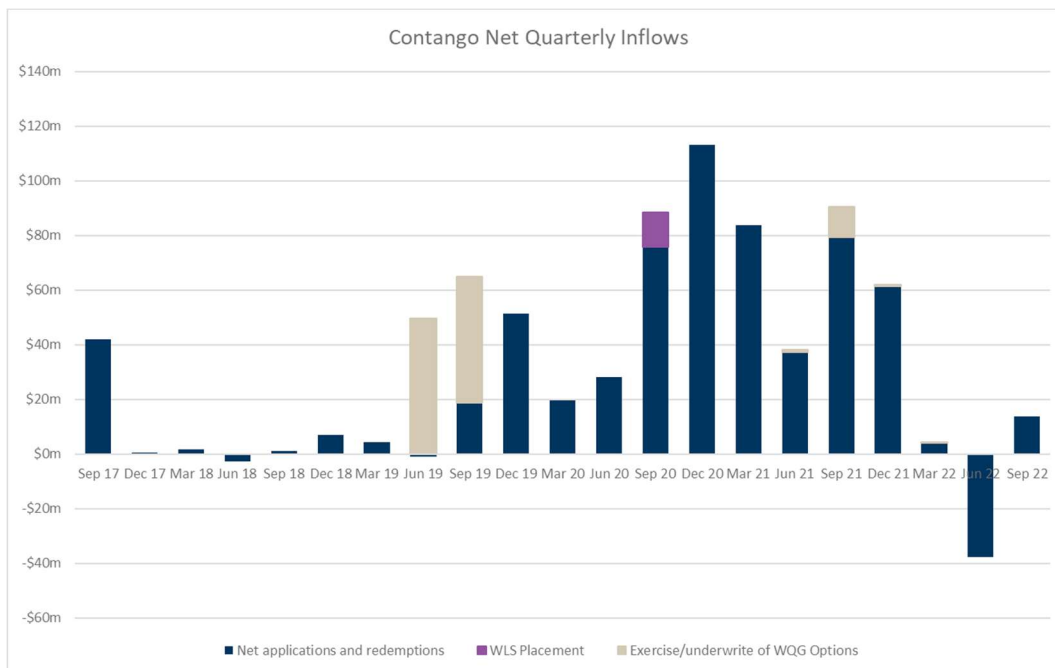
The total net inflows for the September 2022 quarter were \$13.72 million. After experiencing net outflows in the June 2022 quarter for the first time since June 2018, it was pleasing to see the return to net inflows for the September 2022 quarter, especially given current market conditions. This continues to highlight the strength and importance of our relationships with financial advisers and investors in the market.

In the September 2022 quarter, there was also \$22 million paid in cash distributions and dividends to Contango's fund and listed investment company investors (net of distribution and dividend reinvestment).

¹ All FUM and flow information is approximate, rounded, and has not been audited. FUM information is provided by CGA's appointed custodian NAB Asset Servicing.

² MSCI All Country World Index – 30 July to 30 September 2022

The chart illustrates the quarterly net inflows and outflows since June 2018.



NB: Excludes WCM Global Long Short Limited selective buy-back in July 2021. Excludes payments and reinvestment of dividends and distributions. Source: Link Market Services and Link Funds Solutions.

WCM Strategies

WCM Investment Management (**WCM**) is a global and international equities specialist with total FUM of over A\$66 billion³. Contango has an exclusive retail distribution arrangement to distribute WCM’s strategies in Australia.

The September 2022 quarter started strongly in July, with the release of weaker economic data providing hope that inflation may be close to peaking. However, the optimism to start the new financial year gave way to increased market volatility in August with global central banks reaffirming their commitment to fighting inflation with future interest rate increases. During this challenging period, the WCM investment team continued to search for new additions to the portfolio that meet its criteria of an expanding moat with aligned corporate culture.

Looking forward, WCM remains confident that over the long term, being disciplined and choosing the highest-quality companies that have expanding competitive advantages supported by well-aligned cultures is the best strategy to generate excess returns.

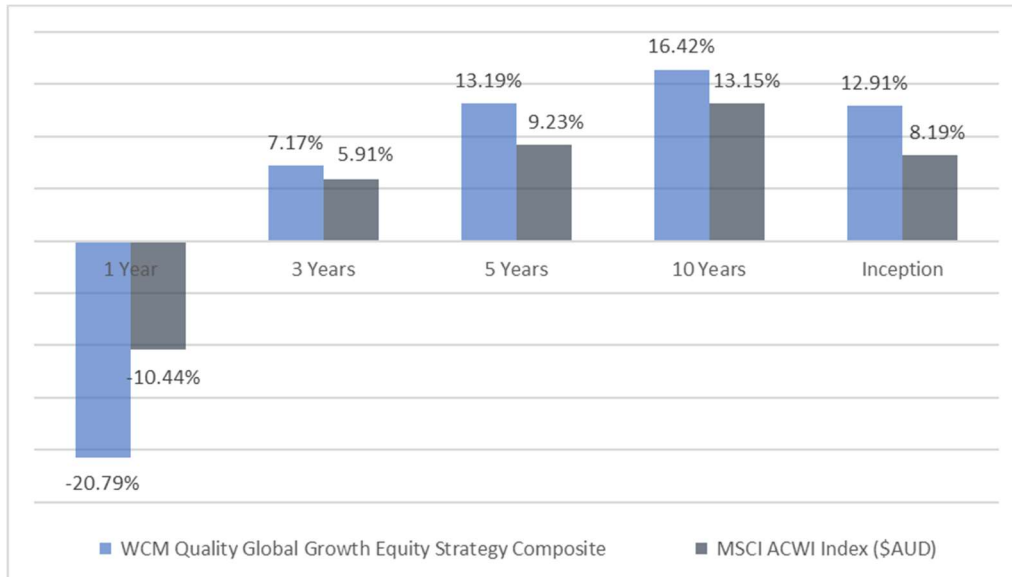
In terms of the September 2022 quarter: WCM’s large cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of 3.73%, relative to its benchmark which delivered -0.22%; the WCM International Small Cap Growth Strategy Composite delivered a return of -4.06%, compared with its benchmark of -1.87%; and the WCM Quality Global Growth Long Short Strategy Composite delivered 0.91%, compared with its benchmark of -0.22%.

While short-term performance continues to be impacted by global market instability, especially in the Small Cap and Long-Short Strategies, it was pleasing to see the outperformance of the Large Cap strategy relative to the Benchmark. The performances for all three strategies have remained well above benchmarks for all periods of three years and more, highlighting the positive, long-term performance of each strategy.

³ As at 30 September 2022 in AUD.

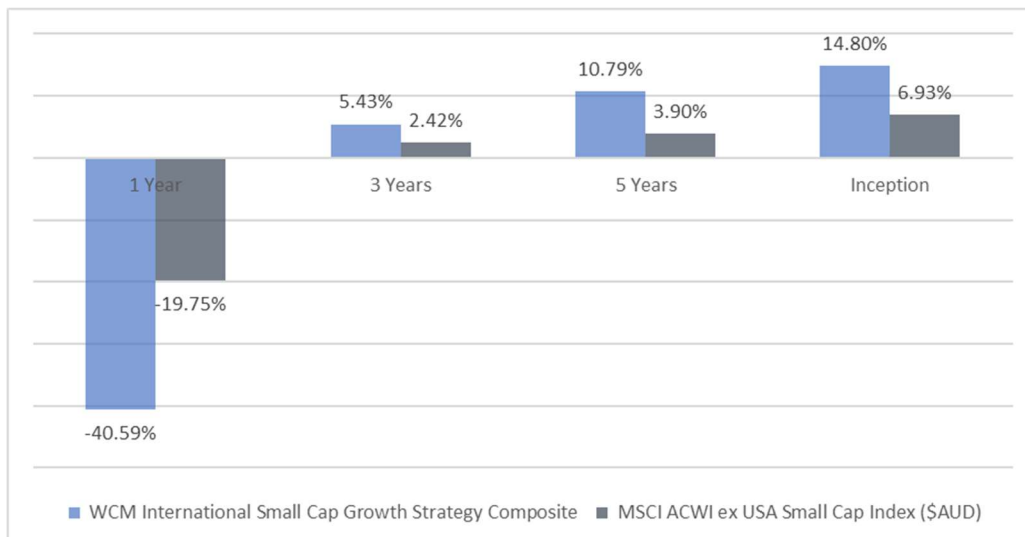
Large Cap Track Record

Returns of the WCM Quality Global Growth Equity Strategy Composite versus its benchmark are shown below. All figures below are returns on a per annum basis:⁴



Small Cap Track Record

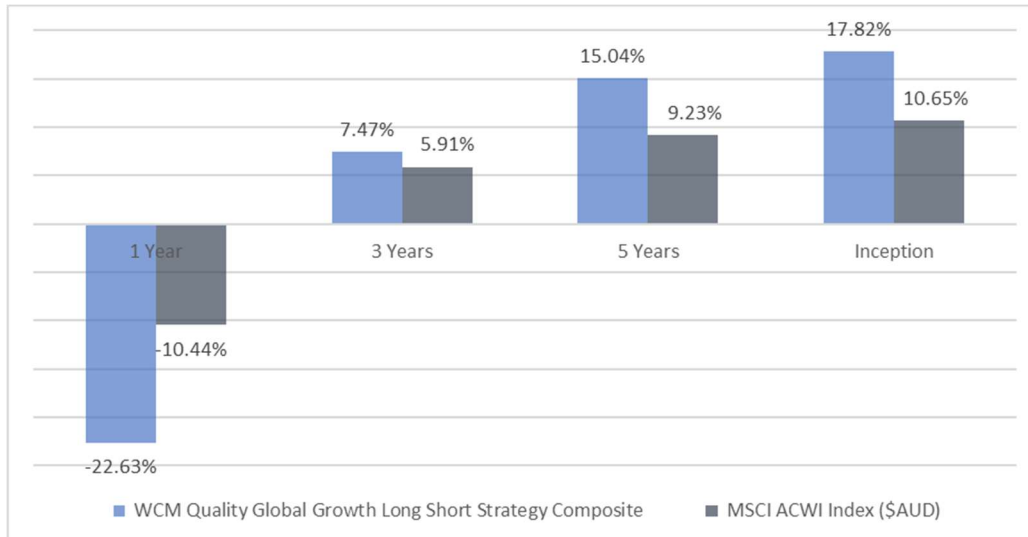
Returns of the WCM International Small Cap Growth Strategy Composite versus its benchmark are shown below. All figures below are returns on a per annum basis:⁴



⁴ Source: WCM. Data as at 30 September 2022 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM Quality Global Growth Equity Strategy Composite is 31 March 2008. Inception date of the WCM International Small Cap Growth Strategy Composite is 31 December 2014. The WCM International Small Cap Growth Strategy is accessible to Australian wholesale investors through the WCM International Small Cap Growth Fund (Managed Fund) which is an unlisted managed fund. WCM is the investment advisor for WCM Global Growth Limited (WQG) and the investment manager for WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ) and WCM Quality Global Growth Fund (Managed Fund) (WCMF). WCM applies the same investment principles, philosophy, and execution approach of its WCM Quality Global Growth Equity Strategy (QGG), ex-Australia, to WQG, WCMQ and WCMF.

Long Short Track Record

Returns of the WCM Quality Global Growth Long Short Equity Strategy versus its benchmark are shown below. All figures below are returns on a per annum basis:⁵



Woodbridge Capital

On 26 April 2022, the Woodbridge Private Credit Fund (the **Fund**) was launched to the market with the purpose of providing investors with exposure to a portfolio of secured, first mortgage real estate loans across commercial real estate, build to rent and agriculture - with an environmental, social and governance (or ESG) integrated investment process and philosophy.

The interest in the Fund has been strong with both financial advisers and direct investors, capitalising on the significant investor interest in private credit strategies emerging in the market. In the last quarter, the Fund has been a positive contributor to total FUM for the Company. There is also a healthy pipeline for future growth.

In the last quarter, the Fund has been added to several wealth management platforms including Netwealth, Mason Stevens, HUB24, Powerwrap and most recently, Macquarie Wrap.

Since inception, the Fund delivered returns of 2.77%. The Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period⁶.

⁵ Source: WCM. Data as at 30 September 2022 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Returns for periods of more than one year are annualised. Past performance is not indicative of future results. Inception date of the WCM Quality Global Long Short Equity Strategy Composite is 30 June 2014. The WCM Quality Global Long Short Equity Strategy is accessible to Australian investors through WCM Global Long Short Limited (ASX:WLS) which is a listed investment company.

⁶ Source: Woodbridge Capital as at 30 September 2022. Fund performance is in AUD and calculated based on net asset value per unit after management fees and expenses and assumes that all distributions are reinvested in the Fund. Inception date is 31 May 2022.

Switzer Product Suite

Switzer Dividend Growth Fund (Quoted Managed Fund) (ASX:SWTZ)

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited and the Fund has achieved a return of 1.19%, compared with the ASX 200 Accumulation Index benchmark return of -0.93%⁷.

Over the quarter to 30 September 2022, the Fund delivered a return of -0.87%, compared with the benchmark return of 0.39%.

Switzer Higher Yield Fund (Managed Fund) (CXA:SHYF)

The Switzer Higher Yield Fund (Managed Fund) has been managed by Coolabah Capital Institutional Investments since December 2020. Over the quarter to 30 September 2022, the fund returned 0.86%, compared with the RBA Overnight Cash Rate which delivered 0.46% and its benchmark which delivered 0.83%.

Annual General Meeting and Intention to Change Company Name

The Company's Annual General Meeting (**AGM**) will be held on 9 November 2022.

The Company is seeking shareholder approval at the AGM to change its name from Contango Asset Management Limited to Associate Global Partners Limited (proposed ASX code: **APL**). Contango completed its transition from a financial product manufacturer to a financial product distributor in April 2021, a process which started in late 2017.

The Company has successfully pursued several strategic priorities in that time, including:

- partnering with WCM to grow the Company's FUM to over \$787 million (as of 30 September 2022);
- outsourcing investment management to managers such as Coolabah Capital Investments and Blackmore Capital;
- investing in its distribution capability to grow the Company's existing products in the advised and self-directed markets; and
- partnering with new managers and launching products that capture investor interest.

The Company recently changed the name of its Responsible Entity (**RE**) in anticipation of this change of Company name. The Board of the Company believes that operating under a single identity which aligns both the Company and the RE will provide clarity for the Company's clients and investors, enabling the business to focus on its core objective of promoting its investment managers and positioning the Company for future growth.

The word "Associate" means partnership and the Company's mission is to partner with investment managers and clients for the long term.

Financial Update

The significant pull back in global equities markets in the first half of the calendar year has had a flow on effect resulting in reduced management fee revenue on lower asset values. Continued positive net inflows in the current quarter have helped reduce this impact on the Company, with net revenue broadly in line with expectations. A strong positive cash position at the beginning of the quarter and an improving interest rate environment have allowed the Company to generate additional revenue from cash and cash equivalent investments.

Cash balances across the Company as at 30 September 2022 totalled \$5.842 million and debt was \$1.25 million.

Operational cash flows continue to be closely managed with a key focus of the business being the distribution and growth in FUM from the products of our key investment manager partners. During the quarter, Contango

⁷ From the period 21 April 2021 to 30 September 2022.

continued to invest in the establishment and support of the Woodbridge Private Credit Fund and other new product development projects. The Company expects positive contributions to revenue from these initiatives in the current financial year.

Payments in the September 2022 quarter for operations, staff, administration, and corporate costs were broadly in line with the previous quarter. This is despite the inclusion of several larger annual outlays in the first quarter of the financial year, for example, costs associated with the financial year-end reporting, auditing, and accounting and some semi-annual costs, including ASX listing fees and software licences.

Consequently, net operating cash outflow for the quarter is reported at \$0.752 million, including a one-off payment to the Australian Taxation Office of \$0.166 million being GST on the final instalment of the deferred payments for an earlier assignment of an investment mandate to NAOS Asset Management. This final instalment of \$1.66 million was received in June 2022.

Contango's strong cash position provides it with the ability to continue to execute its growth strategy successfully, invest in new business resources and capabilities and restore FUM growth in the period ahead.

Yours faithfully,



Marty Switzer
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Contango Asset Management Limited
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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Contango Asset Management Limited and Controlled Entities

ABN

Quarter ended ("current quarter")

56 080 277 998

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,025	2,025
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(539)	(539)
(c) advertising and marketing	(4)	(4)
(d) leased assets	-	-
(e) staff costs	(912)	(912)
(f) administration and corporate costs	(920)	(920)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – advances re new funds	(255)	(255)
Other – GST paid on NAOS receivable	(166)	(166)
1.9 Net cash from / (used in) operating activities	(752)	(752)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – GST on Item 2.2 (l) above	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	6,594	6,594
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(752)	(752)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,842	5,842

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,342	6,594
5.2	Call deposits	3,500	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,842	6,594

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 - paid to Directors in accordance with remuneration arrangements	194
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,252	1,252
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,252	1,252
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The Company has an unsecured loan facility of \$750,000 with an unrelated private family trust. The loan is for 3 years expiring on 6 December 2022, with an interest rate of 8% per annum and does not have loan covenant requirements. The Company has an additional unsecured loan facility of \$502,000 with an unrelated private family trust. The loan is for 10 years expiring on 28 August 2028 with an interest rate of 8% per annum and does not have loan covenant requirements.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(752)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,842
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,842
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.8
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022



Authorised by:

Marty Switzer (CEO and Managing Director)