



INVESTOR PRESENTATION

Business transition creates exciting opportunity for growth

March 2018

contango

ASSET
MANAGEMENT
LIMITED

This document has been prepared by Contango Asset Management Limited (ABN 56 080 277 998) (CGA) and comprises written materials/slides for a presentation concerning CGA. This is not a prospectus, disclosure document or offering document.

CGA its officers, employees, agents and related bodies corporate (the CGA Group) believe that the information in this document is correct at the time of compilation but do not warrant the accuracy of that information.

This document is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by CGA that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, each of CGA, its related companies and their respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, CGA disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of CGA since the date of this presentation.

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.

Contango Funds Management Limited (ABN 52 085 487 421) holds an Australian Financial Services Licence (AFSL #237119) restricting it to providing financial products and services to wholesale clients only. Contango Funds Management Limited is a wholly owned subsidiary of Contango Asset Management Limited.

Background

- In October 2017, Contango Asset Management (**CGA**) made a strategic decision to transition itself from an institutionally focused fund manager to a specialist listed investment house targeting the self-directed and independent financial adviser (IFA) channels of the retail market
- The rationale for the new strategy is to focus on:
 - the parts of the business that are growing; namely its ASX traded investments (CIE, CQG and SWTZ) and
 - the parts of the industry that are growing; namely the self-directed and IFA channels of the retail market
- The company has now reset its business model to enhance profitability and increase FUM, including the acquisition of Switzer Asset Management

01

Business Reset

- Recent strategic initiatives
- Revised business model

02

Strategy Update

- Strategic vision FY2019 - FY2021
- Growth in retail business to date
- Acquisition of Switzer Asset Management
- Business priorities FY2019 - FY2021

03

New Product Initiatives

- ETMFs
- Fixed interest
- Global

04

Develop Distribution Capability

- Distribution strategy

Recent strategic initiatives



Cost-aligned

We have substantially reset CGA's cost base to align it with the current level of FUM and future growth strategy



Investment strategies

We have consolidated the range of in-house investment strategies to **those considered most relevant and less crowded competitively**



New Product Initiatives

We will be known as an **investment specialist in ASX traded funds**



Retail

We have prioritised our distribution efforts on CGA's area of competitive advantage – **the self-directed and IFA channels of the retail market**



Partnerships

We are partnering with **best of breed global brands** who appeal to our chosen channels of the retail market

Revised business model

CGA has streamlined its operating structure and is implementing a revised business model to drive growth and future profitability

This includes:

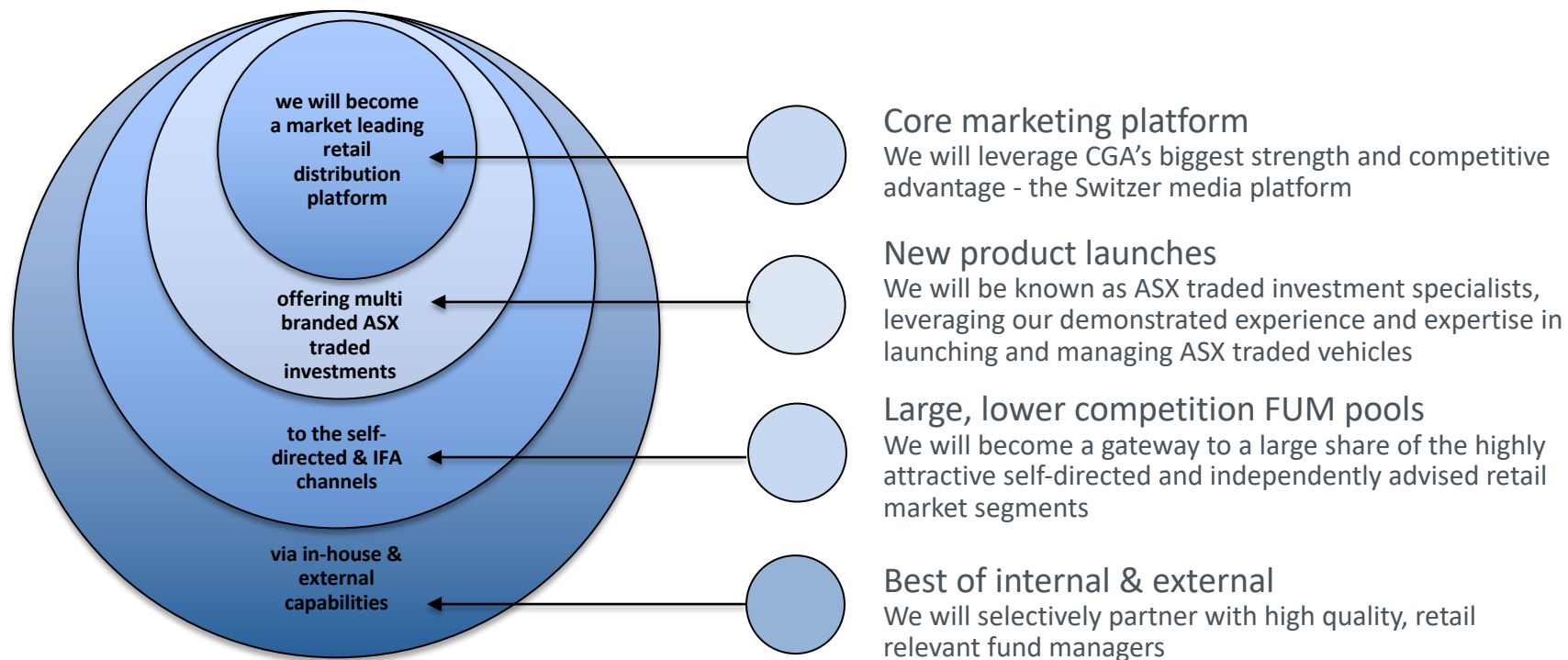
- relocation of operations to Sydney
- revised cost structure and service provider arrangements
- review of future fee structures to leverage profit growth and reward outperformance



CGA will shift its focus from a **product manufacturer**...

...to a **marketing and distribution platform** offering high quality fund managers access to the self-directed and IFA channels of the \$2 trillion superannuation industry

Strategic vision FY2019 – FY2021



Growth in retail business to date

In the last 12 months CGA has **generated almost \$194m in retail FUM** via:

- Switzer Dividend Growth Fund (SWTZ)
- Contango Income Generator Limited (CIE)
- Contango Global Growth Limited (CQG)

Switzer Dividend Growth Fund

- SWTZ launched in February 2017 and has grown FUM to approximately \$78 million and has in excess of 2,600 unitholders
- **FUM has largely been generated via the unadvised (self-directed) retail channel.** This achievement is significant for the following reasons:
 - SWTZ had no dedicated retail business development personnel
 - no research house endorsements were obtained
 - the fund was based on a new investment strategy for the manager, CGA

SWTZ UNITHOLDERS AND FUM (\$m)



Growth in retail business to date

Contango Income Generator

- CIE is a listed investment company that focuses on high yielding ASX listed securities that are outside the ASX top 30
- CIE has continued to grow steadily over the last 12 months with FUM growth of over \$16m, primarily through CGA supported initiatives

Contango Global Growth

- CQG is a global equities investment company that listed on the ASX in June 2017. CQG is managed by WCM Investment Management, a top quartile performing US based global equities manager
- WCM manages more than AUD \$32bn and its investment strategy is to have a high conviction, actively managed, long only portfolio of global equities with a specific focus on corporate culture as opposed to top down macro analysis
- Through CQG, CGA raised \$100m largely from the IFA and self-directed retail channels
- CGA's strong performances of asset raising **support the new direction for the business and also demonstrate the significant 'brand alpha' associated with the Switzer name**

CIE SHAREHOLDERS AND NET ASSETS (\$m)



Switzer Asset Management acquisition

- CGA has announced that it has entered into an agreement to acquire the remaining 53.75% interest in Switzer Asset Management (SAM) for an all-scrip consideration representing 15% of CGA's total issued capital
- The acquisition will more closely align the distribution, marketing, investment expertise, portfolio management and operational experience of both CGA and Switzer Financial Group (SFG)
- Significant advantages to CGA from the acquisition include:
 - attractive valuation metrics
 - acquisition of a retail licence
 - use of respected Switzer name
 - access to extensive retail and IFA network
 - access to media platform of direct investors
 - pipeline of new funds
- CGA is well capitalised (>\$10m in cash and receivables) to be able to accelerate SAM's retail growth strategy



Left to right: Peter Switzer, Paul Rickard & Charlie Aitken

Switzer Asset Management acquisition

- The Switzer brand entered asset management in February 2017 and by February 2018 had FUM of \$110m
- FUM has been primarily generated via self-directed investors through the SWTZ which had raised \$78m by February 2018
- The success of SWTZ in terms of assets raised compares favourably with the net funds flow performance of peer Australian equity products over the same time period
- As part of the SAM transaction, Peter Switzer has agreed to remain as Chairman of SAM's Investment Committee and Paul Rickard will also remain as a committee member
- Marty Switzer has been appointed as Chief Executive Officer of CGA

As part of this acquisition CGA will continue to leverage a network of over 300,000 investors to drive FUM via a unique multi-media platform comprising:

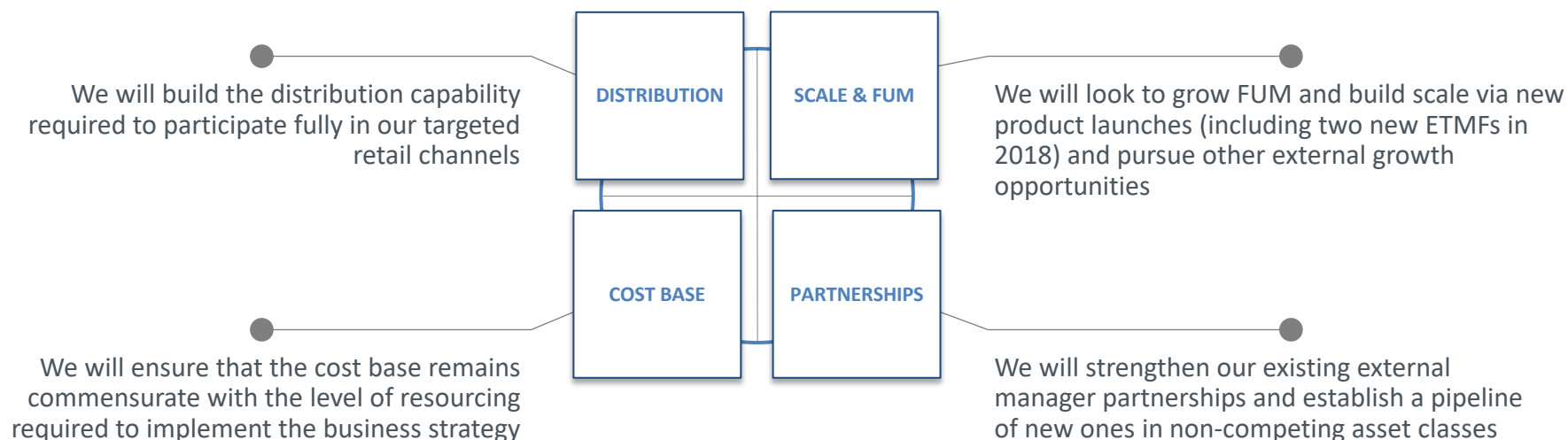
- online
- television
- radio
- social

MARKETING ACTIVITIES WILL COMPRISE:

- advertising
- electronic direct mail (EDM)
- content integration
- webinars
- E books
- events



Business priorities FY2019 - FY2021



CGA has >\$10m in cash and receivables in order to deliver on its business plan

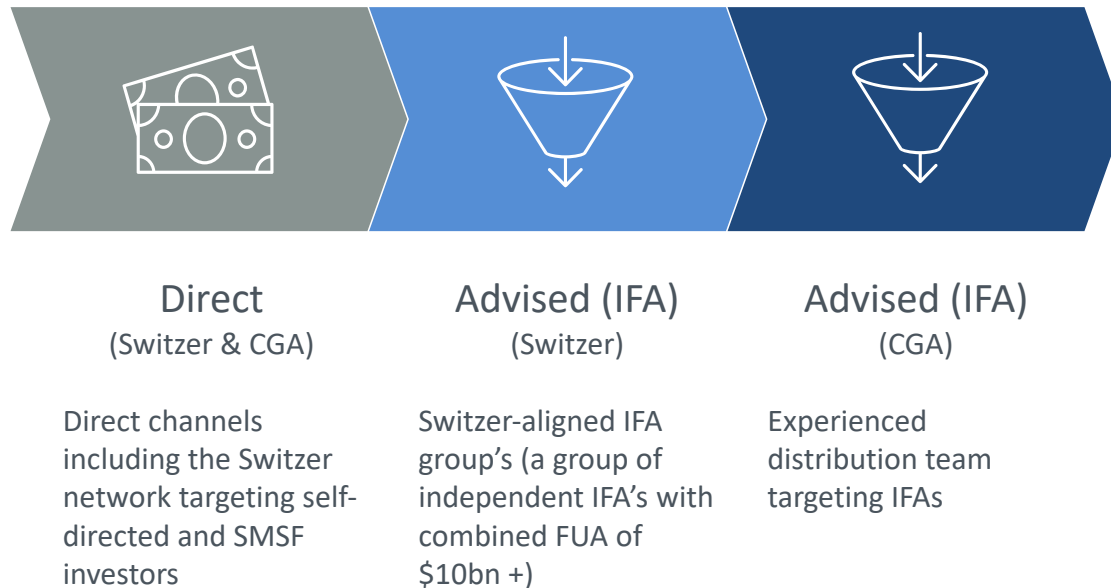
Exchange traded managed funds (ETMFs)

- CGA intends on **launching a minimum of 2 new actively managed ETMFs in 2018** in addition to enhancing significantly the distribution efforts behind the 3 existing ASX traded vehicles: CIE, CQG and SWTZ
- The proposed new product initiatives are summarised in the table below
- These products will:
 - operate with revised cost structures, enabling CGA to leverage profitability from future FUM growth
 - include revised fee structures that will reward outperformance
 - be open-ended so inflows can continue in perpetuity via the distribution capability

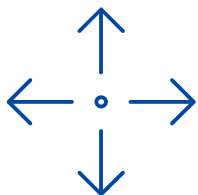
| ETMF | Strategy | Underlying investment manager / brand |
|---------------------|---|---------------------------------------|
| Fixed interest ETMF | Corporate bonds, hybrids & mortgage backed securities (MBS) | Switzer / Contango |
| Global ETMF | Global equities | WCM |

Distribution strategy

- CGA is actively recruiting a high-quality IFA focused distribution team, which it has lacked to date.
- In 2018 and beyond, distribution will come via:

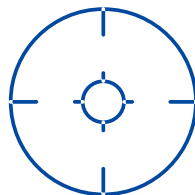


Business transition creates exciting opportunity for growth



SCALE AND PROFITABILITY

Revised operating structure and business model to build scale and profitability



STRATEGIC FOCUS

CGA's marketing and distribution platform will offer high quality fund managers access to the self-directed and IFA channels of the \$2 trillion superannuation industry



GROWTH OPPORTUNITY

Transition well underway with **exciting period of growth ahead**

CONTACT DETAILS

For personal use only

CONTACT DETAILS

Marty Switzer
Chief Executive Officer

Contango Asset Management
Level 6
10 Spring Street
Sydney NSW 2000
Australia

Ph: 0407 297 702