

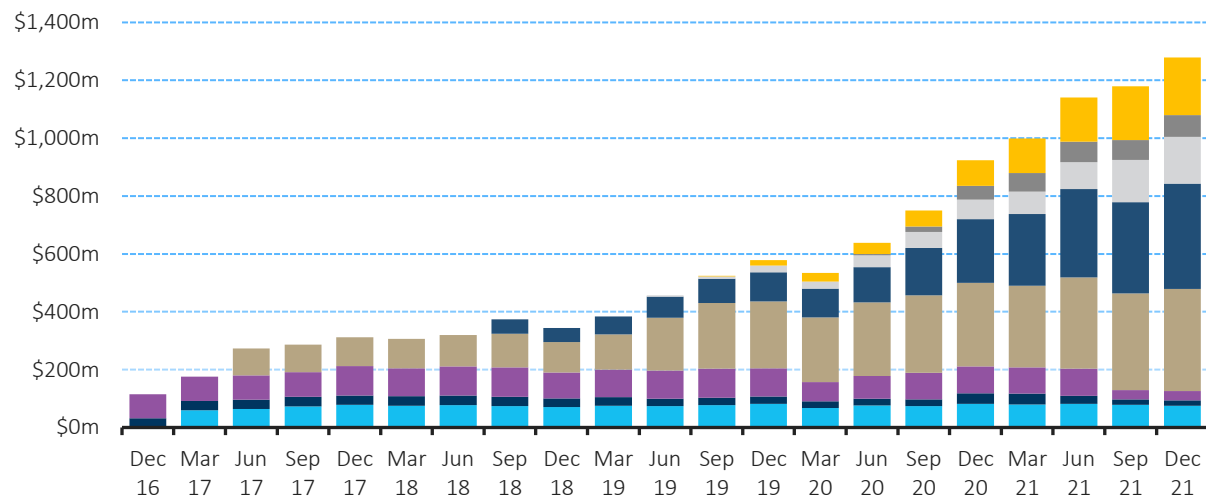
Monday, 31 January 2022

## Quarterly activity report – for the quarter ended 31 December 2021

### FUM Update

Contango Asset Management Limited (ASX:CGA) (**Contango** or the **Company**) is pleased to announce that its total Funds Under Management (**FUM**) was \$1.28 billion as at 31 December 2021<sup>1</sup>.

A combination of strong net inflows and positive investment performance led to an overall uplift in FUM of \$99 million over the quarter ended 31 December 2021. The chart below illustrates the growth in FUM from 31 December 2016 to 31 December 2021:<sup>1</sup>



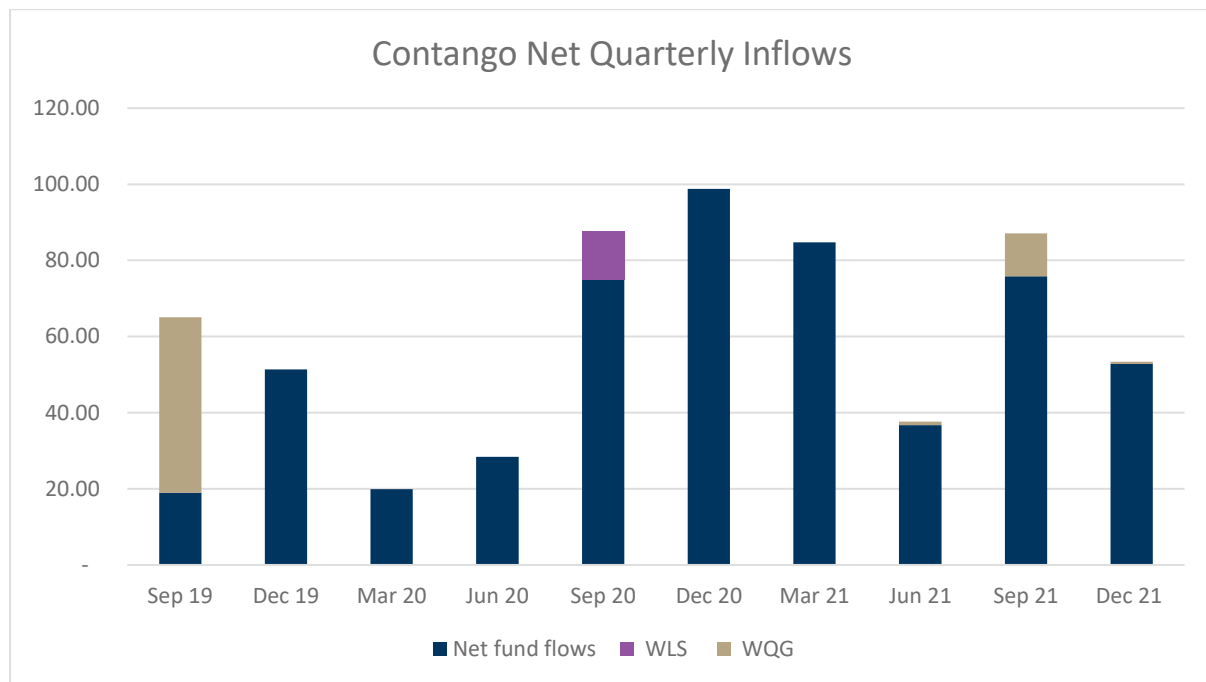
NB: Excludes Contango Microcap management rights reassigned in October 2017.  
Excludes FUM associated with the Vantage distribution initiative.



Since 31 December 2021, FUM has reduced to \$1.14 billion as at 28 January 2022. This is largely attributable to the sharp pullback in global equities in early 2022. Despite the challenging market environment, it has been very pleasing to see inflows continue, with net inflows of \$8.6 million between 31 December 2021 and 28 January 2022.

<sup>1</sup> 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.

The chart below illustrates the continued strength of Contango's quarterly net FUM inflows.



*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 Perform Well Over the December 2021 Quarter

The WCM Investment Management (**WCM**) large cap, small cap and long short strategies returned between 22.7% and 24.0% in calendar year 2021.

WCM's large cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of 5.9% over the quarter to 31 December 2021. The WCM International Small Cap Growth Strategy Composite delivered a return of -1.5% over the same period, and the WCM Quality Global Growth Long Short Strategy Composite delivered a return of 1.5%.

WCM is a top quartile global and international equities specialist with total FUM of over A\$138 billion<sup>2</sup>.

Based in Laguna Beach, California, WCM's investment process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'. This investment process has resulted in the WCM Quality Global Growth Equity Strategy Composite outperforming the MSCI All Country World Index by 6.1% per annum over more than a decade.<sup>3</sup>

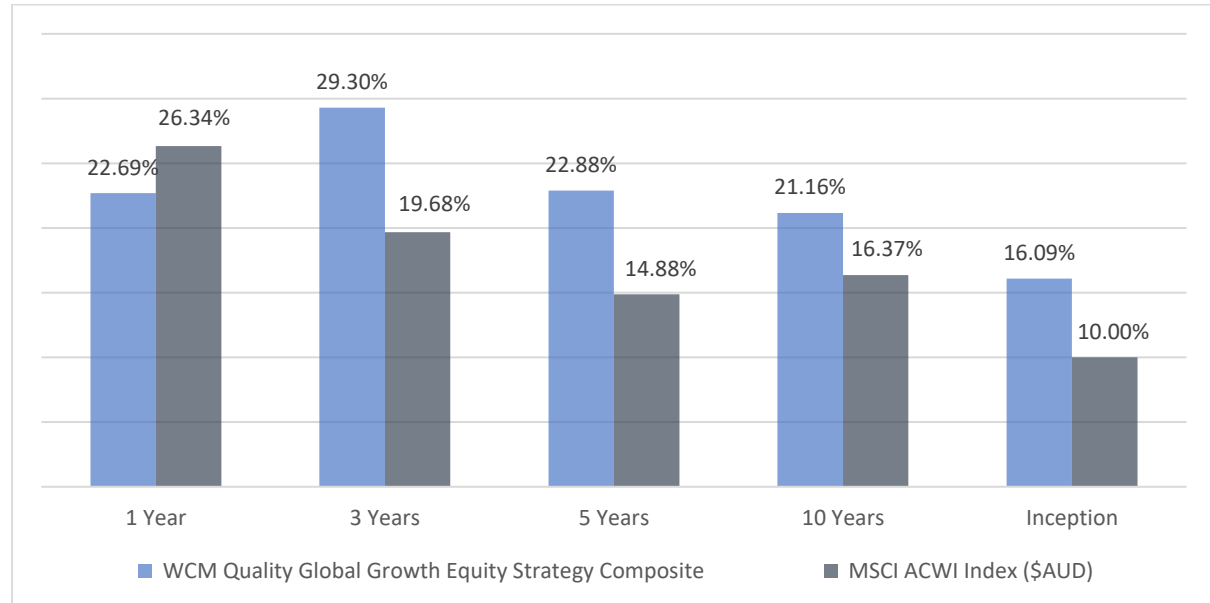
Contango has an exclusive retail distribution arrangement to distribute WCM's strategies in Australia.

<sup>2</sup> As at 31 December 2021 in AUD.

<sup>3</sup> Source: WCM. Data as at 31 December 2021 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. The WCM Quality Global Growth Equity Strategy (ex-Australia) is accessible to Australian retail investors via a choice of three investment products: a listed investment company, an exchange-traded managed fund and an unlisted managed fund which offers both unhedged and hedged units.

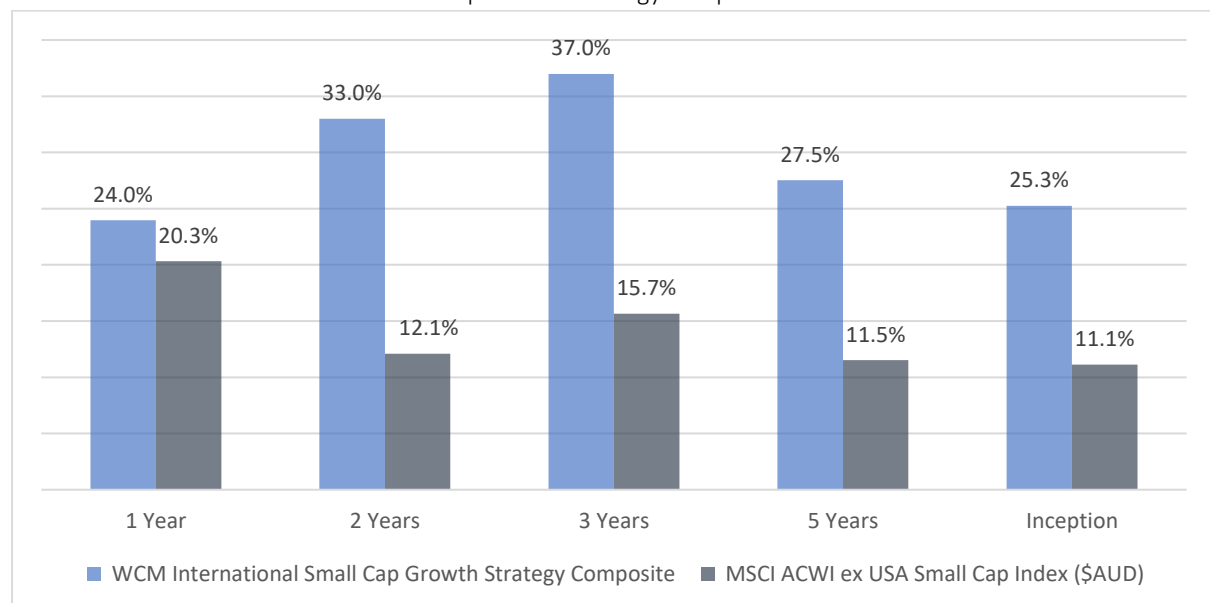
## Large Cap Track Record

Returns of the WCM Quality Global Growth Equity Strategy Composite versus its benchmark are shown below:<sup>3</sup>



## Small Cap Track Record

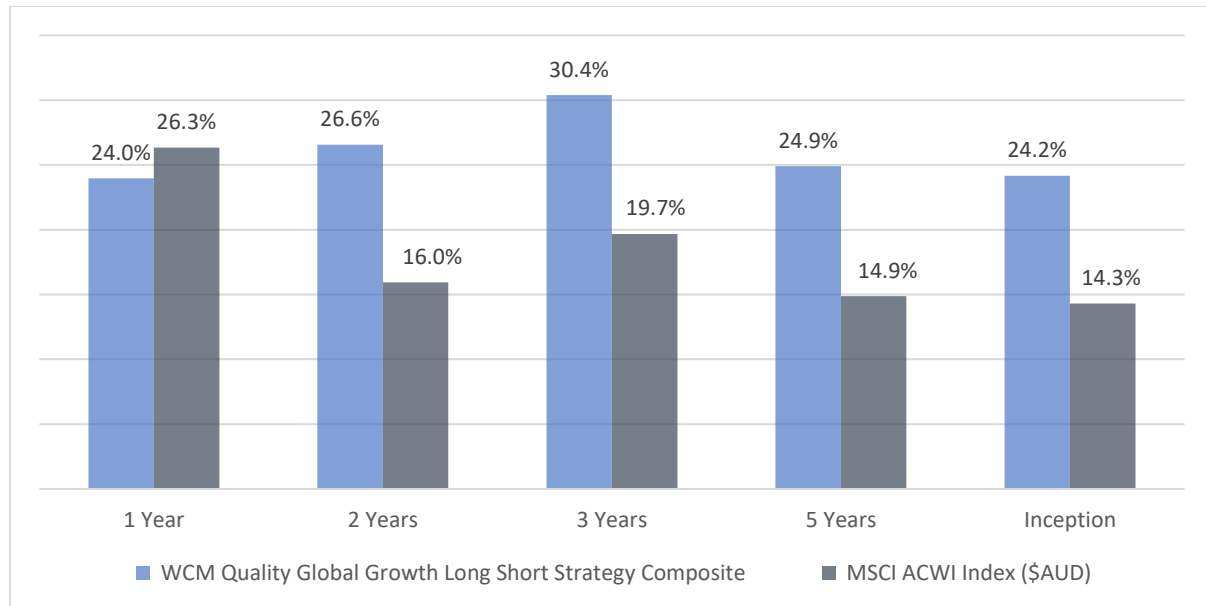
Returns of the WCM International Small Cap Growth Strategy Composite versus its benchmark are shown below:<sup>4</sup>



<sup>4</sup> Source: WCM. Data as at 31 December 2021 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 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.

## Long Short Track Record

Returns of the WCM Quality Global Growth Long Short Equity Strategy versus its benchmark are shown below:<sup>5</sup>



## WCM International Small Cap Growth Fund (Managed Fund)

A particular area of focus for Contango during the December 2021 quarter was to grow WCM International Small Cap Growth Fund (Managed Fund) (**WCMS**). WCMS experienced strong net inflows during the quarter and investors have been rewarded with exceptional investment performance since the inception of the fund.

## WCM Global Long Short Limited (ASX:WLS)

At an Extraordinary General Meeting of Contango Income Generator Limited (**CIE**) held on 14 July 2021, CIE shareholders approved a resolution to undertake a selective buy-back of shares and approved a change of name to WCM Global Long Short Limited (**WLS**).

Cognisant of WLS's persistent share price discount to net tangible assets (**NTA**), Contango is working with the Board of WLS to implement a proposed restructure of WLS that would enable investors to access the WCM Quality Global Growth Long Short Equity Strategy at values much closer to the underlying NTA of the portfolio. The proposed restructure was announced to the ASX on 24 January 2022. Contango believes that this initiative will enhance WLS shareholder value and provide the opportunity to grow WLS in the longer term.

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

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited and has returned 8.7% compared with the 8.8% return for the benchmark ASX 200 Accumulation Index.

On 24 January 2022, SWTZ announced that future distributions will be paid to investors monthly rather than quarterly. Contango believes that this change enhances the features of the fund and better suits the needs of its investors.

<sup>5</sup> Source: WCM. Data as at 31 December 2021 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 Sort Limited (ASX:WLS) which is a listed investment company.

### 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 the fund returned 0.5%, outperforming its benchmark by 0.1%.

### Successful Private Equity Campaign

Contango recently engaged with Vantage Asset Management (**Vantage**) to promote the Vantage Private Equity Growth Fund 5 (**VPEG5**) for a limited period through the Company's direct wholesale investor platform.

Vantage is a leading provider of innovative and well-structured private equity investment opportunities for sophisticated investors. VPEG5 is a 'fund of funds' and was established to provide access to some of the top-performing later expansion and buyout private equity funds in Australia.

This distribution initiative resulted in additional revenues to the Company of approximately \$160,000 to be received in Q3, with further revenues expected in future periods.

### Partnership with Alternative Asset Class Manager

In December 2021, Contango advised that it has partnered with a new Australian domiciled boutique investment manager to be established in the alternative asset class.

The Board believes that the partnership will provide the Company with an opportunity to leverage its investor platform to grow FUM through accessing a private market strategy with significant investor appeal.

The partnership involves launching a wholesale managed fund and distributing the manager's alternative asset class strategies to wholesale and institutional clients.

### Financial Update – Contango Group

Contango is pleased to report positive net operating cash flow of \$0.29m for the quarter ended 31 December 2021. This was assisted by a continued increase in fee income on the Company's higher FUM base (considering the WLS selective buy-back) as well as continued control of operating costs.

The December 2021 quarter did not see a repeat of the one-off and annual outflows of the September quarter. These included payments associated with financial year-end reporting, restructuring and recruitment costs as well as a number of semi-annual costs including ASX Listing fees and software licences. As a result, administration and corporate costs were almost \$0.7m less than in the September 2021 quarter.

Contango still has a final receivable relating to the assignment of an investment mandate to NAOS Asset Management Limited in 2017. An amount of \$1.7 million remains payable to the Company in relation to this transaction and is due in June 2022.

The Company's cash balance was \$5.14 million as at 31 December 2021. The Company's cash and the above receivable totalled \$6.84 million, and it had debt of \$1.25 million as at 31 December 2021.

Contango's strong financial position provides it with the capacity to continue to execute its growth strategy successfully, reinvest in business resources and capability and achieve further FUM growth in the period ahead.

## Payments to Related Parties of the Entity and Their Associates

The Company has an existing marketing and distribution agreement with Switzer Financial Group Pty Ltd and paid \$55,000 for this service during the period. In addition, the Company made total payments of \$220,750 for Directors' fees and the Managing Director's salary.

Yours faithfully,



Marty Switzer  
CEO and Managing Director  
Contango Asset Management Limited  
M: **0407 297 702**  
E: [marty.switzer@contango.com.au](mailto:marty.switzer@contango.com.au)

## 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

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,340	4,547
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(593)	(1,274)
(c) advertising and marketing	(21)	7
(d) leased assets	-	-
(e) staff costs	(836)	(1,715)
(f) administration and corporate costs	(600)	(1,892)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other - GST paid on receipts from fund assignment agreement	-	(166)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>290</b>	<b>(492)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) Investments	-	-
(e) intellectual property	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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 (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	-

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	104
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	-	<b>104</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,846	5,525
4.2	Net cash from / (used in) operating activities (item 1.9 above)	290	(492)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	104
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>5,136</b>	<b>5,136</b>

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	5,136	4,846
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,136</b>	<b>4,846</b>

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	221
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	1,252	1,252
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,252	1,252
7.5	<b>Unused financing facilities available at quarter end</b>	-	
7.6	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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(250)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,136
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,136
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	20
<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:		
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:		
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:		
<i>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.</i>		

## 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: 31 January 2022



Athorised by:

Marty Switzer (CEO and Managing Director)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.