

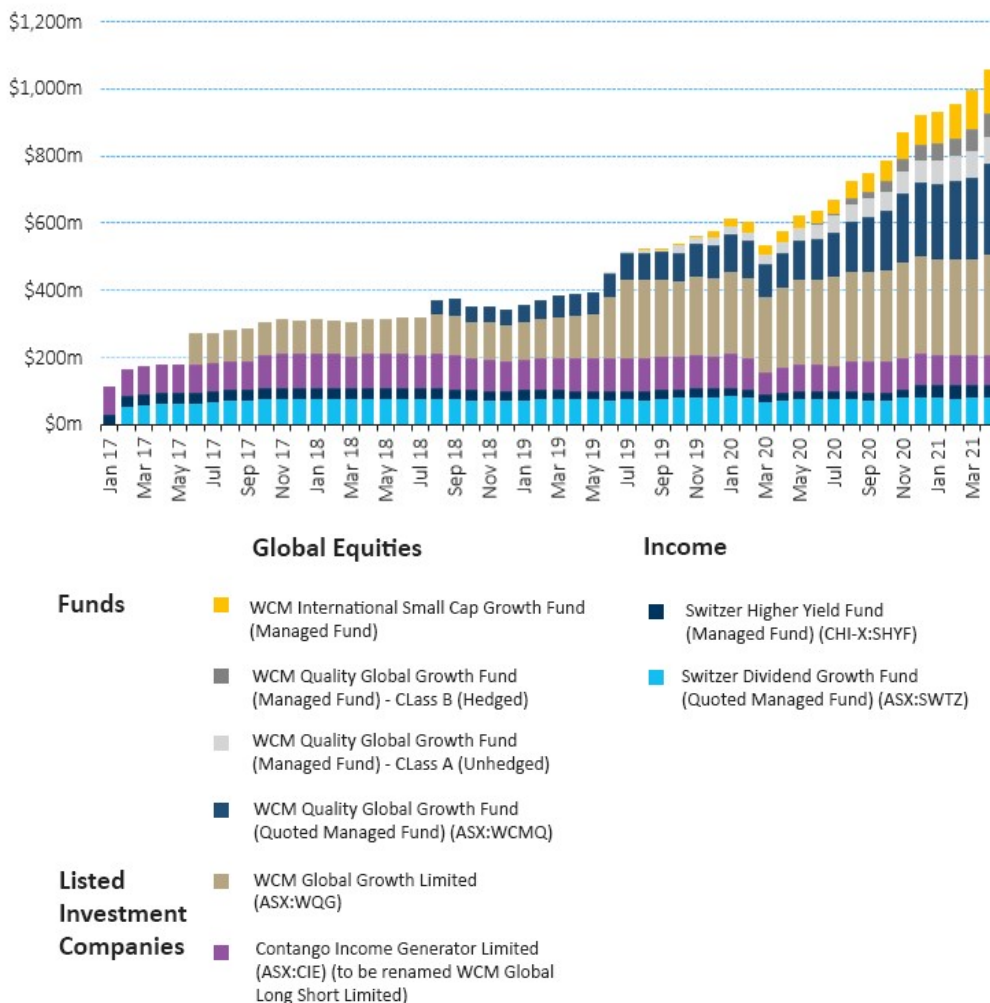
Monday, 26 July 2021

Quarterly activity report – for the quarter ended 30 June 2021

FUM Update

Contango Asset Management Limited (**Contango** or the **Company**) is pleased to announce that the total Funds Under Management (**FUM**)¹ for the Company increased by 14% to \$1.14 billion during the quarter ended 30 June 2021.

A combination of consistent net inflows and positive investment performance led to an uplift in FUM of \$142 million over the quarter. The chart below illustrates the growth in FUM from January 2017 to 30 June 2021²:



NB: Excludes Contango Microcap management rights reassigned in October 2017.

The Company grew FUM by approximately 78% over the 2021 financial year from \$638 million to \$1.14 billion as at 30 June 2021. This included net inflows, which were recorded in every month of the financial year, totalling \$323 million for the period.

¹ Funds Under Management and flow information are approximate, rounded, and have not been audited.

² The FUM information is provided by CGA's appointed custodian NAB Asset Servicing.

On 14 July 2021, Contango Income Generator Limited (**CIE**), a listed investment company managed by Contango, held an Extraordinary General Meeting where shareholders approved a resolution to undertake a selective buy-back of shares in that company. This resulted in Contango's FUM reducing by approximately \$67 million. Additionally, the funds managed by the Company paid approximately \$22.4 million in cash distributions (net of distribution reinvestment) to their respective investors in July 2021.

As at 23 July 2021, the Company's FUM was \$1.12 billion net of the CIE and fund distribution amounts referred to above. Excluding these amounts, positive net inflows have continued in July 2021.

WCM Strategies Perform Well Over the June 2021 Quarter

The WCM Investment Management (**WCM**) large cap and small cap strategies both outperformed their respective benchmarks for the quarter ended 30 June 2021.

WCM's large cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of 11.9% over the quarter, outperforming its benchmark by 2.8%. The WCM International Small Cap Growth Strategy Composite delivered a return of 13.8% over the same period, outperforming its benchmark by 5.8%.

While market conditions proved more challenging for the WCM Quality Global Growth Long Short Equity Strategy, this strategy still achieved a return of 6.1% over the June 2021 quarter. Since its inception on 30 June 2014, the long short strategy has generated a return of 23.0% per annum, outperforming its benchmark by an annualised 9.6% per annum.

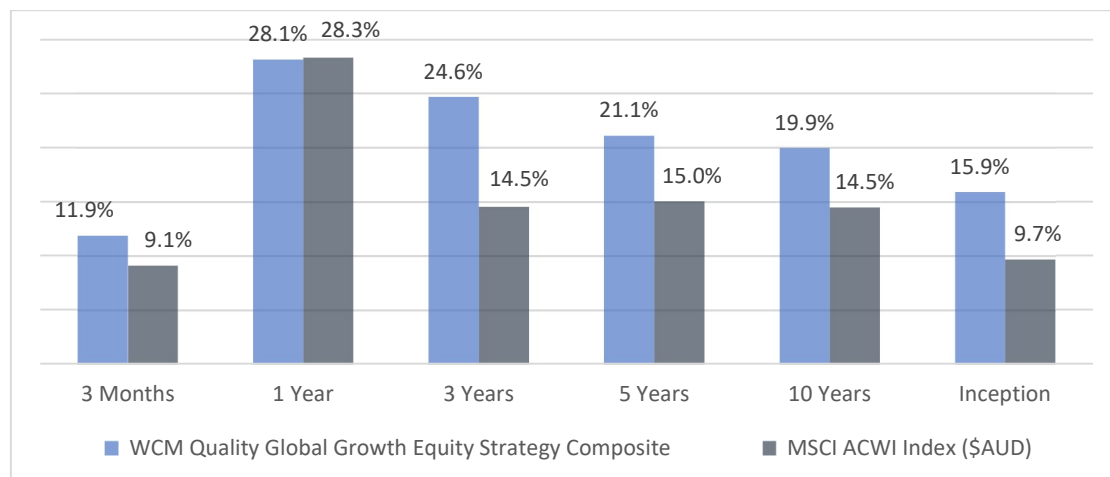
WCM is a top quartile global and international equities specialist with total FUM of over A\$114 billion³.

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 6.2% per annum over more than a decade.

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

Large Cap Track Record

Returns of the WCM Quality Global Growth Equity Strategy Composite⁴ versus its benchmark are shown below:

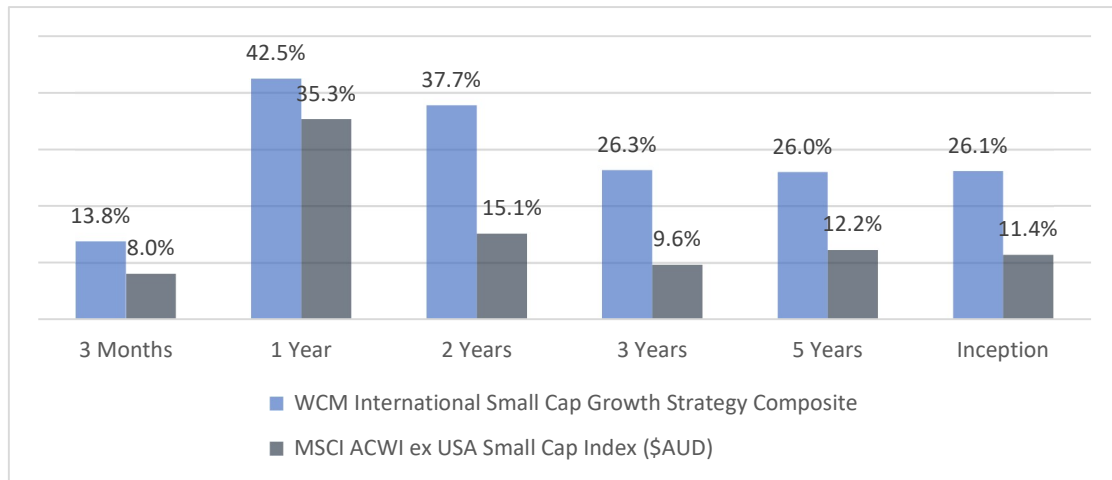


³ As at 31 March 2021 in AUD.

⁴ Data as at 30 June 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.

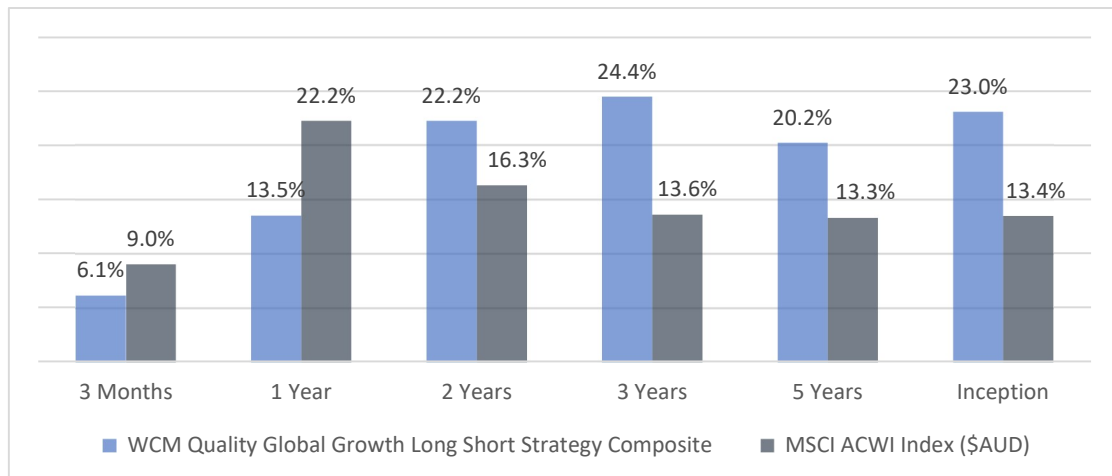
Small Cap Track Record

Returns of the WCM International Small Cap Growth Strategy Composite⁵ versus its benchmark are shown below:



Long Short Track Record

Returns of the WCM Quality Global Growth Long Short Equity Strategy⁶ versus its benchmark are shown below:



⁵ Data as at 30 June 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.

⁶ Data as at 30 June 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.

Growth in Retail Investor Base

As at 30 June 2021, Contango had 14,460 direct unitholders and shareholders across its product suite. This is an increase of 3.5% since 31 March 2021 and an increase of 18.6% for the full year.

WCM Global Growth Limited (ASX: WQG)

On 17 February 2021, WQG announced the issue of bonus options (**Options**) to reward the loyalty and ongoing support of its existing shareholders. These Options were issued on a one (1) for three (3) basis and allow holders to subscribe for new shares in the company at a fixed price of \$1.50 per share. The Options are listed on the ASX under the code "WQGOA" and normal trading commenced on 14 April 2021.

The Options can be exercised at any time up to and including 31 August 2022. A total of approximately 58.5 million Options were issued, of which approximately 0.4 million have been exercised to date.

On 25 June 2021, WQG extended its on-market buy-back for a further period of 12 months to maintain flexibility with respect to capital management.

WCM International Small Cap Growth Fund (Managed Fund)

A particular area of focus for Contango during the June 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 from the WCM International Small Cap Growth Strategy Composite on which the fund is based.

WCM Global Long Short Limited (ASX: WLS) (formerly Contango Income Generator Limited (ASX:CIE))

At an Extraordinary General Meeting (**EGM**) of 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**).

With the adoption of the new name and strategy, Contango is now working with the Board of WLS on several initiatives to market the WCM long short strategy.

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

On 21 April 2021, Contango announced the appointment of Blackmore Capital Pty Limited (**Blackmore**) to manage the Switzer Dividend Growth Fund (Quoted Managed Fund) (**SWTZ**).

SWTZ aims to provide investors with tax effective income and long-term capital growth by investing in a core portfolio of blue-chip Australian shares. Over the quarter SWTZ has delivered a return of 7.4% net of fees, which is marginally less than the 8.3% for the benchmark ASX 200 Accumulation Index.

The appointment of Blackmore as the investment manager of SWTZ completes Contango's transition from a product manufacturer to a marketing and distribution platform offering high quality fund managers access to the self-directed and independent financial adviser channels of the \$3.1 trillion Australian superannuation industry⁷.

Cash Position

Contango's cash inflows remained strong during the quarter, assisted by an increase in management fees on the Company's higher FUM base. Receipts from customers totalled \$1.9 million in the June 2021 quarter. This was a healthy increase on the receipts from customers of approximately \$1.7 million (excluding performance fees) in the March 2021 quarter.

⁷ As at March 2021. Source: The Association of Superannuation Funds of Australia Limited.

Over the same period, operating costs were well controlled, and the Company's underlying cash generation continued to improve. Payments this quarter included: staff restructuring costs associated with CIE's change in investment strategy (included in staff costs); costs associated with the relaunch of SWTZ (included in corporate activity); rebates paid in relation to the total mandate awarded to WCM Quality Global Growth Fund (Managed Fund) from Future Generation Global Investment Company Limited (included in operating costs); and payment of GST received in the previous quarter on FY2020 performance fees.

Contango has a receivable relating to the assignment of an investment mandate to NAOS Asset Management Limited. A total amount of \$1.7 million remains payable to the Company in relation to this transaction, with the final instalment due in June 2022.

The Company's cash balance was \$5.5 million as at 30 June 2021. The Company's cash and the above receivable totalled \$7.2 million, and it had debt of \$1.25 million as at 30 June 2021.

Contango's strong financial position provides it with the capacity to continue to execute its growth strategy successfully and achieve further FUM growth.

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 \$155,762 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**
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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

56 080 277 998

Quarter ended ("current quarter")

30/06/2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customer	1,877	6,702
	(a) GST received on performance fees	-	333
1.2	Payments for		
	(a) operating costs	(472)	(1,679)
	(b) advertising and marketing	(65)	(256)
	(c) staff costs	(867)	(3,008)
	(d) administration and corporate costs	(398)	(2,067)
	(e) corporate activity	(17)	(197)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	(100)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	303
1.8	GST on payment received from NAOS in June 2020	-	(166)
1.9	GST paid on performance fees	(131)	(333)
1.10	Net cash from / (used in) operating activities	(73)	(468)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	1,660	1,660
2.3	Cash flows from loans to other entities:	-	-
	(a) repayment of loans from employees	122	122
2.4	Dividends received (see note 3)	-	-
2.5	Other – GST on item 2.2(f)	166	166
2.6	Net cash from / (used in) investing activities	1,948	1,948

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	104	104
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	104	104

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,546	3,941
4.2	Net cash from / (used in) operating activities (item 1.10 above)	(73)	(468)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,948	1,948
4.4	Net cash from / (used in) financing activities (item 3.10 above)	104	104
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,525	5,525

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	5,525	3,546
5.2	Call deposits	-	-
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)	5,525	3,546

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

211

-

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

Includes payment of Directors' fees, MD salary and other related parties.

7. Financing facilities

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.

	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 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.

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.10)	(73)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	5,525
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	5,525
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	76

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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:

- 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:


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

Answer:

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: 26 July 2021


Authorised 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.