



INVESTOR PRESENTATION

Business transition creates exciting opportunity for growth

March 2018

contango

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MANAGEMENT
LIMITED

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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:

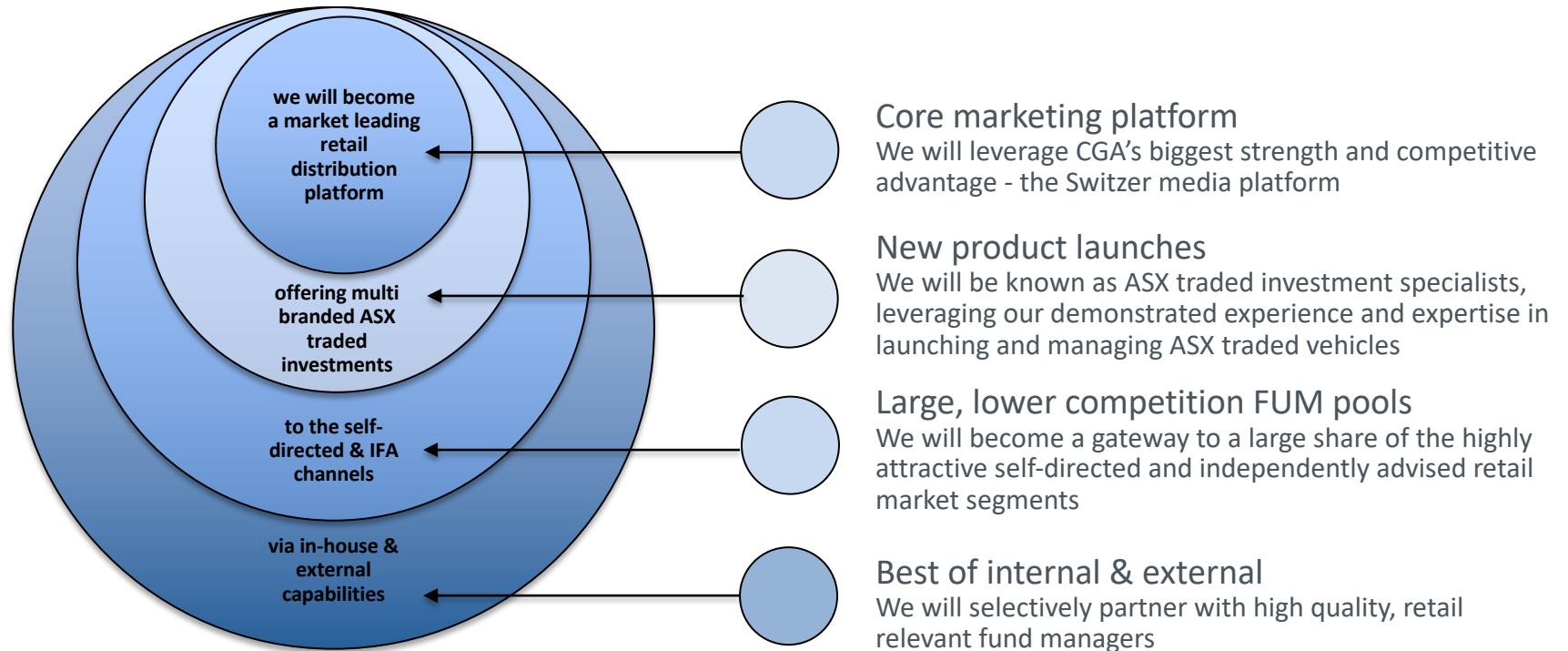
- relocation of operations to Sydney
- revised cost structure and service provider arrangements
- review of future fee structures to leverage profit growth and reward outperformance



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

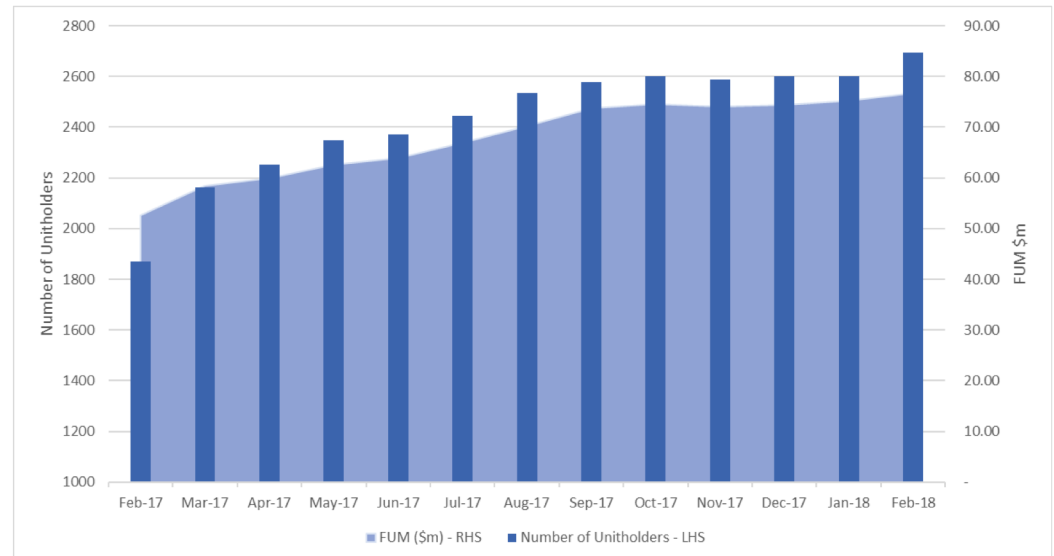
In the last 12 months CGA has **generated almost \$194m in retail FUM** via:

- 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

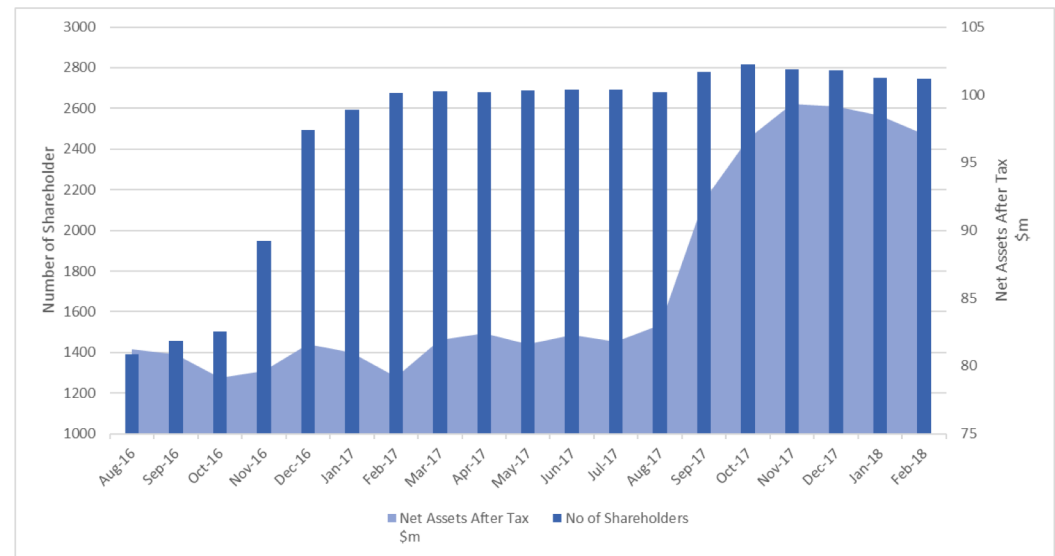
Contango Income Generator

- 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:

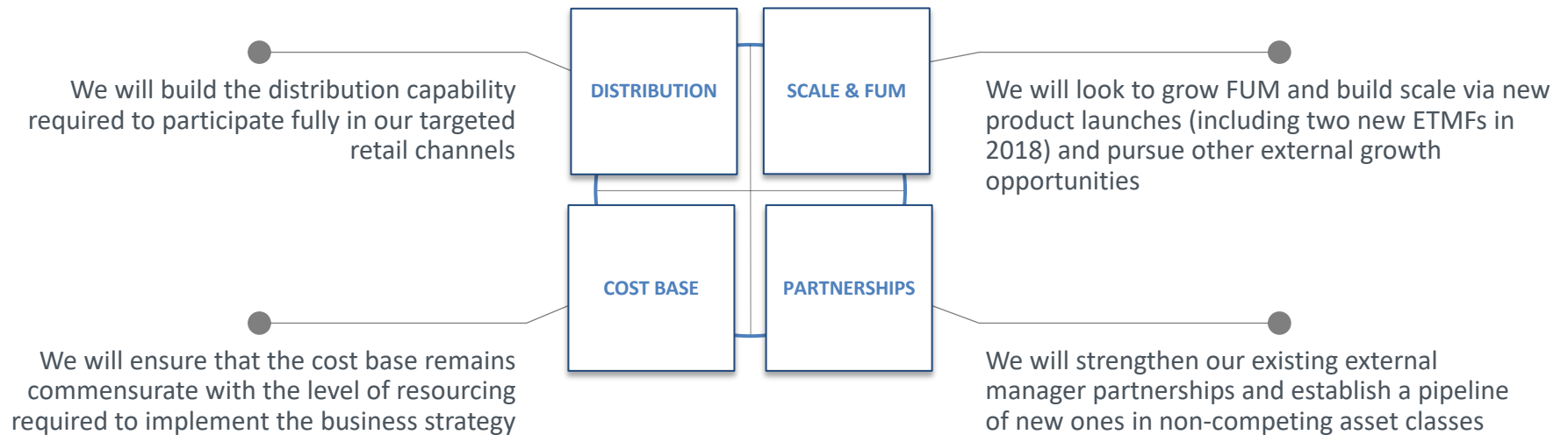
- online
- television
- radio
- social

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

FY18 INVESTOR UPDATE: NEW PRODUCT INITIATIVES

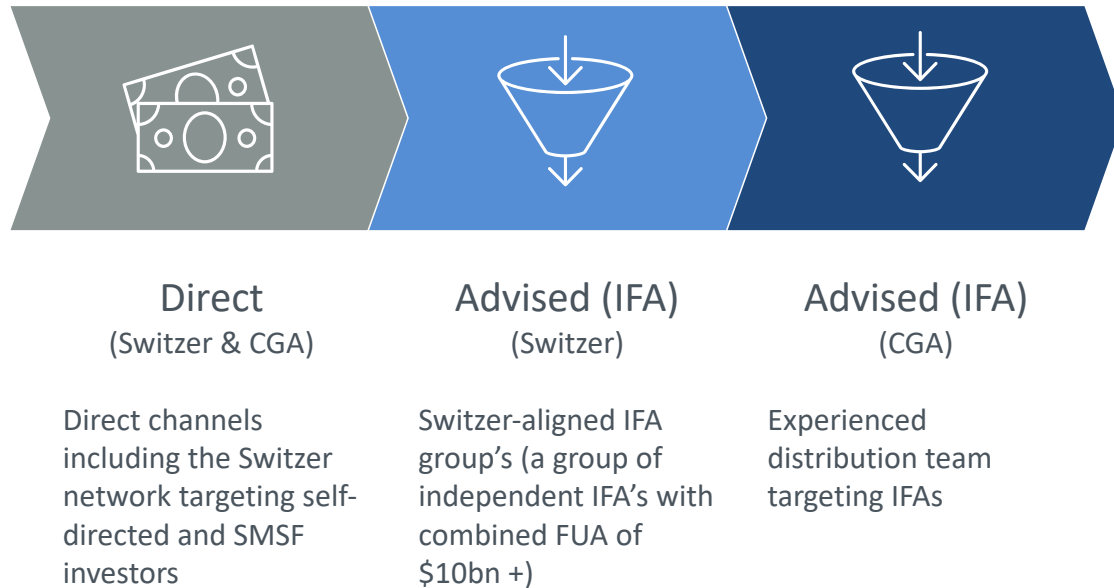
Exchange traded managed funds (ETMFs)

- 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

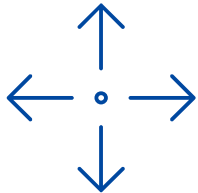
Distribution strategy

- 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:



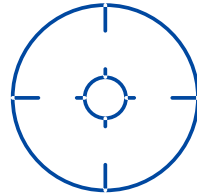
SUMMARY

Business transition creates exciting opportunity for growth



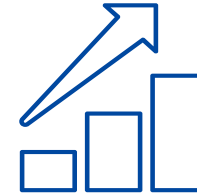
SCALE AND PROFITABILITY

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**

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