

Quarterly activity report – for the quarter ended 30 June 2022

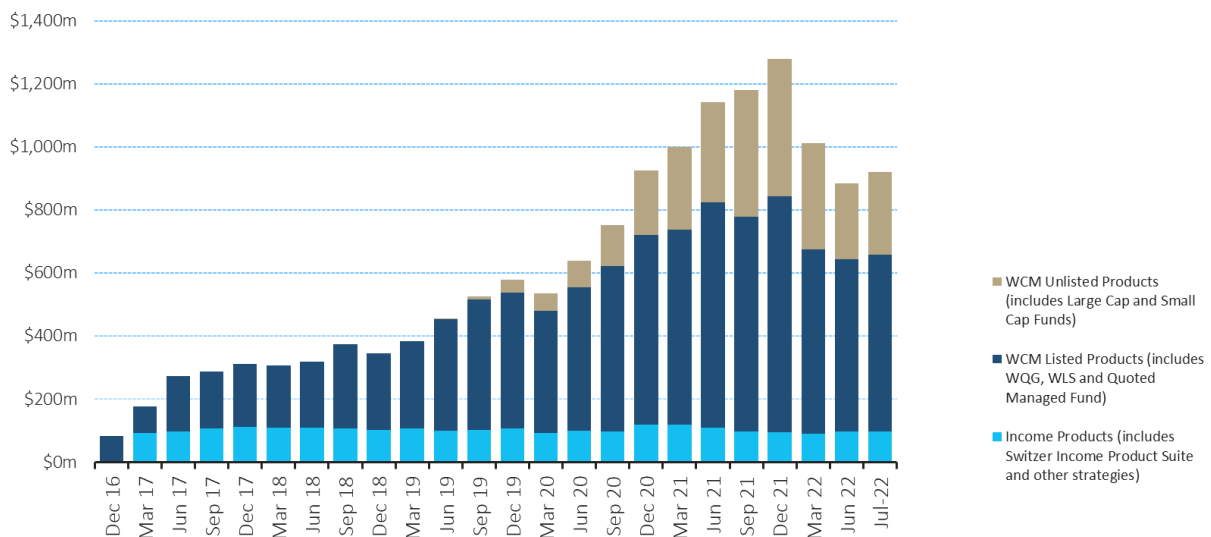
FUM Update

Contango Asset Management Limited (ASX:CGA) (**Contango** or the **Company**) is pleased to announce that its total Funds Under Management (**FUM**) was \$892 million as at 30 June 2022. As at 28 July 2022, total FUM was \$920 million¹.

FUM has been challenged since 1 January 2022 as global markets attempt to navigate a flurry of concurrent economic hurdles, including soaring inflation and rising interest rates around the world. The first six months of the 2022 calendar year was the worst opening-half for developed-market equities in over 50 years.

Nonetheless, the launch of the Woodbridge Private Credit Fund, managed by Woodbridge Capital, was a pleasing contributor to Contango's inflows for the first time.

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



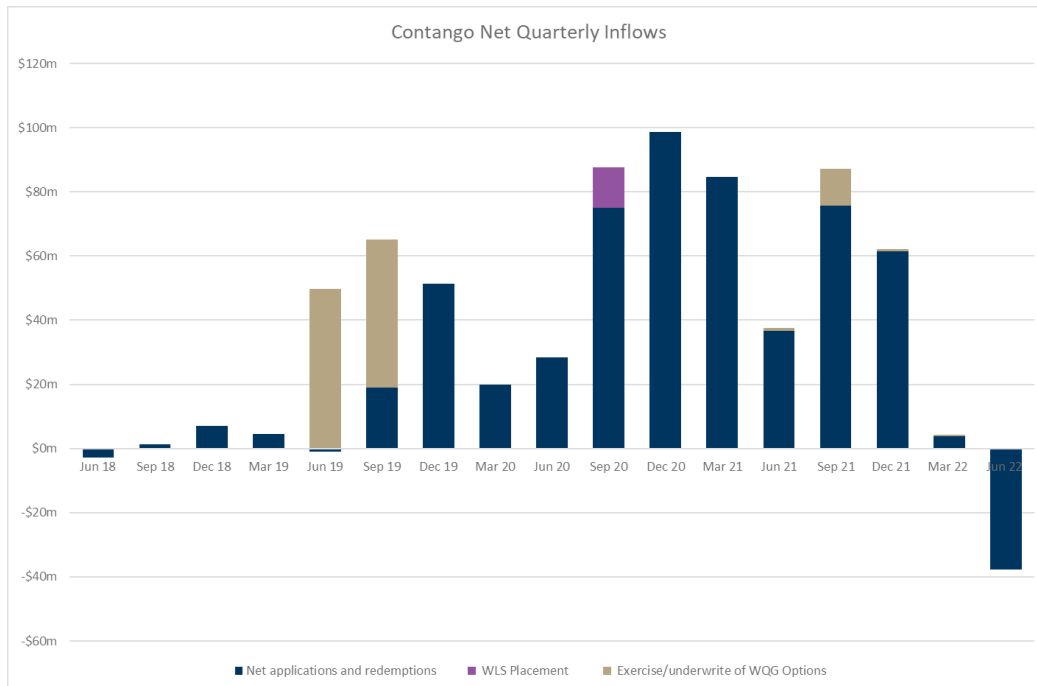
*NB: Excludes Contango Microcap management rights reassigned in October 2017.
Excludes FUM associated with the Vantage distribution initiative.*

The total change in FUM for the quarter was -16.2%. Net outflows from client redemptions represented only 3.5% (\$37.7 million) of the total change in FUM, with the remaining 12.7% resulting from market movements.

This was the first quarter in which the Company experienced net outflows since June 2018. The net outflows were predominantly across the unlisted WCM products. The relatively small reduction in FUM due to redemptions highlights the strength and importance of our relationships with financial advisers and investors in the market. Pleasingly, the Company has recorded positive net inflows in the period since 1 July 2022 to date.

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

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.



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.

The Funds managed by the Company paid approximately \$18.6 million in cash distributions (net of distribution reinvestment) to their respective investors in July 2022.

WCM Strategies

WCM is a global and international equities specialist with total FUM of over A\$103.5 billion².

While the June 2022 half year has been very challenging for markets and many risks remain, there have been some positives. In terms of style factors this calendar year, growth beat value for the first time in June 2022. Additionally, market weakness has also provided attractive entry points for new additions to the WCM Strategy portfolio.

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.

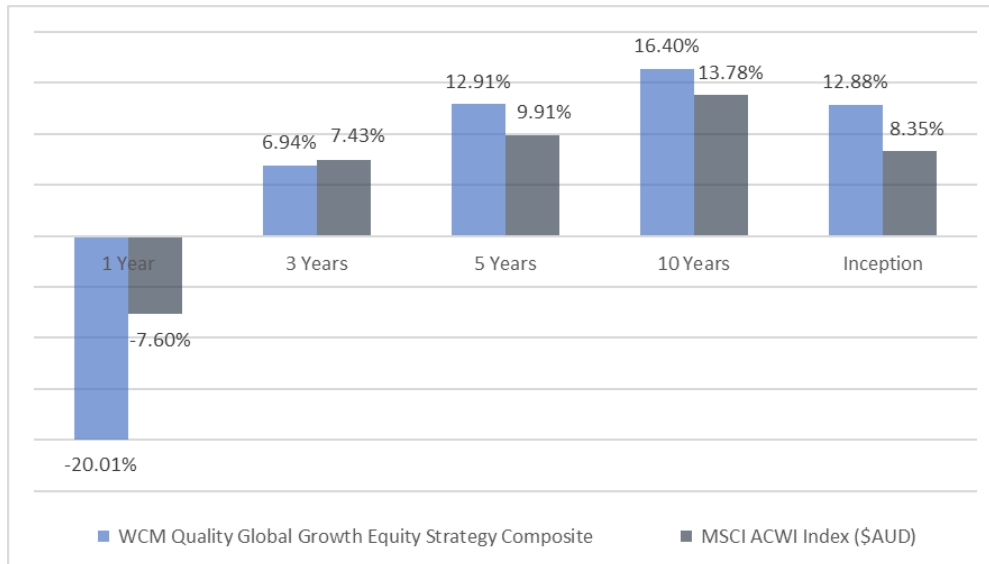
In terms of the June 2022 quarter: WCM's large cap strategy, the WCM Quality Global Growth Equity Strategy Composite, delivered a return of -10.53%, relative to its benchmark which delivered -7.75%; the WCM International Small Cap Growth Strategy Composite delivered a return of -19.44%, compared with its benchmark of -9.78%; and the WCM Quality Global Growth Long Short Strategy Composite delivered -7.71%, compared with its benchmark of -7.75%. While short-term performance has been impacted by global market instability, the performances for all three strategies has remained well above benchmarks for all periods of five years and more, highlighting the positive, long-term performance of each strategy.

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

² As at 30 June 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:³



Small Cap Track Record

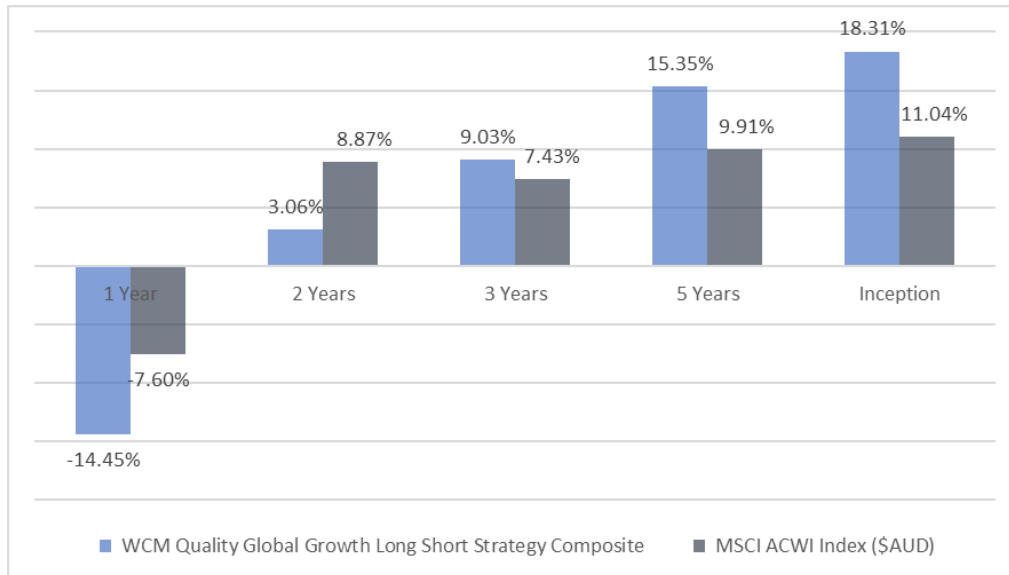
Returns of the WCM International Small Cap Growth Strategy Composite versus its benchmark are shown below. All figures below are returns on a per annum basis:³



³ Source: WCM. Data as at 30 June 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:⁴



Woodbridge Capital

On 20 April 2022, the Company advised that it had entered a distribution arrangement with Woodbridge Capital Pty Ltd (**Woodbridge**), a new Australian domiciled private credit investment manager.

The agreement involves distributing Woodbridge strategies to wholesale and institutional clients and launching a wholesale managed fund. 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 initial 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 strong pipeline for future growth.

In the first month since inception (1 June to 30 June 2022), the Fund delivered return of 0.63% and paid a distribution of 0.66 cents per unit. The Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period.

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 2.19%, compared with the ASX 200 Accumulation Index benchmark return of -1.45%⁵.

⁴ Source: WCM. Data as at 30 June 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 Sort Limited (ASX:WLS) which is a listed investment company.

⁵ From the period 21 April 2021 to 30 June 2022.

Over the quarter to 30 June 2022, the Fund delivered a return of -7.57%, also exceeding the benchmark return of -11.90%.

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 June 2022, the fund returned -0.57%, compared with the RBA Overnight Cash Rate which delivered 0.09% and its benchmark which delivered 0.47%.

Financial Update

Contango is pleased to report that its overall positive cash position has improved at the end of the quarter, with the receipt of the final instalment of a receivable in respect of the 2018 assignment of an investment mandate.

Cash balances across the Company at 30 June 2022 totalled \$6.594 million and debt was of \$1.25 million.

As noted in the prior activity update, approximately \$0.54 million included in Receipts from Customers in the March 2022 quarter was paid out to the underlying investment manager in April 2022, reducing the reported receipts from customers in the June 2022 quarter. In addition, Contango completed the build-out of its distribution capabilities during the quarter, with team members now based in Brisbane and Melbourne as well as Sydney. A drop in fee income was also recorded in the quarter due to the significant global market pull-back in the February to June 2022 period.

Due to the launch of the Woodbridge Private Credit Fund and the set-up of a new product to be launched in the months ahead, Contango incurred fund establishment costs in the June 2022 quarter. The Company anticipates that these new products will be positive contributors to revenue in the current 2023 financial year.

Consequently, operating cash flow for the quarter is reported at -\$1.0 million, taking operating cash flow for the year ended 30 June 2022 to -\$0.86 million.

The Company continues to closely manage its operating costs and cash flow and should benefit from increasing interest rates.

Contango's strong cash position provides it with the ability to continue to execute its growth strategy successfully, invest in business resources and capability 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 June 2022

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 customers	1,424	8,835
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(633)	(2,517)
(c) advertising and marketing	21	1
(d) leased assets	-	-
(e) staff costs	(857)	(3,365)
(f) administration and corporate costs	(856)	(3,716)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(100)	(100)
1.9 Net cash from / (used in) operating activities	(1,000)	(861)

2. Cash flows from investing activities		
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 (12 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	1,660	1,660
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – GST on Item 2.2 (f) above	166	166
2.6 Net cash from / (used in) investing activities	1,826	1,826

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	104

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	5,767	5,525
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,000)	(861)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	1,826	1,930
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,594	6,594

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	6,594	5,767
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)	6,594	5,767

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	188
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)	(1,000)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,594
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,594
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.6
	<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: 29 July 2022



Authorised by:

Marty Switzer (CEO and Managing Director)