



MARKET OUTLOOK AND THE IMPLICATIONS FOR YOUR PORTFOLIO

CONTANGO ASSET MANAGEMENT INVESTMENT ROADSHOW
MAY 2016

DISCLAIMER

DISCLAIMER

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1. OVERVIEW OF CONTANGO ASSET MANAGEMENT LIMITED

CONTANGO OFFERS THE BENEFIT OF A BOUTIQUE INVESTOR WITH THE RISK AND COMPLIANCE SYSTEMS OF A LARGER MANAGER

- Structured and documented process
 - Daily, weekly and monthly meetings
- Advanced risk and attribution systems
 - Bloomberg Asset and Investment Manager (AIM), Heuristics
- High level regulatory scrutiny and compliance
 - ASX listing rules
- Regular business and portfolio reviews
 - Mercer, Towers, JANA, Frontier, Cambridge, Atchison, IRR, Morningstar
- Held institutional mandates since 1998
 - Clients include pension funds, wholesale mandates and ASX Listed Investment Companies (LICs)
- Well resourced investment team
 - 13 team members with over 20 years average experience
 - 6 additional support staff

CONTANGO ASSET MANAGEMENT OFFERS DIFFERENT AND BESPOKE PORTFOLIO SOLUTIONS FOR WHOLESALE CLIENTS

- We offer portfolio solutions across many different segments of the market
- We also offer bespoke portfolio solutions tailored for all risk budgets
- Blended portfolio solutions
- Access to a large wholesale funds management team
- Wholesale funds managers do not charge commissions
- Established ESG process

Contango LargeCap
(GARP) Fund

Contango LargeCap
Leaders Income Fund

Contango Mid Cap (ex
30) Income Fund

Contango Small Cap
Fund

Contango A-REIT
Fund

Contango Micro Cap
Fund

Contango Global Value
Fund

Contango High Yield
Bond Fund

CONTANGO ASSET MANAGEMENT ALSO MANAGE INVESTMENTS FOR TWO LISTED INVESTMENT COMPANIES (LIC)

- Contango Income Generator Ltd (ASX:CIE) is a LIC targeting dividends in the ex 30 investment universe.
- CIE Listed on the ASX in August 2015 at a premium.
- Contango MicroCap Ltd (ASX: CTN) is a LIC targeting companies under \$350m market capitalisation.
- CTN listed on the ASX in March 2004 with a long track record of 16.4% (annualised) since inception.

**Contango Income
Generator Ltd (ASX: CIE)**

**Targeting dividends in the
ex 30 investment universe**

**Contango MicroCap Ltd
(ASX: CTN)**

**Targeting micro cap
companies under \$350m
market cap**

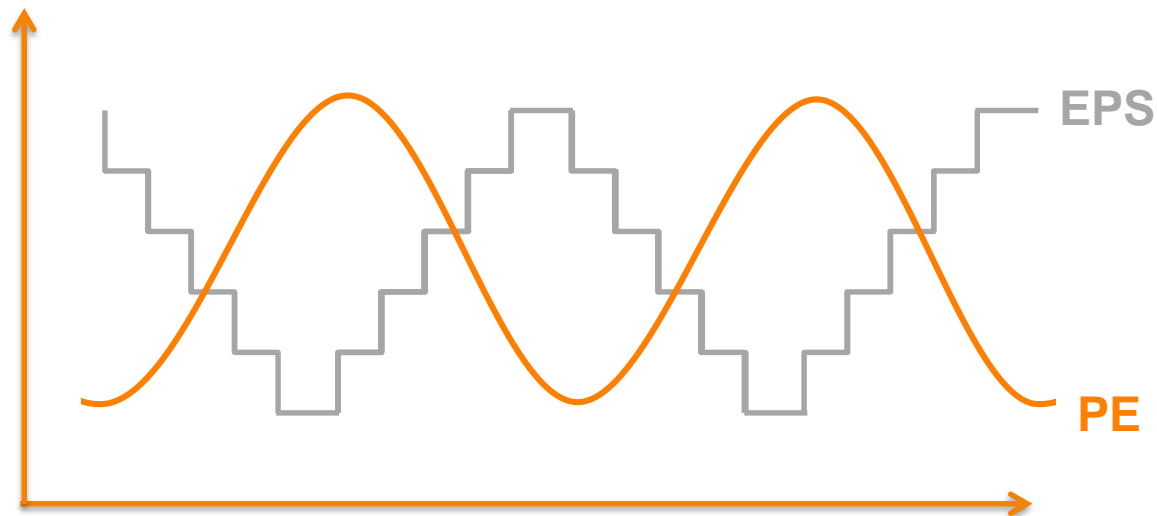
2. MACRO OUTLOOK

LOWER RATES FOR LONGER



OUR INVESTMENT PHILOSOPHY IS BASED ON THREE BASIC PRINCIPLES

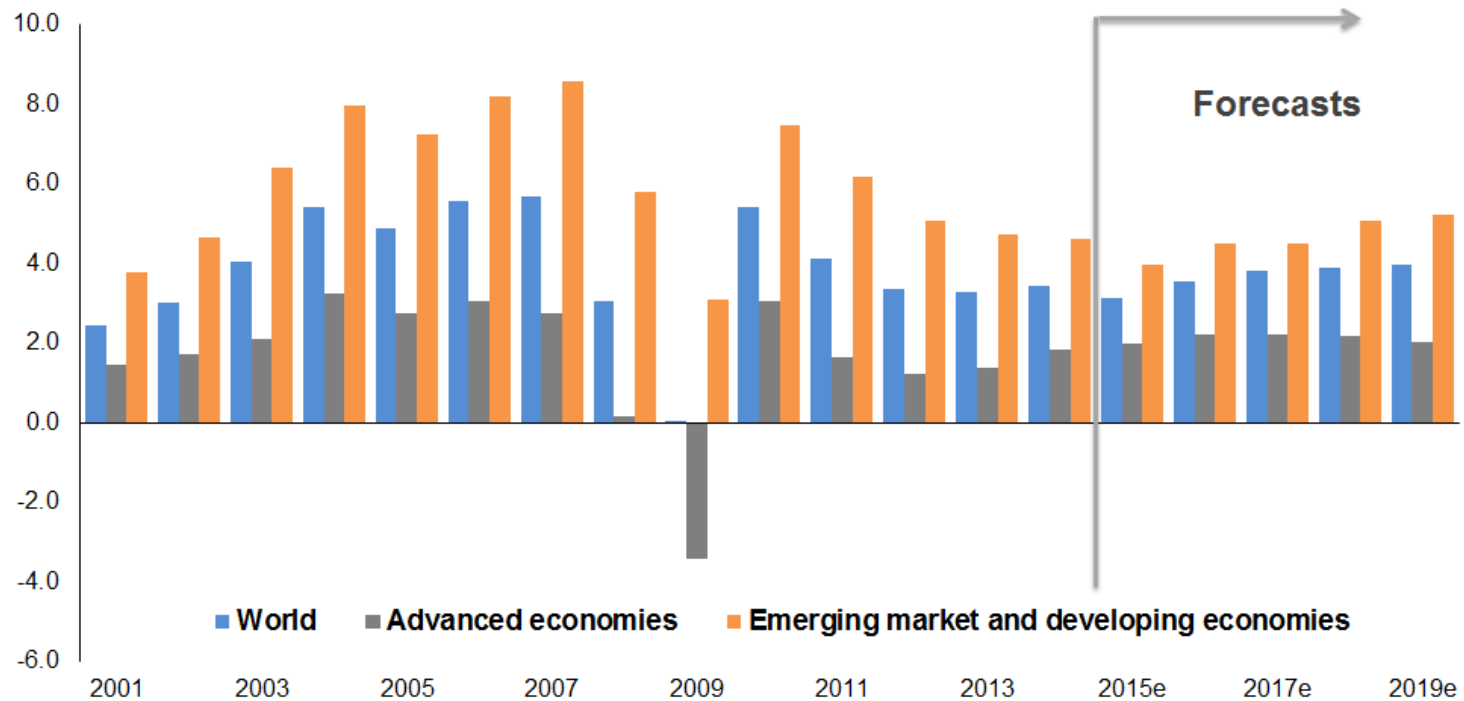
- Economic conditions drive earnings and valuations
- Stocks and sectors perform differently at each stage of the economic cycle
- These relationships can be exploited in a systematic way to add value to investment portfolios



GLOBAL GROWTH FORECAST TO BE SUBDUED AND UNEVEN

Global Growth Composition. Developed vs Developing Economies

Real GDP, Annual %. World growth compared to Developed and Developing Economies

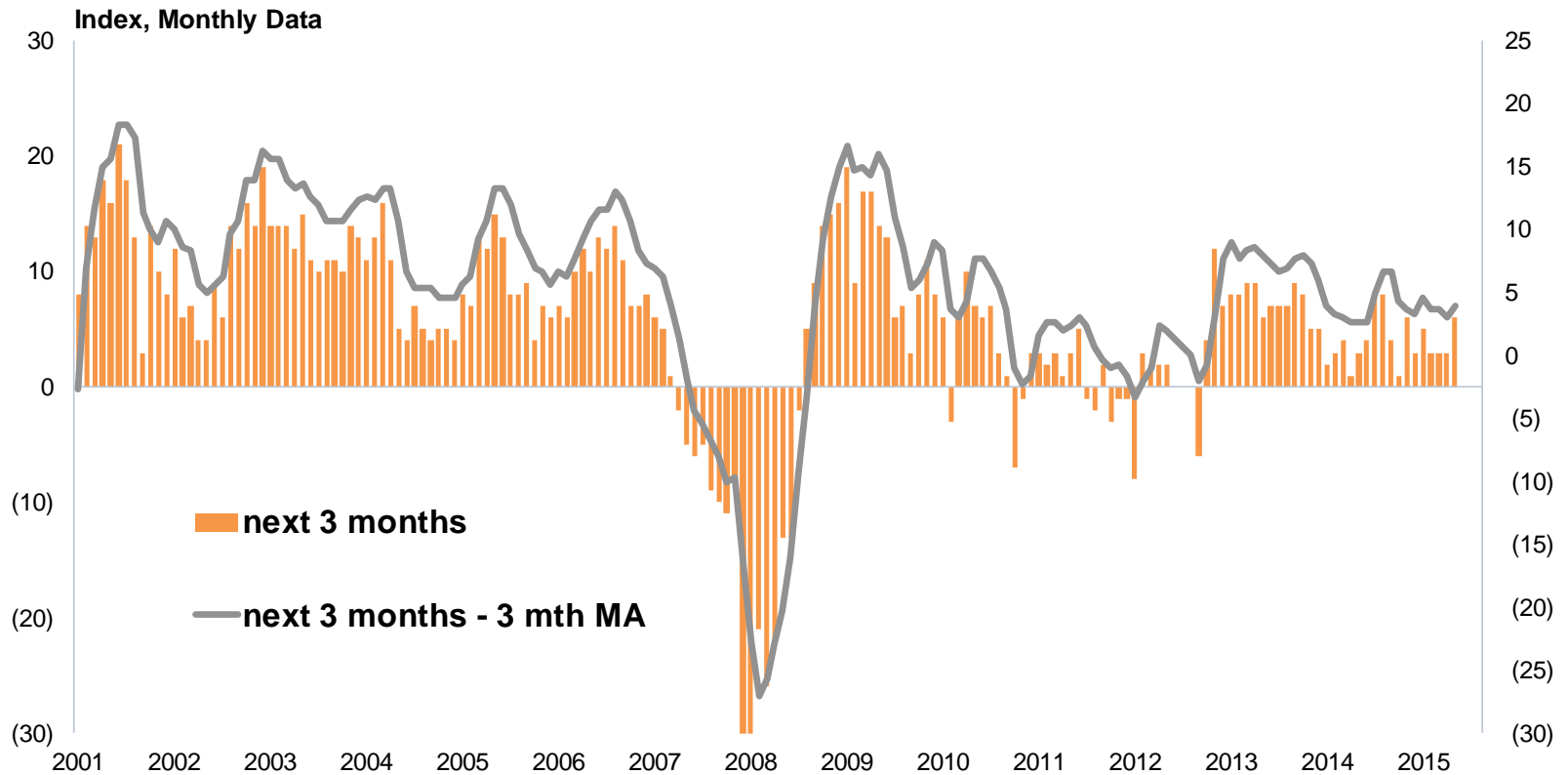


Source: IMF, Contango AM

AUSTRALIAN BUSINESS CONFIDENCE

CORPORATE AUSTRALIA EX RESOURCES OPTIMISTIC

Business Confidence - Australia

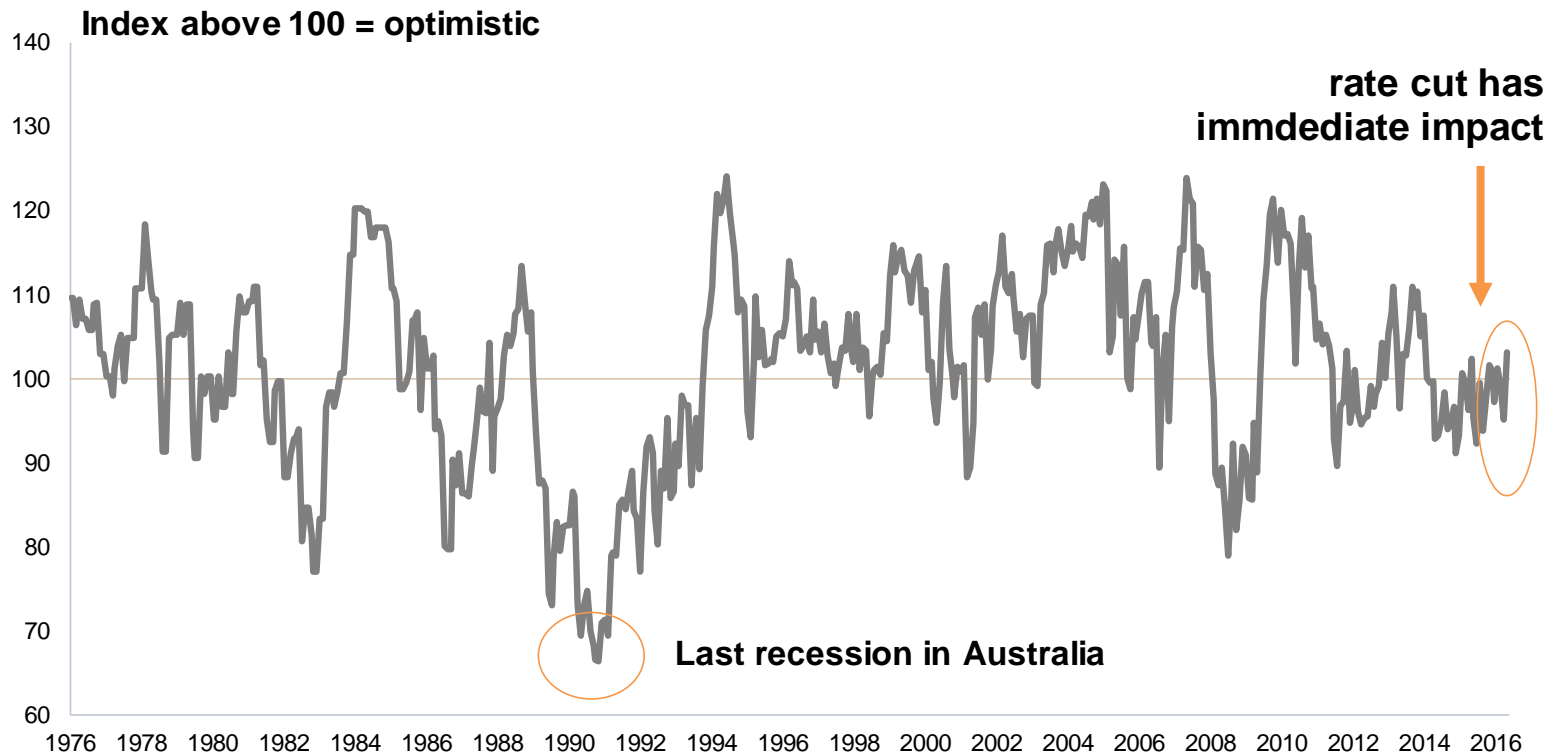


Source: Bloomberg, NAB, Contango

AUSTRALIAN BUSINESS CONFIDENCE

HOUSEHOLD CONFIDENCE SUBDUED BEFORE MAY RATE CUT

Consumer Sentiment Index, Australia

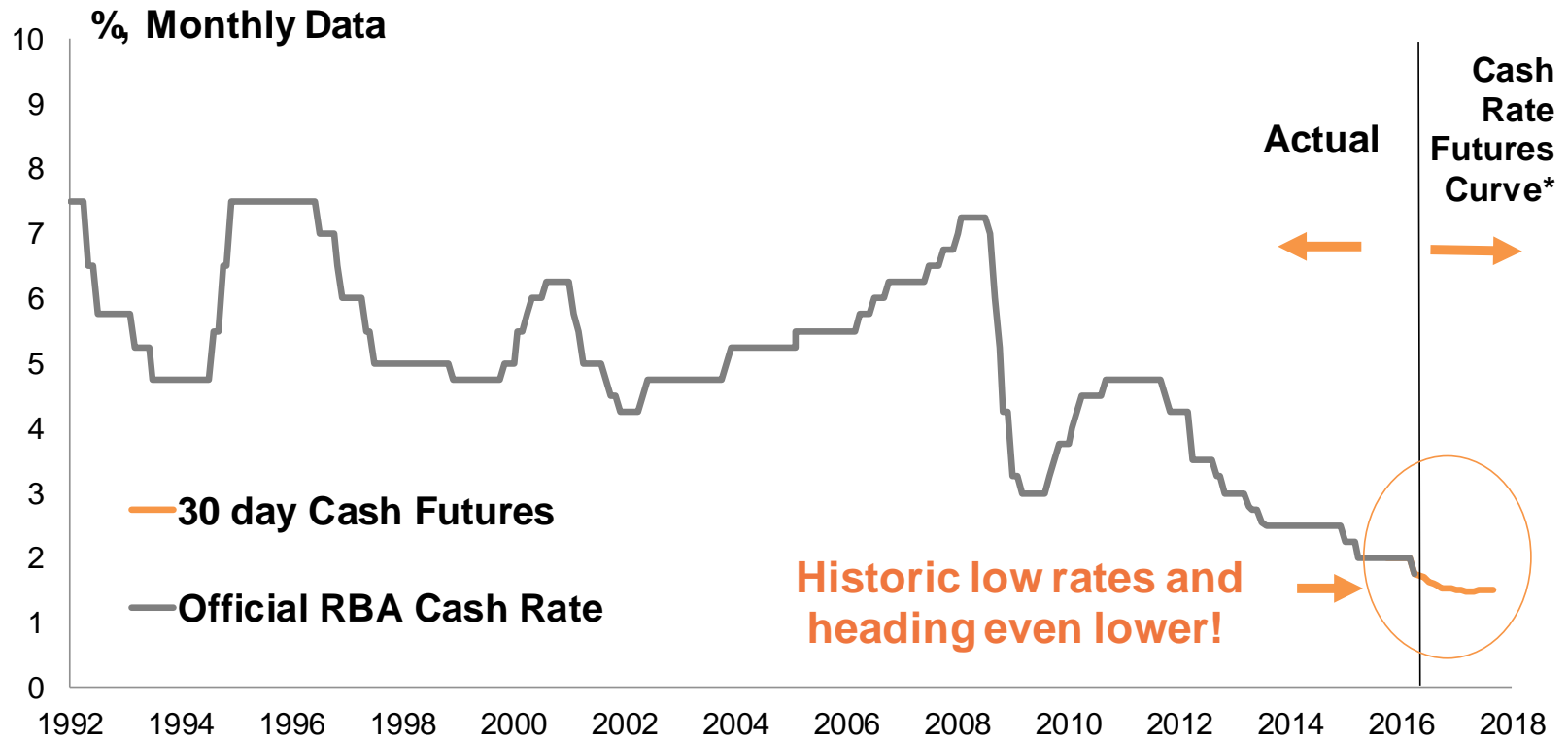


Source: Melbourne Institute, Contango

AUSTRALIAN CASH RATES

HISTORIC LOWS AND REMAINING LOWER FOR LONGER

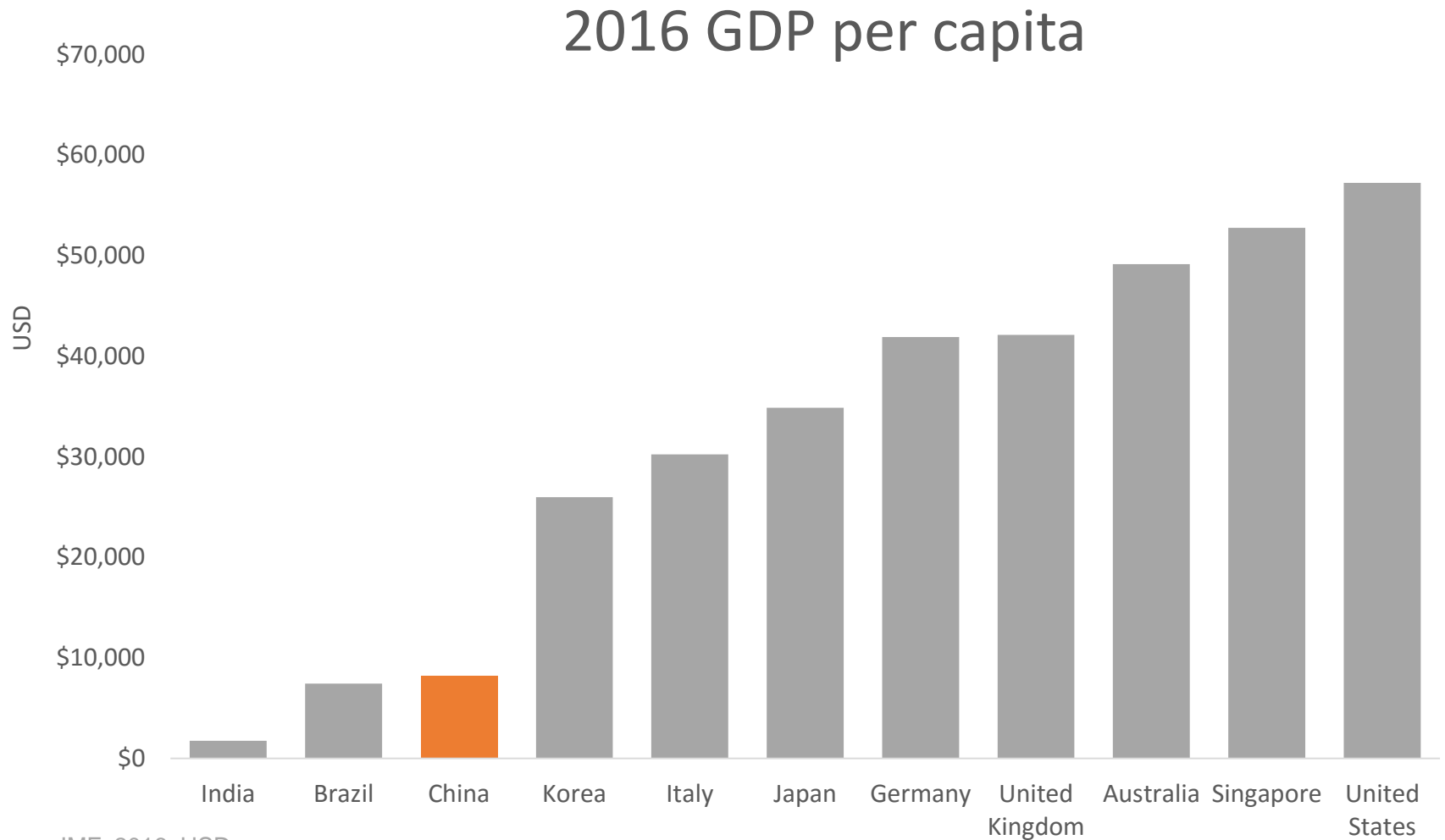
Official RBA Cash Rate & Implied Cash Futures Curve



Source: ASX, Bloomberg, Contango

*Cash rate futures curve as of 2 May 2016

CHINA'S STRUCTURAL GROWTH STORY IS JUST BEGINNING



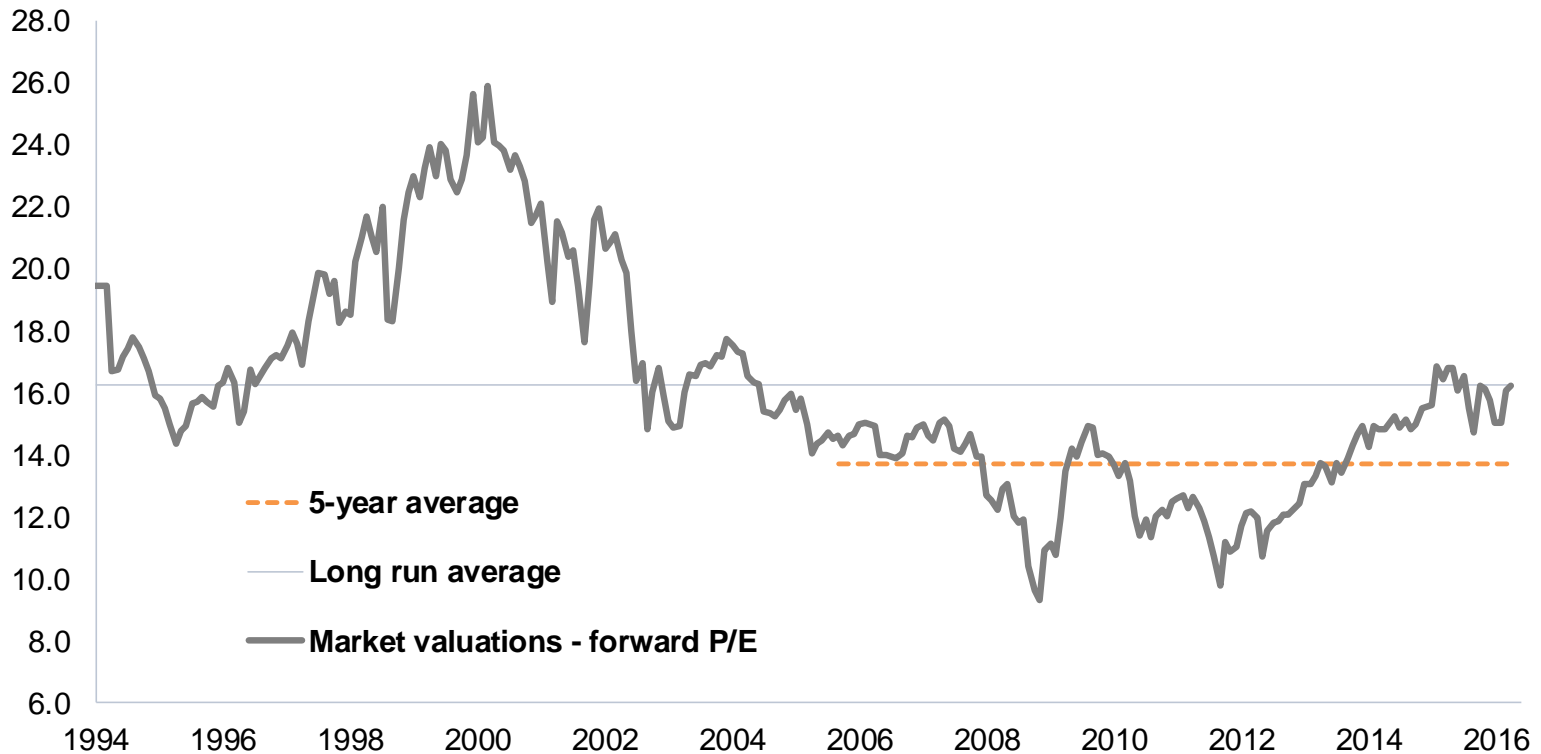
Source: IMF, 2016, USD

3. CURRENT MARKET VALUATIONS ARE VALUATIONS COMPELLING?

GLOBAL EQUITY VALUATIONS AROUND LONG-RUN HISTORICAL AVERAGE

World (MSCI) Equity Valuations

1 Year Forward P/E. I/B/E/S. End-month Data



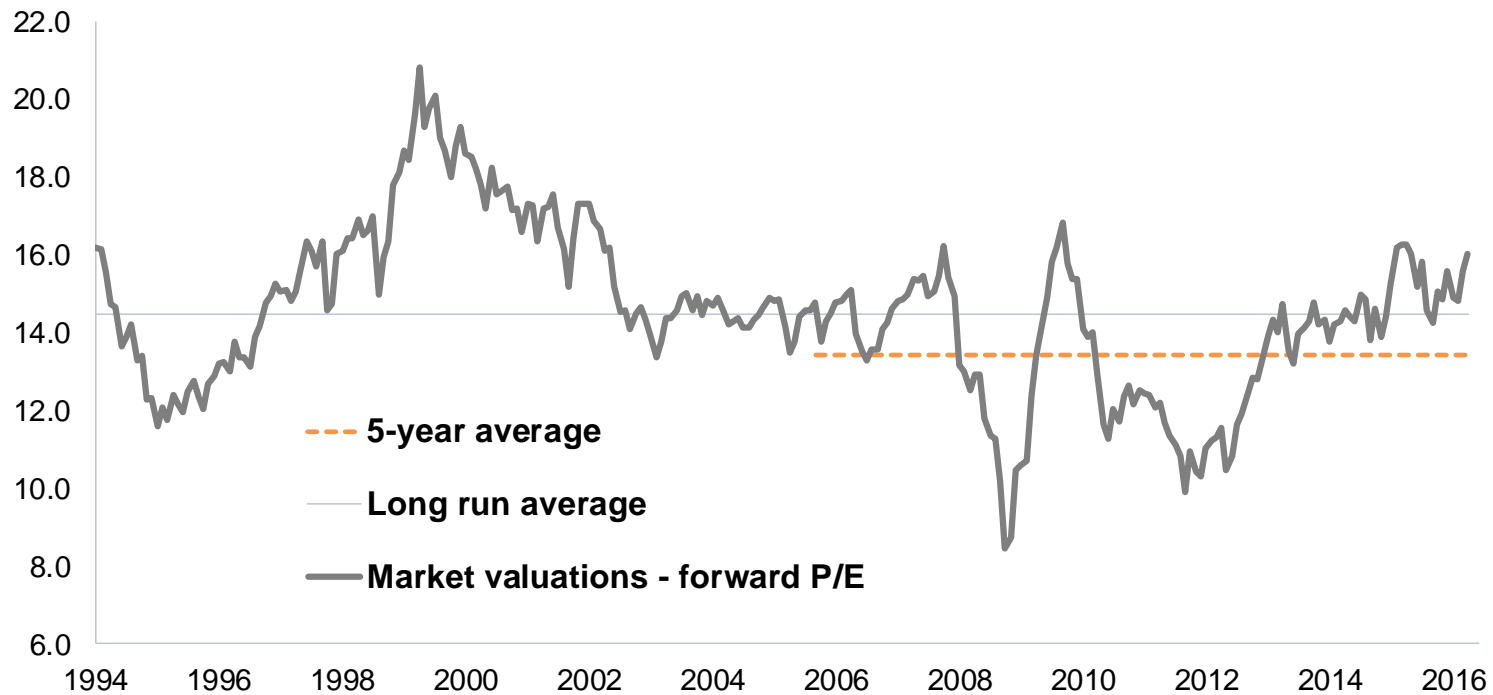
Source: Bloomberg, IBES, Contango

AUSTRALIAN EQUITY VALUATIONS

ANTICIPATING A PICK-UP IN EARNINGS MOMENTUM?

ASX 200 12 Month Forward P/E Ratio

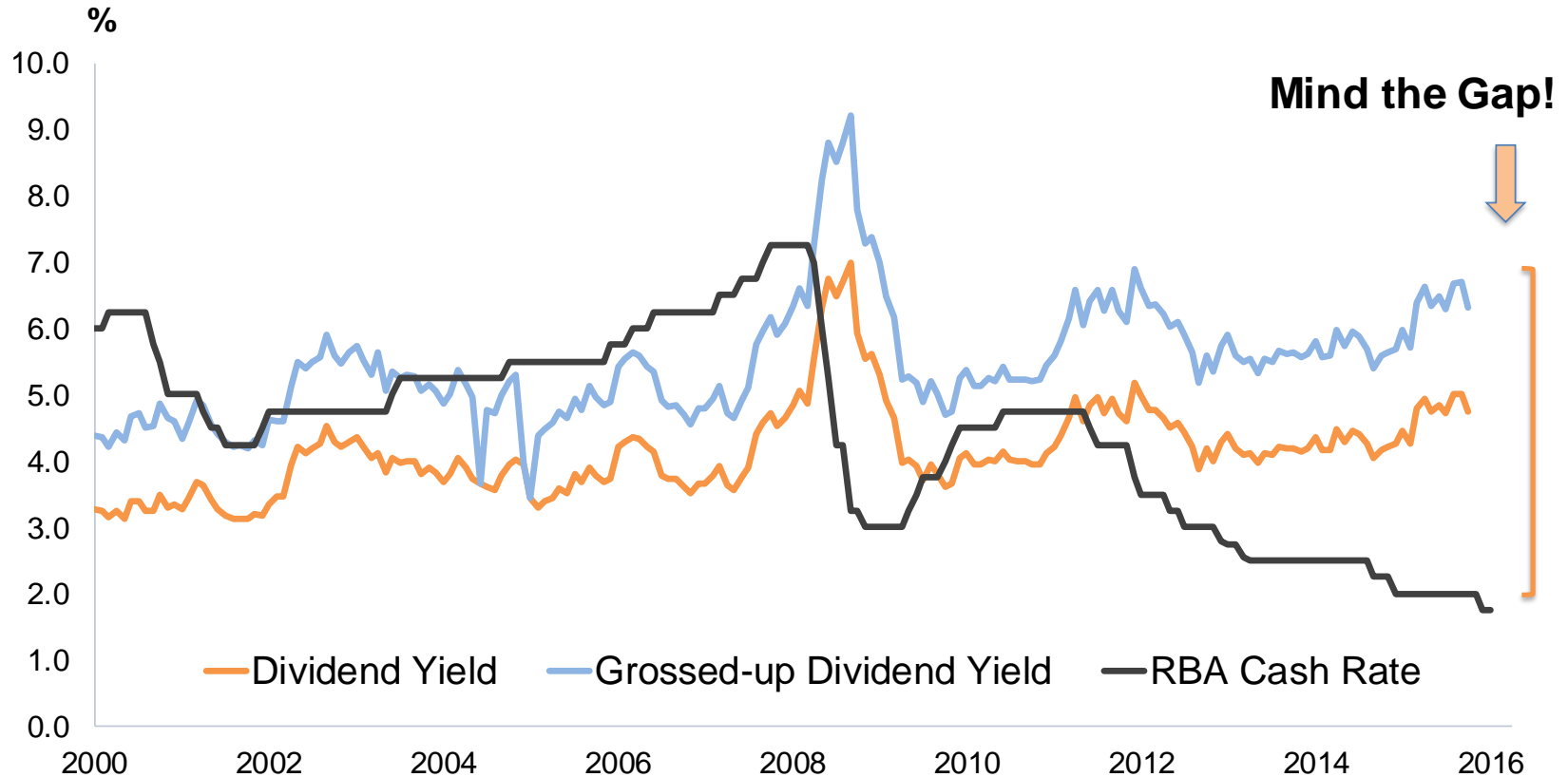
1 Year Forward P/E. I/B/E/S. End-month Data



Source: Bloomberg, IBES, Contango

BUT EQUITIES REMAIN ATTRACTIVE AGAINST FIXED INCOME AND CASH

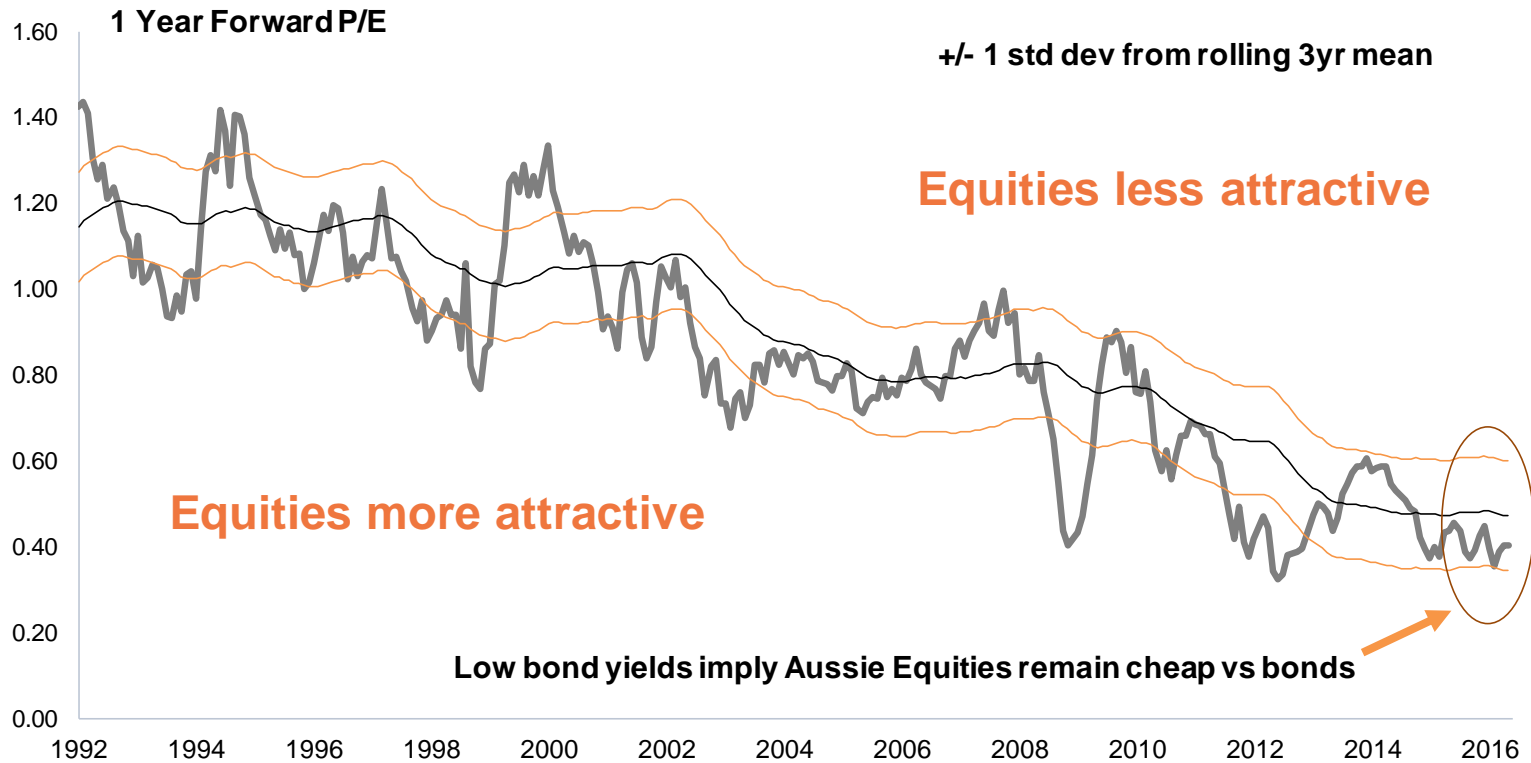
ASX 200 Dividend Yield & Cash Rate



Source: Bloomberg, RBA, Contango

LOWER BOND YIELDS ARE
SUPPORTIVE FOR EQUITY VALUATIONS

Australian Bond Yield - Earnings Yield Ratio

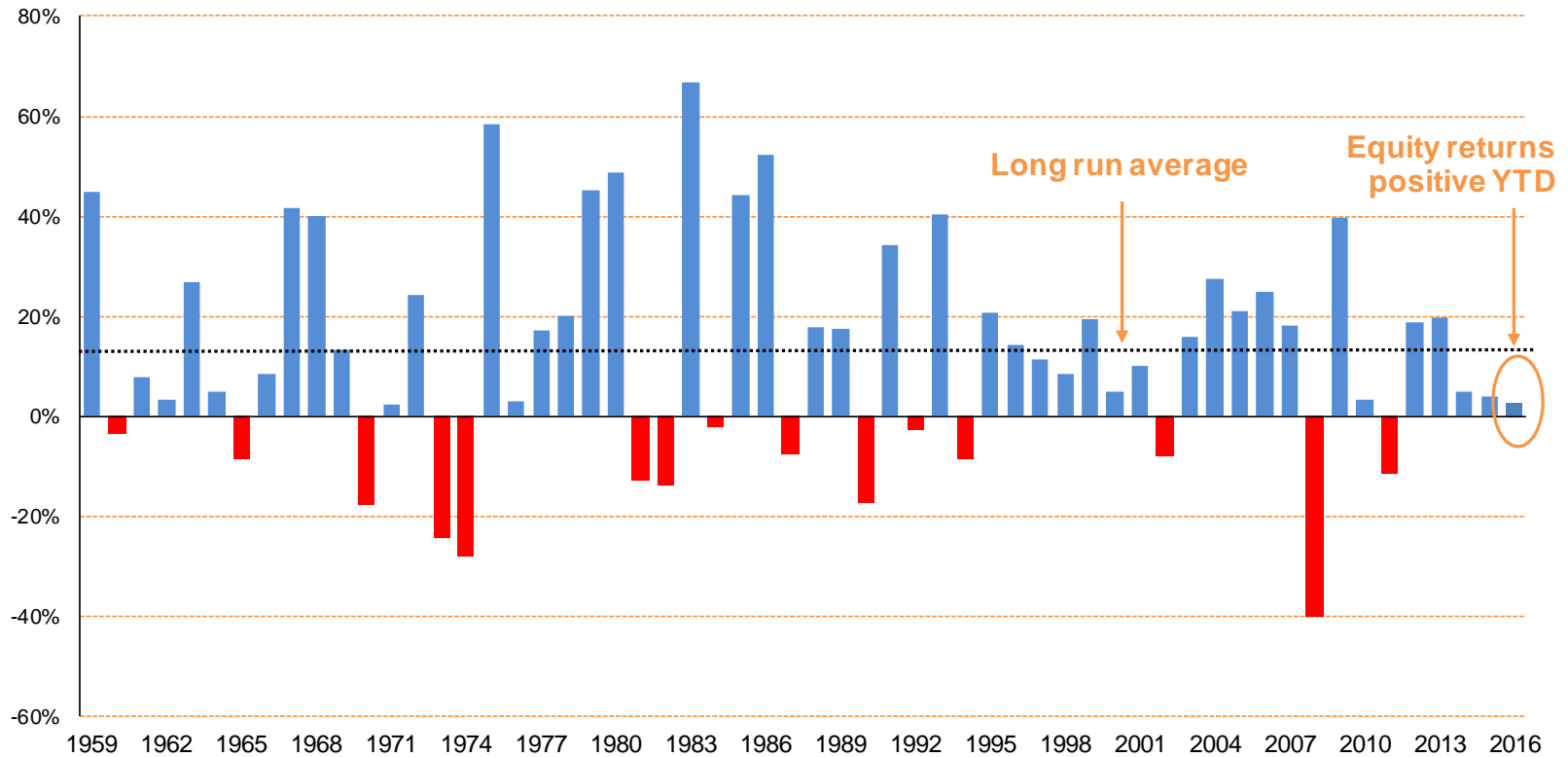


Source: Bloomberg, IBES, Contango

EQUITY RETURNS OVER THE LONG RUN

EQUITY RETURNS ARE NOW POSITIVE YEAR-TO-DATE

All Ordinaries Accumulation Index - Annual Performance



Source: Bloomberg, RBA Bulletin, Contango

*Accumulation data. 2016 reading is data as of 2 May (YTD%)

INTEREST RATES TO REMAIN LOW SUPPORTING GROWTH AND EQUITY MARKETS

- Global growth modest and uneven with limited inflationary pressure
- Underlying US growth improving, solid employment growth
 - Consistent with FOMC maintaining a cautious approach to rate rises
- Growth in Europe recovering but tail-risks re-emerge and ECB likely to do more QE
- Growth in China is moderating as economy rebalances
 - Commodity prices to remain under pressure
- Domestic economy slowly transitioning from mining to services
 - Continued low rates and lower AUD required to drive growth

4. WHAT ARE THE IMPLICATIONS FOR YOUR PORTFOLIO?

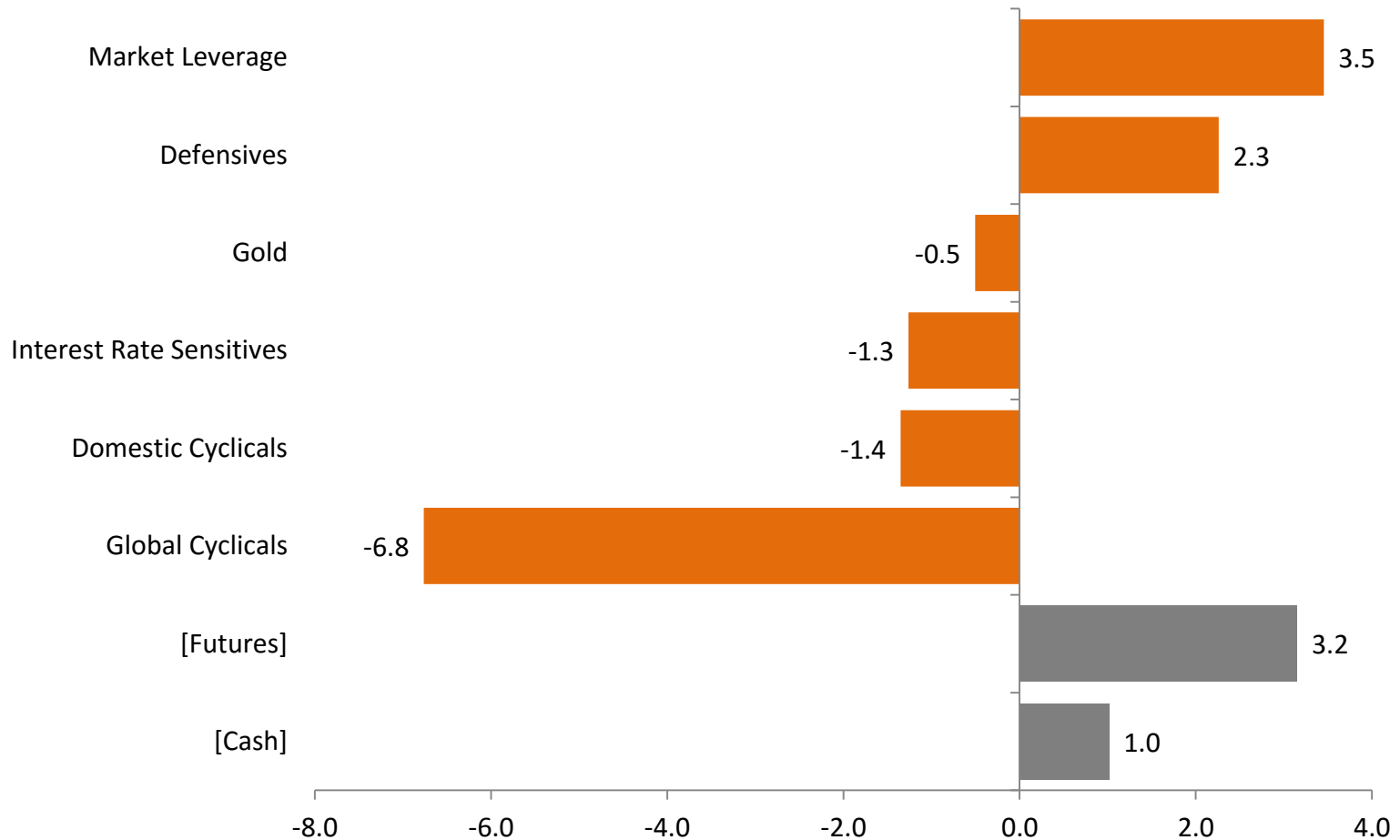
LARGE CAP, MID CAP INCOME AND A MICRO CAP STRATEGY

PORTFOLIO STRATEGY IMPLICATIONS FROM THE TOP-DOWN VIEW

- Aussie equities to outperform bonds and cash
 - Interest rates lower for longer
 - Lower AUD
- Super Sector strategy to remain defensive growth
 - Prefer companies with secular growth and foreign currency exposure
 - No cyclical uplift, outlook for commodity prices remains subdued
- Portfolio Construction more nuanced
 - Defensive earnings growth via healthcare, diversified financials
 - Remaining underweight global cyclicals
 - Accumulated energy in early 2016 but remain underweight
 - Structural issues with consumer staples

WE GROUP STOCKS BY MACRO RELATIONSHIPS TO ADD ALPHA AT THE SUPER SECTOR LEVEL

Contango Large Cap Fund: SS Active Weight vs ASX300



Example only

4.1. THE CONTANGO ASSET MANAGEMENT LARGE CAP (GARP) FUND

LARGE CAP (GARP*) FUND IS A DIVERSIFIED PORTFOLIO OF LARGE CAP GROWTH STOCKS

- Offers a diversified exposure to the Australian equity market and a higher expected return than investments in cash or fixed income
- Actively managed portfolio of Australian listed shares on the S&P/ASX 300 Index
 - Target return of the S&P/ASX 300 Accumulation Index plus 2%
 - Tracking error of 1.5% - 4%
 - Broad composition of 25 - 40 stocks
- Business cycle process
 - Combines a systematic top-down and bottom-up analysis
- Fund facts
 - Size is \$155 million
 - Inception is April 1999

LARGE CAP (GARP) FUND'S PERFORMANCE HAS BEEN STRONG SINCE INCEPTION

CONSISTENT ALPHA GENERATION IN DIFFERENT MARKET CONDITIONS

March 2016	Large Cap Fund	ASX 300 Accumulation	Added Value
3 Months	-3.1%	-2.6%	-0.5%
6 Months	3.9%	3.7%	0.2%
1 Year	-9.7%	-9.3%	-0.4%
3 Years pa	7.0%	5.3%	1.7%
5 Years pa	6.7%	5.4%	1.3%
Since inception (April 1999) pa	8.8%	7.5%	1.3%

Gross Performance

LARGE CAP (GARP)

STOCK POSITIONS CONSISTENT WITH STRATEGY VIEW

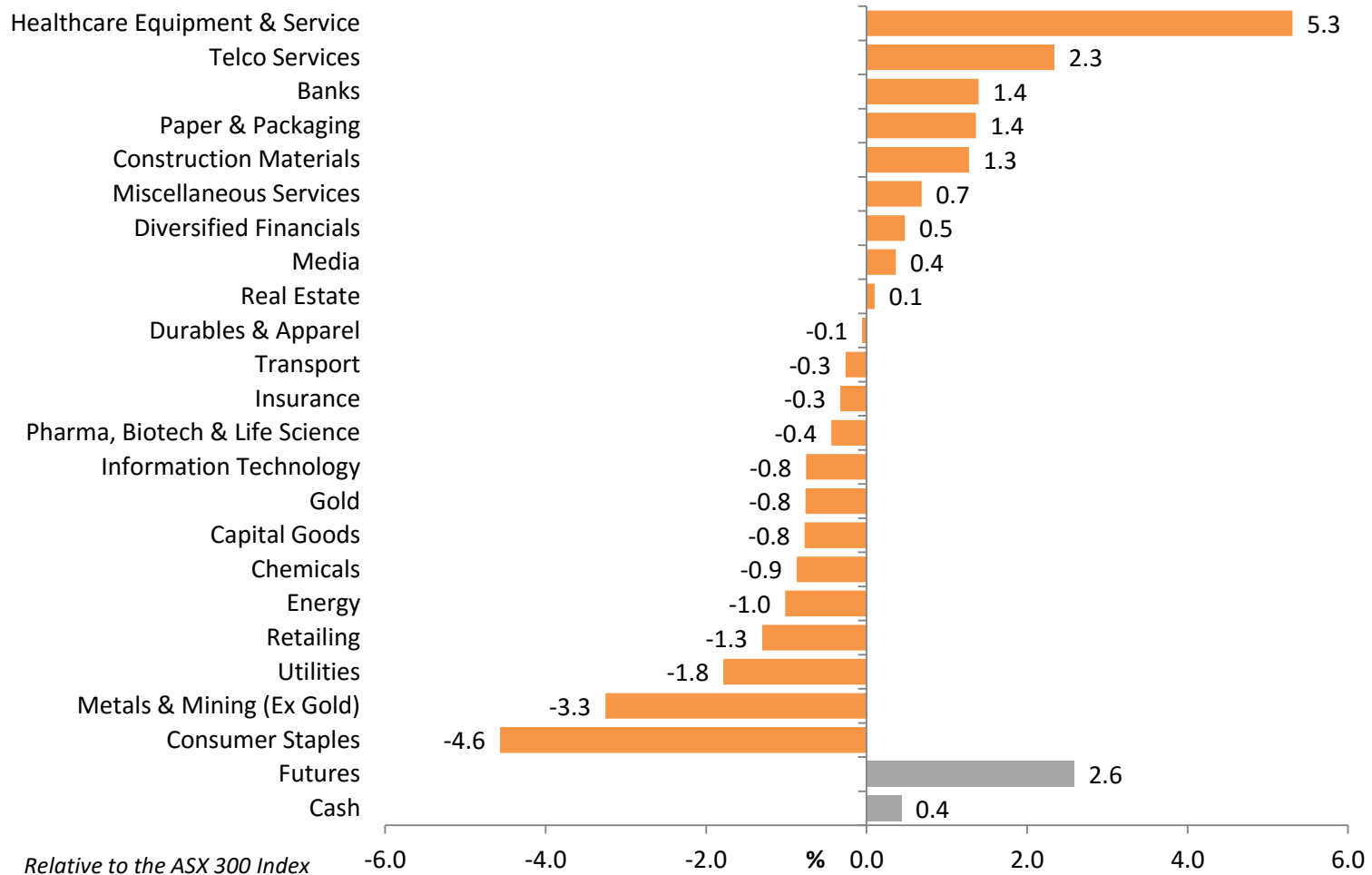
Code	Stock	Over %	Code	Stock	Under %
OSH	OIL SEARCH	2.7	WBC	WESTPAC BANKING CORP	-1.9
ANZ	AUST AND NZ BANKING	2.5	BHP	BHP BILLITON LIMITED	-1.9
CSL	CSL	2.2	SCG	SCENTRE	-1.8
GMG	GOODMAN	2.2	TCL	TRANSURBAN	-1.7
SUN	SUNCORP	2.1	NAB	NATIONAL AUSTRALIA BANK	-1.6
HSO	HEALTHSCOPE	2.0	RIO	RIO TINTO	-1.6
SGP	STOCKLAND	1.9	WPL	WOODSIDE PETROLEUM	-1.4
VCX	VICINITY CENTRES	1.9	WFD	WESTFIELD CORP	-1.4
JHX	JAMES HARDIE INDUSTRIES	1.9	WES	WESFARMERS	-1.3
BXB	BRAMBLES	1.8	AMP	AMP	-1.2

April 2016

LARGE CAP (GARP)

PORTFOLIO EMPLOYING AND ACTIVELY MANAGING RISK

Large Cap Portfolio Active Weights: Contango Industry Sectors

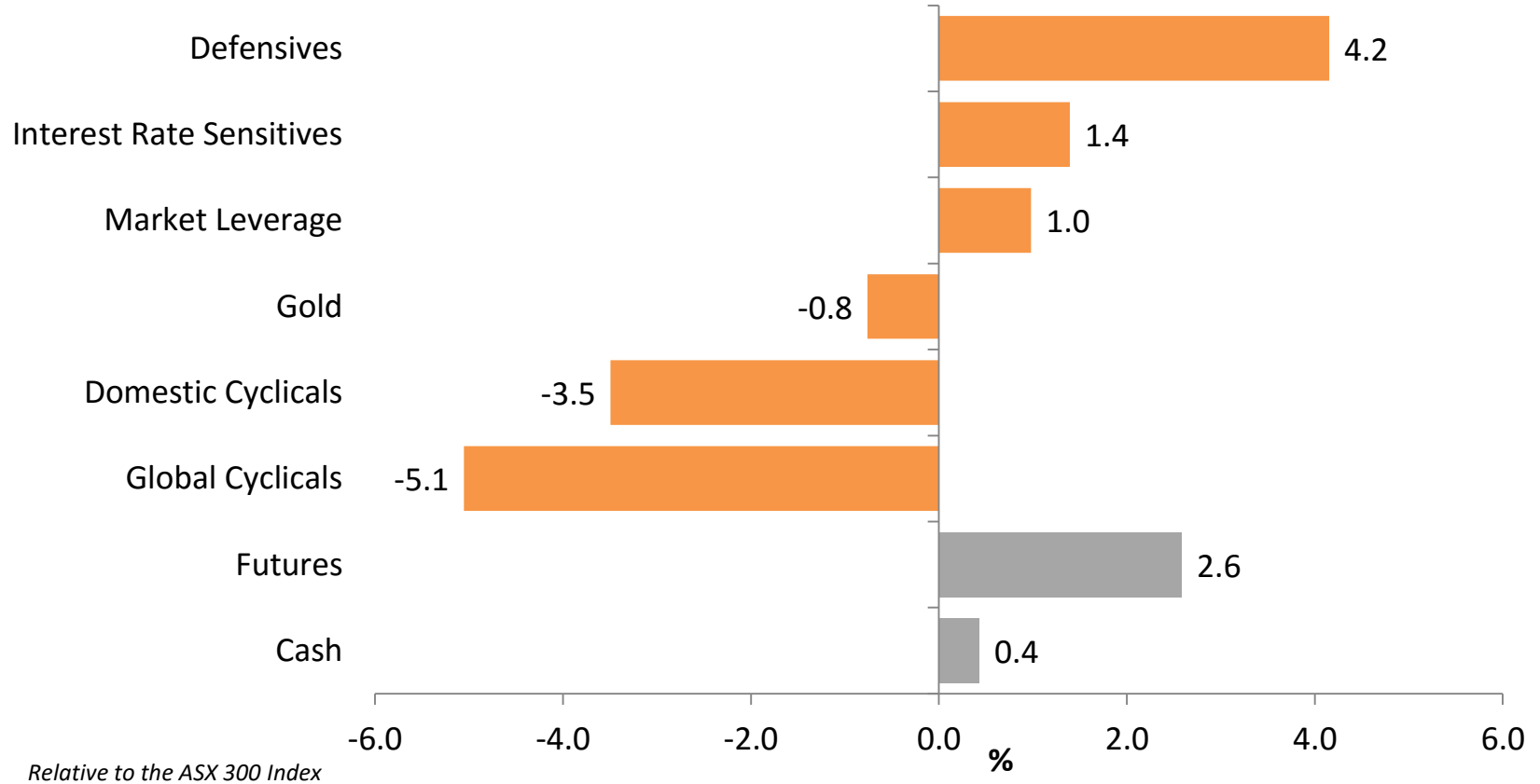


April 2016

LARGE CAP (GARP)

PORTFOLIO EMPLOYING AND ACTIVELY MANAGING RISK

Large Cap Portfolio Active Weights: Contango Super Sectors



April 2016

LARGE CAP (GARP) ACTIVE RISK POSITIONS ARE CONSISTENT WITH THE FUND'S OBJECTIVES

April 2016	Contango Large Cap	ASX 300 Accum Index
Price to Earnings Ratio	14.8	15.9
Dividend Yield (net)	4.8	4.5
Dividend Yield (gross)	6.1	5.9
EPS Growth (%)	3.8	-1.1
Return on Equity (%)	15.1	14.2
Beta	0.96	1.00
Tracking Error*	2.15	-

Source: Bloomberg AIMs (next twelve months)

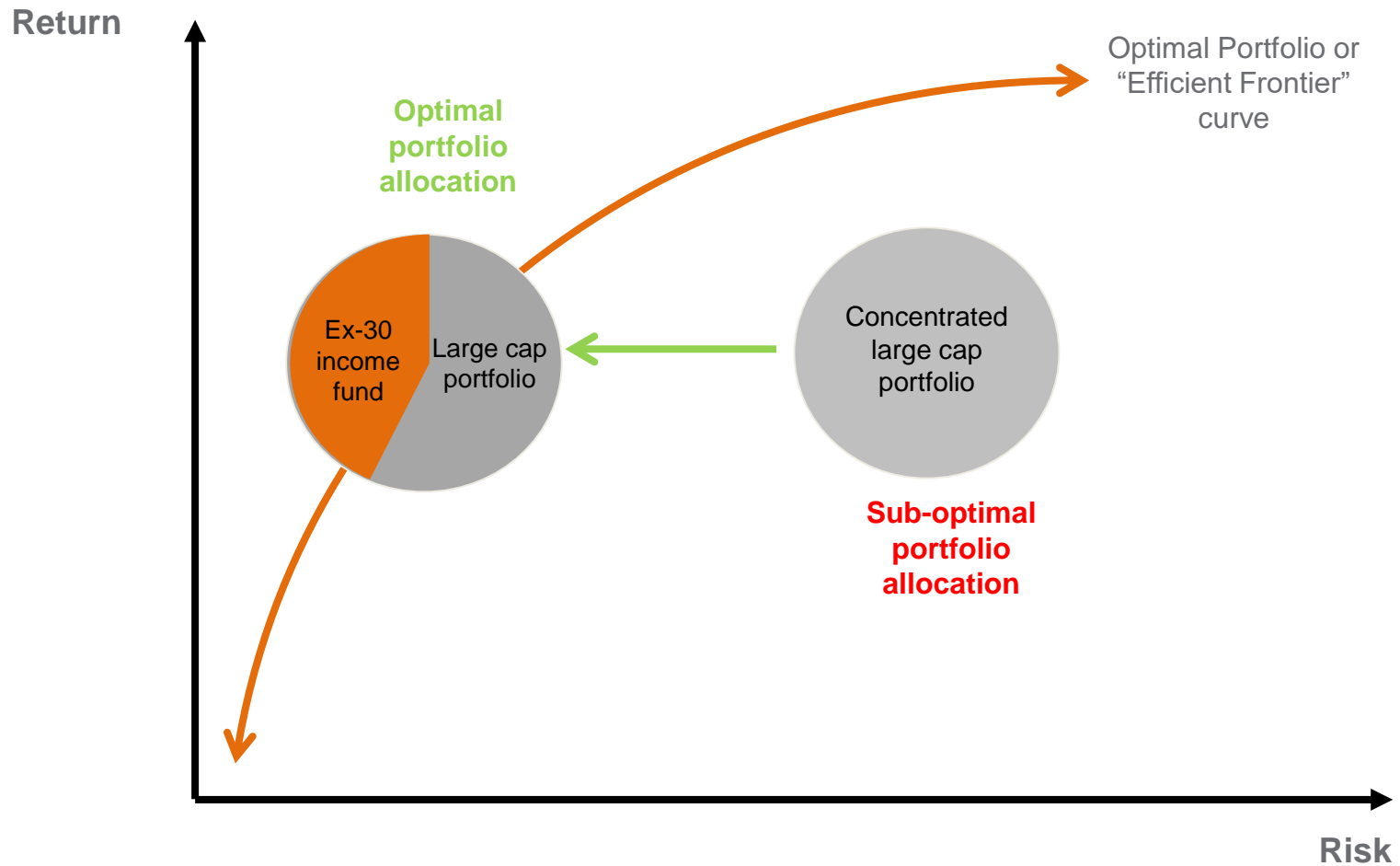
* Ex ante.

4.2 THE CONTANGO INCOME GENERATOR (EX 30 MID CAP INCOME) FUND

A LOWER VOLATILITY AND HIGHER YIELDING EQUITY INCOME FUND THAT DIVERSIFIES AWAY FROM THE TOP-30

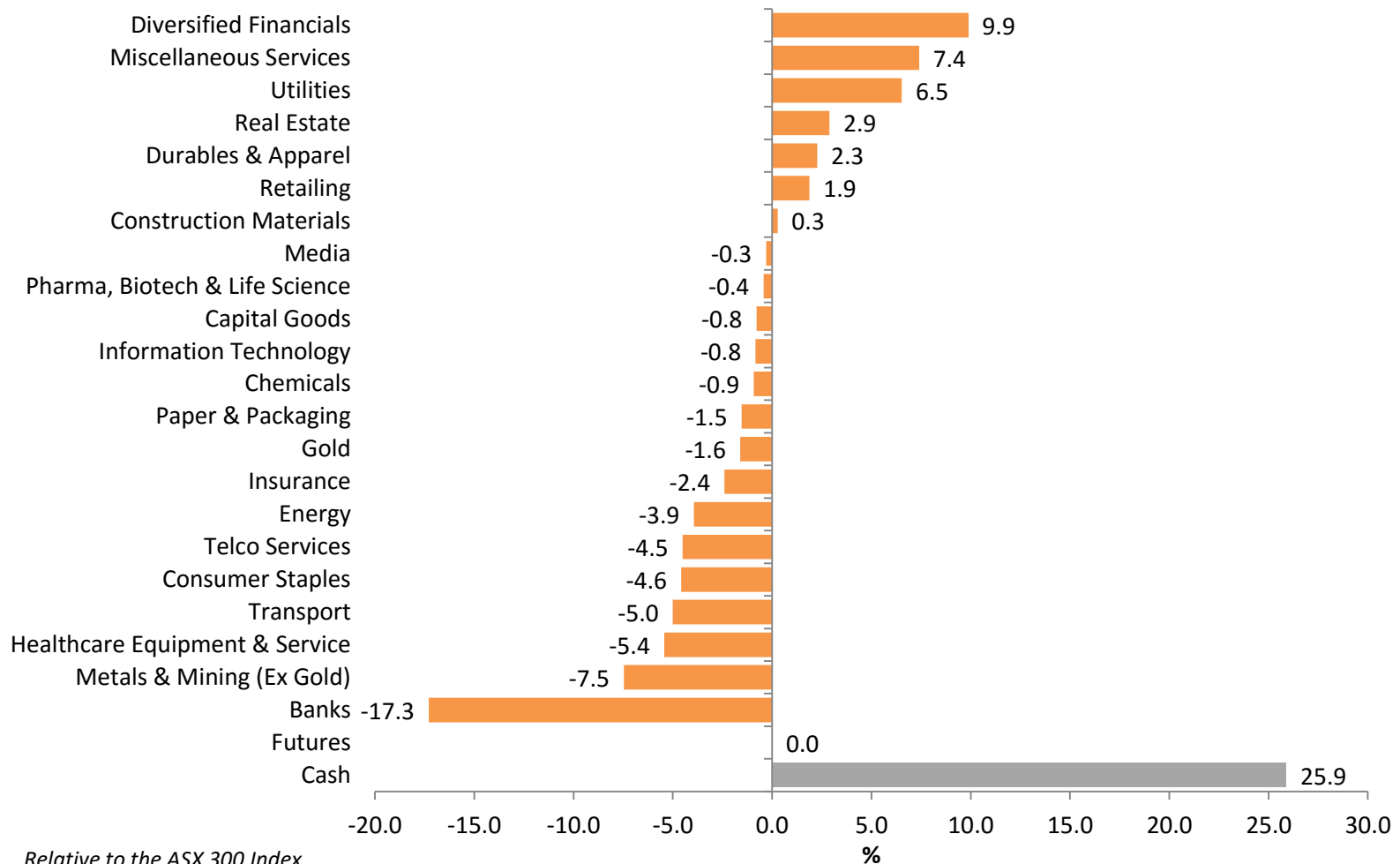
- Offers a portfolio of lower volatility and higher yielding Australian listed shares outside of the top-30
 - Provides diversification away from large cap banks and telcos.
- Actively managed portfolio of Australian listed shares on the ASX/S&P 300 ex-30 with:
 - Higher than market dividend yield (targeting 100bps)
 - High franking
 - Lower volatility and balance sheet strength
 - Stable earnings and solid dividend growth.
- Fund facts
 - Size is \$78 million
 - Inception wholesale fund Dec 2012 / inception LIC is August 2015
 - Max cash is 25% wholesale / 50% LIC

A BLEND OF TOP-30 AND EX-30 INCOME STOCKS IS A MORE EFFICIENT PORTFOLIO ALLOCATION



THE INCOME GENERATOR FUND'S ACTIVE WEIGHTS ARE A PRODUCT OF THE INVESTMENT PROCESS

Income Generator Fund Active Weights: Contango Industry Sectors



April 2016

THE INCOME GENERATOR FUND'S STOCK POSITIONS ARE A PRODUCT OF THE INVESTMENT PROCESS

Code	Stock	Over %	Code	Stock	Under %
BOQ	BANK OF QUEENSLAND	5.0	CBA	COMMONWEALTH BANK	-9.0
ASX	ASX	5.0	WBC	WESTPAC BANKING CORP	-7.4
TTS	TATTS GRP	4.6	NAB	NATIONAL AUSTRALIA BANK	-5.1
BEN	BENDIGO & ADELAIDE BANK	4.5	ANZ	AUST AND NZ BANKING	-5.0
TAH	TABCORP HOLDINGS	3.4	BHP	BHP BILLITON LIMITED	-4.7
DUE	DUET GRP	3.3	TLS	TELSTRA CORP	-4.7
SKI	SPARK INFRASTRUCTURE	3.0	CSL	CSL	-3.5
CQR	CHARTER HALL RETAIL REIT	3.0	WES	WESFARMERS	-3.4
VCX	VICINITY CENTRES	2.4	WOW	WOOLWORTHS	-2.0
PTM	PLATINUM ASSET	2.3	SCG	SCENTRE GROUP	-1.8

April 2016

THE INCOME GENERATOR FUND'S ACTIVE RISK POSITIONS ARE CONSISTENT WITH THE FUND'S OBJECTIVES

April 2016	Contango Income Generator	All Ordinaries	S&P/ ASX300 Top-30	S&P/ ASX300 ex-30
Median Market Cap (\$M)	1967.1	515.7	20182.5	1072.5
Price to Earnings Ratio	14.7	15.9	15.9	15.8
Earnings Growth	5.6	-1.1	-3.3	4.2
Dividend Yield (Net)	6.0	4.5	4.7	4.1
Dividend Yield (Gross)	7.7	5.9	6.5	4.9
Return on Equity	14.6	13.8	14.7	13.2
Beta to ASX300	0.84	1.00	1.04	0.89

Source: Contango AM, 12 month forward consensus forecast

THE INCOME GENERATOR FUND HAS DELIVERED STRONG PERFORMANCE

April 2016	Contango Income Generator	All Ordinaries Accum Index	Added Value
1 Year	1.6%	-3.7%	5.3%
2 Years pa	9.5%	3.0%	6.5%
Inception (Dec 2012) pa	15.6%	8.7%	6.9%

Gross Performance Wholesale fund

Source: Contango AM, net of fees

A DIVERSIFIED PORTFOLIO IMPLIES LOWER VOLATILITY

Blending a low beta dividend income and corporate bond strategies will help lower the total volatility of your equity portfolio..

...the focus on income will help charity funds or SMSF seeking income in pension phase...

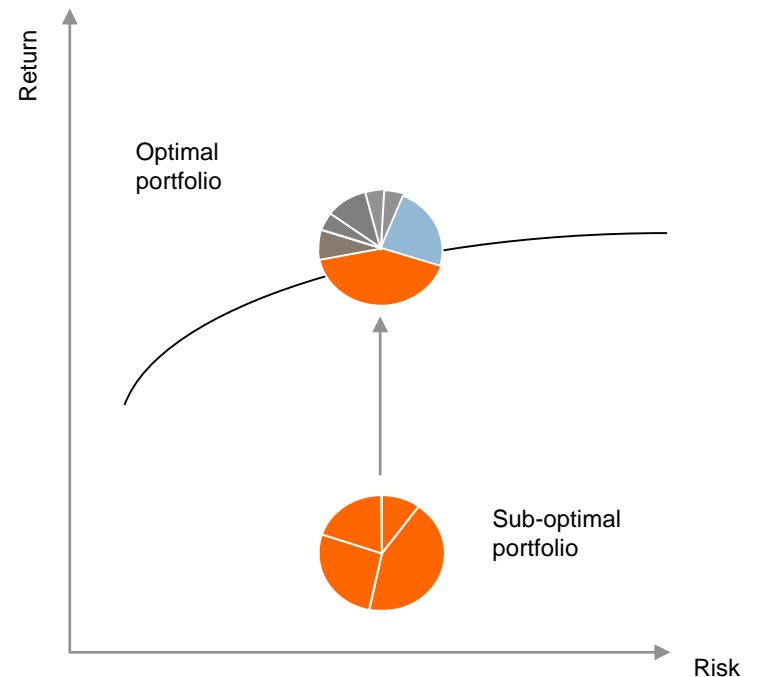
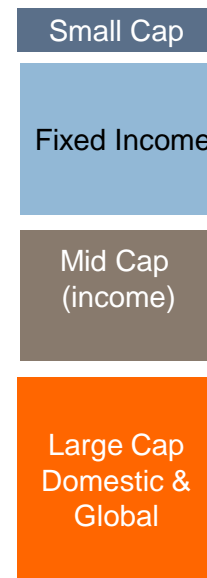
Blended equity portfolio:

The appropriate mix of Equities (global and domestic), Fixed Income, property, Infrastructure all help to lower the volatility while targeting the same expected return targets. The optimal portfolio depends on the preferences and the risk profile of the investor.

Sub-optimal equity portfolio



Example: Optimal portfolio



Strategic Asset Allocation of an initial and optimized portfolio.

For illustrative purposes only

The efficient frontier line represents the portfolios with the lowest risk for each given return level. These portfolios are called "efficient" portfolios.

Please refer to the disclaimer at the front of this presentation

4.3. THE CONTANGO ASSET MANAGEMENT MICRO CAP FUND

THE MICRO CAP FUND IS

A DIVERSIFIED PORTFOLIO OF EMERGING COMPANY MICRO CAP STOCKS

- Offers a diversified exposure to ASX listed micro cap companies and a higher expected return than the Large Cap (GARP) Fund
- Actively managed portfolio of Australian listed shares with a market capitalisation of between \$30-\$350 million
 - Target return of the S&P/ASX Small Ords Accumulation Index plus 3%
 - Tracking error of 5% - 12%
 - Broad composition of 50 - 100 stocks
- Business cycle process
 - Combines top-down and bottom-up analysis
- Fund facts
 - Total Micro Cap mandate size \$285 million
 - Inception March 2004
 - Max cash is 25% wholesale / 50% LIC

MICRO CAP FUND'S PERFORMANCE HAS BEEN STRONG SINCE INCEPTION

April 2016	MicroCap Fund	ASX All Ords Accumulation	Added Value
3 Months	8.4%	6.5%	1.8%
6 Months	10.6%	2.8%	7.8%
1 Year	4.8%	-3.7%	8.4%
7 Years pa	12.8%	9.7%	3.1%
Since inception (March 2004) pa	15.5%	8.3%	7.2%

Gross Performance

MICRO CAP FUND'S STOCK POSITIONS CONSISTENT WITH STRATEGY VIEW

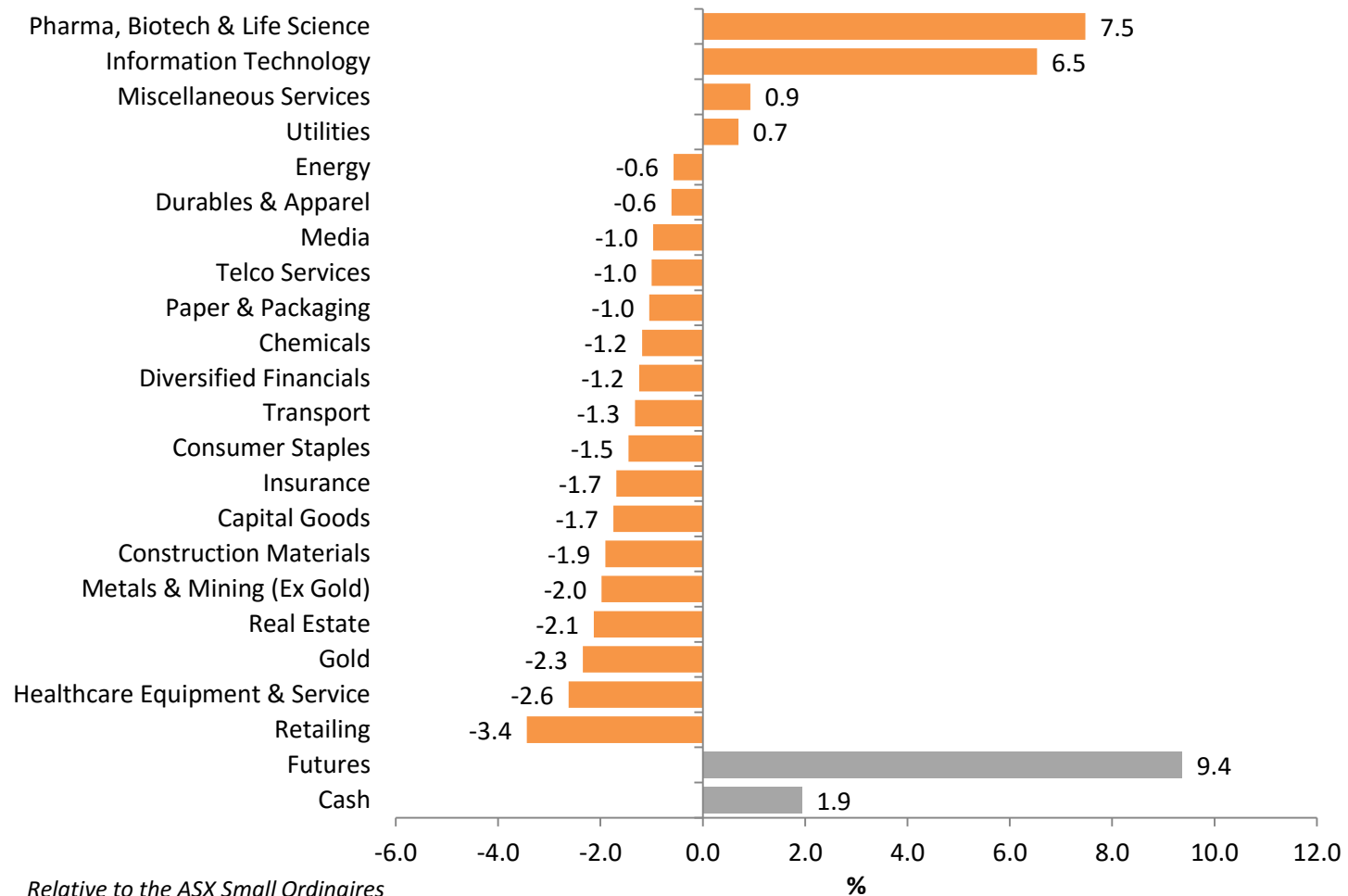
Code	Stock	Over %	Code	Stock	Under %
SAR	SARACEN MINERAL	3.9	NST	NORTHERN STAR RES	-1.8
HUB	HUB24	3.4	BKL	BLACKMORES	-1.5
MYX	MAYNE PHARMA	3.3	NHF	NIB HOLDINGS	-1.5
SGF	SG FLEET	2.8	MQA	MACQUARIE ATLAS RDS	-1.5
QMS	QMS MEDIA	2.8	EVN	EVOLUTION MINING	-1.5
CAT	CATAPULT INTL	2.7	OZL	OZ MINERALS	-1.4
ENN	ELANOR INVESTOR	2.5	LNK	LINK ADMINISTRATION	-1.4
GMM	GENERAL MINING CORP	2.4	BWP	BWP TRUST	-1.3
GMF	GPT METRO OFFICE FUND	2.1	SCP	SHOPPING CENTRES AUS	-1.3
PME	PRO MEDICUS	2.0	BTT	BT INVESTMENT	-1.2

April 2016

MICRO CAP FUND

EMPLOYING AND ACTIVELY MANAGING RISK

Micro Cap Portfolio Active Weights: Contango Industry Sectors



Relative to the ASX Small Ordinaires
April 2016

MICRO CAP FUND'S ACTIVE RISK POSITIONS ARE CONSISTENT WITH THE FUNDS OBJECTIVES

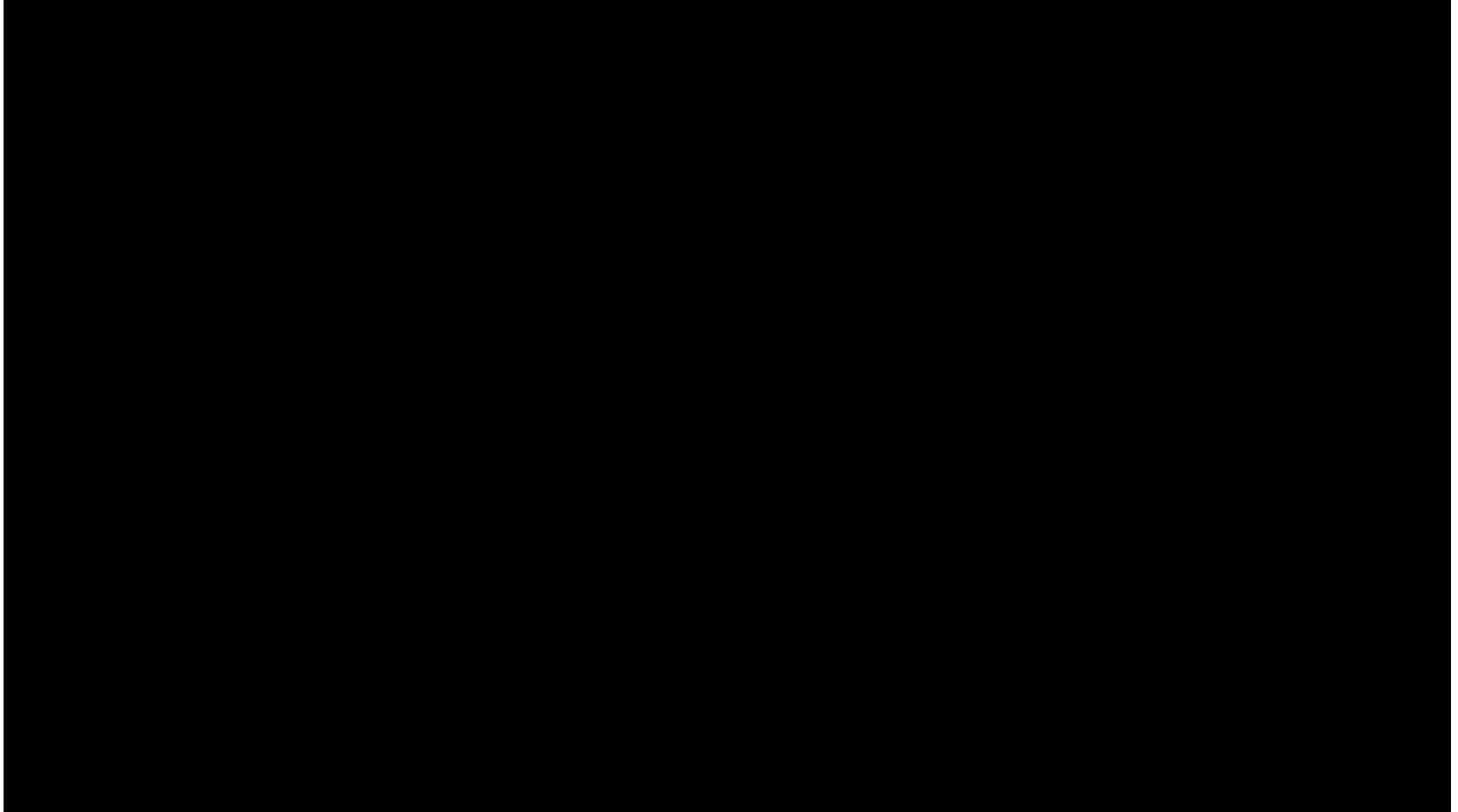
April 2016	Contango Micro Cap	ASX Small Ords Index
Price to Earnings Ratio	11.8	14.2
Dividend Yield (net)	4.0	4.2
Dividend Yield (gross)	4.8	5.0
EPS Growth (%)	44.0	13.0
Return on Equity (%)	21.0	15.9
Beta	0.8	1.0
Tracking Error*	7.21	-

Source: Bloomberg (next twelve months)

* Ex ante.

STOCK STORY

LITHIUM OVERVIEW



<http://www.theverge.com/2016/4/1/11342104/tesla-model-3-announcement-photos>

STOCK STORY

LITHIUM OVERVIEW

Demand

- End 2015 estimated to be approximately 200kt with an expected CAGR of 10.0%
- Demand will exceed supply for the foreseeable future and rebalancing will be dependent upon the hard rock entrants delivering on their stated targets.
- Li-ION batteries are yet to reach maturity and continue to find new applications
- Consumer electronics/Transportation/Energy storage/consumer devices all growing between 8-40% CAGR.
- Currently 45 exploration companies actively looking for hard rock lithium deposits.

STOCK STORY

LITHIUM OVERVIEW

Supply

- Tight with no new entrants in the western world in short term.
- 70% of world supply from Chile (SQM, Albermarlie), Argentina (FMC) & Australia (Talisson).
- New supply from Orecobre/Galaxy & General Mining.
- Strong demand, market growth of 10.0% CAGR
- Current holdings are:
 - Producers - Orecobre/General mining
 - Pre developers - Pilbara
 - Explorers - nil

STOCK STORY

LITHIUM OVERVIEW

Pilbara Minerals Ltd



General Mining Corp Ltd

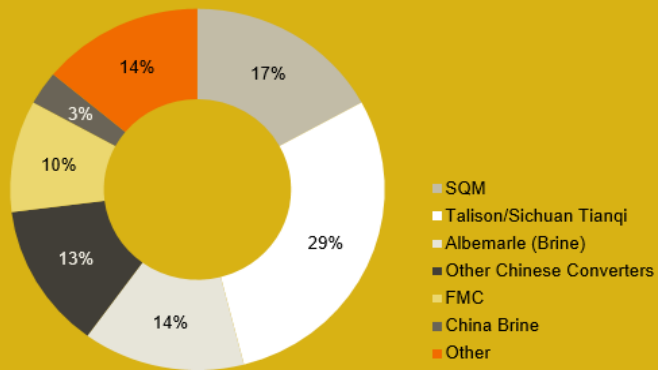


STOCK STORY

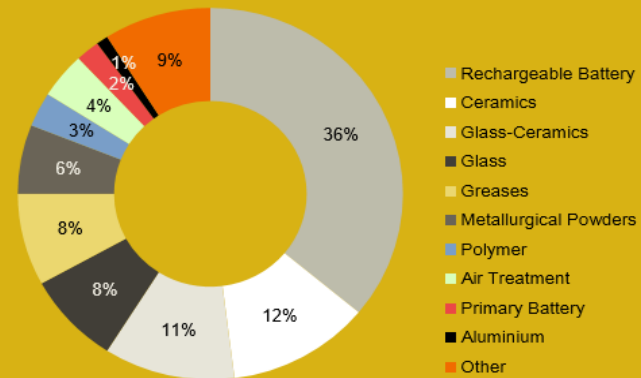
LITHIUM RIGHT PLACE, RIGHT TIME

LITHIUM: RIGHT PLACE, RIGHT TIME

LITHIUM SUPPLY BY COMPANY
(OROCOBRE ESTIMATES 2015)



CURRENT LITHIUM DEMAND BY MARKET
(OROCOBRE ESTIMATES 2015)



BATTERY MEGAFACTORIES ARE COMING ...

LG CHEM

LG Chem, a Korean battery manufacturer, is constructing a plant in Nanjing, China with annual production capacity of more than 100,000 electric vehicles. It will supply batteries to Chinese automakers

FOXCONN

Foxconn, a Taiwanese iPhone manufacturer, has also announced plans to invest \$814m in building a gigafactory in China and to become a major player in the Chinese electric car market

BYD

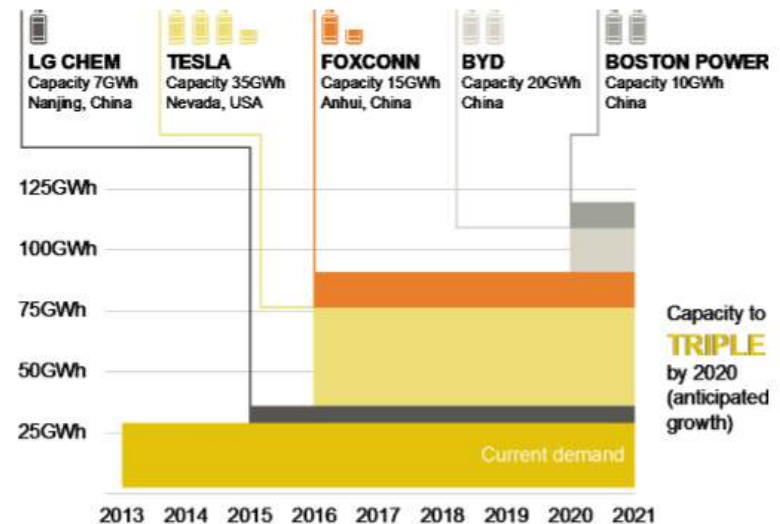
Build Your Dreams (BYD) is a Chinese automaker. BYD currently has about 6GWh of capacity, with plans to significantly increase capacity via factories in both China and Brazil

TESLA

Tesla, in partnership with Panasonic, is building a 35GWh facility in Nevada, and expects to begin battery cell production in 2017 and reach full capacity by 2020 - producing more lithium ion batteries annually than were produced worldwide in 2013

BOSTON POWER

Boston Power is a developer and manufacturer of Li-ion batteries. It has R&D facilities in the US and China and manufacturing facilities in China. Boston Power recently received funding from local Chinese governments to substantially expand its existing battery manufacturing facilities in China

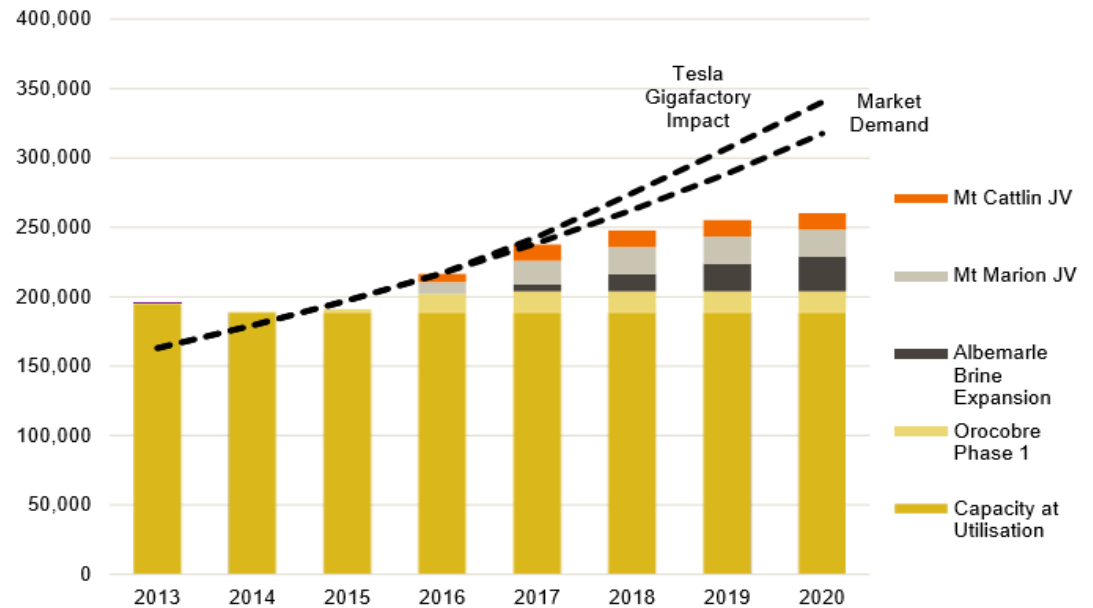


Notes: Benchmark estimates, not all data disclosed by companies.
Instant planned capacity stated for graphical purposes, slower ramp up expected
Source: visualcapitalist.com. Data by Benchmark Mineral Intelligence

OROCOBRE MARKET VIEW

Orocobre Estimates: Capacity growth through brine expansion projects and new hard rock producers applying utilisation rates

HOW WILL LITHIUM DEMAND BE IMPACTED BY OTHER BATTERY MEGAFABRIQUES COMING ONLINE?



STOCK STORY CLOVER (CLV)

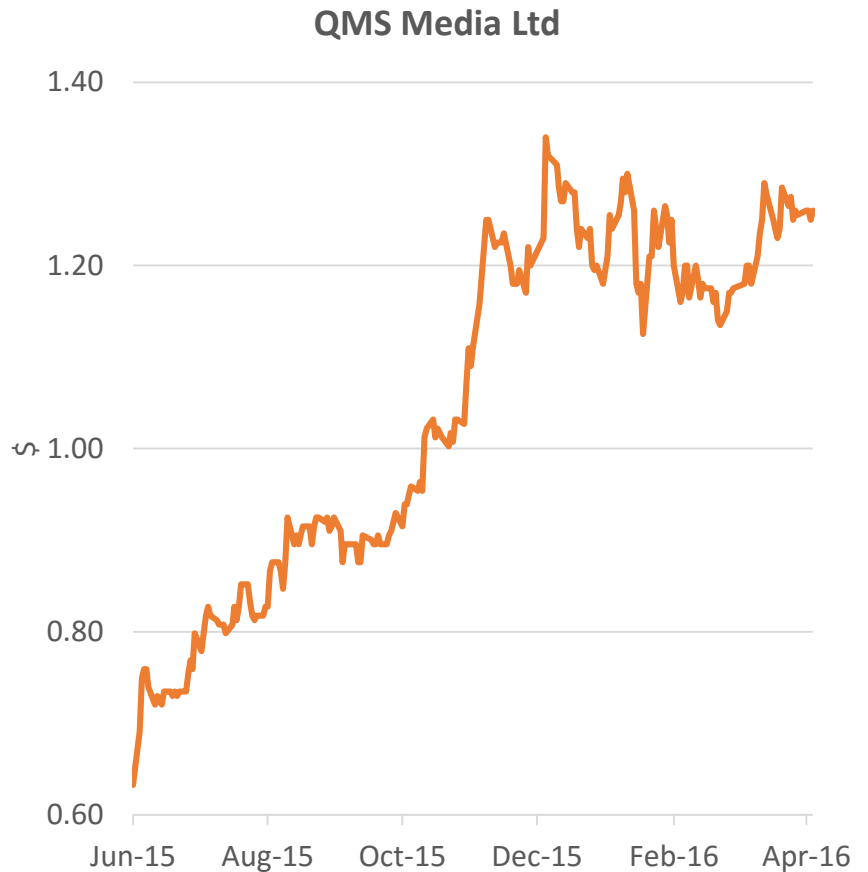
- Supplies omega supplements (refined tuna oil in a powder format) to infant formula manufacturers – trades under brand Nu-Mega.
- Well positioned to supply both Australian **and** Chinese manufacturers in Aust/NZ/ROW.
- Cash on balance sheet.
- Good sales momentum.
- Has phase three clinical trial on foot with premature babies.
- **IF** the trial is successfully – Dr Brian McNamee (Ex CSL) is to market it. Not priced in in our view



STOCK STORY

QMS (QMS)

- Outdoor advertising company (Australia & NZ).
- Benefitting from structural growth of converting billboards from static to digital.
- Revenue uplift is ~5x–6x/site due to increased inventory, network benefits (~45% of FY16 revenue digital).
- 21 digital sites FY15 increasing to 48 FY16e.
- Ongoing conversion and run-rate benefits to support future growth.
- Smallest and cheapest of the 3 listed players.
- Strong financial results should drive PE re-rate.



STOCK STORY

WEST AFRICAN RESOURCES (WAF)

- Exciting West African gold play in Burkina Faso.
- Two new discoveries (M1 and M2) proximal to the original ore body (M5) have significantly changed the scope and mine life of the project.
- M1 and M2 remain open along strike and depth with recent drilling returning very high grades of 7 to 12g/tn Au.
- Further prospective opportunities yet to be drilled out.
- Fully funded until DFS (end CY16).
- Solid management with a strong track record.

West African Resources Ltd



4.4 THE CONTANGO ASSET MANAGEMENT HALIDON YIELD ENHANCED FUND

FIXED INCOME – HALIDON YIELD ENHANCED FUND

INTRODUCTION

- A High quality, low volatility, investment grade credit portfolio with a focus on capital preservation and provision of income circa 4.00% per annum
- Investment objective
 - Achieve a return greater than the benchmark return each year, before tax, but after fees and expenses over a rolling 3 year period
- Investment process
 - Combination of a top down macroeconomic and bottom up quantitative analysis utilising the investment resources of Contango
- Can invest in a wide range of Australian yield bearing securities including cash, debt and hybrid securities
- Risk management a key focus
 - Maximum duration 2 years with strict issuer and sector exposure limits
- Fund characteristics
 - Fund size \$29.86m
 - No. of securities 51
 - Running (cash) yield 4.47%
 - Modified duration 0.99 years
 - Weighted average credit rating BBB+ (S&P Long Term)

FIXED INCOME – HALIDON YIELD ENHANCED FUND

PERFORMANCE AND CHARACTERISTICS

	1 Month	3 Months	6 Months	1 Year	3 Year	Inception ² (Annualized)	Actual)
Fund ¹	0.33%	0.41%	1.01%	1.58%	3.35%	5.78%	44.76%
Benchmark ³	0.11%	0.63%	1.02%	2.02%	2.91%	4.05%	29.91%
Relative	0.22%	-0.22%	-0.01%	-0.44%	0.45%	1.72%	14.85%

1. Returns after fees but before tax

2. Inception date 31st August 2009

3. Benchmark = Bloomberg AusBond Bank Bills Index return (50%) + AusBond Composite 0-3 Year Index return (50%)



Key Interest Rates	
Cash Rate	2.00%
ACGB 3 Year Bond	1.89%
ACGB 10 Year Bond	2.48%
ACGB 20Year Bond	3.05%
Yield Curve (10 Year – 3 Year)	0.59 bps

Characteristics	
	Fund
Yield To Maturity	4.27%
Running Yield	4.47%
Weighted Average Credit Rating	BBB+
Modified Duration (Years)	0.99

Fund Facts	
Fund Size (m)	\$29.86
Net Tangible Assets (NTA)	\$0.808211
Number of Securities	51

Top Ten Holdings	Portfolio Weight %
Cash	2.92
Telstra Floating Rate Note	5.02
AXA SA Floating Rate Note	3.66
Shopping Centres Australia Retail Property Trust Fixed	3.71
Royal Bank of Canada Floating Rate Note	3.36
Macquarie Group Hybrid	2.35
Suncorp Metway Floating Rate Note	2.31
Nufarm Finance NZ Limited Floating Rate Note	1.98
Goodman Property Plus Trust	1.98
Caltex Australia Limited Fixed Rate Bond	1.87

Credit Allocation (S&P Long Term)	Portfolio Weight %
AAA	9.29
AA	6.72
A	27.56
BBB	30.21
B	2.00
NR	24.22

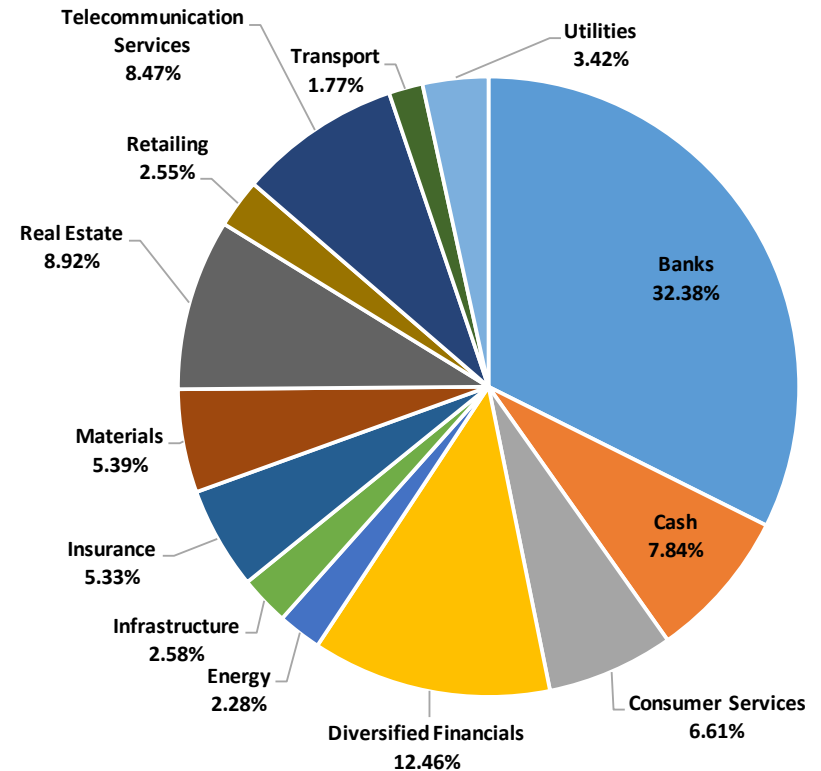
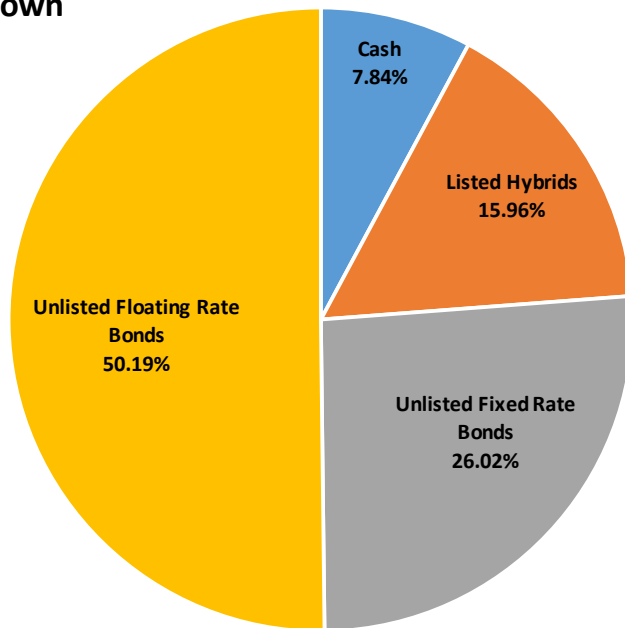


FIXED INCOME – HALIDON YIELD ENHANCED FUND

LONG TERM PERFORMANCE AND FUND BREAKDOWN

- Part of an optimal or efficient portfolio
- When blended with equities and other assets classes, lowers volatility while targeting similar portfolio returns

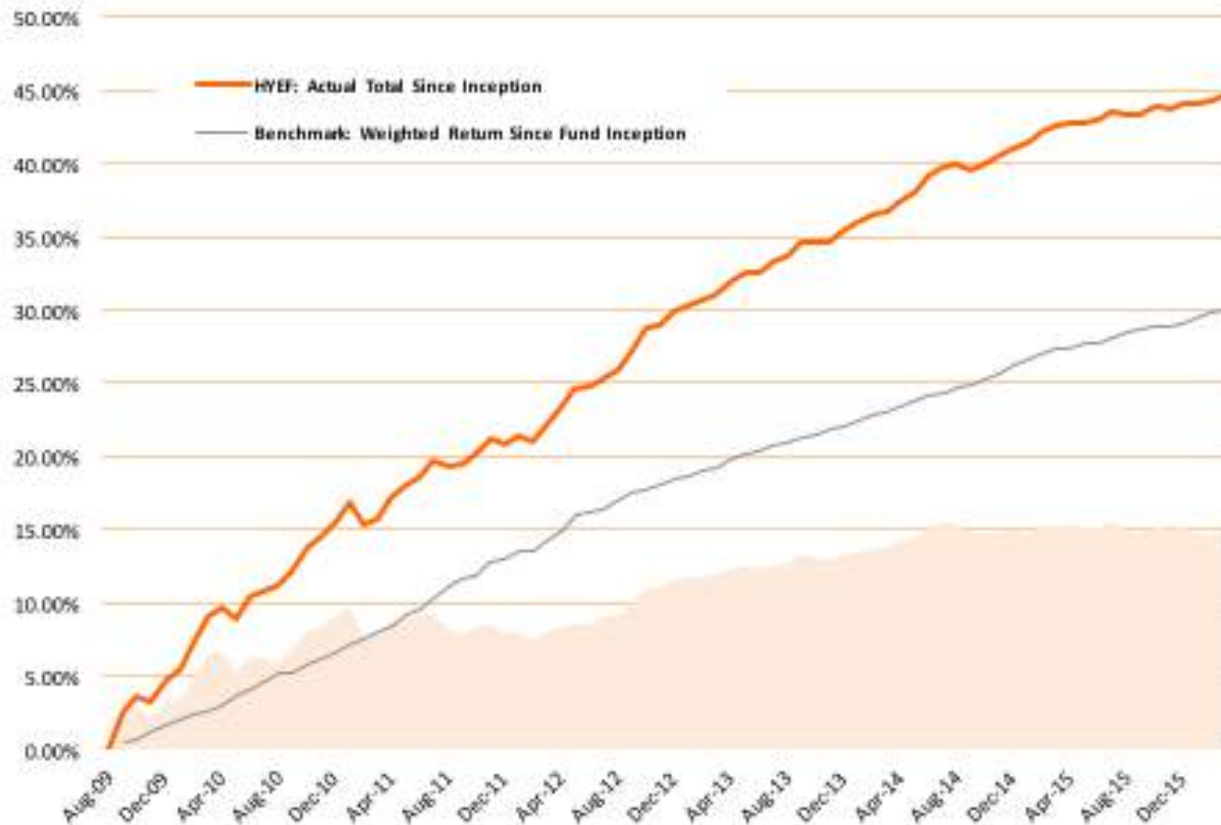
Portfolio Breakdown



FIXED INCOME – HALIDON YIELD ENHANCED FUND

LONG TERM PERFORMANCE AND FUND BREAKDOWN

- When blended with equities and other assets classes, lowers volatility while targeting similar portfolio returns



Note: Returns after fees but before tax. Benchmark comprises returns of the Bloomberg AusBond Bank Bills Index (50%) + Bloomberg AusBond Composite 0-3 Year Index (50%)

5. SUMMARY



CONTANGO ASSET MANAGEMENT IS AN EXPERIENCED FUND MANAGER ACROSS THE ENTIRE MARKET SPECTRUM

- Well established Australian equity boutique manager formed in 1998.
- Unique and successful business cycle investment philosophy
 - Rigorous bottom-up investment process.
- Products covering the entire investment spectrum
 - Large Cap GARP and Dividend Income
 - Midcap Income (ex-30)
 - Small Cap
 - Micro Cap
 - REIT
 - Income solutions
- Experienced and large investment team. Well known and rated by consultants.

INVESTING IS SIMPLE BUT NOT EASY

“Do you know the only thing that gives me pleasure? It's to see my dividends coming in” John D Rockefeller

- Understanding and forecasting economic conditions is important for portfolio construction
- No hard landing for China. Worst of commodity adjustment behind us although outlook remains subdued
- Domestic PE re-rating continues. Corporate Australia is adjusting but recent reporting season confirms there is some earnings growth
- RBA cash rates heading lower. AUD needs to stay low to drive earnings higher
- Demographic structural drivers imply the search for yield will intensify
- Volatility is a part of investing - remain alert but not alarmed

6. INTRODUCING THE INVESTMENT TEAM



WELL RESOURCED INVESTMENT TEAM
WITH AN AVERAGE OF OVER 20 YEARS INDUSTRY EXPERIENCE

Role	Team member	Years experience
Chief Investment Officer	George Boubouras	26
Senior Portfolio Manager	Alistair Drummond	31
Senior Portfolio Manager	Shawn Burns	30
Senior Portfolio Manager	Bill Laister	36
Senior Portfolio Administration Manager	Tonia Lenaghan	30
Portfolio Manager - Income Solutions	Jarrold Deakin	23
Senior Investment Analyst	Stephen Scott	21
Senior Investment Analyst	Justin Puli	14
Senior Investment Analyst	Paul Davoren	21
Senior Investment Analyst	Richard Ivers	23
Investment Analyst	Craig Allen	14
Economist	Eamon Zelencich	8
Dealer/Analyst	Ross Edwards	20

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