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INVESTMENT MANAGER'S MONTHLY PORTFOLIO UPDATE AS AT 30 JUNE 2017

Contango Global Growth Limited (the Company or CQG) (ASX:CQG) wishes to provide its shareholders with an update in respect of the Company's portfolio. Shareholders are referred to the Investment Manager's Monthly Portfolio Update as at 30 June 2017 from Richard Dalidowicz, Senior Investment Consultant at Contango Asset Management Limited that is provided with this announcement.

Yours faithfully,

Valentina Stojanovska
Chairman

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CONTANGO GLOBAL GROWTH (CQG)

INVESTMENT MANAGER'S MONTHLY PORTFOLIO UPDATE **30 JUNE 2017**

RICHARD DALIDOWICZ, SENIOR INVESTMENT CONSULTANT

CONTANGO ASSET MANAGEMENT LIMITED

MONTHLY UPDATE

Despite some recent softer inflation outcomes in both the US and in Europe, both the Fed and ECB appear to be signalling their intention to normalise interest rate settings. The normalisation will be gradual, with the Fed well ahead of the ECB. The official view seems to be that the lower inflation numbers are temporary, partly driven by lower oil and that tightening labour markets will eventually lead to higher wages growth and attainment of their 2% inflation targets.

The US economic outlook is healthy according to key economic indicators of gross domestic product (GDP) and the unemployment rate. The GDP growth rate is expected to remain between 2% to 3% and the unemployment rate has fallen below 5%. Due to this strong outlook the Fed tightened monetary policy as expected at its June 2017 meeting, lifting the interest rate range by 0.25% to 1-1.25%. The Fed kept its projection for interest rates largely unchanged, implying one further move this year to 1.4%, 2.1% by end-2018 and 2.9% by end-2019. In announcing the move, Fed chair Janet Yellen noted that the rise reflected the "progress the economy has made and is expected to make towards the maximum employment and price stability objectives". While acknowledging recent softer inflation readings, Ms Yellen insisted they were largely driven by one-off measurement changes in categories such as wireless telephone services and prescription drugs. The Fed still expects inflation to move up and stabilise at around 2 per cent in the next couple of years.

In Australia, there has been a great deal of pessimism around the current state and outlook for the domestic economy, however this view is not currently backed up by data nor is it consistent with the most recent projections from the RBA and the Treasury. Low wages growth and high levels of household debt are at the core of the downside scenario but are not the base case, which is for continued, but sub-par economic growth. The recent stronger employment and retail sales data and elevated business conditions over the past few months would ordinarily be associated with an RBA tightening bias. Clearly, the RBA focus is on the low levels of wages growth and inflation as well as the downside risks to growth associated with the high level of household debt.

Global equity markets managed to post a modest gain in June after a string of strong monthly returns. After leading markets, higher over recent months, European equity markets lagged the global benchmark in June, largely because of ECB President Mario Draghi's declaration of victory against deflation. In a speech at a conference in Portugal, Draghi hinted that the ECB might slow down, halt or even reverse elements of the quantitative easing program. The German market ended the month down almost 4.8% off its highs while the euro surged 2.6% against the USD towards the end of the month. Meanwhile, a slightly more hawkish Bank of England prompted a decline in the FTSE and a rise in the pound from 1.26 to 1.30.

The global economic recovery appears to be intact, supported by evidence of stronger PMI readings. This, together with the more hawkish signals from central banks has supported equities at the expense of bonds and interest rate sensitive sectors of the equity market. Earnings revisions remain positive for equity markets while liquidity conditions are also consistent with PE multiple expansion.

PORTFOLIO UPDATE

Contango Global Growth Limited's investment objective is to seek quality growth businesses with high returns on invested capital, superior growth prospects and low or no debt. The portfolio's benchmark is the MSCI All Country World Index ex-Australia with gross dividends reinvested reported in Australian Dollars and unhedged. The portfolio targets capital growth over dividends.

Contango Global Growth listed on the Australian Stock Market on 23 June 2017 at an issue price of $1.10 per share. The funds from the capital raising were invested by the end of June 2017 as 94.4% in globally listed companies and 5.6% in cash. The portfolio's major allocations are to the high growth sectors of technology (25.2%), healthcare (14.0%) and consumer discretionary (15.5%) and nil exposure to the low growth sectors of utilities and telecom services. The portfolio's allocation to developed markets is 79.8% and 14.6% to emerging markets.

The portfolio's top five largest stock holdings are invested in countries around the world:

1. **Cooper Companies Inc** (**NYSE code COO**) - A leading medical specialities company based in California, that consists of two business units, Cooper-Vision a manufacturer of high quality soft contact lenses and Cooper-Surgical, a medical devices business that focuses on advancing women's healthcare including IVF fertility treatments and associated diagnostics.

2. **Amazon.com Inc** (**NASDAQ code AMZN**) – Amazon.com is the world's largest Internet-based retailer by sales and market capitalization. It provides computer storage, database, and other technology services through Amazon Web Services (AWS). The firm was founded in 1994 by its long-standing CEO Jeff Bezos and is based in Seattle, USA. In 2015, Amazon surpassed Walmart as the most valuable retailer in the United States by market capitalization. In 2017, Amazon acquired Whole Foods Market for US $13.4 billion.

3. **Reckitt Benckiser Group Plc** (**LSE code RB**) - British multinational consumer goods company headquartered in Slough, England and has operations in around 60 countries. Its products are sold in nearly 200 countries. It is a maker of house hold cleaning products, consumer healthcare and hygiene products It was formed in 1999 by the merger of UK-based Reckitt & Colman plc and the Netherlands-based Benckiser NV. Its brands include French's Mustard, the antiseptic brand Dettol, the sore throat medicine Strepsils, the hair removal brand Veet and the air freshener Air Wick.

4. **Canadian National Railway Company** (**TSE code CNR**) - A freight railway company, headquartered in Montreal. CNR carries railroad freight throughout Canada, the mid-west and southern USA. The company was privatised by the government in 1995 and is listed on the Montreal stock exchange. It is Canada's largest railway company owning 32,831 km of track, numerous locomotives and wagons.

5. **HDFC Bank Ltd** (**NYSE code HDB** and **BSE number 500180)** - HDFC is one of India's largest listed banks and is headquartered in Mumbai. It provides traditional banking services of credit cards, consumer banking, mortgage loans, car loans, corporate banking and wealth management. The bank has an extensive network of branches and ATMs in close to 2,600 cities and towns across India.

PORTFOLIO OUTLOOK

The growth sectors of technology, healthcare and consumer have performed well this year. The portfolio's primary driver of performance is selecting high quality businesses that benefit from positive moat trajectory.

Technology Sector

The portfolio's largest allocation is to the technology sector. The technology sector has been a stand-out performer in 2017. The global technology index is again approaching peak levels last seen in the early-2000s dot-com bubble. However, the big difference today is the gains are being supported by corporate profits. The sector has the highest forecast earnings growth in 2017. Technology companies are disrupting the business models of established companies and are taking their market share. For example, Amazon a leading US online retailer is severely disrupting the business models of traditional department store chains of Macys, Target and Sears, Roebuck. This means as the technology sector's market capitalisation grows, the sector's 17% allocation is expected to grow in global indices like the MSCI ACWI Index. Technology valuations are not cheap, but are supported by stable and sustained earnings growth offering better support than in other sectors.

KEY DETAILS	
Report Date:	30 June 2017
ASX Code:	CQG / CQGO
List Date:	23 June 2017
Fund Manager:	Contango International Management Ltd
Investment Adviser:	WCM Investment Management
Benchmark:	MSCI All Country World Index ex-Australia with gross dividends reinvested reported in Australian dollars and unhedged
Number of stocks:	20 – 40
Maximum cash position:	7%
Stock universe:	Global (ex-Australia)
Portfolio value:	$95.51m
Shares on issue:	90,926,415
Share Price:	$1.10

BENEFITS FROM INVESTING IN CONTANGO GLOBAL GROWTH FUND:

- **Specialist Management** - Provides access to the investment philosophy and process of **WCM Investment Management**, a specialist active manager of global equities with a successful long term track record of generating total returns above the benchmark index.
- **Growing Businesses** - **WCM's** investment philosophy requires global companies to maintain durable and growing competitive advantages, or growing economic moats, high returns on invested capital, superior growth prospects and low debt.
- **Invest in Global Companies** - Opportunity to gain diversified exposure to leading global companies, outside of the limited opportunity afforded on the Australian equities market. The portfolio's exposures to the high growth sectors of technology, healthcare and consumer complements the Australian equity market's exposures to resources and financials.
- **High Conviction Approach** - Disciplined research of the global listed company universe to assess the relative attractiveness of each sector, coupled with rigorous bottom up analysis of individual companies. The final portfolio of 20 to 30 stocks comprises **WCM's** best stock ideas. The portfolio is not diluted with inferior stock holdings.
- **Active Strategy** – The strategy offers a value added total return approach to investing in global equities, an asset class that has historically been characterised by strong investment returns.
- **Seasoned Investment Team** - **WCM** employs a dedicated, stable and experienced investment team to provide research coverage of global listed companies.

COUNTRY ALLOCATIONS

COUNTRY	WEIGHT (%)
USA	51.3
Switzerland	5.7
China	5.7
Argentina	2.6
United Kingdom	6.4
Canada	3.4
India	3.4
Hong Kong	3.1
Taiwan	3.0
Japan	3.0
Sweden	2.5
Denmark	2.3
Netherlands	2.0
Cash	5.6

SECTOR ALLOCATIONS

SECTORS	WEIGHT (%)
Technology	25.2
HealthCare	14.0
Consumer Discretionary	15.5
Financials	10.1
Consumer Staples	8.6
Industrials	8.5
Materials	5.4
Energy	4.3
Telecom Services	0.0
Real Estate	2.9
Utilities	0.0
Cash	5.6

MARKET ALLOCATIONS

REGIONS	WEIGHT (%)
Developed Markets	79.8
Emerging Markets	14.6
Cash	5.6

TOP 10 HOLDINGS

STOCKS	WEIGHT (%)
Cooper Companies	3.9
Amazon	3.8
Reckitt Benckiser	3.5
Canadian National Railway	3.4
HDFC Bank	3.4
Boston Scientific	3.2
Techtronic Industries.	3.1
Amphenol	3.1
Quintiles Transnational	3.1
Visa	3.1

WHO MANAGES CQG'S PORTFOLIO?

Contango Global Growth Limited has appointed **Contango International Management Limited** as manager of the portfolio. The manager has appointed **WCM Investment Management (WCM)** as adviser to provide portfolio investment and management services. The role of the manager is to supervise the adviser.

The manager is a wholly owned subsidiary of **Contango Asset Management**, an ASX listed funds management company (**ASX code: CGA**). **CGA** is a dedicated active funds manager, covering the entire spectrum of Australian equities of large, mid, small and micro capitalisation companies. **CGA's** investment team is large and is led by George Boubouras (Managing Director / Chief Investment Officer).

WCM is an established and independent funds manager of globally listed companies. The firm is based in Laguna Beach, California and is 100% owned by active employees. Of **WCM's** 38 team members, 26 are equity owners, including all portfolio managers responsible for managing the **CQG** portfolio. This ensures alignment of interests between investors and **WCM**. The Investment Strategy Group is responsible for construction of the final portfolio of 20 to 40 globally listed companies.

HOW DOES WCM MANAGE CQG'S PORTFOLIO?

WCM's investment strategy is to have a high conviction, actively managed long only global equities portfolio invested in listed securities of developed markets (ex-Australia) and emerging markets companies. The portfolio construction process is based on rigorous bottom-up company analysis to identify quality global growth businesses with high returns on invested capital, superior growth prospects and low debt. It also requires the company to maintain a durable and growing competitive advantage, or growing economic moat. The focus on quality companies helps to protect capital in weak markets. The final portfolio is diversified across individual stocks (20 to 40), sectors (including information technology, consumer sectors of staples and discretionary, healthcare, financials and industrials) and countries, both developed (including USA, UK, Europe, Japan) and emerging (including China, India, Brazil).

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