

CONTANGO GLOBAL GROWTH (CQG)

MONTHLY NTA STATEMENT

30 SEPTEMBER 2017

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.

The Company's investment strategy is to have an actively managed long only global equities portfolio invested in listed securities of developed and emerging markets, with the exclusion of investments in Australian securities.

The investment strategy will take a high conviction, active approach. The portfolio will be concentrated across 20 – 40 high quality global growth companies. The portfolio will be further diversified across global sub-sectors and countries, both developed market and emerging market, based upon the rigorous bottom-up analysis undertaken by the Adviser. Up to 7% of the portfolio value may be held in cash or cash equivalents from time to time.

ASSET COMPOSITION

ASSET COMPOSITION	31 AUGUST 2017		30 SEPTEMBER 2017	
	\$m	%	\$m	%
Investment Type				
Listed shares	91.33	92.0	93.59	97.1
Liquidity	1.28	6.0	1.19	1.2
Tax asset (liability)	2.24	2.0	1.59	1.7
Net Assets After Tax	\$94.85	100.0%	\$96.37	100.0%
Ordinary Shares on Issue	90.982m		90.982m	
Options on issue	90.871m		90.871m	

KEY DETAILS

Report Date:	30 September 2017
ASX Code (Shares / Options):	CQG / CQGO
Listed on ASX:	23 June 2017
Fund Manager:	Contango International Management Pty Limited
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 size:	\$94.92 million
Shares on issue:	90.98 million
Share Price:	\$1.03

NET TANGIBLE ASSETS

NET TANGIBLE ASSETS	31 AUGUST 2017	30 SEPTEMBER 2017
NTA of investments before tax	\$1.018	\$1.042
NTA of investments before tax on unrealised gains	\$1.036	\$1.060
NTA after tax	\$1.043	\$1.059
Month-end closing share price (CQG.ASX)	\$1.065	\$1.030
Month-end closing option price (CQGO.ASX)	\$0.042	\$0.020

MONTHLY PORTFOLIO UPDATE

The Contango Global Growth portfolio returned 2.5% for the month of September 2017, underperforming the benchmark index, the MSCI All Country World Index ex-Australia, that returned 3.2% by -0.7%, reported in Australian dollars and unhedged.

The Company's investment strategy provides investors with exposure to a high conviction, actively managed portfolio of leading quality high growth companies. The portfolio has a bias to be invested in growing companies in the technology, healthcare and consumer sectors. For the month of September this style of management was not rewarded by investors as the value investment style outperformed quality/growth. September was the first month this year that value outperformed growth. The portfolio's underperformance was due to being underweight the value sectors of materials and financials.

Over the month, emerging markets equities underperformed developed markets equities as investors reduced exposures to take profits. This was a change from the last 12 months where emerging markets outperformed developed markets by a considerable amount. Emerging markets are attractively priced relative to developed markets and their economic growth is strong. The portfolio's exposure to companies listed in developed markets was 83.6% and 15.1% to emerging markets, and the balance of 1.3% invested in cash.

Currency movements had a positive impact on the portfolio and benchmark's return. The Australian dollar depreciated against the USD by 1.5%, closing the month lower at USD 0.783 from USD 0.795 at the start of the month.

Global equity markets generated solid returns in September of 3.2%, outperforming Australian equities that returned 0%. Major European equity markets and the Japanese market both outperformed US equities, which in turn outperformed China and India. The best performing market was Germany returning a very healthy 6.4%, followed by France with 4.8%, Japan 3.6% and 1.9% for the US. The Chinese and Indian equity markets posted modest negative returns of -0.4% and -1.2% respectively.

The portfolio is well diversified being invested in 15 countries around the world; 50.9% invested in the USA and 47.8% in Europe, Canada, Asia and South America. The portfolio's USA investments are not simply a bet on the US economy as the

companies derive significant amounts of their revenues globally.

The portfolio maintains significant investments in growing industry sectors of technology 23.9%, healthcare 18.3% and consumer discretionary 16.5%. The portfolio has nil allocations to telecom services and utilities - the lowest returning sectors. Companies held in the portfolio are assessed by the Investment Adviser to have strong qualities of wide and growing competitive economic advantages supported by high returns on invested capital, superior growth prospects and low or no debt. These qualities help to protect the company from competition and maintain pricing power in their products, assisting them to continue to generate growing profits across a variety of market conditions. Companies held in the final portfolio feature strong long-term track records of generating profits for shareholders and stable management teams that provide sound cultures to support the business.

The top five best stock contributors to performance for the month of September on an absolute basis were:

- **Core Laboratories** (+13.1%). One of the world's largest service providers of rock core and fluid analysis in the petroleum industry. It provides analytical services to characterise the properties of crude oil. Based in the Netherlands.
- **Schlumberger** (+11.9%). A French company that is the world's largest oilfield services company. It supplies the most comprehensive range of products and services, from exploration through to production and integrated drilling to pipeline solutions for oil recovery.
- **Atlas Copco** (+9.2%). A globally diversified manufacturer of heavy duty industrial equipment based in Sweden. Some of their products include drill rigs, underground trucks and loaders, road construction equipment and portable compressors.
- **Boston Scientific** (+7.0%). A global developer and seller of medical devices used to diagnose and treat various medical conditions, based in the USA. It is known for the development of the taxus stent, a drug-eluting stent which is used to open clogged arteries.
- **Amphenol** (+6.0%). An American company that is a major global producer of electronic and fibre optic connectors, cable and interconnect systems used in diverse electronics

markets, including military-aerospace, industrial, automotive, information technology, mobile phones, broadband, and medical.

The bottom five stock detractors to performance for the month of September on an absolute basis were:

- **Crown Castle** (-5.9%). A US based company that operates a real estate investment trust to provide infrastructure for broadcasting, mobile telephony and wireless broadband.
- **The Cooper Companies** (-4.5%). A US based, multinational company operating in the medical specialties sector. It consists of two subsidiaries, CooperVision that manufactures contact lenses and CooperSurgical that provides specialist products for women’s health care and fertility treatments.
- **Reckitt Benckiser** (-2.2%). A UK headquartered company that is a leading global manufacturer and marketer of household cleaning, health and personal care products.
- **Ecolab** (-2.2%). Headquartered in America, Ecolab is a global provider of water, hygiene technologies and services to the food, energy, healthcare, industrial and hospitality markets.
- **Ferrari** (-2.2%). Based in Italy, Ferrari manufactures luxury super sports cars for the global market and operates a Formula 1 racing team.

SECTOR ALLOCATIONS

SECTOR	CONTANGO GLOBAL GROWTH (%)
Technology	23.9
HealthCare	18.3
Consumer Discretionary	16.6
Financials	10.1
Consumer Staples	8.9
Industrials	8.5
Materials	5.5
Energy	4.2
Real Estate	2.7
Telecom Services	0.0
Utilities	0.0
Cash	1.3

Source: WCM Investment Management, as of 30 September 2017

PERFORMANCE*

PERFORMANCE	CONTANGO GLOBAL GROWTH (%)	MSCI ACWI (ex-Aust) (%)	Value Add (%)
1 Month	2.5	3.2	-0.7
Since 1 Jul 2017	2.3	3.2	-0.9

Source: WCM Investment Management & Bloomberg, as of 30 September 2017

MARKETS ALLOCATIONS

DEVELOPED & EMERGING MARKETS ALLOCATION	CONTANGO GLOBAL GROWTH (%)
Developed Markets	83.6
Emerging Markets	15.1
Cash	1.3

Source: WCM Investment Management, as of 30 September 2017

REGIONAL ALLOCATIONS

REGIONAL ALLOCATIONS	CONTANGO GLOBAL GROWTH (%)
Americas	56.9
Europe	22.3
Asia/Pacific	19.5
Cash	1.3

Source: WCM Investment Management, as of 30 September 2017

TOP 10 HOLDINGS

STOCK	CONTANGO GLOBAL GROWTH (%)
Cooper Company	3.7
HDFC Bank Ltd	3.6
Techtronic industries Co Ltd	3.5
Amphenol Corp	3.4
Keyence Corp	3.4
Canadian Railway Co	3.3
Visa Inc-class a share	3.3
Costco Wholesale Corp	3.3
Boston Scientific Corp	3.2
Tencent Holdings Ltd	3.2

Source: WCM Investment Management, as of 30 September 2017

COUNTRY ALLOCATIONS

COUNTRY	CONTANGO GLOBAL GROWTH (%)
United States	50.9
China	5.9
United Kingdom	5.9
Switzerland	5.3
India	3.6
Hong Kong	3.5
Japan	3.4
Canada	3.3
Taiwan	3.1
Sweden	2.7
Denmark	2.6
Argentina	2.6
Italy	2.3
Netherlands	1.9
France	1.7
Cash	1.3

Source: WCM Investment Management, as of 30 September 2017

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DISCLAIMER:

* Gross performance does not reflect the impact from fees, taxes and charges. Past performance is not a predictor of future returns.

DISCLAIMER:

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