

CONTANGO INCOME GENERATOR LIMITED (ASX:CIE)
ABN 40 160 959 991

ANNUAL GENERAL MEETING
WEDNESDAY 15 NOVEMBER 2017 | 10.00AM

CHAIRMAN'S ADDRESS

Delivered by Andrew MacDonald

Welcome and Introduction

Good morning ladies and gentlemen. Welcome to the second Annual General Meeting for Contango Income Generator Limited.

It is 10.00am, and we have a quorum present. I now declare the meeting open.

Can I ask that you switch your mobile phone to silent. Thank you.

Before we commence the formalities, I would like to acknowledge the traditional owners and custodians of the land on which we meet today, the Wurundjeri people of the Kulin Nation. I pay my respects to their Elders both past and present.

Allow me to introduce myself, and my colleagues.

I am Dr Andrew MacDonald, Chairman of Contango Income Generator Limited. With me today are Directors Mr Don Clarke, Mr Mark Kerr, and Mr Steven Bennett.

Also in attendance from Contango Asset Management are Mr Marty Switzer, Chief Executive Officer (interim), and Mr Shawn Burns, Senior Portfolio Manager.

Finally, Nick Bull, who is a Partner from Pitcher Partners, Contango Income Generator Limited's auditor also joins us today.

On behalf of the Directors of Contango Income Generator Limited I would like to thank you for taking the time to attend this Annual General Meeting.

Following my preliminary comments, I will proceed with the formal business of today's AGM, which is:

1. to receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2017;
2. to adopt the Remuneration Report;
3. the appointment of Dr Andrew MacDonald and Mr Stephen Bennett as Non-executive Directors of the Company; and
4. to approve a refresh of the Company's Placement Capacity under the ASX Listing Rules.

After taking questions on the accounts and formal business, the meeting will formally close. This will be followed with a short address from Mr Shawn Burns, who will present an update on Contango Income Generator Limited's investment portfolio.

Commentary

I am very pleased to be standing here delivering my first address as Chairman of Contango Income Generator, in what was an outstanding year for the Company.

In its first full year of operation, the portfolio rose 6.0% against the ASX All Ordinaries Accumulation Index return of 3.0%, and posted a profit after tax of \$2.7 million.

I am delighted to tell you that in its second year of operation, the Company has improved on its first year's outperformance.

In Financial Year 17, the portfolio returned 14.0% against 13.1% for the Index, and the Company posted an after tax profit of \$7.5 million.

This very sound result is testament to the investment strategy set by the board, and executed and expertly delivered by the Investment Manager.

The current year's performance and profit is primarily attributed to the strategic intent to deliver a high level of dividends from the Company's investment portfolio as well as an increase in the value of the Company's underlying investments.

During the year, we welcomed accomplished financial industry executive Mr Stephen Bennett onto the Board as a non-Executive Director; an appointment that will help ensure the Company's strategy remains sound.

We were also pleased to advise that CIE paid a total of \$5,166,213 to shareholders as dividend payments, at 6.5 cents per share for the financial year ended 30 June 2017. The Company's dividend policy is to pay 6.5% per annum of its NTA at the start of the financial year. This means that for the 2018 financial year, the Company currently anticipates dividends of 6.6 cents per share to be paid, subject to the formal declaration of these dividends and the Company's obligations at law.

Our recent announcement of a move to quarterly dividend payments, effective financial year 17-18, means that shareholders can look forward to receiving additional interim cash dividend payments, beginning with the September 2017 quarter, which has been declared at 1.6 cents per share 50% franked. We understand that shareholders desire a more regular income stream, and we are pleased to have delivered this positive change in the first quarter of the new financial year.

The Company also benefited from the exercise of over 12 million of its Options since this time last year as a result of the Loyalty Incentive Offer of the Company's Manager, Contango Asset Management. The additional capital increase will assist the liquidity of CIE's shares. The focus of the board is to continue to close the share price discount to NTA, and this initiative, which was not funded by the Company, aids in achieving this objective.

We look to further favourable investment results in FY17-18.

I would like to say a few words about the recent departure of George Boubouras as Director of Contango Income Generator, and Managing Director and Chief Investment Officer of Contango Asset Management.

George had been on the board of Income Generator since it listed in 2015, and has been instrumental in the success and growth of the Company to date. We thank George for his contribution to CIE and wish him well with his future endeavours.

As you would no doubt be aware our Investment Manager, Contango Asset Management, has entered a period of significant change. As a Board, we have met to discuss the implications, if any, of the proposed changes to the CGA structure for CIE. Following a Board Meeting which was held on Monday 30 October the Board requested that CGA present back to us on 5 key points:

1. Contango Asset Management Limited business update
2. CGA investment team structure and resourcing
3. CGA Shared Services resources
4. CIE –marketing and growth plans
5. Board nominee

Senior representatives from CGA, including Chairman Roger Amos, Interim CEO Marty Switzer and Senior Portfolio Manager, Shawn Burns, presented to the CIE Board on Friday 10th November. As a Board, we were pleased with the answers provided by CGA and remain confident that in terms of the ongoing management of the portfolio by Shawn Burns, things will remain constant. As a Board, we believe that this decision to continue the IMA with CGA will be in the best interest of shareholders.

Performance

Financial markets continued to fluctuate during the year, yet despite regular periods of volatility our outperformance of our benchmark demonstrates that our strategy is sound, and we are on the right track for further success.

The Company's objective is to deliver a sustainable income stream and modest capital growth to shareholders. The strategy delivered above market returns despite holding approximately 15% in cash and having a lower volatility portfolio in a strongly rising market. The underlying portfolio experienced satisfying gains in dividend growth which flowed through to strong returns for shareholders. Shawn will update us shortly with further details on the performance of the portfolio.

Thank you to our shareholders who have supported the Company and we look forward to working towards delivering on the CIE objectives for you in the year ahead.

CONTANGO INCOME GENERATOR LIMITED

ANNUAL GENERAL MEETING

15 NOVEMBER 2017

PORTFOLIO MANAGER'S UPDATE

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, resources and telecoms.
- Actively managed portfolio of Australian listed shares on the ASX/S&P 300 ex-30 with:
 - Higher than market dividend yield (targeting >100bps)
 - Targeting companies with lower volatility and balance sheet strength
 - Targeting companies with moderately growing earnings and dividends.
- Fund facts
 - Fund Size: \$98.74 million (at 31.10.2017)
 - Inception wholesale fund Dec 2012 / inception LIC is August 2015

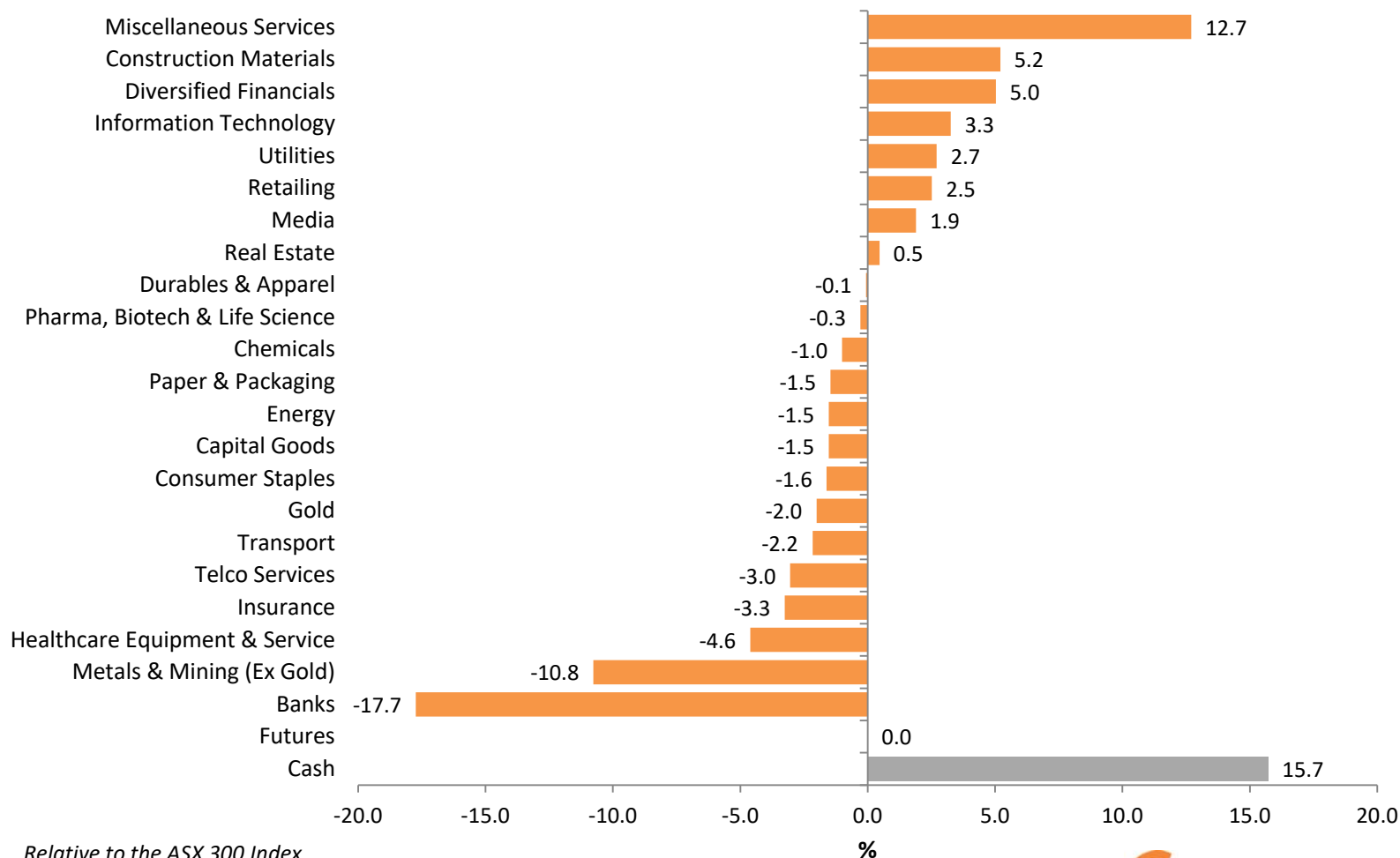
CIE PERFORMANCE AGAINST RELATIVE INDICIES

OCTOBER 2017	CONTANGO INCOME GENERATOR	ASX ALL ORDS ACCUM	ASX SMALL CAP INDUSTRIALS	ASX 300 BANKS
1 Month	2.2%	4.1%	5.91%	2.83%
3 Months	4.3%	4.9%	8.82%	1.62%
6 Months	3.7%	2.7%	8.06%	-4.86%
12 Months	14.3%	15.5%	13.90%	15.50%
Inception (Aug 2015)	10.7%	9.6%	13.33%	8.68%

Source: Contango Asset Management Limited, Bloomberg at 31.10.2017

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

Income Generator Fund Active Weights: Contango Industry Sectors



Source: Contango Asset Management Limited at 31.10.2017

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

CODE	STOCK	OVER (%)
BOQ	Bank of Queensland Ltd	5.8
ASX	ASX Ltd	5.0
TAH	Tabcorp Holdings Ltd	4.7
BEN	Bendigo & Adelaide Bank Ltd	3.7
ABC	Adelaide Brighton Ltd	2.9
CHC	Charter Hall Group	2.8
SKI	Spark Infrastructure Group	2.6
CTX	Caltex Australia Ltd	2.6
DLX	Dulux Group Ltd	2.6
CAR	Carsales.com Ltd	2.6

CODE	STOCK	UNDER (%)
CBA*	Commonwealth Bank of Australia	-8.5
WBC*	Westpac Banking Group	-7.0
ANZ*	Aust and NZ Banking Group	-5.5
NAB*	National Australia Bank	-5.5
BHP*	BHP Billiton Limited	-5.3
CSL*	CSL	-3.9
WES*	Wesfarmers	-3.0
TLS*	Telstra Corp	-2.6
WOW*	Woolworths	-2.1
MQG*	Macquarie Group	-1.9

*Stock not held in portfolio. Source: Contango Asset Management, Bloomberg at 31.10.2017

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

OCTOBER 2017	CONTANGO INCOME GENERATOR	ASX ALL ORDS	S&P / ASX 300 TOP 30	S&P / ASX 300 EX 30
Median market cap (\$m)	2,145.1	637.6	18006	1349
Price to earnings ratio	17.0	17.2	16.1	19.5
Earnings growth (%)	5.7	4.9	3.6	9.0
Dividend yield (net)	5.2	4.4	4.7	3.8
Dividend yield (gross)	6.9	5.8	6.3	4.7
Return on equity (%)	17.0	17.0	17.5	15.6
Beta to ASX300	0.8	1.0	1.05	0.91

Source: Contango Asset Management, Bloomberg at 31.10.2017

CIE HOLDINGS
THAT HAVE ATTRACTED TAKEOVER BIDS

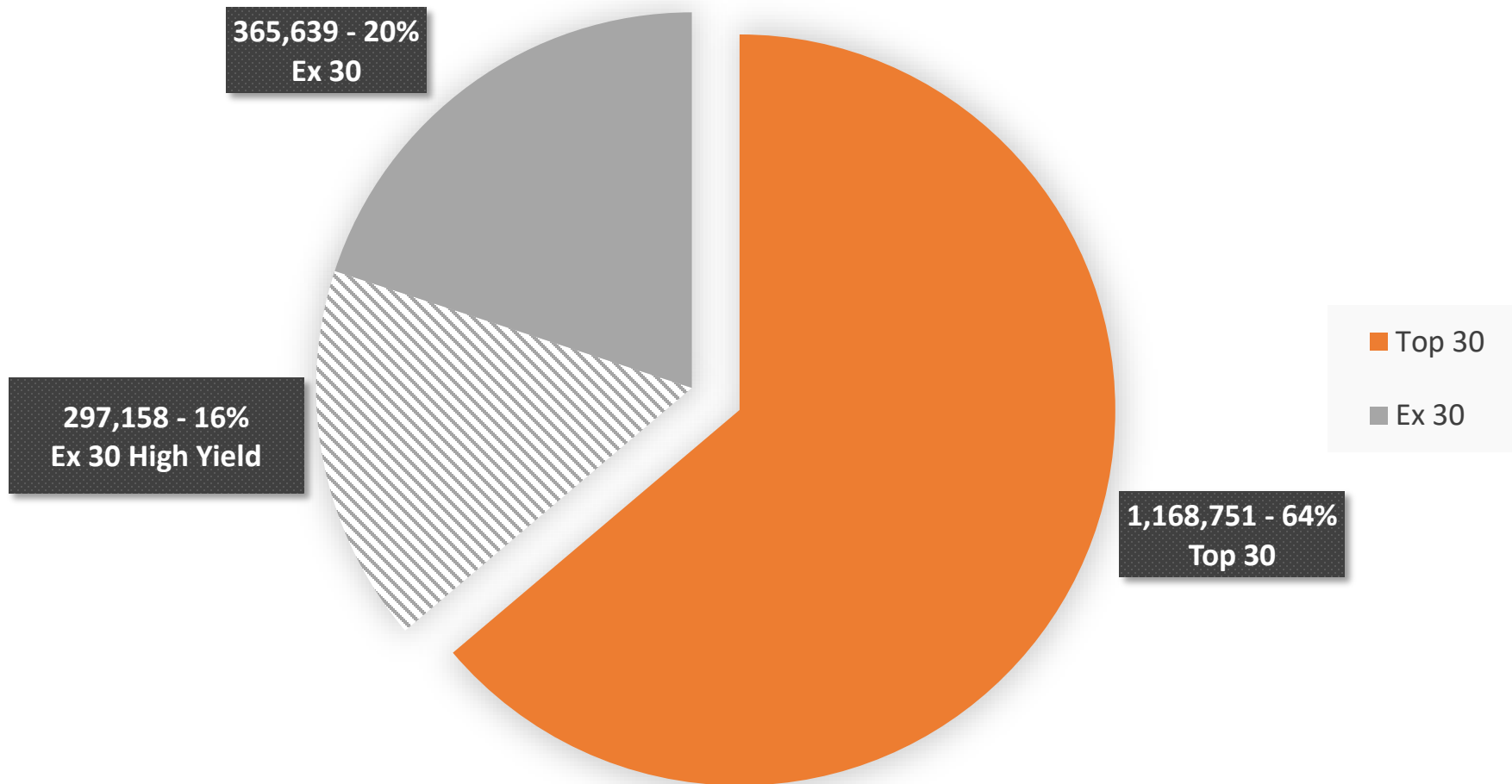


Target Name
DUET Group
Fairfax Media Ltd
GPT Metro Office Fund
SAI Global Ltd
Tatts Group Ltd



ASX 300 MARKET CAP TOP 30 VS EX 30

ASX 300 Market Cap as at 31 May 2017 (\$Mil)



LONG TERM EXAMPLE OF CONTANGO PROCESS

CHALLENGER (CGF)

CHALLENGER LTD (CGF)



Source: Bloomberg

LONG TERM EXAMPLE OF CONTANGO PROCESS

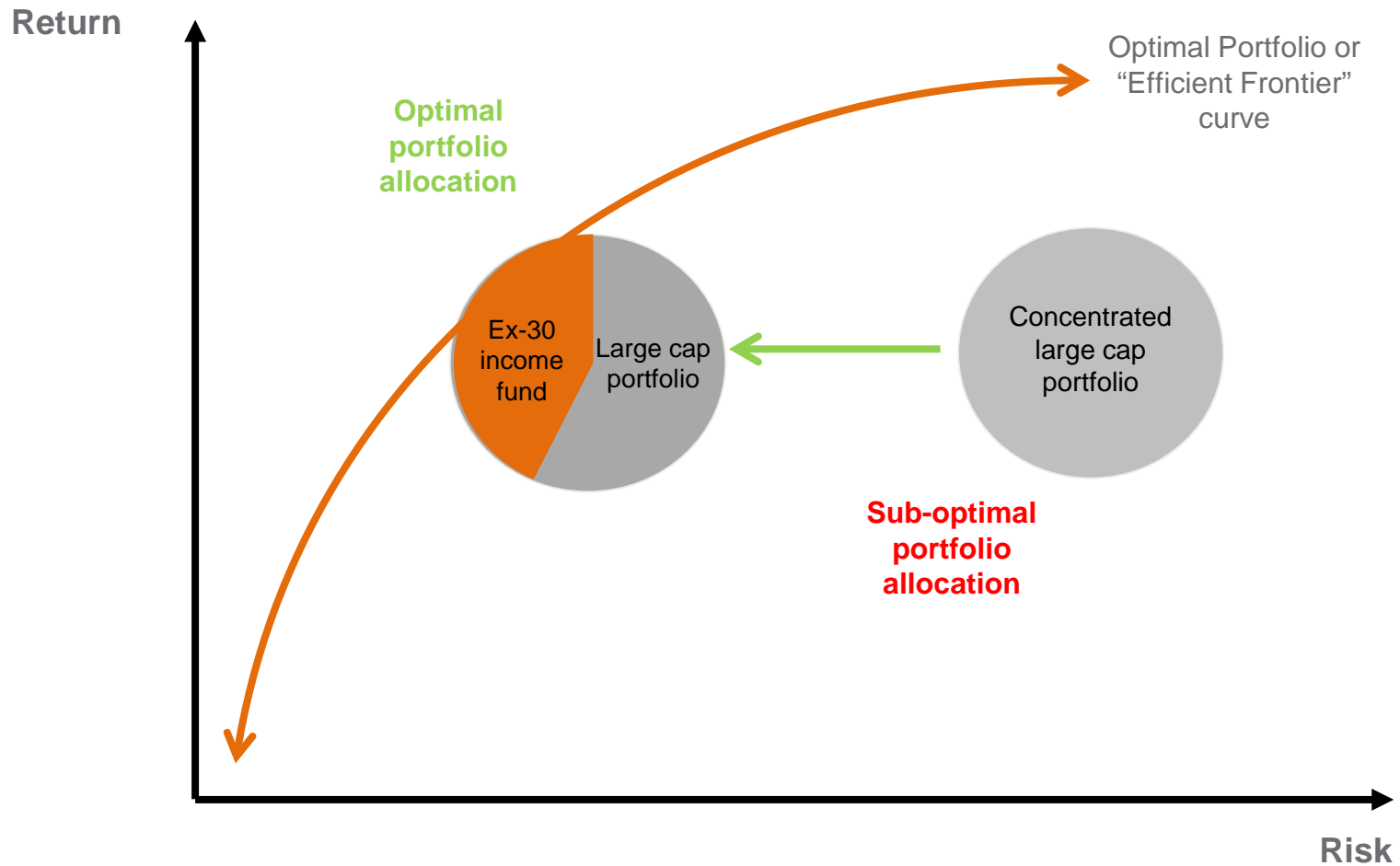
JB HI-FI (JBH)

JB HI-FI LTD (JBH)



Source: Bloomberg

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



A DIVERSIFIED PORTFOLIO

WHAT DOES CONTANGO INCOME GENERATOR LIMITED OFFER?

Feature	Contango Income Generator Limited
Diversified exposure to ex-30 income securities	✓
Dividend policy of 6.5% of NTA	✓
Targeting capital growth over time	✓
Targeting lower volatility	✓
Maximise franking where possible	✓
Complements existing income portfolios and those with exposure to Banks and Telstra	✓

SUMMARY

CONTINUED STRONG PERFORMANCE FROM INCOME GENERATOR

- Contango Income Generator Limited has continued to deliver solid investment returns including a healthy dividend, paid quarterly.
- The fund continues to target companies that generate high and consistent cash flows and lower volatility of earnings compared to the broader market.
- Listed fund manager structure is transparent.

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