

CONTANGO GLOBAL GROWTH (CQG)

MONTHLY NTA STATEMENT

31 OCTOBER 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.

NET TANGIBLE ASSETS

NET TANGIBLE ASSETS	30 SEPTEMBER 2017	31 OCTOBER 2017
NTA of investments before tax	\$1.042	\$1.086
NTA of investments before tax on unrealised gains	\$1.060	\$1.104
NTA after tax	\$1.059	\$1.090
Month-end closing share price (CQG.ASX)	\$1.030	\$1.010
Month-end closing option price (CQGO.ASX)	\$0.020	\$0.012

Source: WCM Investment Management, as at 31st October 2017

KEY DETAILS

Report Date:	31 October 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:	\$98.91 million
Shares on issue:	90.98 million
Share Price:	\$1.01

PERFORMANCE

PERFORMANCE	CONTANGO GLOBAL GROWTH (%)	MSCI ACWI (ex-Aust) (%)	Value Add (%)
1 Month	4.4	4.5	-0.1
3 Months	9.2	9.0	0.2
Since 1 Jul 2017	6.8	7.8	-1.0

Source: WCM Investment Management, as at 31st October 2017

ASSET COMPOSITION

ASSET COMPOSITION	30 SEPTEMBER 2017		31 OCTOBER 2017	
Investment Type	\$m	%	\$m	%
Listed shares	93.59	97.1	97.69	98.5
Liquidity	1.19	1.2	1.08	1.1
Tax asset (liability)	1.59	1.7	0.39	0.4
Net Assets After Tax	\$96.37	100.0%	\$99.16	100.0%
Ordinary Shares on Issue	90.982m		90.982m	
Options on issue	90.871m		90.871m	

Source: WCM Investment Management, as at 31st October 2017

MONTHLY PORTFOLIO UPDATE

The Contango Global Growth portfolio (ASX code: CQG) returned a solid 4.4% for the month of October 2017. The return was in-line with the benchmark index, the MSCI All Country World Index ex-Australia return. Impressively, the portfolio returned 9.2% for the 3 months to October, outperforming the benchmark by 0.2%. All returns are reported in Australian dollars and unhedged.

The Company's investment strategy is managed actively by the Investment Advisor and provides investors with exposure to a high conviction, actively managed global portfolio of leading quality high growth companies. The portfolio is invested in both developed markets and emerging markets companies and has a bias to be invested in growth companies in the technology, healthcare and consumer sectors.

The portfolio benefited from its exposure to emerging markets equities of 14.8%, as these markets returned 5.9% outperforming developed markets by close to 1.4%. Even after a strong year, the valuations of emerging markets are more attractive than for developed markets and their economic growth continues to be strong. The portfolio's allocations to developed markets, emerging markets and cash were unchanged relative to the prior month of September.

The Company's policy is to maintain a fully unhedged portfolio that exposes the portfolio to foreign currency movements. A depreciation in the AUD relative to other currencies benefits the portfolio's value but an AUD appreciation detracts value. Currency movements had a positive impact on the portfolio's value for October as the AUD depreciated by 2.3% against the USD, to end the month at USD 0.766.

It was a good month for investors in equities, with global equity markets generating a solid return of 4.5% in October and modestly outperforming Australian equities that returned 4.0%. All major global equity markets generated positive returns. The best performing market was Japan that was up 8.1%, followed by the US with a return of 4.3%. The major European markets of France and Germany returned 3.3% and 3.1% respectively. The UK posted the lowest return of 1.6%, as that country continues to be plagued by a weakening economy and on-going Brexit negotiations with the European Union. Of the emerging markets, India returned 6.1% and China 1.3%.

The portfolio is well diversified being invested in 15 countries around the world and invested in 9 industries. The largest single country exposure is the USA with a holding of 50.9% and 47.9% is spread across Europe, Canada, Asia and South America. The portfolio maintains significant investments in the growing industry sectors of technology 24.4%, healthcare 18.3% and consumer discretionary 16.9%. The portfolio has nil

allocations to telecom services and utilities - the lowest returning sectors.

Companies held in the portfolio are assessed by the Investment Advisor to have strong qualities of wide and growing competitive economic advantages or moats and 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 October on an absolute basis were:

- **Quintiles Transnational Holdings (+16.4%)**, is a biotechnology company, which engages in healthcare development in the provision of professional services, information technology, and partnering solutions to the pharmaceutical services and healthcare industries. The company is headquartered in Durham, North Carolina.
- **Taiwan Semiconductor Manufacturing Company (+15.4%)**, engages in the manufacture and sale of integrated circuits and wafer semiconductor devices. Its chips are used in personal computers and peripheral products, information applications, wired and wireless communications systems products, automotive and industrial equipment including consumer electronics such as digital video compact disc player, digital television, game consoles, and digital cameras. The company is headquartered in Hsinchu, Taiwan.
- **Amazon.com, Inc. (+17.7%)**, engages in the provision of online retail shopping services. It operates through the following segments: North America, International, and Amazon Web Services (AWS). The North America segment includes retail sales of consumer products and subscriptions through North America-focused websites such as www.amazon.com and www.amazon.ca. The International segment offers retail sales of consumer products and subscriptions through internationally-focused websites. The Amazon Web Services segment involves in the global sales of compute, storage, database, and AWS service offerings for start-ups, enterprises, government agencies, and academic institutions. The company is headquartered in Seattle, Washington State.
- **Techtronic Industries Co., Ltd. (+12.4%)**, operates as an investment holding company, which engages in the manufacture and trade of electrical and electronic

products. It operates through Power Equipment, and Floor Care and Appliances segments. The Power Equipment segment is comprised of the sale of power tools, power tool accessories, outdoor products, and outdoor product accessories for consumer, trade, professional and industrial users, which are available under the Milwaukee, AEG, Ryobi and Homelite brands. The Floor Care & Appliances segment is the sale of floor care products and floor care accessories under the Hoover, Dirt Devil, Vax, and Oreck brands. The company is headquartered in Hong Kong.

- **Novozymes A/S (+10.1%)**, engages in the research and development of biotechnology solutions, which produces industrial enzymes and microorganisms. Its business areas include agriculture, bioenergy, biopharma, food and beverage, household care, leather, pulp and paper, textile, and wastewater solutions. The company is headquartered in Copenhagen, Denmark.

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

- **Ctrip.com International Ltd. (-7.1%)**, engages in the provision of travel-related services. It provides hotel accommodations, airline tickets, packaged tours, corporate travel management services, property management systems, and advertising services. The company is headquartered in Shanghai, China.
- **Schlumberger NV (-6.1%)**, It provides integrated project management solutions to the international oil and gas exploration and production industries. The company operates through the following segments: Reservoir Characterization Group, Drilling Group, Production Group and Cameron Group. The company was founded in France but is now headquartered in Houston, Texas.
- **MercadoLibre Inc (-5.0%)**, engages in the provision of online commerce platform with focus on e-commerce and its related services. It operates through the following geographical segments: Brazil, Argentina, Mexico, Venezuela, and Other Countries. The firm provides users a mechanism for buying, selling and paying as well as collecting, generating leads, and comparing lists through e-commerce transactions. The company is headquartered in Buenos Aires, Argentina.
- **Cerner Corp. (-3.1%)**, develops, markets, installs and hosts health care information technology, health care devices, hardware and content solutions for health care organizations and consumers. It also provides value-added services, including implementation and training, remote hosting, operational management services, revenue cycle

services, support and maintenance, health care data analysis, clinical process optimization and transaction processing. The company is headquartered in North Kansas City, Missouri.

- **HDFC Bank Ltd. (-4.4%)**, engages in providing banking and financial services, including commercial banking and treasury operations. It provides financial services to upper and middle-income individuals and corporations in India. The company operates its business through three segments: Wholesale Banking, Retail Banking and Treasury Services. The bank is headquartered in Mumbai, India.

MARKETS ALLOCATIONS

DEVELOPED & EMERGING MARKETS ALLOCATION	CONTANGO GLOBAL GROWTH (%)
Developed Markets	84.0
Emerging Markets	14.8
Cash	1.2

Source: WCM Investment Management, as of 31 October 2017

REGIONAL ALLOCATIONS

REGIONAL ALLOCATIONS	CONTANGO GLOBAL GROWTH (%)
Americas	56.4
Europe	22.7
Asia/Pacific	19.7
Cash	1.2

Source: WCM Investment Management, as of 31 October 2017

TOP 10 HOLDINGS

STOCK	CONTANGO GLOBAL GROWTH (%)
Techtronic industries Co Ltd	3.8
Cooper Company	3.7
Keyence Corp	3.5
Quintiles Transnational Hold	3.5
Amphenol Corp	3.5
Taiwan Semiconductor MFG	3.4
Visa Inc-class a share	3.4
HDFC Bank Ltd	3.4
Tencent Holdings Ltd	3.3
Canadian Railway Co	3.2

Source: WCM Investment Management, as of 31 October 2017

SECTOR ALLOCATIONS

SECTOR	CONTANGO GLOBAL GROWTH (%)
Technology	24.4
HealthCare	18.3
Consumer Discretionary	16.9
Financials	9.9
Consumer Staples	8.6
Industrials	8.3
Materials	5.6
Energy	3.9
Real Estate	2.9
Telecom Services	0.0
Utilities	0.0
Cash	1.2

Source: WCM Investment Management, as of 31 October 2017

COUNTRY ALLOCATIONS

COUNTRY	CONTANGO GLOBAL GROWTH (%)
United States	50.9
United Kingdom	5.8
China	5.7
Switzerland	5.4
Hong Kong	3.8
Japan	3.5
Taiwan	3.4
India	3.4
Canada	3.2
Denmark	2.8
Sweden	2.7
Italy	2.5
Argentina	2.3
Netherlands	1.9
France	1.7
Cash	1.2

Source: WCM Investment Management, as of 31 October 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.

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