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The Manager
ASX Market Announcements
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By e-Lodgement

INVESTMENT MANAGER'S MONTHLY PORTFOLIO UPDATE AS AT 31 OCTOBER 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 31 October 2017 from Paul Black, Portfolio Manager and Co-CEO, and Michael Trigg, Portfolio Manager and Business Analyst at WCM Investment Management, and Richard Dalidowicz, Senior Investment Consultant at Contango Asset Management Limited, that is provided with this announcement.

Yours faithfully

Valentina Stojanovska
Chairman

CONTANGO GLOBAL GROWTH LIMITED (ASX:CQG)

MONTHLY PORTFOLIO UPDATE

MARKETS UPDATE

All major global equity markets generated strong, positive returns in October. The Emerging Markets region generated the best return of 5.9%, followed by Global Equities that returned 4.5%. Investors in Australian equities enjoyed a return of 4.0%.

The best performing market for the month was Japan with a return of 8.1%. Economic conditions in Japan have improved, with the economy expanding for five straight quarters, and a rise in personal consumption and export growth over the last year. There are improvements in corporate governance as an important driver of profitability and increased returns to shareholders, as corporations are gradually starting to focus on governance issues, including increasing dividends and share buybacks under urging from the government and other stake-holders.

The US equities market returned 4.3% and appears to be on a strong upward trend. Investors had expected they would sell off if expectations for tax cuts and other fiscal policy initiatives diminished. However, even as the market has undergone a significant rotation, with so-called Trump trades fully reversing, the equity bull market has continued to run. The market has been propelled by improved earnings prospects, as the consensus now expects double-digit earnings growth in 2017 and 2018 following two years of flat earnings.

The major European markets of France and Germany returned 3.3% and 3.1% respectively. While political risks remain, and will continue to usher in uncertainty, the prospects for economies, earnings growth, and currencies, in recent months have seen improvements. Political risks in the Eurozone have moderated considerably this year with the defeat of populists in Dutch elections in March and the election of the staunchly pro-European Emmanuel Macron as France's president.

Of the major economies, the UK posted the lowest return of 1.6%. Political and economic risks in the United Kingdom, in contrast, appear to be on the rise. The loss of the Conservative party majority in Parliament in the June 7 snap election called by Prime Minister Theresa May in a failed effort to increase her party's majority has raised uncertainty regarding "Brexit" negotiations.

Domestically the local stock market returned a healthy 4.0% for October and in early November reached 6,000 points. A high point not seen since the Global Financial Crisis of 2008/09. Domestic economic growth and employment data is encouraging and various business surveys of confidence and conditions are at high levels. The RBA's tone has been positive, noting the outlook for the non-mining sector has improved recently.

GLOBAL INDICES	1 MTH	3 MTHS	12 MTHS
Dow Jones Industrial	4.3%	6.8%	28.9%
S&P 500	2.2%	4.2%	21.1%
NASDAQ Index	3.6%	6.0%	29.6%
Euro Stoxx 50 Price Index	2.2%	6.5%	20.3%
FTSE 100	1.6%	1.6%	7.7%
German Aktien Index (DAX)	3.1%	9.2%	24.0%
France CAC40	3.3%	8.0%	22.0%
Nikkei 225 Index	8.1%	10.5%	26.3%
Hang Seng Index	2.5%	3.4%	23.2%
Shanghai Composite Index	1.3%	3.7%	9.4%
India BSE 200 Index	6.1%	3.6%	20.8%
MSCI ACWI (US\$)	2.0%	4.0%	20.8%
MSCI ACWI Investible Market Ex Aust (AU\$)	4.3%	8.6%	20.6%
MSCI ACWI Ex Aust (AU\$)	4.5%	9.0%	23.1%
MSCI ACWI Ex Aust (US\$)	2.1%	4.7%	24.0%
MSCI Emerging Markets Index (AU\$)	5.9%	9.3%	22.8%
MSCI Emerging Markets Index (US\$)	3.5%	5.0%	23.6%

Source: Bloomberg, as of 31 October 2017

All industry sectors returned positive returns with the best performing sector being Information Technology that returned 8.4% and the worst was Property Trusts that returned 2.2%. The largest sector in the ASX 300 being Banks returned 3.3%.

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.

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 & Bloomberg, as of 31 Oct 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

MARKET 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

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

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%).** 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. 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. 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. 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. Headquartered in Hong Kong.

PORTFOLIO CHARACTERISTICS

PORTFOLIO CHARACTERISTICS	CONTANGO GLOBAL GROWTH
P/E (trailing)	34.1
P/E (forward)	28.7
Dividend Yield %	1.0
EPS Growth (LT) %	16.6
Return on Equity %	19.9
Wt. Ave. Market Cap (AUD bill.)	128.2

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

COUNTRY ALLOCATIONS

COUNTRY	CONTANGO GLOBAL GROWTH (%)
United States	50.9
United Kingdom	5.8
China	5.7
Switzerland	5.3
Hong Kong	3.8
Japan	3.5
Taiwan	3.4
India	3.4
Canada	3.2
Denmark	2.8
Sweden	2.7
Italy	2.4
Argentina	2.3
Netherlands	1.9
France	1.7
Cash	1.2

Source: WCM Investment Management, as of 31 October 2017

- **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. 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. Headquartered in Shanghai, China.
- **Schlumberger NV** (-6.1%). 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. 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. 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. Headquartered in Mumbai, India.

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 position:	cash 7%
Stock universe:	Global (ex-Australia)
Portfolio size:	\$98.91 million
Shares on issue:	90.98 million
NTA (Pre-tax):	\$1.086
NTA (Post-tax):	\$1.090
Share Price:	\$1.01

PORTFOLIO OUTLOOK

The Investment Adviser is pragmatic about their investments in technology companies as their deep experience informs them to be wary of environments where investor confidence is highly optimistic about future growth prospects far into the future. The technology companies held in the portfolio have significant advantages of broad and growing economic moats that are difficult for competitors to breach. However, eventually, their growth must slow from current high rates at some point in the future because of their market dominance and competitive pressures from new technological advancements. This is not expected to occur any time soon. The Investment Adviser manages these risks by being vigilant to re-fresh the portfolio with new companies that they evaluate to have resilient competitive advantages and sustainable long-term growth and at the same time being careful about the price paid and position sizing when selecting new companies for the portfolio.

One emerging threat to fast growing technology companies is a substantial change of tax or regulatory policy. In the September quarter, Google was fined US\$2.7 billion by the European Commission's antitrust authorities for anti-competitive practices and lost a Russian court case involving its competitive practices and it has been excluded from China since 2010. Uber was banned in September from operating in London, and in other markets where opposition to its business model has gained government backing. Facebook has seen its WhatsApp operations banned in China.

Facebook is also facing criticism for allowing its platform to be exploited by groups to organize and foment violence in Charlottesville, USA and by Russian saboteurs to influence the US election in 2016. US President Donald Trump has said (via Twitter) that Amazon's destruction of brick-and-mortar retailer businesses could face government reprisal, while European Commission officials have urged a review of its tax practices within Europe. Companies held in the portfolio counter regulation threat by global and product diversification of their business models. Additional potential threats include: a withdrawal of liquidity through monetary policy tightening, the onset of a recession, or the onset of hostilities.

31 October 2017

BENEFITS FROM INVESTING IN CONTANGO GLOBAL GROWTH LIMITED

Specialist Management. Provides access to the investment philosophy and process of WCM, 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.

WHO MANAGES THE PORTFOLIO?

Contango Global Growth Limited (ASX:CQG) has appointed Contango International Management Pty Limited as manager of the portfolio. The manager has appointed WCM as adviser to provide portfolio investment and management services. The role of the manager is to supervise the adviser. Contango International Management Pty Limited is a wholly owned subsidiary of Contango Asset Management Limited, an ASX listed funds management company (ASX:CGA). CGA is a dedicated active funds manager, covering the spectrum of Australian equities of large, mid, small and micro capitalisation companies.

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. WCM has more than 40 team members, 26 of whom are equity owners, including all portfolio managers responsible for managing the CQG portfolio. This ensures alignment of interests between investors and WCM. WCM's Investment Strategy Group is responsible for construction of the final portfolio of 20 to 40 globally listed companies.

HOW DOES WCM MANAGE THE CQG 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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NOTES:

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

DISCLAIMER: This update has been prepared for information purposes only related to the underlying investment portfolio. The NTA figures provided in this document are unaudited and approximate. This document does not contain investment recommendations nor provide investment advice. Investors in LICs should understand the distinction between Investment Portfolio Performance, NTA Performance and Share Price return. Contango International Management Pty Limited (CIM) ACN 617 319 123 AFSL No. 237119 is the investment manager of CQG. Neither CQG, CIM nor their respective related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested within CQG or any associated product. You are strongly encouraged to obtain detailed professional advice and to read any relevant offer document in full before making any investment decision. CQG may not be suitable for your investment needs. This is not an offer to invest in any security or financial product. © 2017 Contango Global Growth Limited