

September 2020

Dear Fellow shareholder,

VOTE AGAINST the adoption of a new investment strategy at the upcoming Contango Income Generator Limited (CIE) Extraordinary General Meeting.

Lanyon Asset Management (“Lanyon”), through various funds for which it is the investment manager, is a substantial shareholder in CIE with a stake of approximately 7.5%. Lanyon is increasingly frustrated with ongoing poor performance and the significant decline in shareholder value.

Lanyon will be voting against the resolution to adopt a new investment strategy at the upcoming CIE extraordinary meeting on Friday 18 September.

Lanyon believes the proposed new strategy is flawed and is not in the best interest of long-suffering CIE shareholders:

- ▶ The investment strategy moves from a lower risk domestic-focussed income fund to a **higher risk global long-short hedge fund**; exposing investors to currency risk and higher risk of further capital loss.
- ▶ The proposal results in an almost **50% increase in the ongoing management fee** from 0.95% to 1.40% (plus GST);
- ▶ The proposal introduces a **performance fee of 20%** (plus GST);
- ▶ The proposal introduces a **termination fee of \$500,000** payable by CIE to the manager if the manager is terminated; and
- ▶ The proposal provides **no opportunity for existing investors to exit their investment** at or near the net tangible assets of CIE.

We query why WCM Investment Management LLC, a California-based fund manager who prides itself on a strict assessment of “culture” in their own investment process, would be so willing to partner with a company that has such a poor management record. This is most recently evident in the dilutive placement and capital raising that was undertaken by CIE in August at a discount to NTA, diluting the value for all long-suffering shareholders, including Lanyon.

Lanyon has previously provided a valid request to the company to obtain a register of shareholders in accordance with the Corporations Act. Lanyon has a statutory right to receive the requested information and CIE has an obligation to provide it. The requested register has not been provided. Failure to provide the register in response to a valid request is a contravention of the Corporations Act and is a strict liability offence.

We note that Lanyon, together with other significant shareholders who have also expressed their dismay with the absurd proposals, were refused entry to the company's investor teleconference held on Wednesday 9 September. We query why, as a substantial stakeholder in CIE, we were improperly excluded and declined any opportunity to attend the briefing.

Lanyon intends to vote against the resolution and would like an opportunity to **consider the appointment of new directors** who are focussed on restoring value to all shareholders and to **consider alternative investment management proposals**, and/or a **proposal to wind up CIE or allow investors to exit their holding at or near NTA**. We believe that offering all shareholders a liquidity option is the only acceptable course of action when the company persistently trades at a substantial discount to its stated net asset value.

Lanyon's detailed plans for board renewal and for the restoration of value for all shareholders is provided at www.lanyonam.com/contango

I invite any shareholders who are concerned with the significant decline in value of their shareholding to contact me directly and to VOTE AGAINST the adoption of a new investment strategy at the upcoming Contango Income Generator Limited Extraordinary General Meeting.

Yours Sincerely

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