

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT



30 November 2018

PORTFOLIO UPDATE

The portfolio outperformed the broader market by 2.86% during the month. The portfolio returned 1.26% versus the benchmark MSCI All Country World (ex-Australia) Index at -1.60%. The portfolio has delivered returns in excess of the benchmark over all time periods since inception.

November was another volatile month for global equity markets, following a sharp decline in October. Despite this volatility, most of the key developed market indices posted returns in a relatively tight range of plus to minus 2% for the month.

Emerging markets, which have endured a sustained period of weak performance in 2018, enjoyed a better month advancing by circa 4%. Geopolitical events again played a major role in influencing market movements. Trade tensions between the US and China continue to concern investors.

The portfolio experienced a similarly turbulent month to that of markets generally. At a regional and sector level the outcomes for the portfolio were similar to the broader market too. The portfolio's emerging market holdings including Chinese internet services company Tencent, India's HDFC Bank and Latin American ecommerce firm Mercado Libre delivered strong returns ranging from 5 to 14%.

At a sector level, healthcare was a standout positive contributor to performance too. WCM has an overweight position in this sector with exposure to firms such as medical device manufacturer Boston Scientific, contact lens provider Cooper Companies and medical technology specialist Stryker Corporation.

Investors often ask what changes we make to our investment approach during times of increased market volatility and uncertainty. The answer to this question is that nothing changes. The WCM portfolio is designed to deliver long term returns above the benchmark. We achieve this by identifying and owning quality companies we believe can consistently defy market expectations over long time periods.

Volatile periods, such as we are currently experiencing, have historically presented opportunities to build new positions in companies which meet our 'expanding economic moat' criteria but have previously traded at valuation levels we considered excessive. Identifying such new opportunities and adding to more attractively valued existing positions is a priority focus for the investment team at present.



PAUL BLACK
CEO & Portfolio Manager
WCM Investment Management

PERFORMANCE ¹ (after management fees)	PORT-FOLIO (%)	MSCI ACWI (ex-Aus) (%)	VALUE ADD (%) ⁴	NTA ³ (%)
1 Month	1.3	-1.6	2.9	1.2
3 Months	-4.4	-7.0	2.6	-4.6
6 Months	4.7	1.3	3.4	4.4
12 months	9.7	3.3	6.4	8.9
Inception ² (annualised)	11.7	8.9	2.8	10.1

1. Performance is calculated before expenses and after investment management fees are paid. The company's operating bank account balance is excluded from the portfolio value

2. Inception date is the 21st June 2017

3. The movement in pre-tax NTA which takes into account all expenses, fees paid and any tax on earnings (including on unrealised gains but excl. provision for tax on unrealised gains)

4. Value Add equals Manager or portfolio return before expense and after investment management fees minus benchmark return

NET TANGIBLE ASSETS ¹ (PER SHARE)	30 NOV 2018	31 OCT 2018
NTA before tax	\$1.218	\$1.204
NTA after tax and before tax on unrealised gains	\$1.226	\$1.211
NTA after tax	\$1.186	\$1.175
Month end closing share price (WQG.ASX)	\$1.035	\$1.030
Month end closing option price (WQGO.ASX)	\$0.006	\$0.010

1. NTA is calculated after all fees, expenses and incorporates and all company assets including the company's operating bank account

KEY DETAILS

Report Date:	30 November 2018
ASX Code	WQG
Listed on ASX:	23 June 2017
Fund Manager:	Contango International Management Pty Limited
Investment Adviser:	WCM Investment Management
Benchmark:	MSCI All Country World Total Return 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:	\$109.12m
Shares on issue:	89.82 million
Share Price:	\$1.035

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WHO MANAGES THE PORTFOLIO?

WCM is a California based asset management firm specialising in active global and emerging market equities.

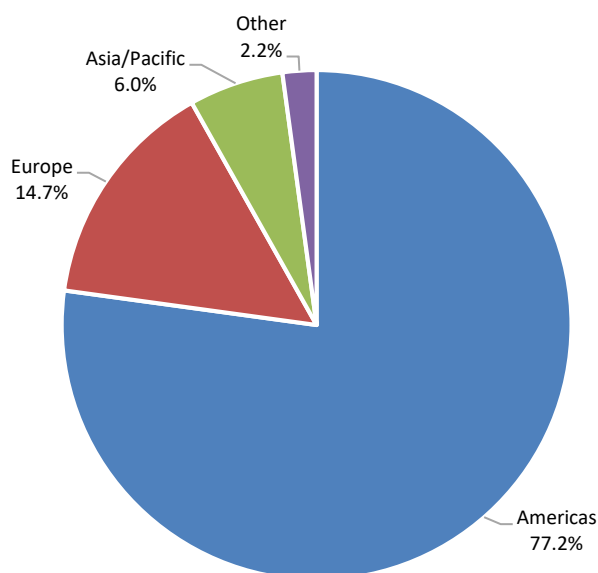
Founded in 1976, the business is 100% employee owned and manages over AUD35bn of assets on behalf of institutional and retail investors around the world including Australia.

HOW INVESTMENTS ARE CHOSEN FOR THIS PORTFOLIO

WCM's two key criteria for any company to be considered for inclusion in the WCM Quality Global Growth Strategy are 1) a rising competitive advantage (or expanding economic moat) and 2) a corporate culture that supports the expansion of this moat. WCM believes the direction of a company's economic moat is of more importance than its absolute width or size.

Their research therefore is focused on identifying those companies with a positive moat trajectory as measured by a rising return on invested capital (ROIC) as opposed to those with a large but static or declining moat. WCM also strongly believes that corporate culture is a key determinant of a firm's ability to achieve a consistently growing moat. WCM has developed a proprietary approach to analysing corporate culture and has investment team members solely dedicated to this part of their process.

REGIONAL MARKETS ALLOCATION



STOCK	WCM GLOBAL GROWTH (%)
Costco Wholesale	4.2
Visa Inc	4.0
The Cooper Companies	3.9
Boston Scientific	3.8
Steris PLC	3.6
First Republic Bank	3.6
HDFC Bank	3.4
Verisk Analytics	3.2
Amphenol	3.2
Keyence	3.2

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Healthcare	25.5
Information Technology	16.7
Financials	13.8
Industrials	9.7
Consumer Discretionary	8.6
Materials	7.8
Consumer Staples	7.2
Communication Services	4.5
Real Estate	2.8
Energy	1.3
Cash	2.2

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