

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT



31 August 2019

PORTFOLIO UPDATE

The portfolio outperformed the broader market in August 2019 with a return of 2.28% versus the -0.05% return of its benchmark MSCI All Country World (ex-Australia) Index. During the month WQG paid its inaugural dividend of 2 cents per share for the year ended 30 June 2019. The portfolio continues to deliver returns in excess of the benchmark for the previous 3, 6, 12 and 24 months and since inception.

August was a volatile month for financial markets triggered by an escalation of the trade dispute between the US and China, rising fears of a 'no deal' Brexit and growing concerns about the outlook for global growth. By month-end all major regional equity indices had posted a negative return in local currency terms. The continued decline in government bond yields around the world provided further evidence of investors' apprehension regarding the global economic outlook.

A weaker Australian dollar limited the impact for local investors with exposure to unhedged portfolios such as the WCM Quality Global Growth strategy. At an individual sector level, it was those sectors considered to be more defensive (i.e. less sensitive to economic growth) such as utilities and consumer staples which fared best.

Despite the abundance of negative news, a number of portfolio holdings made strong absolute gains during the month. Canadian ecommerce group Shopify again led the way, rising by more than 20%. Crown Castle International, America's largest communication infrastructure manufacturer, French alcoholic drinks firm Pernod Ricard and Essilor, the world's leading prescription lens provider, all advanced by close to 10%.

Portfolio holdings weighing on performance during the month included US oil services group Schlumberger, Chinese internet services provider Tencent and precision instruments manufacturer Mettler Toledo.

Volatile markets driven by global macroeconomic and geopolitical uncertainties provide challenges for all market participants. The temptation during such times is either to react impulsively to the most recent news or 'do nothing' and wait for the uncertainty to dissipate. WCM's approach is not influenced in any way by prevailing market conditions. The investment team's focus never waivers from identifying companies with expanding economic moats. This means they are permanently active but never reactive. The portfolio remains close to fully invested at all times.

August provided further evidence of the resilience of a portfolio of high quality (i.e. expanding moat) companies in volatile markets. This has been a feature of the WCM Quality Global Growth strategy since its inception in March 2008.

PERFORMANCE ¹ (after management fees)	PORTFOLIO (%)	MSCI ACWI (ex-Aus) (%)	VALUE ADD (%) ⁴
1 Month	2.28%	-0.05%	2.33%
3 Months	10.75%	7.71%	3.04%
6 Months	18.26%	8.74%	9.52%
1 Year	21.69%	7.08%	14.61%
2 Year	23.95%	15.10%	8.85%
Inception ² (annualised)	20.08%	12.74%	7.34%

1. Portfolio return is calculated before expenses and after investment management and performance 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 and fees paid. 4. Value Add equals portfolio return minus benchmark return.

NET TANGIBLE ASSETS ¹ (PER SHARE)	31 AUGUST 2019	31 JULY 2019
NTA before tax	\$1.31 ²	\$1.310
NTA after tax and before tax on unrealised gains	\$1.309	\$1.313
NTA after tax	\$1.241	\$1.247
Month end closing share price	\$1.090	\$1.115

1. NTA is calculated after all fees and expenses and incorporates all company assets including WQG's operating bank account. 2. The final dividend for the year end 30 June 2019 of 2 cents per share was paid on the 16 August 2019.

KEY DETAILS

Report Date:	31 August 2019
ASX Code	WQG
Investment Adviser:	WCM Investment Management ("WCM")
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:	\$231.54m
Shares on issue:	175.50m
Management Fee	1.25% (ex-GST)
Performance Fee*	10% (ex-GST)

* Performance Fee is 10% (ex-GST) of the Portfolio's outperformance relative to the benchmark plus Management Fee and subject to high water mark. Maximum fee is capped at 0.75% of the closing market value of the Portfolio in each financial year.

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Moat trajectory is also the key driver of sell decisions in the strategy. If the investment team can no longer make the case that a company's moat is expanding, it no longer qualifies for inclusion in the portfolio. Valuation is one input in decisions to add to or trim from existing positions.

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.

WCM's 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 its process.

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 majority employee owned and manages over A\$57 billion of assets** on behalf of institutional and retail investors around the world including Australia.



PAUL BLACK
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WCM Investment Management

WCM GLOBAL GROWTH LIMITED

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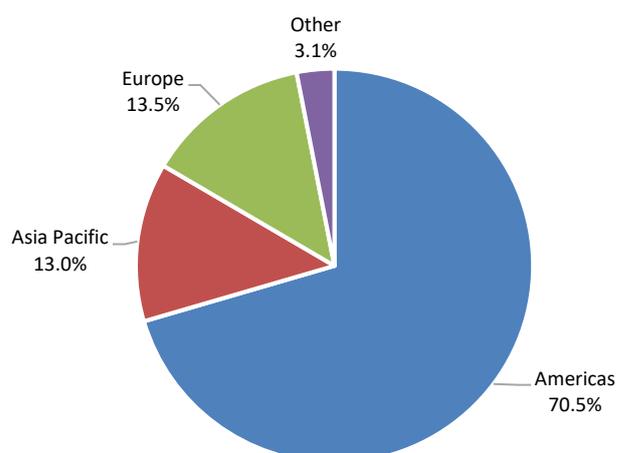
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REGIONAL MARKETS ALLOCATION



COMPANY	WCM GLOBAL GROWTH (%)
SHOPIFY INC - CLASS A	5.16
VISA INC-CLASS A SHARES	4.23
STERIS PLC	3.90
BOSTON SCIENTIFIC CORP	3.53
WEST PHARMACEUTICAL SERVICES	3.53
COSTCO WHOLESALE CORP	3.33
MECARDOLIBRE INC	3.31
CHUBB LTD	3.24
MCDONALD'S CORP	3.02
PERNOD RICARD SA	3.02

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Health Care	23.74
Information Technology	18.68
Financials	12.95
Consumer Discretionary	10.39
Industrials	8.37
Materials	8.02
Consumer Staples	6.35
Communication Services	4.68
Cash	3.06
Real Estate	2.97
Energy	0.8

DISCLAIMER: Past performance is not a predictor of future returns. 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 Ltd (CIM) ACN 617 319 123 Corporate Authorised Representative (CAR No. 1254169) of Switzer Asset Management Limited (AFSL No. 312 247) is the investment manager of WQG. Neither WQG, CIM nor their respective related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested within WQG 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. WQG may not be suitable for your investment needs. This is not an offer to invest in any security or financial product. © 2018 Contango Asset Management Limited. **WCM AUM data at 30 June 2019.