

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT

31 October 2019

PORTFOLIO UPDATE

The portfolio returned -2.07% for the month ended 31 October 2019, compared with the benchmark MSCI All Country World (ex-Australia) Total Return Index return of 0.70%. The long-term performance of the portfolio remains strong, with returns exceeding that of the benchmark over 6 months, 1-year, 2-years and since inception.

Global equity markets moved higher throughout October, largely on the back of positive sentiment related to geopolitical factors outweighing ongoing negative economic data. The US and China made a minor breakthrough with the announcement of the first phase of a trade deal and the UK pulled back from the brink of what many considered to be a potentially disastrous 'no-deal' Brexit. Weak economic data was evident in China (lower quarterly GDP growth) and both the US and Germany recorded slowing jobs growth and declining consumer confidence. In response to these weaker conditions, the US Federal Reserve reduced interest rates by 25 basis points and the International Monetary Fund (IMF) lowered its forecasts for global growth.

In terms of individual equity markets, Asian equities led the charge higher with both Japan (+5.0%) and Hong Kong (+3.1%) posting strong gains. US markets also performed strongly with both the NASDAQ (+3.7%) and the S&P 500 (+2.0%) surging during the month. The UK (-2.2%) was one of only a handful of exchanges that recorded a negative return during the period along with Canada (-1.1%) and Australia (-0.4%). Technology, Health Care and Financials were among the better performing global sectors. The stronger Australian dollar in October reduced the returns for the Company's unhedged portfolio.

Positive contributors to the portfolio's performance during the month included Taiwan Semiconductor (+8.7%), the Swedish tools and industrial materials manufacturer Atlas Copco AB (+13.4%) and the two exposures to the banking sector, HDFC Bank Limited (+7.9%) in India and First Republic Bank (+4.8%) in the US. Portfolio holdings detracting from performance included McDonald's Corp (-10.3%), risk assessment services and data analytics provider, Verisk Analytics Inc (-10.4%) and insurance group Chubb Limited (-7.5%).

The gyrations in global markets over the past 12 months have, once again, highlighted the benefits of a long-term investment perspective. Whilst the December 2018 quarter was the worst on record for global equity markets in a decade, October 2019 saw the US S&P 500 hit another all-time high. As such, investors with a short-term investment horizon have had a torrid experience.

The WCM Quality Global Growth strategy is designed for the long-term investor. The portfolio is comprised of companies that the WCM investment team believe can continue to grow their competitive advantage (expand their economic moat) over many years. This is a major reason as to why the average holding period for individual portfolio positions is relatively high and turnover (i.e. trading activity) is low. This investment process has delivered strong outperformance for the strategy since its inception in March 2008.

PERFORMANCE ¹ (after management fees)	PORTFOLIO (%)	MSCI ACWI (ex-AU) (%)	VALUE ADDED (%) ³
1 Month	-2.07%	0.70%	-2.77%
3 Months	-1.11%	2.49%	-3.60%
6 Months	5.80%	5.61%	0.19%
1 Year	24.63%	16.16%	8.47%
2 Year	17.94%	12.25%	5.69%
Inception ² (annualised)	16.86%	12.98%	3.88%

Notes: 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 21 June 2017. 3. Value Add equals portfolio return minus benchmark return.

NET TANGIBLE ASSETS ¹ (PER SHARE)	31 OCT 2019	30 SEP 2019
NTA before tax	\$1.279	\$1.296
NTA after tax and before tax on unrealised gains	\$1.277	\$1.295
NTA after tax	\$1.218	\$1.231
Month end closing share price	\$1.095	\$1.090

Notes: 1. NTA is calculated after all fees and expenses and incorporates all company assets including WQG's operating bank account.

KEY DETAILS

Report Date:	31 October 2019
ASX Code	WQG
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:	\$221.88m
Shares on issue:	174.22m
Management Fee	1.25% (ex-GST)
Performance Fee ¹	10% (ex-GST)

Notes: 1. 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.

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.

Its research is therefore 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.

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\$58 billion of assets* on behalf of institutional and retail investors around the world including Australia.



PAUL BLACK
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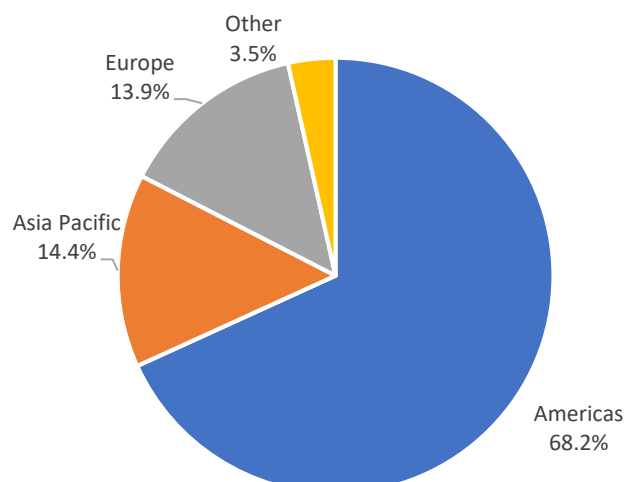
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REGIONAL MARKETS ALLOCATION



COMPANY NAME	WCM GLOBAL GROWTH (%)
Shopify Inc	4.29
Visa Inc.	4.28
West Pharmaceutical Services Inc	3.56
HDFC Bank Limited	3.47
Costco Wholesale Corp Inc	3.43
First Republic Bank Inc	3.25
Chubb Limited	3.23
Taiwan Semiconductor Manufacturing Company Limited	3.21
Ecolab Inc	3.20
Pernod Ricard SA	2.97

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Health Care	19.82
Information Technology	19.21
Financials	14.83
Consumer Discretionary	10.06
Industrials	8.45
Consumer Staples	8.30
Materials	8.20
Communication Services	4.69
Cash	3.55
Real Estate	2.90

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 September 2019.