

INVESTMENT UPDATE AND NTA STATEMENT

31 May 2020

PORTFOLIO UPDATE

The portfolio had an excellent month, gaining 7.94% and outperforming the benchmark MSCI All Country World (ex-Australia) Index return of 2.57%. The portfolio has delivered returns in excess of the benchmark over the previous one, three, six and 12 month periods, as well as over two years and since inception.

May saw global equity markets continue their strong recovery from the March lows. This growing investor appetite for risk assets is based on the view that the level of global and fiscal monetary stimulus in response to the COVID-19 pandemic will more than offset the negative impact of the economic shutdown. With the global economy slowly re-opening and the downward trend in pandemic related death and infection rates, investors have chosen to look through the unprecedented poor economic statistics. The recovery in equity markets was broad based with most developed and emerging market indices recording positive returns for the month. It was a similar story at a sector level, with Technology and basic Materials leading the way. The Australian dollar strengthened further in May, reducing the gains for unhedged portfolios such as WCM Quality Global Growth strategy.

Holdings posting gains of 20% or more over May included E-commerce firms Shopify and MercadoLibre, eyecare specialist Alcon and a recent portfolio addition, athletic apparel retailer lululemon athletica. An additional 11 portfolio holdings rose by more than 10% over the month. Only four holdings recorded share price declines in May; Chinese internet services group Tencent, pan-Asian insurer AIA, Indian bank HDFC and the world's largest semiconductor manufacturer, Taiwan Semiconductor.

Unprecedented is a word being used to describe so much of what has happened in the global economy and financial markets in recent months. Unprecedented pace of decline in equity markets, unprecedented increases in unemployment, unprecedented falls in oil prices etc. Added to this can be the unprecedented sustained outperformance of quality and growth style investing relative to value.

This has undoubtedly provided a strong tailwind for the Quality Global Growth strategy. Going forward there will inevitably be periods when this style of investing is a headwind rather than the tailwind. While the Quality Global Growth strategy won't be immune to this effect, it should benefit from its diversification across the three (i.e. secular, cyclical and defensive) growth 'buckets'. Each of these buckets is populated with companies meeting WCM's own unique, expanding economic moat, definition of quality growth.

PERFORMANCE ¹ (after management fees)	PORTFOLIO (%)	MSCI ACWI (ex-AU) (%)	VALUE ADDED (%) ³
1 Month	7.94%	2.57%	5.37%
3 Months	8.61%	-1.98%	10.59%
6 Months	12.93%	-3.68%	16.61%
1 Year	26.03%	11.05%	14.98%
2 Year	23.13%	9.63%	13.50%
Inception ² (annualised)	19.75%	10.49%	9.26%

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 MAY 2020	30 APR 2020
NTA before tax	\$1.458	\$1.365
NTA after tax and before tax on unrealised gains	\$1.451	\$1.361
NTA after tax	\$1.342	\$1.277
Month end closing share price	\$1.260	\$1.180

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 May 2020
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	\$256.15m
Shares on issue	174.01m
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\$71.6 billion of assets* on behalf of institutional and retail investors around the world including Australia.



PAUL BLACK

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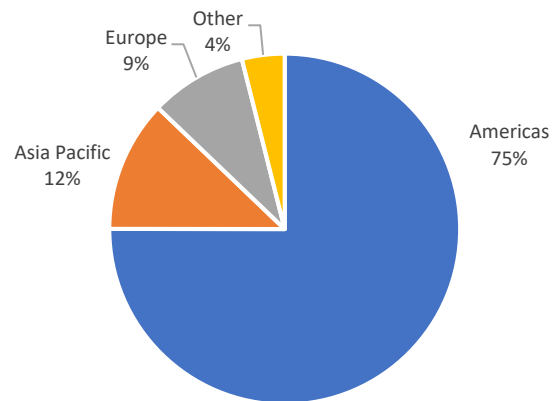
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REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM GLOBAL GROWTH (%)
Shopify	5.39
West Pharmaceuticals	4.59
Stryker Corp	4.26
MercadoLibre	4.16
Visa Inc	4.07
Crown Castle International	3.08
Ecolab	3.06
lululemon athletica	3.00
Tencent Holdings	2.95
First Republic Bank	2.84
Total	37.40

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Information Technology	24.08
Health Care	23.64
Industrials	11.02
Financials	10.90
Consumer Discretionary	9.14
Consumer Staples	6.21
Materials	5.05
Not Classified	3.93
Real Estate	3.08
Communication Services	2.95
Total	100.00

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 in AUD at 31 March 2020.