WCM | Global Growth Limited

ASX:WQG

Fund Update: 31 May 2022

Key Fund Details

NTA
Before Tax[1]
A$1.359

Month End Closing
Share Price
A$1.165

NTA After Tax and Before Tax on Unrealised Gains
A$1.320

Month End Closing
Option Price
A$0.001

NTA
After Tax[1]
A$1.289

Fully Franked
Annual Dividend[2]
A$0.053

Company Name	WCM Global Growth Limited
Investment Adviser	WCM Investment Management
Inception Date	21 June 2017
Stock Universe	Global (ex-Australia)
Number of Stocks	20 - 40
Management Fee[3]	1.25% p.a.
Performance Fee[3,4]	10%
Administration Fee[3]	0.10% p.a.
Hedging	Unhedged
Maximum Cash Position	7%
Benchmark[5]	MSCI All Country World Index (ex-Australia)

Notes: 1. NTA is calculated after all fees and expenses and incorporates all company assets including WQG's operating bank account. NTA per share is based on WQG's issued capital of 185,986,334 shares as at the date of this report. Assuming the exercise of all WQG's August 2022 Options, the Company's fully diluted issued capital would be 235,638,002 shares and the adjusted NTA per share before and after tax would be $1.451 and $1.365 respectively. 2. Dividends paid in the 12-month period to the date of this report and rounded to two decimal places. 3. Fees are inclusive of GST and less RITC. 4. Performance Fee is 10% (ex-GST) of the Portfolio's outperformance relative to the benchmark after the 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. 5. With gross dividends reinvested reported in Australian dollars and unhedged.

Performance[1]

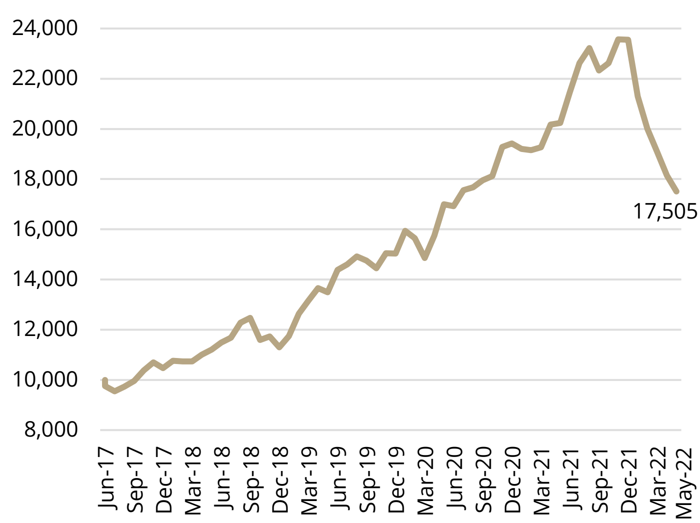
	1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	Inception[1]
Portfolio	-3.55%	-12.48%	-25.73%	-13.49%	1.48%	9.08%	12.00%
Benchmark	-1.22%	-5.06%	-10.44%	0.72%	10.91%	10.96%	10.66%
Value Added[2]	-2.33%	-7.42%	-15.29%	-14.21%	-9.43%	-1.88%	1.34%

Notes: Portfolio return is in AUD and calculated before expenses and after investment management and performance fees are paid. Performance includes the reinvestment of dividends and income. Periods greater than one year are annualised. 1. Inception date is 21 June 2017. 2. Value added equals portfolio return minus benchmark return.

Top 10 Portfolio Holdings

Company	Weight %
Thermo Fisher Scientific	4.84
Sherwin-Williams	4.66
Amphenol Corporation	3.83
Visa – Class A	3.64
Stryker Corporation	3.19
UnitedHealth Group	3.10
Lam Research Corporation	3.08
ServiceNow	3.01
Nike	2.85
Church & Dwight	2.82
Total	**35.02**

Value of A$10K Invested[1]



Notes: 1. Calculations are based on the portfolio return is in AUD and calculated before expenses and after investment management and performance fees are paid. Performance includes the reinvestment of dividends and income. Source: Contango Asset Management Limited.

Paul Black
CEO & Portfolio Manager
WCM Investment Management

For More Information
Please visit our website at: www.contango.com.au/funds/wqg

If you have any questions, please contact our distribution team on 1300 001 750 or invest@contango.com.au.

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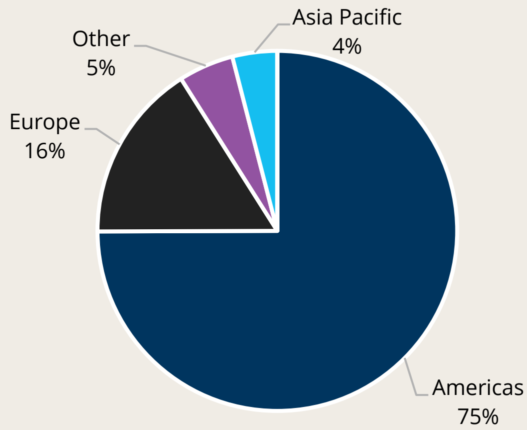
Sector Breakdown

Sector	Weight %
Information Technology	26.48
Health Care	19.93
Industrials	16.90
Consumer Discretionary	11.07
Financials	9.20
Consumer Staples	6.78
Materials	4.66
Cash	4.98
Total	**100.00**

Regional Market Allocation



Portfolio Update

The portfolio delivered a return of -3.55% during the month, compared with the MSCI All Country World Index (ex-Australia) (the **Benchmark**) return of -1.22%.

A powerful rally at the end of May offset some steep losses early in the month, leaving global equity markets relatively unchanged in local currency terms. The market weakness in the early part of the month was driven by continued concerns over rising interest rates, the war in Ukraine, lockdowns in China, and some high-profile earnings disappointments in the Technology and Retail sectors. This left many equity market indices flirting with bear market status (i.e., a decline of more than 20% from the previous peak) by mid-month. The subsequent rebound in markets followed the release of US consumer price inflation data which, while still close to 40-year highs, was lower than the previous month. The release of the minutes of the most recent Federal Open Market Committee meeting also helped, as they gave reason for optimism that the Federal Reserve is unlikely to adopt an even more aggressive monetary tightening program.

At a regional level, emerging markets marginally outperformed developed markets; the former boosted by a rebound in Chinese equities on signs that COVID-19 lockdowns were nearing an end. The Consumer sector struggled following the aforementioned disappointing earnings announcements. From a style perspective, it was another month in which value outperformed growth. The Australian dollar was firmer over the course of the month, dampening returns for unhedged portfolios.

Portfolio performance attribution for the month showed the largest positive contributors, from a sector allocation perspective, came from the zero weighting in Real Estate, followed by the overweighting to Health Care. In contrast, the absence of any exposure to Energy and Utilities detracted from relative performance, as did the underweight position in Financials. In terms of stock selection, the biggest drag on performance came from the Information Technology, Industrials and Consumer Staples parts of the portfolio. The portfolio's Financial sector exposure delivered the strongest performance from a stock selection perspective.

No exposure to the Energy sector in the portfolio has been a material headwind to relative performance throughout the year to date. It is fair therefore to ask 1) why is there no exposure? and 2) is this likely to change? The WCM investment team does not lay claim to having any competitive advantage in forecasting the spot price of oil, and as such does not see the Energy sector as a source of consistent long-term outperformance. WCM's circle of competence is in identifying changes in competitive advantages (moat trajectory), culture and other qualitative factors. So, while the Quality Global Growth Strategy has previously had exposure to some of the 'pick and shovel' plays in the Energy sector, it is unlikely to have any material exposure to the more traditional Energy stocks in the near future.

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Recent portfolio performance relative to the market has been disappointing, with 1- and 3-year performance numbers falling below benchmark. This is not unexpected given the style rotation towards more value-oriented sectors. Generally, value stocks tend to perform better in an environment of rising interest rates and higher inflation. However, in previous periods of underperformance and recovery, WCM's playbook was the same as it is today, i.e., remaining disciplined and choosing only the highest-quality companies that have expanding competitive advantages supported by well-aligned cultures. This disciplined approach to not only stock selection, but also portfolio construction, helps to achieve a good risk-reward balance which ultimately delivers the best long-term returns for investors.

Whilst conditions remaining challenging in the short term, the portfolio's returns since inception remain above the benchmark.