

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT

31 December 2019

PORTFOLIO UPDATE

The portfolio returned -0.16% for the month ended December 2019, compared with the benchmark MSCI All Country World (ex-Australia) Total Return Index return of -0.23%. The longer-term performance of the portfolio remains strong, with returns exceeding that of the benchmark over 1-year, 2-years and since inception.

Global equity markets continued to move higher in December. However, the stronger Australian dollar during the month resulted in negative returns for unhedged investors. Nonetheless, the full year proved a very rewarding one for global investors with the WQG benchmark index rising by circa 28% (on both a hedged and unhedged basis).

This strong performance was particularly noteworthy given the negative sentiment that dominated markets at the end of 2018 and the consistently weak economic data reported for most of 2019. The ongoing trade tensions between the US and China and uncertainty regarding Brexit were additional challenges for markets throughout the year. These headwinds were outweighed by the decision of the US Federal Reserve (and other central banks) to provide more further economic stimulus via sustained lower interest rates. At a regional level, 12-month returns for developed markets exceeded those of emerging markets and growth factors outperformed value.

The best performing stocks in the portfolio for the month included Canadian ecommerce company Shopify (+13.6%), multinational scales and analytical instrument manufacturer Mettler-Toledo International (+6.1%), the world's largest semiconductor manufacturer Taiwan Semi-Conductor Manufacturing Company (+6.1%) and Graco (+3.6%), the US fluid handling products and systems specialist.

Alcoholic beverages company Pernod Ricard (-6.3%), lens technology and eyewear manufacturer EssilorLuxottica (-5.6%) and retail warehouse group Costco Wholesale (-5.2%) were among the handful of holdings that recorded a negative return in December.

The WQG portfolio gained 33.05% over the course of the 2019 calendar year, outperforming its benchmark by a considerable margin. This again demonstrated the all-weather nature of the WCM Quality Global Growth strategy. While downside capture (i.e. minimising losses in falling markets) has been a hallmark of the strategy since inception, the portfolio also has an impressive history of strong relative returns during periods of rising markets (e.g. calendar years 2013, 2015 and 2017).

This consistency of performance can be attributed to WCM's unique investment process which is based on identifying companies with expanding economic moats (i.e. a growing a competitive advantage) and corporate cultures aligned to this moat trajectory.

PERFORMANCE ¹ (after management fees)	PORTFOLIO (%)	MSCI ACWI (ex-AU) (%)	VALUE ADDED (%) ³
1 Month	-0.16%	-0.23%	0.07%
3 Months	1.89%	4.88%	-2.99%
6 Months	4.45%	9.11%	-4.66%
1 Year	33.05%	27.73%	5.32%
2 Year	19.82%	13.63%	6.19%
Inception ² (annualised)	17.49%	13.89%	3.60%

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 DEC 2019	30 NOV 2019
NTA before tax	\$1.330	\$1.331
NTA after tax and before tax on unrealised gains	\$1.329	\$1.330
NTA after tax	\$1.254	\$1.255
Month end closing share price	\$1.175	\$1.130

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 December 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	\$230.61m
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\$63 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

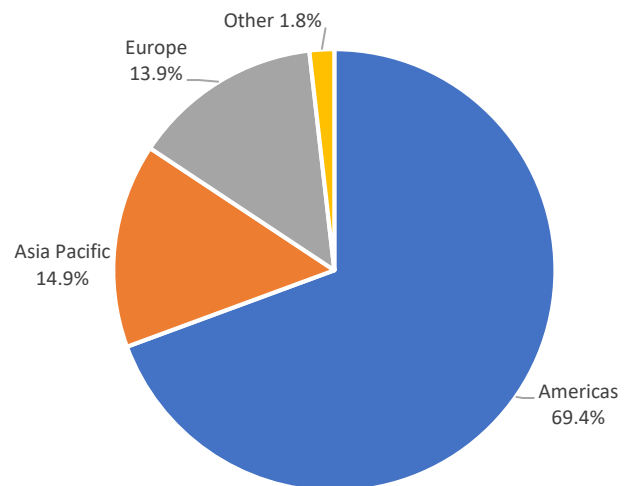
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REGIONAL MARKETS ALLOCATION



COMPANY NAME	WCM GLOBAL GROWTH (%)
Shopify Inc.	5.12
Visa Inc.	4.23
West Pharmaceutical Services	3.51
Taiwan Semiconductor Manufacturing Company Ltd	3.41
HDFC Bank	3.39
First Republic Bank	3.39
Costco Wholesale Corp	3.20
Chubb Ltd	3.11
MecadoLibre	3.07
Ecolab Inc	3.03

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Information Technology	20.63
Health Care	19.76
Financials	14.59
Industrials	9.93
Consumer Discretionary	9.62
Materials	8.03
Consumer Staples	7.71
Communication Services	5.12
Real Estate	2.80
Not Classified	1.82

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.