

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT



31 August 2018

PORTFOLIO UPDATE

The portfolio outperformed the broader market during the month with a return of 5.1% versus the 4.4% return of its benchmark MSCI All Country World (ex-Australia) Index. The portfolio has delivered returns in excess of the benchmark over the previous three, six months and 12 months.

Record levels for US equities drove global market indices higher in August. Unhedged global portfolios, such as WQG, received a further boost to returns from the continued strength of the US dollar. While the US market performed strongly, the picture was more mixed in other parts of the world. Emerging markets remained under pressure during the month and the major European indices recorded negative returns too. At a sector level, technology and healthcare lead the way with banks and basic materials among the weaker performers. These sector moves contributed to growth style investing outperforming value during the month, a positive for WQG.

At a macro and geopolitical level, investors were given plenty to worry about. Argentina and Turkey were two emerging market countries most in the news during the month. The now long-running issues related to both Brexit and trade wars were also prominent in the financial press. The US market, particularly the technology, healthcare and consumer sectors, benefited from investors seeking safe havens from these issues. While always cognisant of shorter-term cyclical trends, our investment team does not allocate time or resources to analysing them. The WQG portfolio is constructed via a bottom up company research-based approach. The focus is on finding companies our investment team believe have a growing competitive advantage (expanding economic moat) and a corporate culture aligned to this moat trajectory.

Consistent with the broader market moves, several of the stronger performing stocks in the portfolio during the month were from the technology and healthcare sectors. These included technology related names Amazon, Shopify, Taiwan Semiconductor and Tyler Technologies. Within the healthcare sector the stronger performers in the portfolio included West Pharmaceutical Services, Boston Scientific and Stryker. Oil services company Schlumberger and Chinese internet, social media and gaming firm Tencent Holdings posted negative returns for the month.



PAUL BLACK of WCM Investment Management
PORTFOLIO MANAGER,
WCM GLOBAL GROWTH LTD

PERFORMANCE ¹ <i>(after management fees)</i>	PORT-FOLIO (%)	MSCI ACWI (ex-Aus) (%)	VALUE ADD (%) ⁴	NTA ³ (%)
1 Month	5.1	4.4	0.7	5.1
3 Months	9.5	8.9	0.6	9.3
6 Months	14.3	11.2	3.2	14.0
12 months	26.2	23.7	2.5	25.3
Inception ² (annualised)	18.7	17.7	1.0	16.8

1. Performance is calculated before expenses and after investment management 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, fees paid and any tax on earnings (including on unrealised gains but excl. provision for tax on unrealised gains)

4. Value Add equals Manager or portfolio return before expense and after investment management fees minus benchmark return

NET TANGIBLE ASSETS ¹ (PER SHARE)	31 AUG 2018	31 JULY 2018
NTA before tax	\$1.276	\$1.214
NTA after tax and before tax on unrealised gains	\$1.288	\$1.227
NTA after tax	\$1.223	\$1.180
Month end closing share price (WQG.ASX)	\$1.090	\$1.100
Month end closing option price (WQGO.ASX)	\$0.024	\$0.029

1. NTA is calculated after all fees, expenses and incorporates and all company assets including the company's operating bank account

KEY DETAILS

Report Date:	31 August 2018
ASX Code	WQG
Listed on ASX:	23 June 2017
Fund Manager:	Contango International Management Pty Limited
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:	\$114.14m
Shares on issue:	90.13 million
Share Price:	\$1.090

WCM GLOBAL GROWTH LTD (ASX:WQG)

WHO MANAGES THE PORTFOLIO?

WCM is a California based asset management firm specialising in active global and emerging market equities.

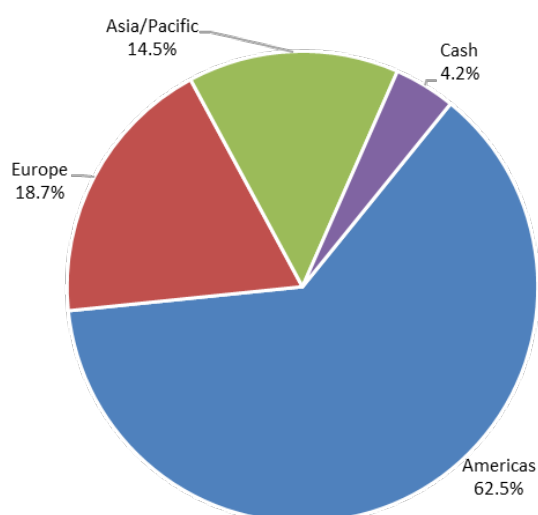
Founded in 1976, the business is 100% employee owned and manages over AUD35bn of assets on behalf of institutional and retail investors around the world including Australia.

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.

Their 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 their process.

REGIONAL MARKETS ALLOCATION



STOCK	WCM GLOBAL GROWTH (%)
Costco Wholesale	4.1
Visa Inc	4.0
The Cooper Companies	3.4
Boston Scientific	3.4
Steris	3.4
Amphenol	3.3
Amazon	3.3
HDFC Bank Ltd	3.3
Keyence	3.2
Canadian National Railway	3.1

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Information Technology	26.6
Health Care	22.5
Financials	12.9
Industrials	9.7
Consumer Discretionary	5.8
Materials	7.4
Consumer Staples	6.5
Energy	1.8
Real Estate	2.7
Cash	4.2

WCM GLOBAL GROWTH LIMITED

ACN 617 281 268

Level 6, 10 Spring Street, Sydney NSW 2000

T: +61 2 9048 7888

E: invest@contango.com.au

W: www.contango.com.au/global-growth

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 Limited (CIM) ACN 617 319 123 AFSL No. 237119 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