

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT



28 September 2018

PORTFOLIO UPDATE

The portfolio outperformed the broader market during the month with a return of 1.7% versus the -0.2% return of its benchmark MSCI All Country World USD Total Return (ex-Australia) Index. The portfolio has delivered returns in excess of the benchmark over the previous three, six months, 12 months and since inception.

Global equity markets moved marginally higher in September. With the AUD/USD exchange rate unchanged for the month there was only minimal impact on the portfolio's return from currency movements. The US equity market posted another positive month, with its key S&P500 index up over 7.0% during the September quarter. Of the major markets, Japan was the strongest performer with European markets more mixed. In terms of global sectors, energy, healthcare and telecoms led the way with financials, whilst technology and consumer were amongst the laggards.

The portfolio's healthcare holdings made a positive contribution to performance during the month. These included contact lens manufacturer, Cooper Industries, pharmaceutical packaging and delivery systems firm West Pharmaceutical and medical device company Boston Scientific. Recent portfolio addition Shopify, a Canadian headquartered ecommerce firm, also performed strongly as did US video game holding company, Activision Blizzard. The portfolio's two bank holdings First Republic Bank and Indian domiciled HDFC Bank both posted negative returns for the month.

While the macroeconomic and geopolitical environment will continue to present challenges for investors, we remain committed to the investment process that has served our clients well over the long-term. Our investment team will continue to seek companies with a rising competitive advantage (expanding economic moat) and a culture supportive of this positive moat trajectory. We will continue too with our prudent 'buy and manage' approach, adding to holdings that have temporarily underperformed and reduce exposure to those that have risen too far relative to fair value. Amazon is a good example of this, where we have regularly added and trimmed our exposure since we first purchased it for client portfolios back in 2011.



PAUL BLACK
CEO & Portfolio Manager
WCM Investment Management

PERFORMANCE ¹ (after management fees)	PORT-FOLIO (%)	MSCI ACWI (ex-Aus) (%)	VALUE ADD (%) ⁴	NTA ³ (%)
1 Month	1.7	-0.2	1.9	1.6
3 Months	8.6	6.8	1.8	8.4
6 Months	16.3	11.7	4.6	15.9
12 months	25.4	19.7	5.7	24.4
Inception ² (annualised)	19.0	16.3	2.7	17.1

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)	28 SEP 2018	31 AUG 2018
NTA before tax	\$1.296	\$1.276
NTA after tax and before tax on unrealised gains	\$1.306	\$1.288
NTA after tax	\$1.240	\$1.223
Month end closing share price (WQG.ASX)	\$1.120	\$1.090
Month end closing option price (WQGO.ASX)	\$0.030	\$0.024

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

KEY DETAILS	
Report Date:	28 September 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:	\$116.11m
Shares on issue:	89.90 million
Share Price:	\$1.120

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WHO MANAGES THE PORTFOLIO?

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

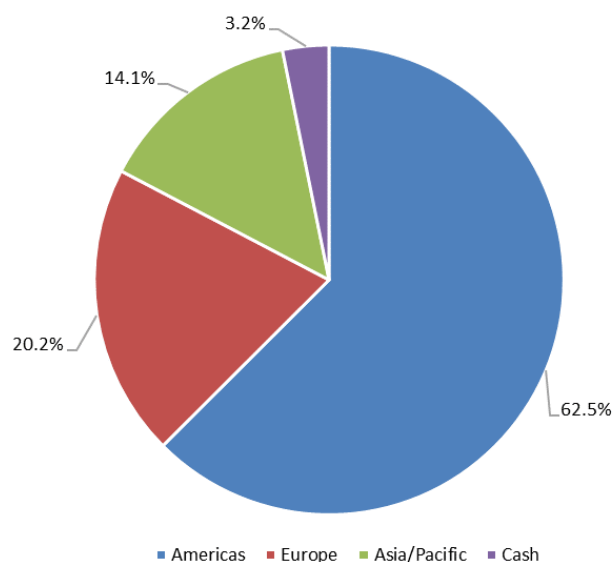
Founded in 1976, the business is 100% employee owned and manages over AUD35bn of assets on behalf of institutional and retail investors around the world including Australia.

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	4.0
Visa Inc	4.0
The Cooper Companies	3.7
Boston Scientific	3.6
West Pharmaceutical Services	3.4
Steris	3.3
Amphenol	3.3
First Republic Bank	3.3
Keyence	3.2
Amazon	3.2

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Health Care	24.8
Information Technology	17.4
Financials	13.2
Industrials	9.6
Consumer Discretionary	8.6
Materials	7.8
Consumer Staples	7.0
Communication Services	4.2
Real Estate	2.6
Energy	1.7
Cash	3.3

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