

WCM GLOBAL GROWTH LIMITED (ASX:WQG)

INVESTMENT UPDATE AND NTA STATEMENT



31 March 2019

PORTFOLIO UPDATE

The portfolio outperformed the broader market during the month with a return of 4.15% versus the 1.36% return of its benchmark, the MSCI All Country World Index (ex-Australia) USD Gross Total Return Index. The portfolio has delivered returns in excess of the benchmark over the previous one, three, six and twelve months as well as since inception.

The NTA per share before tax of WQG at 31 March 2019 was \$1.354. Since inception, WQG has delivered monthly NTA per share gains 15 times against 6 declines. Two of these monthly declines occurred in the last quarter of 2018 amidst the broad global equities market retreat.

Whilst the WCM Quality Global Growth strategy has only been available to Australian investors since June 2017, the strategy has existed in the US since March 2008. Since its inception in the US, the strategy has achieved a 100% win rate of outperformance in down quarters.

Q1 2019 was the best quarter for global equity markets in over a decade. This was particularly remarkable given the preceding three months was the worst quarter on record since the global financial crisis of 2008. The primary catalyst for this turnaround in markets was the more cautionary stance the US Federal Reserve announced regarding the likely future path of interest rates. This, plus various stimulatory measures introduced by China, have eased investors' concerns that the recent slowdown in global economic growth may turn into a full-blown recession.

The largest contributors to returns in March included Indian private bank HDFC Bank, US global warehouse firm Costco, Canadian ecommerce group Shopify and UK food services company Compass Group. US banking and stockbroking firm Charles Schwab and French ophthalmic group Essilor were two holdings that weighed on performance during the month.

Investor sentiment continues to wax and wane with uncertainty around global macroeconomic and geopolitical issues. No global equity portfolio is immune to these factors, however WQG does not include any holdings that have been purchased on the basis of a short-term view on a particular macro event, or ones whose long-term performance is primarily dependent on the economic and or interest rate cycle. This explains the portfolio's structural underweight to sectors such as basic materials and financials.

WCM's investment horizon is a long term one. As such the two recent quarters in which markets fell sharply and subsequently rebounded are perfect for their 'buy and manage approach'. When sentiment overshoots on the downside it presents opportunities to add to favourite positions and on the flipside – when it goes too far the other way – to reduce positions that have overshot on the upside.

As previously advised, WCM Global Growth Limited will commence reporting Net Tangible Assets on a weekly basis from Tuesday the 16th of April.

PERFORMANCE ¹ (after management fees)	PORT-FOLIO (%)	MSCI ACWI (ex-Aus) (%)	VALUE ADD (%) ⁴	NTA ³ (%)
1 Month	4.15%	1.36%	2.79%	3.91%
3 Months	16.47%	11.49%	4.98%	15.73%
6 Months	5.47%	-0.03%	5.50%	4.48%
12 months	22.54%	11.69%	10.85%	21.11%
Inception ² (annualised)	16.72%	11.48%	5.24%	14.80%

¹Portfolio 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. ²Inception date is the 21st June 2017. ³The movement in pre-tax NTA which takes into account all expenses and fees paid. ⁴Value Add equals portfolio return minus benchmark return.

NET TANGIBLE ASSETS ¹ (PER SHARE)	31 MAR 2019	28 FEB 2019
NTA before tax	\$1.354	\$1.303
NTA after tax and before tax on unrealised gains	\$1.350	\$1.307
NTA after tax	\$1.266	\$1.245
Month end closing share price	\$1.125	\$1.050
Month end closing option price (WQGO.ASX)	\$0.019	\$0.006

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

KEY DETAILS	
Report Date:	31 March 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:	\$121.66m
Shares on issue:	89.40 million
Options on issue:	90.87 million
Options strike price:	\$1.10
Option expiry date:	24 June 2019

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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.

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 AUD 42 billion of assets on behalf of institutional and retail investors around the world including Australia.



PAUL BLACK
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WCM GLOBAL GROWTH LIMITED

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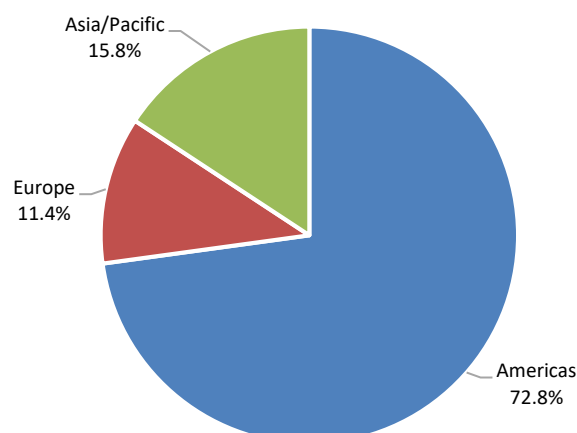
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REGIONAL MARKETS ALLOCATION



COMPANY	WCM GLOBAL GROWTH (%)
MercadoLibre	4.02
VISA Inc	3.94
Costco	3.92
The Cooper Companies	3.68
Shopify	3.67
HDFC Bank	3.47
Steris PLC	3.46
Boston Scientific	3.39
Keyence	3.32
First Republic Bank	3.25

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Health Care	22.65
Information Technology	19.38
Financials	13.42
Industrials	9.36
Consumer Discretionary	7.74
Communication Services	7.73
Materials	7.62
Consumer Staples	6.97
Real Estate	2.83
Cash Energy	1.14
Cash	1.16

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