

INVESTMENT UPDATE AND NTA STATEMENT

31 October 2020

PORTFOLIO UPDATE

The portfolio delivered a return of 0.93% during the month, outperforming the benchmark MSCI All Country World (ex-Australia) Index return of -0.34%. The portfolio has also delivered returns in excess of the benchmark over the previous three, six and 12 month periods, as well as over three years and since inception.

Global equities recorded a second consecutive month of negative returns in October. Having moved steadily higher over the first half of the month, markets retreated in the final couple of weeks. This was following news of a second COVID-19 wave and consequential lockdowns in Europe. Investors were also disappointed by delays to additional fiscal stimulus in the US. European markets, weighed down by the second wave of COVID-19 infections, led the global equity markets decline. On a brighter note, the Chinese equity market rose over 5.0% as China continued to report positive news relating to its control of the virus and subsequent relatively strong economic data. This rise in Chinese equities was a major contributor to the outperformance of emerging markets relative to developed markets during the month. Sector leaders and laggards were similar to September; Communication Services and Utilities lead the way with the Energy sector again the weakest. At a factor level, value marginally outperformed growth and quality. The weaker Australian dollar over the month dampened the decline for unhedged portfolios, such as the WCM Global Growth Equity Strategy.

Despite the weaker market backdrop, several portfolio holdings rose strongly during the month. These included three of the portfolio's emerging market stocks: Indian banking and financial services company, HDFC Bank; Chinese multinational technology conglomerate Tencent; and Argentine ecommerce firm MercadoLibre. US private bank and wealth manager First Republic Bank was another strong performer. Medical devices firm Boston Scientific and global payments group Visa were amongst the biggest decliners, as were two portfolio positions whose share prices have more than doubled year to date: Canadian ecommerce multinational Shopify and Dutch payment firm Adyen.

The US presidential election will most likely continue to dominate global news headlines in the coming weeks. Equity market strategists will be busy sharing their views and recommendations on the possible implications of victory for either side. Many money management firms too will be trying to position their portfolios towards those stocks they see to be the winners from the election result. The research team at WCM Investment Management looks through election outcomes in the same way it looks through economic cycles. The team's focus is on identifying companies it believes can continue to grow their economic moats over the long term, not just over a short term political or economic cycle. The ability to adapt to different circumstances is one of the key cultural traits WCM looks for when identifying these expanding moat companies. An adaptable culture can help see a company

PERFORMANCE ¹	PORTFOLIO	MSCI ACWI (ex-AU)	VALUE ADDED ³
1 Month	0.93%	-0.34%	1.27%
3 Months	3.20%	2.15%	1.05%
6 Months	15.04%	5.83%	9.21%
1 Year	25.43%	3.75%	21.68%
3 Year (PA)	20.39%	9.34%	11.05%
Inception ² (PA)	19.34%	10.14%	9.20%

Notes: 1. Portfolio return is calculated before expenses and after investment management and performance fees are paid. 2. Inception date is 21 June 2017. 3. Value Add equals portfolio return minus benchmark return.

NET TANGIBLE ASSETS ¹ (PER SHARE)	31 OCT 2020	30 SEPT 2020
NTA before tax	\$1.536	\$1.519
NTA after tax and before tax on unrealised gains	\$1.519	\$1.505
NTA after tax	\$1.390	\$1.379
Month end closing share price	\$1.415	\$1.330

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 October 2020
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	\$269.83m
Shares on issue	174.86m
Management Fee	1.25% (ex-GST)
Performance Fee ¹	10% (ex-GST)
Hedging	Unhedged

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.

through fluctuations in a political and economic environment. WCM's long term focus and preference for companies with adaptable cultures means the election will have minimal impact on its Quality Global Growth portfolio.

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\$93.1 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

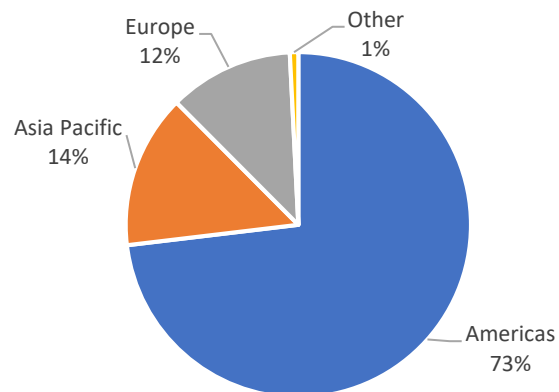
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REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM GLOBAL GROWTH (%)
MercadoLibre	5.16
West Pharmaceuticals	4.11
Shopify	3.97
Stryker Corp.	3.95
Taiwan Semiconductor	3.89
Tencent Holdings	3.81
Visa Inc.	3.23
Amphenol Corp.	3.20
Sherwin-Williams	3.05
First Republic Bank	2.97
Total	37.34

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Information Technology	26.26
Health Care	20.46
Financials	11.25
Industrials	11.17
Consumer Discretionary	10.92
Consumer Staples	6.24
Materials	5.42
Communication Services	3.81
Cash	3.07
Real Estate	1.40
Total	100.00

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 in AUD at 30 September 2020.