

WCM QUALITY GLOBAL GROWTH FUND (QUOTED MANAGED FUND) (ASX:WCMQ)

INVESTMENT UPDATE

30 April 2021

PORTFOLIO UPDATE

The portfolio delivered a return of 4.43% during the month, below the benchmark MSCI All Country World Index (ex-Australia) return of 3.13%. The portfolio has delivered returns in excess of the benchmark over the previous 12-month periods, as well as over two years and since inception.

Global equity markets posted another strong month in April as they continued to benefit from the combination of global fiscal stimulus and accommodative policies from central banks. Markets were given additional support from a strong first quarter corporate earnings season in the US. Aggregate earnings reported to date have comfortably beaten analyst forecasts, leading to upgrades to full year estimates. Economic data from Europe was mixed with the Eurozone technically entering a recession as the economy declined by 1.8%, which was its second consecutive quarter of contraction. The more forward-looking new orders indicator on the other hand pointed to a pickup in future economic activity. There were also conflicting news flows from China where April manufacturing activity showed signs of increased momentum, though the levels were still below those reported for much of last year.

In terms of regional market performance developed markets outperformed emerging, the latter held back by the surge in COVID-19 cases in India and ongoing Chinese political tension. Sector performance was positive across the board led by basic materials and real estate. The energy sector, which has been the top performer year-to-date, was a relative laggard in April. At a factor level, growth outperformed value.

The portfolio had several positions delivering double digit percentage returns in April, with the healthcare and consumer discretionary sectors providing many of these names. The handful of holdings which declined in the month came from a mix of the financials, information technology and industrial sectors. Magazine Luiza is a recent addition to the portfolio's consumer discretionary sector exposure. It is Brazil's largest omni-channel retailer. The company's moat stems from its brand, seamless omni-channel integration and superior logistics. This moat is growing as it leverages these advantages to continue growing share in ecommerce and expanding its offering in fintech and advertising.

The value versus growth style debate remains front and centre for many market commentators. WCM's position on this is clear – 'if you get the moat trajectory on a great company right and you give it time, the value growth thing really doesn't matter.' Whatever the outcome on the current episode of this debate, WCM's approach will not change. The emphasis will remain on companies with positive moat trajectories, supported by strong well aligned corporate cultures and benefiting from long lasting tailwinds.

PERFORMANCE ¹	PORTFOLIO	MSCI ACWI (ex-AU)	VALUE ADDED ³
1 Month	4.43%	3.13%	1.30%
3 Months	4.63%	8.83%	-4.20%
6 Months	11.00%	16.94%	-5.94%
12 Months	26.67%	23.76%	2.91%
2 Years	20.82%	13.19%	7.63%
Inception ²	19.30%	11.37%	7.93%

Notes: 1. Fund performance is calculated based on net asset value per unit, which is after management fees, performance fees and expenses and assumes that all distributions are reinvested in the Fund. 2. Inception date is 31 August 2018. 3. Value Add equals portfolio return minus benchmark return.

KEY DETAILS	
Report Date	30 April 2021
Fund Name	WCM Quality Global Growth Fund (Quoted Managed Fund)
ASX Code	WCMQ
Listed on ASX	3 September 2018
Fund Manager	WCM Investment Management
Responsible Entity	Switzer Asset Management Limited
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)
Net asset value per unit	\$7.7864
Unit price	\$7.85
Management Fee ¹	1.25%
Administration Fee ¹	0.10%
Performance Fee ^{1,2}	10%
Hedging	Unhedged

Notes: 1. Fees are inclusive of GST and less RITC. 2. Performance Fee is 10% of the Portfolio's outperformance relative to the benchmark plus Management Fee and subject to high water mark and capped at 0.375% of the value of the Portfolio in each calculation period.

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 majority employee owned and manages over A\$114 billion of assets* on behalf of institutional and retail investors around the world including Australia.

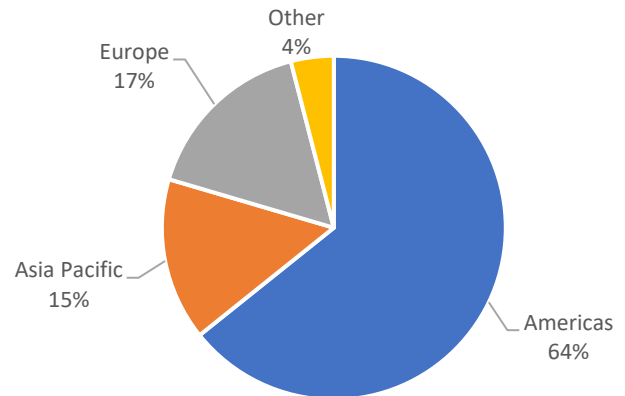


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REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM QUALITY GLOBAL GROWTH FUND (%)
Stryker Corp.	5.08
Shopify	4.00
Sherwin Williams	3.93
West Pharmaceutical Services	3.91
LVMH (Moet Hennessy Louis Vuitton)	3.73
MercadoLibre	3.70
First Republic Bank	3.32
Thermo Fisher Scientific	3.31
Visa Inc.	3.31
Taiwan Semiconductor	3.27
Total	37.56

SECTOR BREAKDOWN	WCM QUALITY GLOBAL GROWTH FUND (%)
Information Technology	23.51
Health Care	18.54
Consumer Discretionary	17.72
Industrials	10.87
Financials	10.07
Materials	6.14
Consumer Staples	5.95
Cash	4.05
Communication Services	3.15
Total	100.00