

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

INVESTMENT UPDATE

30 November 2020

PORTFOLIO UPDATE

The portfolio delivered a return of 6.45% during the month, slightly below the benchmark MSCI All Country World (ex-Australia) Index return of 7.14%. The portfolio has 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.

Having moved sideways over the two preceding months, global equity markets sharply advanced higher in November. Despite the legal challenges filed by the Trump campaign team, the apparently large margin of victory for Joe Biden removed the major cloud of uncertainty which had been overhanging markets. The likelihood of the Republicans retaining the Senate, thus ensuring a divided Congress was also taken positively by markets. The major driver of the strong returns in November however came from the announcements of three effective vaccines for COVID-19. The news of light at the end of the tunnel in the fight against the virus far outweighed the concerning rising case numbers, deaths, and poor economic data from Europe and the US. While all major equity sectors and geographical regions posted positive returns, it was the year-to-date laggards such as Energy, Financials and European Equities, which performed best. Consistent with the 'risk-on' theme of markets generally, the Australian dollar strengthened during the month, moderating returns for unhedged portfolios.

The outperformance of value versus growth stocks was a headwind for the portfolio in November. Individual stock performance within the portfolio reflected that of the broader market. Financial sector holdings such as Indian bank HDFC Bank and multinational insurer AIA Group, which have lagged the market year-to-date, outperformed. Aerospace and electronics company HEICO Corporation, water treatment group Ecolab and Latin American ecommerce firm MercadoLibre also contributed positively to the portfolio's relative return. The portfolio's defensive holdings such as medical device firm Boston Scientific Corporation and life science instrumentation group Thermo Fisher Scientific were amongst the underperformers during the month.

The combination of the positive vaccine news and ongoing expansionary global monetary and fiscal conditions has raised expectations of a significant economic rebound in 2021. This in turn has many market commentators predicting that the recent rotation away from growth stocks towards value and cyclical sectors may be sustainable. A sustained rotation of this kind may create challenges for growth-oriented portfolios including the WCM Quality Global Growth strategy. However, these challenges will be greatest for those portfolios exposed to secular growth stocks only. WCM's disciplined portfolio construction process ensures that its strategy is always diversified across three growth 'buckets', being: secular growth (e.g. Shopify, MercadoLibre and Tencent Holdings), defensive

PERFORMANCE ¹	PORTFOLIO	MSCI ACWI (ex-AU)	VALUE ADDED ³
1 Month	6.45%	7.14%	-0.69%
3 Months	8.90%	6.61%	2.29%
6 Months	13.94%	10.54%	3.40%
12 Months	26.75%	6.48%	20.27%
2 Years	27.01%	14.55%	12.46%
Inception ²	21.01%	9.26%	11.75%

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 November 2020
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	\$7.4671
Unit price	\$7.39
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.

growth (e.g. Pernod Ricard and Costco Wholesale Corporation) and cyclical growth (e.g. Atlas Copco and HEICO Corporation). This diversification reduces the drag on relative returns during times when growth and quality style investing is out of favour, as was the case in November, and has proven to be successful over the long term.

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\$93.1 billion of assets* on behalf of institutional and retail investors around the world including Australia.

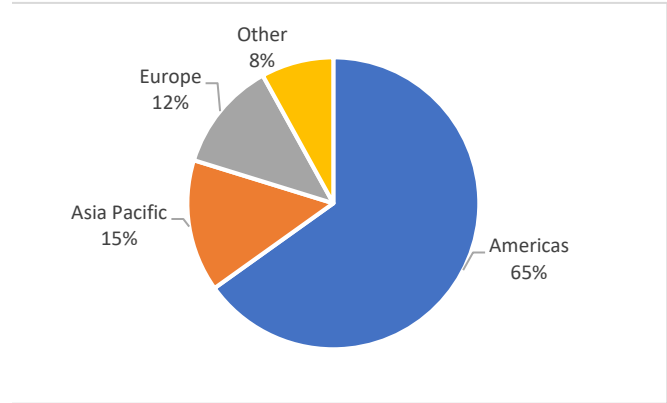


PAUL BLACK
CEO & Portfolio Manager
WCM Investment Management

Responsible Entity SWITZER ASSET MANAGEMENT LIMITED
AFSL 312 247 ABN 26 123 611 978
 Level 6, 10 Spring Street, Sydney NSW 2000

T: 1300 001 750
E: invest@contango.com.au
W: www.contango.com.au/funds/wcmq

REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM QUALITY GLOBAL GROWTH FUND (%)
MercadoLibre	5.57
Shopify	3.92
Taiwan Semiconductor	3.80
Stryker Corp.	3.76
West Pharmaceuticals	3.48
Visa Inc.	3.17
Amphenol Corp.	3.10
Tencent Holdings	3.04
LVMH (Moet Hennessy Louis Vuitton)	3.01
Sherwin-Williams	2.77
Total	35.62

SECTOR BREAKDOWN	WCM QUALITY GLOBAL GROWTH FUND (%)
Information Technology	25.30
Health Care	17.95
Consumer Discretionary	12.28
Financials	10.38
Industrials	10.29
Cash	8.03
Consumer Staples	6.34
Materials	5.10
Communication Services	3.04
Real Estate	1.28
Total	100.00

DISCLAIMER. Switzer Asset Management Limited (“Switzer”) (ABN 26 123 611 978 and Australian Financial Services Licence Number 312247) is the Responsible Entity of the Fund. Switzer has prepared this Fact Sheet for information purposes only. It does not contain investment recommendations nor provide investment advice. Neither Switzer, Contango Asset Management Limited, their related bodies corporate, entities, directors or officers guarantees the performance of, or the timing or amount of repayment of capital or income invested in the Fund or that the Fund will achieve its investment objectives. Past performance is not necessarily indicative of future performance. It is recommended that investors seek professional investment and/or financial or other relevant and/or applicable advice to assist investors determine the individual tolerance to risk and the investors need to attain a particular return on your investment. In no way should the investor rely on the information contained in this Fact Sheet. We strongly encourage you to obtain independent professional, financial, investment, or legal advice and to read the Funds Product Disclosure Statement (“PDS”) before making a decision to invest in the Fund. Applications for an investment can only be made by way of completing the application form accompanying a current Product Disclosure Statement which can be obtained by contacting on the Switzer or via the website www.switzerassetmanagement.com.au. * WCM AUM data at 30 September 2020.