

## Key Fund Details

Net Asset Value <b>A\$8.3672</b>	Unit Price <b>A\$8.52</b>	Fund Name WCM Quality Global Growth Fund (Quoted Managed Fund)
Annual Return Since Inception <b>20.18%</b>	Portfolio Size <b>A\$314.4m</b>	Investment Manager WCM Investment Management
		Responsible Entity Switzer Asset Management Limited
		Inception Date 31 August 2018
		Stock Universe Global (ex-Australia)
		Number of Stocks 20 - 40
		Management Fee <sup>2</sup> 1.25% p.a.
		Administration Fee 0.10% p.a.
		Performance Fee <sup>2,3</sup> 10%
		Hedging Unhedged
		Maximum Cash Position 7%
		Benchmark MSCI All Country World Index (ex-Australia) <sup>4</sup>

**Notes:** 1. Annualised. 2. Fees are inclusive of GST and less RITC. 3. Performance Fee is 10% of the Portfolio's outperformance relative to the benchmark after the Management Fee and subject to high water mark and capped at 0.375% of the value of the Portfolio in each calculation period. 4. With gross dividends reinvested reported in Australian dollars and unhedged.

## Performance<sup>1</sup>

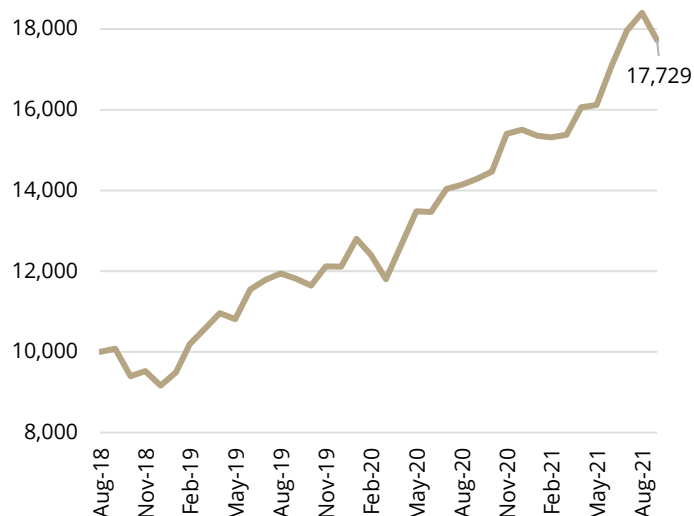
	1 Month	3 Months	6 Months	1 Year	2 Years	Inception <sup>1</sup>
Portfolio	-3.65%	3.75%	15.27%	24.10%	22.49%	20.41%
Benchmark	-2.80%	2.99%	12.53%	27.16%	15.45%	12.90%
Value Added <sup>2</sup>	-0.85%	0.76%	2.74%	-3.06%	7.04%	7.51%

**Notes:** Portfolio performance is in AUD and 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. Periods greater than 1 year are annualised. 1. Inception date is 31 August 2018. 2. Value Add equals portfolio return minus benchmark return.

## Top 10 Portfolio Holdings

Company	Weight %
Stryker Corporation	4.88
Shopify	4.39
Thermo Fisher Scientific	3.86
West Pharmaceutical Services	3.85
Sherwin-Williams	3.85
LVMH (Moët Hennessy Louis Vuitton)	3.42
First Republic Bank	3.35
Old Dominion Freight Line	3.28
ServiceNow	3.18
Amphenol	3.13
<b>Total</b>	<b>37.19</b>

## Value of A\$10K Invested<sup>1</sup>



**Notes:** 1. Calculations are based on the NAV prices with distributions reinvested, after ongoing fees and expenses but excluding tax and entry fees (if applicable). Source: Contango Asset Management Limited.



**Paul Black**  
CEO & Portfolio Manager  
WCM Investment Management

### For More Information

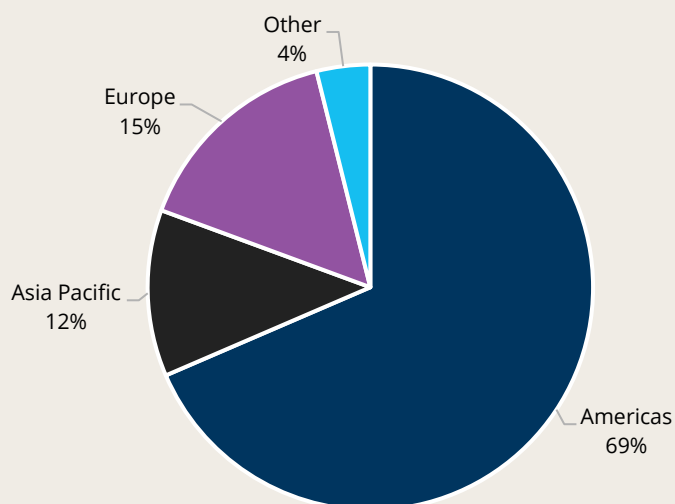
Please visit our website at: [www.contango.com.au/funds/wcmq](http://www.contango.com.au/funds/wcmq)

If you have any questions, please contact our distribution team on 1300 001 750 or [invest@contango.com.au](mailto:invest@contango.com.au).

## Sector Breakdown

Sector	Weight %
Information Technology	27.27
Health Care	21.38
Consumer Discretionary	17.89
Financials	10.13
Industrials	9.47
Consumer Staples	6.12
Materials	3.90
Cash	3.85
<b>Total</b>	<b>100.00</b>

## Regional Market Allocation



## Portfolio Update

The portfolio delivered a return of -3.65% during the month, compared with the MSCI All Country World ex-Australia Index (the **Benchmark**) return of -2.80%. The portfolio has delivered returns in excess of the benchmark over three months, six months, two years, three years and since inception.

The September decline in global equity markets largely erased the gains achieved in the preceding two months of the quarter. Global equities, however, remain firmly in positive territory year to date. While a market pause was inevitable at some stage post the strong rally from the lows of March 2020, there was no shortage of negative news for those investors seeking reasons to lock in part of their recent gains. These negative news stories included the US Federal Reserve flagging the potential for an earlier than expected tapering in bond purchases and an increase in interest rates in late 2022. Fears of a possible debt default by Chinese property developer Evergrande Group, ongoing concerns of the effect of supply chain disruptions on inflation and fears of a US government shutdown added to the overall negative market sentiment.

At a regional level, emerging markets outperformed developed. Energy, the only sector posting a positive return, and Financials were among the top performing sectors. These two sectors contributed to the outperformance of value factors relative to growth and quality.

The portfolio's underweight exposure to energy and interest rate sensitive financial stocks and the overweight position to the two worst performing sectors, Technology and Healthcare, contributed to the underperformance in September. Stock selection during the month was a marginal drag on performance too.

September brought renewed focus on the question of whether the recent increase in inflation will turn out to be more permanent than transitory. The significance of this question for growth style investors is that higher inflation typically leads to higher interest rates. As growth stocks are considered long duration assets (i.e. their cash flows are expected in the more distant future), their valuation is more sensitive to long-term interest rates. The theory goes that when interest rates are rising, the valuation multiple of growth stocks comes down.

So, should investors in the WCM Quality Global Growth strategy be concerned about the potential impact of rising inflation and interest rates? As 'bottom-up' investors, the team at WCM does not get involved in economic forecasting. However, the investment team is always aware of the factor biases in the portfolio, including its sensitivity to rising interest rates. The portfolio construction process ensures that the strategy is at all times diversified across defensive growth, cyclical growth, and secular growth companies. While the secular growth 'bucket' is sensitive to the negative impact of rising interest rates, the impact on the other two is more limited. In fact, cyclical growth companies can be positively correlated with rising rates if accompanied by stronger economic growth and increased pricing power. This diversification, plus the continued focus on companies with expanding economic moats and corporate cultures aligned to their moat trajectory, helps to protect the portfolio during times of economic and market volatility.

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