

WCM QUALITY GLOBAL GROWTH (ASX:WCMQ) INVESTMENT UPDATE



30 November 2018

PORTFOLIO UPDATE

The portfolio outperformed the broader market by 2.97% during the month with a return of 1.37% versus the benchmark MSCI All Country World (ex-Australia) Index at -1.60%.

November was another volatile month for global equity markets, following a sharp decline in October. Despite this volatility, most of the key developed market indices posted returns in a relatively tight range of plus to minus 2% for the month.

Emerging markets, which have endured a sustained period of weak performance in 2018, enjoyed a better month advancing by circa 4%. Geopolitical events again played a major role in influencing market movements. Trade tensions between the US and China continue to concern investors.

The portfolio experienced a similarly turbulent month to that of markets generally. At a regional and sector level the outcomes for the portfolio were similar to the broader market too. The portfolio's emerging market holdings including Chinese internet services company Tencent, India's HDFC Bank and Latin American ecommerce firm Mercado Libre delivered strong positive returns ranging from 5 to 14%.

At a sector level, healthcare was the standout positive contributor to performance. WCMQ has an overweight position in this sector with exposure to firms such as medical device manufacturer Boston Scientific, contact lens provider Cooper Companies and medical technology specialist Stryker Corporation.

Investors often ask what changes we make to our investment approach during times of increased market volatility and uncertainty. The answer to this question is: nothing changes. The WCM portfolio is designed to deliver long term returns above the benchmark. We achieve this by identifying and owning quality companies we believe can consistently defy market expectations over long time periods.

Volatile periods, such as we are currently experiencing, have historically presented opportunities to build new positions in companies which meet our 'expanding economic moat' criteria but have previously traded at valuation levels we considered excessive. Identifying such new opportunities and adding to more attractively valued existing positions is a priority focus for the investment team at present.

PERFORMANCE ¹ <i>(after management fees)</i>	PORTFOLIO (%)	BENCHMARK ⁴ (%)	VALUE ADD (%) ³
1 Month	1.37	-1.60	2.97
3 Months	-4.71	-6.99	2.29
6 Months			
12 months			
Inception ²	-4.71	-6.99	2.29

1. Performance is calculated before expenses and after investment management fees are paid. The company's operating bank account balance is excluded from the portfolio value
2. Inception date is 3 September 2018
3. Value Add equals Manager or portfolio return before expense and after investment management fees minus benchmark return
4. Benchmark is the MSCI All Cap World ex Australia Gross Total Return Index reported in AUD

KEY DETAILS

Report Date:	31 October 2018
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:	\$4.759894
Unit price:	\$4.75



PAUL BLACK
CEO & Portfolio Manager
WCM Investment Management

WCM QUALITY GLOBAL GROWTH (ASX:WCMQ)

WHO MANAGES THE PORTFOLIO?

WCM is a California based asset management firm specialising in active global and emerging market equities.

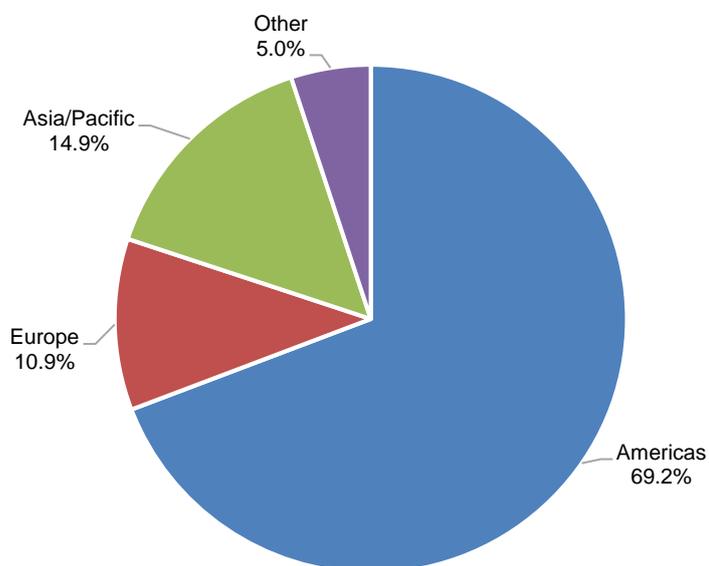
Founded in 1976, the business is 100% employee owned and manages over AUD35bn of assets on behalf of institutional and retail investors around the world including Australia.

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.

REGIONAL MARKETS ALLOCATION



STOCK	WCM GLOBAL GROWTH (%)
Costco Wholesale	4.1
Visa Inc	3.9
The Cooper Companies	3.8
Boston Scientific	3.7
Steris PLC	3.5
First Republic Bank	3.5
HDFC Bank	3.3
Verisk Analytics	3.2
Amphenol	3.1
Keyence	3.1

SECTOR BREAKDOWN	WCM GLOBAL GROWTH (%)
Health Care	24.9
Information Technology	15.8
Financials	13.5
Industrials	9.5
Consumer Discretionary	8.3
Materials	7.6
Consumer Staples	7.0
Communication Services	4.4
Real Estate	2.8
Energy	1.3
Cash	5.0

Responsible Entity SWITZER ASSET MANAGEMENT LIMITED

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