

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

INVESTMENT UPDATE

30 June 2021

PORTFOLIO UPDATE

The portfolio delivered a return of 6.02% during the month, outperforming the MSCI All Country World (ex-Australia) Index (the **Benchmark**) return of 4.66%. This completed a positive quarter of relative performance and further enhanced the long-term track record of the strategy. The portfolio has delivered returns in excess of the Benchmark over one month, three months, two years and since inception.

Global equity markets posted another positive month in June. The key drivers of this positive market momentum continue to be the roll out of COVID-19 vaccines and the associated rebound in global economic activity. While the recent data has painted a positive picture in terms of economic growth, investors are keeping a close watch on the potential implications for inflation. The 5.0% year-on-year rise in the May US consumer price index was the highest for over a decade. However, for now at least, the market is seeing several of the contributors to this rise in inflation as transitory.

This sanguine view on the inflation outlook helped push bond yields lower which in turn provided a boost for growth and quality stocks. The Technology and Health Care sectors were beneficiaries of growth's return to favour. Energy, the best performing sector year-to-date, had another strong month in June as the oil price continued to move higher. The more value-oriented Financial and basic Materials sectors underperformed. At a regional level, the US with its relatively heavy technology weighting led the way. The Australian dollar was weaker in June enhancing the returns for unhedged portfolios.

While the overweight exposure to Technology and Healthcare were major contributors to the portfolio's outperformance in June, its Consumer Discretionary sleeve also contributed positively. At a sector level, the portfolio's biggest drag on performance came from its financial holdings.

Nike, the number one brand globally in sportswear was added to the portfolio in the fourth quarter of last year. Nike's brand, manufacturing scale and depth of catalogue provide the basis for its moat. In addition, the athleisure tailwind is still strong as sportswear continues to take market share from traditional apparel and footwear. The firm is well positioned for its direct-to-consumer strategy to bear fruit which WCM believes will be most enhancing and lead to an era of elevated growth.

The first six months of the calendar year has been another challenging period for investors relying on a top-down macroeconomic focused investment approach. Investors that correctly predicted the economic recovery, which began towards the end of 2020, and positioned their portfolios towards more cyclical and value sectors would have enjoyed continued strong relative returns into the first quarter of 2021. However, investors who held this position through the second quarter would have seen

PERFORMANCE ¹	PORTFOLIO	MSCI ACWI (ex-AU)	VALUE ADDED ³
1 Month	6.02%	4.66%	1.36%
3 Months	11.11%	9.26%	1.85%
6 Months	10.24%	15.56%	-5.32%
12 Months	26.22%	28.55%	-2.33%
2 Years	21.34%	16.04%	5.30%
Inception ²	20.61%	12.94%	7.67%

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 June 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 (CUM)	\$8.2844
Unit price	\$8.29
Portfolio size	\$305.48m
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.

a partial erosion of these relative returns as growth outperformed value.

The WCM Quality Global Growth Equity Strategy is not dependent on accurate top-down analysis. The firm's approach is built on the premise that superior long-term returns are achieved by identifying wide moat companies with aligned corporate cultures. While this approach does not make the strategy immune from shorter term periods of underperformance, it has consistently delivered above market returns since its inception.

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 (as at 31 March 2021) on behalf of institutional and retail investors around the world including Australia.

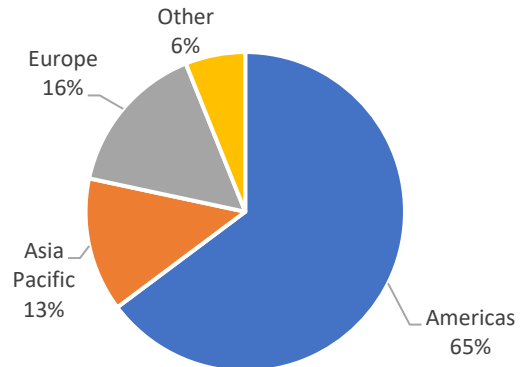


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REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM QUALITY GLOBAL GROWTH FUND (%)
Stryker Corp.	4.90
Shopify	4.81
West Pharmaceutical Services	4.15
Sherwin-Williams	3.80
LVMH (Moet Hennessy Louis Vuitton)	3.79
MercadoLibre	3.57
Thermo Fisher Scientific	3.46
First Republic Bank	3.31
Taiwan Semiconductor	3.27
Visa Inc.	3.24
Total	38.30

Notes: The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

SECTOR BREAKDOWN	WCM QUALITY GLOBAL GROWTH FUND (%)
Information Technology	26.71
Health Care	19.33
Consumer Discretionary	17.56
Financials	10.12
Industrials	9.53
Consumer Staples	6.06
Cash	3.96
Materials	3.80
Communication Services	2.87
Funds	0.06
Total	100.00

DISCLAIMER: Switzer Asset Management Limited (SAML)(ABN 26 123 611 978, AFSL 312247) is a wholly owned subsidiary of Contango Asset Management, a financial services business listed on the ASX (CGA). SAML and CGA are authorised representatives of ST Funds Management Limited (AFSL 416778) to provide general advice. SAML is the Responsible Entity of the Fund. SAML has prepared this Fact Sheet for information purposes only. It does not contain investment recommendations nor provide investment advice. Neither SAML, CGA, 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 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 Fund's 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 PDS which can be obtained by contacting SAML or via the website www.switzerassetmanagement.com.au.