

WCM QUALITY GLOBAL GROWTH FUND (MANAGED FUND)

INVESTMENT UPDATE

31 January 2020

PORTFOLIO UPDATE

The portfolio returned 5.82% for the month of January, outperforming the benchmark MSCI All Country World (ex-Australia) Total Return Index return of 3.73%.

Global equity markets started 2020 on a positive note with the benchmark US equity S&P 500 index posting six record highs. By month end however markets were marginally lower, though the weaker Australian dollar boosted returns for unhedged portfolios such as the WCM Quality Global Growth strategy.

The market's early gains were halted by a combination of the rapid spread of the coronavirus in China and the significant increase in tensions between Iran and the U.S. So called 'safe haven' assets were the beneficiaries of this risk off sentiment with the yield on US 10-year government bonds declining 40 basis points to 1.5%.

Sector performance during the month was heavily influenced by this nervous macro backdrop. The Energy and Material sectors were weaker while the more defensive areas of the market including Health Care and Utilities outperformed. The larger capitalisation US stocks also recorded a positive month.

The outperformance of quality and growth factors provided a positive tailwind for the portfolio in January. Within the portfolio the best performing stocks for the month included; ecommerce specialists Shopify and MercadoLibre, US data analytics and risk assessment group Verisk and fast food company McDonalds. Swedish Industrial company Atlas Copco, Indian private bank HDFC Bank and life science tools manufacturer Illumina were amongst the holdings that underperformed during the month.

The uncertain macro and geopolitical environments continue to present challenges for many market participants. While always cognisant of shorter-term cyclical trends, WCM's investment team does not allocate time or resources to analysing them.

The Quality Global Growth portfolio is constructed via a bottom up company research-based approach. The focus is on finding companies the investment team believes have a growing competitive advantage (expanding economic moat) and a corporate culture aligned to this moat trajectory.

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.

PERFORMANCE ¹ (after management fees)	WCMM (%)	MSCI ACWI (ex-Aus)(%)	VALUE ADDED (%) ³
1 Month	5.82%	3.73%	2.09%
3 Months	9.97%	8.03%	1.94%
6 Months	9.78%	10.72%	-0.94%
Inception ²	11.78%	13.60%	-1.82%

Notes: 1. Performance is portfolio performance calculated after expenses and investment management and performance fees. 2. Inception date is 17 June 2019. 3. Value Add equals portfolio return minus benchmark return.

KEY DETAILS

Report Date: 31 January 2020

Fund Name WCM Quality Global Growth Fund (Managed Fund)

ARSN 630 602 047

APIR code SWI1413AU

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: \$5.6282

Minimum initial investment \$10,000

Management Fee ¹ 1.25%

Administration Fee ¹ 0.10%

Performance Fee ^{1, 2} 10%

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.

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\$63 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

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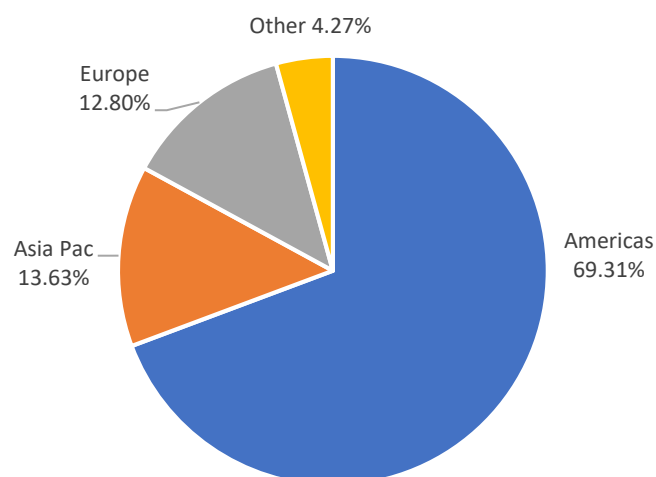
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REGIONAL MARKETS ALLOCATION



TOP TEN PORTFOLIO HOLDINGS	WCM QUALITY GLOBAL GROWTH FUND (%)
Shopify Inc.	5.78
Visa Inc.	4.31
West Pharmaceutical Services	3.52
MecadoLibre	3.44
Costco Wholesale	3.17
First Republic Bank	3.09
Taiwan Semiconductor Manufacturing Company Ltd	3.05
Ecolab	2.98
HDFC Bank	2.95
Tencent Holdings	2.92
Total	35.21

SECTOR BREAKDOWN	WCM QUALITY GLOBAL GROWTH FUND (%)
Information Technology	20.25
Health Care	19.01
Financials	13.54
Consumer Discretionary	9.88
Industrials	9.82
Materials	7.67
Consumer Staples	7.62
Not Classified	4.27
Communication Services	5.09
Real Estate	2.85

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