

**Portfolio Managers** Paul Black, Sanjay Ayer, Michael Trigg & Jon Tringale

**Investment Process**

WCM Investment Management's process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage ('economic moat').

**Company Objective**

To exceed its benchmark, MSCI All Country World Index (ex-Australia) (with gross dividends reinvested reported in Australian dollars and unhedged) over rolling three-year time periods, and to experience lower volatility than the benchmark.

**Portfolio Construction**

A portfolio of 20 – 40 stocks with access to quality global companies primarily in the high-growth Consumer, Technology and Health Care sectors. Typical cash allocation is between 0% – 7%.

**Key Portfolio Information**

<b>NTA Before Tax<sup>1</sup></b>	<b>NTA After Tax and Before Tax on Unrealised Gains</b>	<b>NTA After Tax<sup>1</sup></b>	<b>Fully Franked Annual Dividend<sup>2</sup></b>
A\$1.840	A\$1.814	A\$1.713	A8.2c
<b>Month End Closing Share Price</b>	<b>Dividend Frequency</b>	<b>Stock Universe</b>	<b>Fees<sup>3</sup></b>
A\$1.670	Quarterly	Global (ex-Australia)	Management: 1.25% p.a. Administration: 0.10% p.a. Performance: 10% <sup>4</sup>

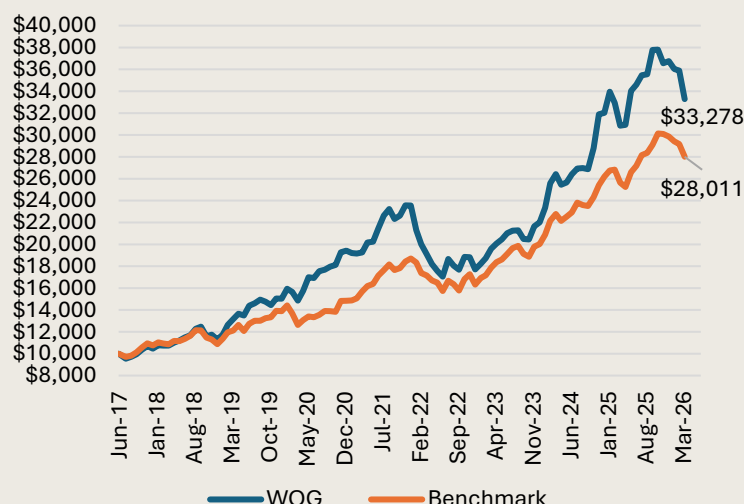
**Performance<sup>5</sup>**

	Company <sup>5</sup>						Strategy <sup>9</sup>	
	1 Month	3 Months	1 Year	3 Years	5 Years	Inception <sup>8</sup>	10 Years	Inception <sup>10</sup>
Portfolio	-7.29%	-9.46%	7.86%	19.29%	11.55%	14.68%	15.98%	14.06%
Benchmark <sup>6</sup>	-3.97%	-6.19%	9.23%	16.16%	12.29%	12.45%	13.19%	10.01%
Value Added <sup>7</sup>	-3.32%	-3.27%	-1.37%	3.13%	-0.74%	2.23%	2.79%	4.05%

**Top 10 Portfolio Holdings**

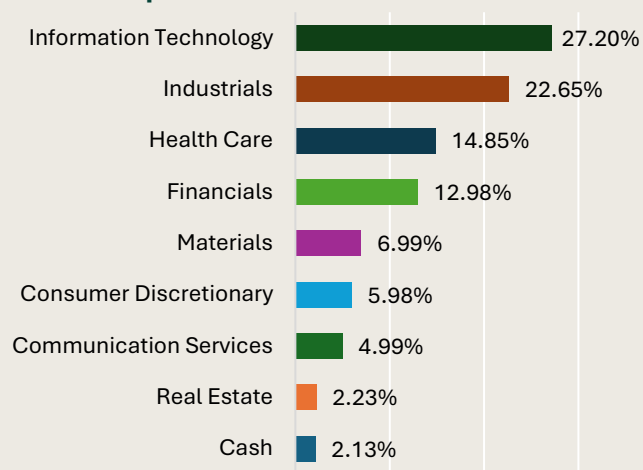
Company	Weight (%)
AppLovin	6.09
Taiwan Semiconductor	5.89
Siemens Energy	5.87
Western Digital	5.58
Amazon.com	4.00
Rolls-Royce Holdings	3.98
Corning	3.78
Saab	3.56
BAE Systems	3.27
Tencent Holdings	3.05

**Portfolio Performance Growth of AUD \$10,000<sup>11</sup>**

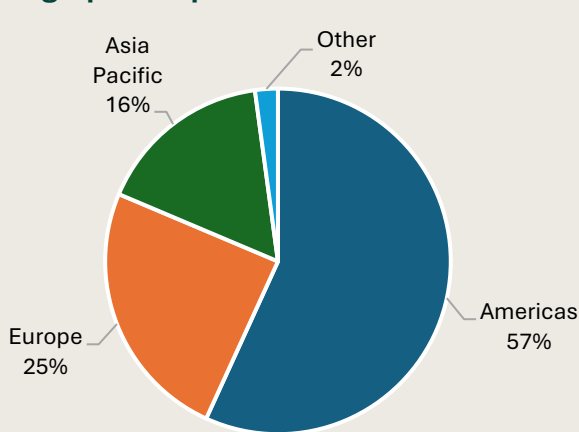


**Footnotes:** 1. NTA means net tangible assets and is calculated after all fees and expenses and incorporates all company assets including WQG's operating bank account. NTA per share is based on WQG's issued capital 276,103,165 shares as at the date of this report. NTA Before Tax has been reduced by cash payments of income tax liabilities where applicable 2. Dividends paid in the 12-month period to the date of this report are rounded to two decimal places. 3. Fees are inclusive of GST and less RITC. 4. Performance Fee is 10% (ex-GST) of the Portfolio's outperformance relative to the benchmark after the Management Fee and subject to high water mark. Maximum fee is capped at 0.75% of the closing market value of the Portfolio in each financial year. 5. Periods greater than 1 year are annualised. Portfolio return is in AUD and calculated before expenses and after investment management and performance fees are paid. Performance includes the reinvestment of dividends and income. 6. Benchmark for the Company is MSCI All Country World Index (ex-Australia). Benchmark for WCM Quality Global Growth Strategy (the Strategy) is MSCI All Country World Index. 7. Value Add equals Portfolio or Strategy performance minus applicable Benchmark performance. 8. Company inception date is 21 June 2017. 9. The Company has the same Investment Adviser and investment team, the same investment principles, philosophy, strategy and execution of approach as those used for the Strategy however, it should be noted that due to certain factors including, but not limited to, differences in cash flows, management and performance fees, expenses, performance calculation methods, and portfolio sizes and composition, there may be variances between the investment returns demonstrated by each of these portfolios and the Strategy in the future. As the Company has only been in operation for a relatively short period of time, this table refers to the Strategy to provide a better understanding of how the team has managed this strategy over a longer period. Performance is net of fees and includes the reinvestment of dividends and income. 10. Strategy inception date is 31 March 2008. 11. Calculations are based on the portfolio return in AUD and calculated before taxes and expenses and after investment management and performance fees. Portfolio value includes the reinvestment of dividends and income. Source: AGP International Management Pty Ltd.

## Sector Exposure



## Geographic Exposure



## Portfolio Update

The portfolio delivered a return of -7.29% during the month, compared with the MSCI All Country World Index (ex-Australia) (the **Benchmark**) return of -3.97%. The portfolio has delivered annualised returns in excess of the Benchmark over three years and since its inception.

Following a significant escalation of the conflict in the Middle East, global equity markets recorded their steepest monthly decline since 2022. The most immediate impact of the conflict was seen in energy markets, with the price of Brent Crude oil rising from US\$73 to close to US\$110 per barrel. This in turn led to increased inflation concerns, higher bond yields and pressure on equity market valuations. The transition from expectations of monetary policy easing to a higher rate environment, together with deteriorating growth expectations, prompted markets to reassess the risk of stagflation like that experienced in the 1970s and early 1980s. The most impacted markets regionally following the surge in oil prices have been Japan and South Korea, largely due to their dependence on energy imports. At a sectoral level, the sell off was broad-based with Energy the only sector recording a positive return for the month.

The underperformance of the WCM Quality Global Growth Strategy (the **Strategy**) in March was primarily due to stock selection. While the Strategy's holdings in the Materials sector contributed positively, this was more than offset by positions held in the Industrials, Financials and Information Technology sectors. In terms of the sector allocation effect, the portfolio's zero exposure to the Energy sector was the biggest drag on relative performance. Sector allocations contributing positively to the portfolio's returns versus the market included below benchmark exposures to Consumer Staples, Consumer Discretionary and Communication Services.

Market volatility, such as we are currently experiencing, provides both risk and opportunity. The challenge for fund managers is determining whether volatility is symptomatic of the beginning of a longer-term structural change in market conditions or a shorter-term blip. Many fund managers promote low portfolio turnover (i.e. how frequently stocks are bought and sold over a specific time period) as a virtue to which they stick regardless of the market environment. While low turnover and not reacting to market volatility are often the correct decisions, they sometimes aren't. With average annual turnover of 29% since its 2008 inception, the Strategy would be considered relatively low turnover. During this period, however, annual turnover has been as low as 17% (2009) and as high as 49% (2022). The relatively strong performance of the Strategy in the three years post 2022 is evidence that recognising the need to alter the portfolio significantly for a post COVID-19 world was the correct decision. Doing nothing and locking into a 'low turnover, do nothing' mindset would have led to significantly lower returns.

Currently, the longest held position in the Strategy is Visa, which was first purchased in 2016. Visa is the dominant player in the global market for electronic payments and accounts for about half of all credit card transactions and roughly three quarters of debit card transactions. Its economic moat stems from its powerful network effect and trusted brand. WCM Investment Management sees a positive moat trajectory as Visa leverages its unparalleled position in the payments space to take advantage of volume growth tailwinds coming from e-commerce, digital payments and international expansion.

## For More Information

Please visit our website at [www.associateglobal.com/funds/wqg](http://www.associateglobal.com/funds/wqg) or contact us on 1300 052 054.

**Disclaimer:** AGP Investment Management Limited (AGP IM) (ABN 26 123 611 978, AFSL 312247) is a wholly owned subsidiary of Associate Global Partners Limited (AGP) (ABN 56 080 277 998), a financial institution listed on the ASX (APL). AGP International Management Pty Ltd (AIML) (ACN 617 319 123) is a Corporate Authorised Representative (CAR No. 1254169) of AGP IM and the investment manager of WCM Global Growth Limited, a listed investment company (LIC) on the ASX (WQG). This material has been prepared for general information only. It does not contain investment recommendations nor provide investment advice. Investors in LICs should understand the distinction between Investment Portfolio Performance, NTA Performance and Share Price return. Neither WQG, AIML, AGP IM nor their respective related entities, directors or officers guarantees the performance of, or the repayment of capital or income invested within WQG or any associated product or that WQG will achieve its investment objectives. Past performance is not indicative of future performance. Any references to 'We', 'Our', 'Us', or the 'Team' used in the context of the portfolio commentary, is in reference to WCM Investment Management, as the investment advisor of the Company. Any economic or market forecasts are not guaranteed. Any references to particular securities or sectors are for illustrative purposes only and are as at the date of publication of this material. This is not a recommendation in relation to any named securities or sectors and no warranty or guarantee is provided that the positions will remain within the portfolio of WQG. Any securities identified and described are for illustrative purposes only and 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. Investors should seek professional investment, financial or other advice to assist the investor determine the individual tolerance to risk and needs to attain a particular return on investment. In no way should the investor rely on information contained in this material. Investors should read any relevant offer document in full before making any investment decision. This material is not an offer to invest in any security or financial product. Relevant information relating to WQG can be obtained by contacting AGP IM or by visiting [www.associateglobal.com](http://www.associateglobal.com).