Quality Global Growth

ASX:WCMQ

Fund Update: 31 May 2022

Key Fund Details

Net Asset Value
A$6.5635

Unit Price
A$6.64

Annualised Return Since Inception
9.20%

Annualised Value Added Since Inception
0.69%

Fund Name	WCM Quality Global Growth Fund (Quoted Managed Fund)
Investment Manager	WCM Investment Management
Responsible Entity	Associate Global Partners Limited
Inception Date	31 August 2018
Stock Universe	Global (ex-Australia)
Number of Stocks	20 - 40
Management Fee[1]	1.25% p.a.
Administration Fee[1]	0.10% p.a.
Performance Fee[1,2]	10%
Hedging	Unhedged
Maximum Cash Position	7%
Benchmark[3]	MSCI All Country World Index (ex-Australia)

Notes: 1. Fees are inclusive of GST and less RITC. 2. 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. 3. With gross dividends reinvested reported in Australian dollars and unhedged.

Performance[1]

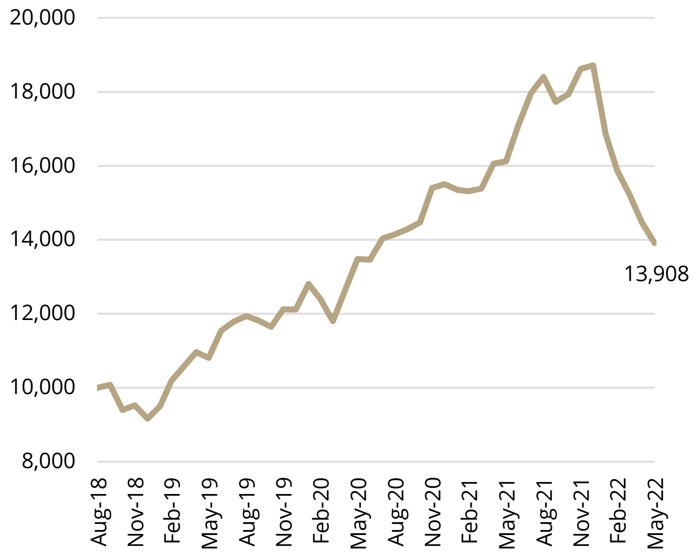
	1 Month	3 Months	6 Months	1 Year	3 Years	Inception[1]
Portfolio	-3.94%	-12.41%	-25.29%	-13.72%	8.76%	9.20%
Benchmark	-1.22%	-5.06%	-10.44%	0.72%	10.96%	8.51%
Value Added[2]	-2.72%	-7.35%	-14.85%	-14.44%	-2.20%	0.69%

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 %
Thermo Fisher Scientific	4.81
Sherwin-Williams	4.63
Amphenol Corporation	3.80
Visa Inc – Class A	3.61
Stryker Corporation	3.16
United Health Group	3.08
Lam Research Corporation	3.06
ServiceNow	2.99
Nike	2.83
Church & Dwight	2.80
Total	**34.77**

Value of A$10K Invested[1]



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: Associate Global Partners Limited.

Paul Black
CEO & Portfolio Manager
WCM Investment Management

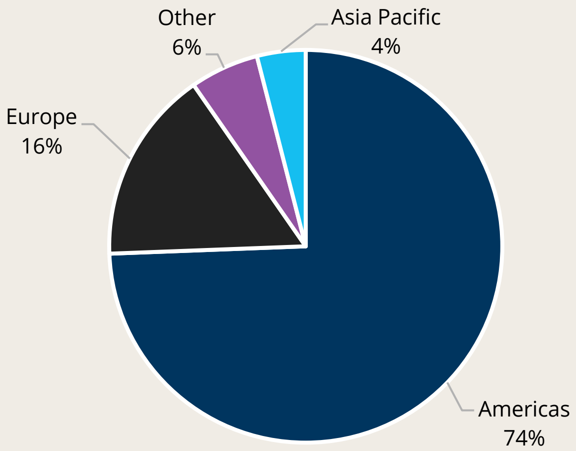
For More Information
Please visit our website at: www.associateglobal.com/funds/wcmq/

If you have any questions, please contact our distribution team on 1300 052 054 or invest@associateglobal.com.

ector Breakdown

Sector	Weight %
Information Technology	26.25
Health Care	19.80
Industrials	16.78
Consumer Discretionary	10.99
Financials	9.15
Consumer Staples	6.73
Materials	4.63
Cash	5.67
Total	**100.00**

Regional Market Allocation



Portfolio Update

The portfolio delivered a return of -3.94% during the month, compared with the MSCI All Country World Index (ex-Australia) (the **Benchmark**) return of -1.22%. The portfolio has delivered returns in excess of the Benchmark since inception.

A powerful rally at the end of May offset some steep losses early in the month, leaving global equity markets relatively unchanged in local currency terms. The market weakness in the early part of the month was driven by continued concerns over rising interest rates, the war in Ukraine, lockdowns in China, and some high-profile earnings disappointments in the Technology and Retail sectors. This left many equity market indices flirting with bear market status (i.e., a decline of more than 20% from the previous peak) by mid-month. The subsequent rebound in markets followed the release of US consumer price inflation data which, while still close to 40-year highs, was lower than the previous month. The release of the minutes of the most recent Federal Open Market Committee meeting also helped, as they gave reason for optimism that the Federal Reserve is unlikely to adopt an even more aggressive monetary tightening program.

At a regional level, emerging markets marginally outperformed developed markets; the former boosted by a rebound in Chinese equities on signs that COVID-19 lockdowns were nearing an end. The Consumer sector struggled following the aforementioned disappointing earnings announcements. From a style perspective, it was another month in which value outperformed growth. The Australian dollar was firmer over the course of the month, dampening returns for unhedged portfolios.

Portfolio performance attribution for the month showed the largest positive contributors, from a sector allocation perspective, came from the zero weighting in Real Estate, followed by the overweighting to Health Care. In contrast, the absence of any exposure to Energy and Utilities detracted from relative performance, as did the underweight position in Financials. In terms of stock selection, the biggest drag on performance came from the Information Technology, Industrials and Consumer Staples parts of the portfolio. The portfolio's Financial sector exposure delivered the strongest performance from a stock selection perspective.

No exposure to the Energy sector in the portfolio has been a material headwind to relative performance throughout the year to date. It is fair therefore to ask 1) why is there no exposure? and 2) is this likely to change? The WCM investment team does not lay claim to having any competitive advantage in forecasting the spot price of oil, and as such does not see the Energy sector as a source of consistent long-term outperformance. WCM's circle of competence is in identifying changes in competitive advantages (moat trajectory), culture and other qualitative factors. So, while the Quality Global Growth Strategy has previously had exposure to some of the 'pick and shovel' plays in the Energy sector, it is unlikely to have any material exposure to the more traditional Energy stocks in the near future.

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Recent portfolio performance relative to the market has been disappointing, with 1- and 3-year performance numbers falling below benchmark. This is not unexpected given the style rotation towards more value-oriented sectors. Generally, value stocks tend to perform better in an environment of rising interest rates and higher inflation. However, in previous periods of underperformance and recovery, WCM's playbook was the same as it is today, i.e., remaining disciplined and choosing only the highest-quality companies that have expanding competitive advantages supported by well-aligned cultures. This disciplined approach to not only stock selection, but also portfolio construction, helps to achieve a good risk-reward balance which ultimately delivers the best long-term returns for investors.

Whilst conditions remaining challenging in the short term, the portfolio's returns since inception remain above the benchmark.