

ASX:WQG Fund Update: 31 July 2024

# **Key Fund Details**

NTA Before Tax<sup>1</sup>

A\$1.770

NTA After Tax and Before Tax on Unrealised Gains

A\$1.728

NTA After Tax<sup>1</sup>

A\$1.584

Month End Closing Share Price

A\$1.520

Fully Franked
Annual Dividend<sup>2</sup>

A6.80c

Company Name Investment Adviser Inception Date Stock Universe Number of Stocks Management Fee<sup>3</sup> Performance Fee<sup>3,4</sup>

Administration Fee<sup>3</sup> Hedging

Typical Cash Allocation

Benchmark<sup>5</sup>

WCM Global Growth Limited WCM Investment Management

21 June 2017 Global (ex-Australia)

20 - 40 1.25% p.a. 10%

0.10% p.a. Unhedged

0% - 7%

MSCI All Country World Index (ex-

Australia)

**Notes:** 1. NTA 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 of 175,896,061 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. With gross dividends reinvested reported in Australian dollars and unhedged.

### **Performance**

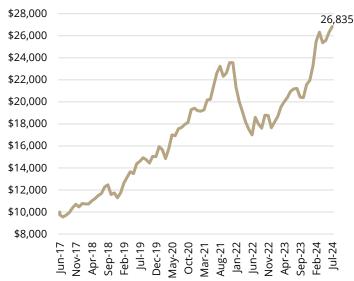
	1 Month	3 Months	1 Year	3 Years	5 Years	Inception <sup>1</sup>
Portfolio	1.95%	5.78%	26.71%	5.85%	12.94%	14.89%
Benchmark	3.87%	7.51%	21.16%	10.52%	12.84%	12.98%
Value Added <sup>2</sup>	-1.92%	-1.73%	5.55%	-4.67%	0.10%	1.91%

**Notes:** Portfolio return is in AUD and calculated before expenses and taxes and after investment management and performance fees are paid. Performance includes the reinvestment of dividends and income. Periods greater than one year are annualised. 1. Inception date is 21 June 2017. 2. Value added equals portfolio return minus benchmark return.

# **Top 10 Portfolio Holdings**

Company	Weight %	
Amazon.com	5.03	
Novo Nordisk	4.90	
General Electric	4.55	
3i Group	4.41	
Microsoft	3.76	
Taiwan Semiconductor	3.54	
Arthur J Gallagher & Co	3.47	
Applovin	3.35	
NVIDIA	3.32	
UnitedHealth Group	3.26	
Total	39.59	

### Portfolio Value of A\$10K Invested<sup>1</sup>



**Notes:** 1. Calculations are based on the portfolio return in AUD and calculated before expenses and after investment management and performance fees. Portfolio value includes the reinvestment of dividends and income. Source: AGP International Management Pty Ltd.



#### **For More Information**

Please visit our website at: www.associateglobal.com/funds/wqg/

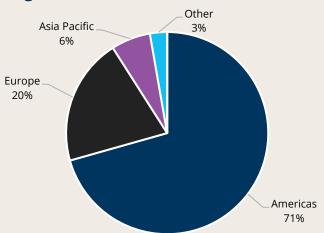


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### **Sector Breakdown**

Sector	Weight %
Information Technology	22.00
Health Care	21.73
Financials	19.24
Industrials	18.76
Consumer Discretionary	8.91
Materials	4.71
Consumer Staples	1.91
Cash	2.74
Total	100.00

## **Regional Market Allocation**



### **Portfolio Update**

The portfolio delivered a return of 1.95% during the month, compared with the MSCI All Country World Index (ex-Australia) (the **Benchmark**) return of 3.87%. The portfolio has delivered returns in excess of the Benchmark over one and five years and since inception.

July was another positive month for global equity markets, as better-than-expected inflation numbers in the US provided optimism of an interest rate cut as early as the next Federal Open Market Committee meeting in September. The second quarter reporting season in the US was another positive as it continued to paint a healthy picture of corporate America. Within equity markets, there was considerable rotation in terms of market leadership during the month.

Artificial Intelligence (AI) related stocks and the Technology sector more generally had a weaker month, while previous laggards including banks and the smaller market capitalisation names gained. On a regional basis, Europe was the strongest performer, while Asia matched the overall market despite weakness in Chinese equities. In terms of factors, value outperformed growth.

The portfolio's underperformance in July can be primarily attributed to stock selection. Partially offsetting this was a positive contribution from sector allocation, with the portfolio benefitting from an overweight exposure to Industrials and Health Care and zero position in Utilities. The portfolio currently holds seven Health Care stocks. Of these, the largest holding at month end was Denmark based Novo Nordisk, the global leader in diabetes medicine. The worldwide presence of diabetes provides a durable tailwind and Novo Nordisk's laser focus on metabolic diseases and its resulting GLP-1 dominance forms the basis of its economic moat. This moat should continue to widen, driven by a focused culture and a superior innovation engine.

The growth in AI remains a positive tailwind for global equity markets. The Quality Global Growth Strategy portfolio has direct and indirect exposure to this tailwind via holdings such as NVIDIA, Arista Networks and Entegris. The investment team at WCM, however, believe there is an abundance of other secular growth themes occurring at the greatest rate in decades. Examples of additional themes exhibiting lengthy runways include aerospace, computing, defence, medicine and infrastructure. WCM's focus on owning companies with positive moat trajectories supported by well-aligned corporate cultures is a source of real optimism that the portfolio will have meaningful exposure to the long-term winners in these themes.

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