

W | A | M Global

Focus: small to mid-cap international companies
(ASX: WGB)

Portfolio update

The MSCI World Index rose 1.1% in USD terms, offset by the rise in the AUD, which saw the Index close down 1.8% in November. Global markets were mixed with the US S&P 500 Index up 1.8% in USD terms and Japan's TOPIX Index up 1.3% in JPY terms, while Europe's EuroStoxx50 fell 0.8% in EUR terms, and UK's FTSE 100 Index fell 2.1% in GBP terms. The Chinese CSI 300 Index rose 0.6% in CNY terms and Australia's S&P/ASX All Ordinaries Accumulation Index fell 2.2%.

The only sectors in the MSCI World Index that closed up in AUD terms were healthcare and real estate, while energy and information technology came under significant pressure. Brent oil prices have fallen 32%, from USD85 at beginning of October to USD58 at the end of November.

Following the large sell-off in global markets in October, the focus for November was the debate about the pace of the US Federal Reserve rate increases and the outcomes of discussions at the G20 meeting. Late in the month, comments from various Federal Reserve members, including Chairman Jerome Powell, were closely monitored. Powell stated the US may be close to the 'neutral rate' – the theoretical rate at which the stance of Federal Reserve monetary policy is neither accommodative nor restrictive to the economy. Markets interpreted this to mean the Fed could adopt a more cautious approach to raising rates in the near term going forward.

The G20 meeting was held in Argentina at the end of the month. The most anticipated meeting of the event was the dinner between US President Trump and Chinese President Xi. A temporary truce was reached on trade as the US agreed to a three-month halt on the move of tariffs from 10% to 25% and China agreed to buy more US goods including agriculture, energy and industrial products.

While markets initially rallied on the announcement of the trade truce, optimism quickly faded in early December when further detail regarding the ceasefire failed to emerge and Chinese technology company, Huawei's CFO was arrested on apparent orders from the US over sanction violations. Given the geopolitical and macroeconomic landscape, we expect volatility to continue in the near term.



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Lead Portfolio Manager

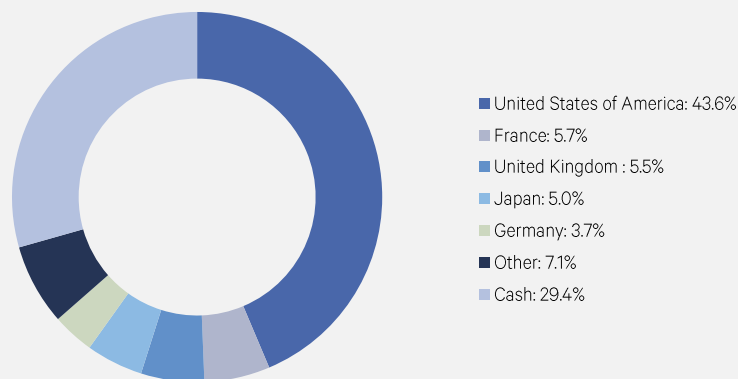
Pre-tax net
tangible assets

\$2.06

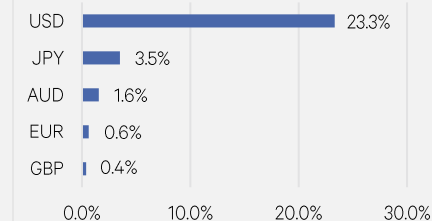
Gross assets

\$430.8m

Portfolio composition by geographical exposure



Cash currency exposure (29.4%)



Top 20 holdings in alphabetical order

American Express Company	AXP US	USA
Bandai Namco Holdings Inc	7832 JP	JPN
Becton Dickinson and Company	BDX US	USA
CDW Corporation	CDW US	USA
CME Group Inc	CME US	USA
Danone SA	BN FP	FRA
Deutsche Boerse AG	DB1 GY	GER
Diageo PLC	DGE LN	UK
Entertainment One Limited	ETO LN	UK
Hasbro Inc	HAS US	USA
HCA Healthcare Inc	HCA US	USA
Huntington Ingalls Industries Inc	HII US	USA
Logitech International SA	LOGN SW	SUI
Markel Corporation	MKL US	USA
Norfolk Southern Corporation	NSC US	USA
Reckitt Benckiser Group Plc	RB LN	UK
Scout24 AG	G24 GR	GER
Thermo Fisher Scientific Inc	TMO US	USA
Vivendi SA	VIV FP	FRA
Waste Management Inc	WM US	USA

Investment type	October 2018		November 2018	
	\$m	%	\$m	%
Listed equities	290.8	65.4	304.2	70.6
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	154.1	34.6	126.6	29.4
Gross assets*	\$444.9m	100.0	\$430.8m	100.0
Market capitalisation	\$435.9m		\$438.0m [†]	
Total shares on issue	211,607,623		211,607,623	

*Gross assets exclude the \$6.5m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

Net tangible asset (NTA) figures

NTA before tax	206.19c
NTA after tax and before tax on unrealised gains	210.35c
NTA after tax	209.48c