

## Annual General Meeting Chairman's Address

26 November 2020

### Introduction and welcome

Good afternoon and welcome to the second WAM Global Limited Annual General Meeting (AGM). During the coronavirus pandemic, we are focused on the health of our shareholders, and therefore this meeting is being held virtually. We recognise the limitations of holding AGMs in this format, and we look forward to seeing you all again in person when it is safe to do so.

I would like to begin by acknowledging the Traditional Owners of the land on which I am speaking to you from today, the Gubbi Gubbi people and pay my respects to Elders past and present. As we are unable to meet together, I also acknowledge the traditional custodians of the land from which our shareholders and fellow directors are currently viewing and listening to today's AGM.

Wunya Ngulum. Welcome to all our shareholders – thank you for joining us and for your continued support of WAM Global.

I am Geoff Wilson, Chairman of the Board of Directors. I am joined today by my fellow Board members, Kate Thorley, Gabrielle Trainor and Caesar Bryan. Scott Whiddett, a representative from WAM Global's auditor Pitcher Partners, will be available to address any questions relating to the Company's financial statements.

## FY2020 in review

### Equity market and company overview

The investment portfolio increased 3.1%, outperforming the MSCI World SMID (Small/Mid) Cap Index in AUD terms by 5.0%, during a highly volatile 12-month period for global equities. The MSCI World Index (AUD) rose 4.8% during the year, driven primarily by a handful of large-cap technology companies with heightened valuations. As at 30 June, we held 63.1% of the investment portfolio in US equities, 3.9% in Hong Kong, 2.7% in Japan, 2.6% in Germany, 2.6% in the United Kingdom, 2.4% in Australia and 10.7% in other geographic countries. The 12.0% cash holdings provided diversified currency exposure, with 5.4% in the US dollar, 4.0% in the Japanese Yen, 1.8% in Euros, 0.7% in the Pound sterling and 0.1% in the Australian dollar as at 30 June 2020.

### Financial results

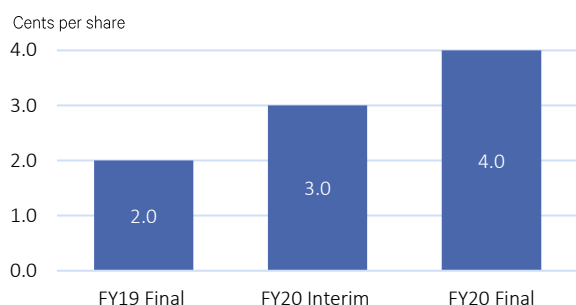
WAM Global achieved an operating profit before tax of \$7.1 million (2019: \$24.8 million) and an operating profit after tax of \$5.0 million (2019: \$17.5 million) in 2020. The operating profit for the year is reflective of the performance of the investment portfolio over the year.

### Total shareholder return and share price discount to NTA

The total shareholder return (TSR) for WAM Global for the year was reflective of the increase in the share price discount to net tangible assets (NTA), partially offset by the investment portfolio performance. As at 30 June 2020, the share price discount to NTA was 18.1% (2019: discount of 14.9%), with TSR of -2.8% for the year. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

## Fully franked dividends since inception

The Board declared a fully franked final dividend of 4.0 cents per share, bringing the fully franked full year dividend to 7.0 cents per share, which represents a 250% increase on FY2019 and a 100% increase on the fully franked final dividend. Since inception in June 2018, WAM Global has paid 9.0 cents per share in fully franked dividends to shareholders.



## Making a difference

Wilson Asset Management, WAM Global's Investment Manager, is passionate about making a positive difference to our shareholders and the community. In the 2020 financial year, the team worked towards this goal through philanthropy, advocacy and shareholder engagement.

### Philanthropy

Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement and is a significant funder of many Australian Charities. All philanthropic investments are made by the Investment Manager.

We raised \$1 million for Australians impacted by bushfires and drought, matching shareholders' donations to the Foundation for Rural and Regional Renewal (FRRR), our major philanthropic contribution during FY2020. More recently, we donated more than \$100,000 to the GO Foundation, which creates opportunities for Indigenous youth through education, as part of a 10 year commitment that will total \$1 million. We made a number of other donations, including through our WAMI Gives initiative, which provides all team members provided with \$10,000 each year to donate to charities of their choice. In the 2020 financial year, our 36 team members donated to 67 different charities.

### Advocacy

One area of passion for the team at Wilson Asset Management is levelling the playing field for all investors, and we have been active in this space for a long time. In a column for the Australian Financial Review this May, Chief Executive Officer Kate Thorley advocated for retail investors' equal participation in capital raisings. A tidal wave of capital raisings hit equity markets as companies looked to strengthen their balance sheets as government mandated lockdowns set in earlier this year. Twelve years since we last experienced this trend, in the wake of the Global Financial Crisis, retail investors are still locked out of discounted capital raisings open only to wholesale investors. We find this unacceptable and are currently lobbying the Federal Government to make changes. We are preparing to lodge a submission on this matter to the Senate Select Committee on Financial Technology and Regulatory Technology.

We also participated in the public debate and formal consultation regarding the proposal to reduce Board transparency and accountability by permanently removing the requirement for AGMs to be conducted in person. We are firmly opposed to this change as it would undermine AGM transparency and accountability, primarily impacting retail shareholders. I would like to thank all shareholders for their support in advocating for retail shareholders' rights and those of you who sent a submission to Treasury. We were pleased to see Treasurer Josh Frydenberg endorse our preferred hybrid model for AGMs, ensuring the requirement for AGMs to be conducted in person and virtually. We look forward to holding our AGMs in person when it is safe to do so.

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## Shareholder engagement

Shareholders are the owners of WAM Global. Our responsibility is to manage the Company on their behalf and be available to report to them on a regular basis. For the first time in more than 20 years, we were unable to take to the road and meet with our shareholders across the country and we have missed catching up with you all, over a cup of tea, at our Shareholder Presentations. In May, we launched a virtual alternative to our Shareholder Presentations, WAM Vault. Our second instalment, *The Case for Optimism*, was released on 20 November 2020. If you have not yet done so, we encourage you to visit [wilsonassetmanagement.com.au/vault](http://wilsonassetmanagement.com.au/vault) to watch, read and listen to the engaging and insightful conversations between Catriona Burns and Nick Healy, Oscar Oberg and Tobias Yao, Matthew Haupt and John Ayoub, Dania Zinurova, Kate Thorley and myself.

We encourage all shareholders to utilise our proactive approach to keeping you informed, particularly by accessing the:

- Updates from our Lead Portfolio Managers;
- Investment team insights at WAM Vault: [wilsonassetmanagement.com.au/vault](http://wilsonassetmanagement.com.au/vault);
- Regular roundtables with our shareholders and planners, advisers and their clients;
- NTA reports and investment updates;
- Shareholder Q&A calls;
- Presentations and lunches across Australia; and
- Annual and interim results announcements.

We aim to provide valuable and insightful information and welcome all feedback on how we can improve our communication and engagement. Please contact myself or our Head of Corporate Affairs James McNamara on (02) 9247 6755 or email us at [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au) with any questions or feedback.

## FY2021 update and outlook

### Company update

WAM Global has achieved a strong start to FY2021. Through our continued focus on undervalued growth companies in international markets with a catalyst, the Company's investment portfolio has increased 8.5% in the financial year to 31 October 2020, outperforming the MSCI World Index (AUD) by 5.9%. Since inception, WAM Global has achieved a solid investment portfolio performance of 7.8% per annum.

During FY2020, and more recently, I have increased my holdings in the Company. I have found investing in WAM Global shares at a discount to the Company's net tangible assets to be an attractive opportunity. Pleasingly, the share price discount to the NTA has narrowed from 18.1% on 30 June 2020 to 4.7% on 25 November. WAM Global has a profits reserve of 33.1 cents per share after the payment of the FY2020 fully franked final dividend of 4.0 cents per share, representing 4.7 years of dividend coverage.

### Equity market outlook

After a strong start to the financial year, global equities paused their positive run in September, driven by a resurgence of the coronavirus and uncertainty surrounding the US election. The recent surge in equity markets has seen the Dow Jones Industrial Average surpass 30,000 for the first time in history, as clarity regarding the US election outcome and progress on the coronavirus vaccines provided cause for optimism. We believe the election of Joe Biden is positive in terms of social, geopolitical, and, potentially, economic outcomes; it is worth noting that historically the US equity market has performed better under a Democratic President. The conditions for equity markets remain highly accommodative given the sustained commitment of central banks to stimulate economies, and we are cautiously optimistic as we look towards 2021 and the next phase of the recovery.

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## Thank you

I would like to close by thanking all 13,292 loyal WAM Global shareholders. We greatly appreciate your support at all times; in challenging periods, as this year has been, that support is all the more profound. I would also like to thank the Wilson Asset Management team, who worked tirelessly to the benefit our shareholders, as well as my fellow Board members, whose guidance and expertise make an invaluable contribution.