

WAM GLOBAL LIMITED

ABN 76 624 572 925

Appendix 4D Half Year Report

for the half year ended 31 December 2019

Results for Announcement to the Market

All comparisons are for the period 21 February (date of incorporation) to 31 December 2018

	\$	up/down	% mvmt
Revenue from ordinary activities	42,876,958	up	204.6%
Profit from ordinary activities before income tax expense	38,840,108	up	185.7%
Net profit from ordinary activities after income tax expense	27,234,023	up	186.3%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2020 Interim dividend cents per share	3.0c	3.0c	30%
2019 Final dividend cents per share	2.0c	2.0c	30%

Interim dividend dates

Ex dividend date	15 April 2020
Record date	16 April 2020
Last election date for the DRP	20 April 2020
Payment date	28 April 2020

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked interim dividend of 3.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the VWAP (volume weighted average market price) of shares sold on the ASX over the four trading days commencing on the ex-dividend date for the relevant dividend.

	31 Dec 19	31 Dec 18
Net tangible asset backing (after tax) per share	\$2.39	\$2.05

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2019 Financial Report.



W | A | M *Global*

Financial Report

For the half year ended 31 December 2019

ABN 76 624 572 925

WAM Global Limited

WAM Global Limited (WAM Global or the Company) is a listed investment company and is a reporting entity. It is primarily an investor in listed global securities.

Directors

Geoff Wilson AO (Chairman)
Gabrielle Trainor AO
Caesar Bryan
Kate Thorley

Company Secretary

Linda Vo

Investment Manager

Wilson Asset Management
(International) Pty Limited
Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001
T: (02) 9247 6755
F: (02) 9247 6855
E: info@wilsonassetmanagement.com.au
W: wilsonassetmanagement.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
T: (02) 9290 9600
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

Australian Securities Exchange

WAM Global Limited
Ordinary Shares (WGB)

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Directors' Report to shareholders for the half year ended 31 December 2019

The Directors present their report together with the financial report of WAM Global Limited for the half year ended 31 December 2019.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Geoff Wilson AO (Chairman – Non-independent)

Gabrielle Trainor AO (Director – Independent)

Caesar Bryan (Director – Independent)

Kate Thorley (Director – Non-independent)

Principal activity

The principal activity of the Company is making investments in listed global securities. The Company's investment objectives are to provide capital growth over the medium-to-long term, deliver a stream of fully franked dividends and preserve capital. No change in this activity took place during the period or is likely in the future.

Operating and financial review

Investment operations during the half year resulted in an operating profit before tax of \$38,840,108 (2018: operating loss before tax of \$45,313,295) and an operating profit after tax of \$27,234,023 (2018: operating loss after tax of \$31,562,462). The profit for the period is reflective of the sound investment portfolio performance over the six months to 31 December 2019. The investment portfolio increased 8.8% in the six months to 31 December 2019. During the period, the MSCI World SMID Cap Index increased 8.1% in AUD terms, while the MSCI World Index (AUD) rose 9.0%.

The operating profit for the period includes unrealised gains or losses arising from changes in the market value of the investments held in the portfolio and foreign currency movements during the period. This movement in the market value of investments and foreign exchange rates can add to or reduce the realised gains and losses on the investment portfolio, foreign currency and other revenue from operating activities (such as dividend and interest income) in each period. Because of this treatment under the Accounting Standards, this can cause large variations in reported operating profits between periods.

The operating profit for each financial period is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given period. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

WAM Global's NTA before tax increased 7.2% for the six months to 31 December 2019, including the inaugural fully franked dividend of 2.0 cents per share paid to shareholders during the period. This increase is after the corporate tax of 1.8 cents per share or 0.8% during the period, including the FY2019 income tax liability. Corporate tax was the major item of difference between the investment portfolio increase of 8.8% and the NTA performance. The franking credits attached to corporate tax payments

are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the period were management fees of 0.7% and other company related expenses of 0.1%.

The NTA before tax as at 31 December 2019 amounted to \$2.46 per share (June 2019: \$2.31). The NTA after tax was \$2.39 per share (June 2019: \$2.28). These figures are after the inaugural fully franked dividend of 2.0 cents per share paid to shareholders during the period.

The total shareholder return for the Company for the period ended 31 December 2019 was 19.3%. This was reflective of WAM Global's sound investment portfolio performance and the reduction in the share price discount to NTA. As at 31 December 2019, the share price discount to NTA was 5.2% (June 2019: discount of 14.9%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Dividends

The Board declared an inaugural fully franked interim dividend of 3.0 cents per share, representing a 50% increase on the FY2019 inaugural fully franked final dividend, to be paid on 28 April 2020. An inaugural fully franked final dividend of 2.0 cents per share was paid during the period.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices.

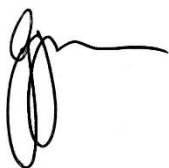
Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 6 of this Financial Report.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 11th day of February 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of WAM Global Limited
ABN 76 624 572 925**

In relation to the independent auditor's review of WAM Global Limited for the half year ended 31 December 2019, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



S M Whiddett
Partner

Pitcher Partners
Sydney

11 February 2020

Statement of comprehensive income for the half year ended 31 December 2019

	Note	December 2019 \$	For the period 21 February 2018 to December 2018 \$
Net realised and unrealised gains/(losses) on financial assets and foreign currency		40,014,738	(44,376,491)
Other revenue from operating activities	2	2,862,220	3,402,839
Management fees		(3,291,100)	(3,112,530)
Directors fees		(40,000)	(41,973)
Brokerage expense on share purchases		(294,099)	(752,767)
Custody fees		(22,542)	(20,309)
ASX listing and chess fees		(91,294)	(128,618)
Share registry fees		(56,248)	(121,375)
Disbursements, mailing and printing		(76,683)	(11,855)
ASIC industry funding levy		(8,495)	-
Accounting fees		(23,100)	(24,239)
Audit fees		(26,979)	(20,652)
Company secretary fees		(8,250)	(8,657)
Other expenses from ordinary activities		(98,060)	(96,668)
Profit/(loss) before income tax		38,840,108	(45,313,295)
Income tax (expense)/benefit		(11,606,085)	13,750,833
Profit/(loss) after income tax attributable to members of the Company	6	27,234,023	(31,562,462)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		27,234,023	(31,562,462)
Basic and diluted earnings/(loss) per share		12.86 cents	(23.54) cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2019

	Note	December 2019 \$	June 2019 \$
Current assets			
Cash and cash equivalents		25,006,225	52,858,624
Trade and other receivables		17,737,110	51,643,970
Financial assets	7	487,025,148	415,051,239
Total current assets		529,768,483	519,553,833
Non-current assets			
Deferred tax assets		1,391,813	1,630,033
Trade and other receivables		-	1,566,132
Total non-current assets		1,391,813	3,196,165
Total assets		531,160,296	522,749,998
Current liabilities			
Trade and other payables		4,338,624	30,802,295
Current tax liabilities		8,492,618	3,842,040
Total current liabilities		12,831,242	34,644,335
Non-current liabilities			
Deferred tax liabilities		11,775,125	5,057,838
Total non-current liabilities		11,775,125	5,057,838
Total liabilities		24,606,367	39,702,173
Net assets		506,553,929	483,047,825
Equity			
Issued capital	4	466,041,003	465,536,769
Profits reserve	5	41,491,939	17,511,056
Accumulated losses	6	(979,013)	-
Total equity		506,553,929	483,047,825

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2019

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 21 February 2018 (date of incorporation)		-	-	-	-
Loss for the period		-	(31,562,462)	-	(31,562,462)
Transfer to profits reserve		-	(7,575,248)	7,575,248	-
Other comprehensive income for the period		-	-	-	-
Transaction with owners:					
Share issued on incorporation	4(b)	1	-	-	1
Shares issued via initial public offering	4(b)	465,536,768	-	-	465,536,768
Balance at 31 December 2018		465,536,769	(39,137,710)	7,575,248	433,974,307
Balance at 1 July 2019		465,536,769	-	17,511,056	483,047,825
Profit for the period		-	27,234,023	-	27,234,023
Transfer to profits reserve	5	-	(28,213,036)	28,213,036	-
Other comprehensive income for the period		-	-	-	-
Transaction with owners:					
Shares issued via dividend reinvestment plan	4(b)	504,234	-	-	504,234
Dividends paid	3(a)	-	-	(4,232,153)	(4,232,153)
Balance at 31 December 2019		466,041,003	(979,013)	41,491,939	506,553,929

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2019

	December 2019 \$	For the period 21 February 2018 to December 2018 \$
Cash flows from operating activities		
Proceeds from sale of investments	525,553,462	267,280,262
Payments for purchase of investments	(549,724,409)	(618,802,317)
Realised foreign exchange gains	11,143,135	6,778,801
Dividends received	2,397,646	1,931,100
Interest received	175,030	1,142,822
Management fee (GST inclusive)	(3,489,859)	(2,865,387)
Brokerage expense on share purchases (GST inclusive)	(295,979)	(756,708)
Payments for administration expenses (GST inclusive)	(465,235)	(884,893)
GST on brokerage expense on share sales	(1,989)	(2,616)
Net GST received from the ATO	239,797	663,148
Net cash used in operating activities	(14,468,401)	(345,515,788)
Cash flows from financing activities		
Dividends paid – net of reinvestment	(3,727,919)	-
Proceeds received from the repayment of offer costs	1,566,132	1,566,132
Shares issued via initial public offering and on incorporation	-	465,536,769
Share issue costs	-	(7,830,659)
Net cash (used in)/provided by financing activities	(2,161,787)	459,272,242
Net (decrease)/increase in cash and cash equivalents held	(16,630,188)	113,756,454
Cash and cash equivalents at the beginning of the half year	52,858,624	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	(11,222,211)	13,815,281
Cash and cash equivalents at the end of the half year	25,006,225	127,571,735
Non-cash transactions:		
Shares issued via dividend reinvestment plan	504,234	-

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2019

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of WAM Global Limited.

The half year financial report was authorised for issue on 11 February 2020 by the Board of Directors.

Basis of preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Financial Report for the period ended 30 June 2019 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2019 Financial Report.

2. Other revenue

	December 2019 \$	December 2018 \$
Foreign sourced dividends	2,562,830	1,621,249
Australian sourced dividends	153,158	482,151
Interest	144,564	1,299,439
Underwriting fees	1,668	-
	2,862,220	3,402,839

3. Dividends

a) Ordinary dividends paid during the period

	December 2019 \$	December 2018 \$
Final dividend FY2019: 2.0 cents per share fully franked at 30% tax rate paid 25 October 2019	4,232,153	-

b) Dividends not recognised at period end

	December 2019 \$	December 2018 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 3.0 cents per share payable on 28 April 2020	6,355,444	-

4. Issued capital

a) Paid-up capital

	December 2019 \$	June 2019 \$
211,848,149 ordinary shares fully paid (June 2019: 211,607,623)	466,041,003	465,536,769

b) Movement in issued capital

	December 2019 \$	June 2019 \$
Balance at the beginning of the period	465,536,769	-
240,526 ordinary shares issued on 25 October 2019 under a dividend reinvestment plan	504,234	-
1 ordinary share issued on 21 February 2018 (incorporation date)	-	1
211,607,622 ordinary shares issued on 15 June 2018 under the initial public offering	-	465,536,768
At reporting date	466,041,003	465,536,769

c) Offer costs

Under the investment management agreement, the Investment Manager has agreed to be responsible for the payment of the offer costs in relation to the initial public offering that the Company would normally be liable for. These costs were paid upfront by the Company however, under the investment management agreement, the Investment Manager will repay the offer costs to the Company in 30 equal monthly repayments. The total offer costs in relation to the initial public offering were \$7,830,659 (\$5,481,461, net of tax) with \$4,698,396 being repaid to the Investment Manager to date and \$1,566,132 being repaid during the period to 31 December 2019. The remaining balance to be repaid by the Investment Manager of \$3,132,263 is included in trade and other receivables as at the end of the period.

5. Profits reserve

	December 2019 \$	June 2019 \$
Profits reserve	41,491,939	17,511,056

The profits reserve is made up of amounts transferred from current period profits which are preserved for future dividend payments.

	December 2019 \$	June 2019 \$
Movement in profits reserve		
Balance at the beginning of the reporting period	17,511,056	-
Transfer of profits during the period	28,213,036	17,511,056
Final dividend paid (refer to note 3(a))	(4,232,153)	-
At reporting date	41,491,939	17,511,056

6. Accumulated losses

	December 2019 \$	June 2019 \$
Balance at the beginning of the reporting period	-	-
Profit for the period attributable to members of the Company	27,234,023	17,511,056
Transfer to profits reserve	(28,213,036)	(17,511,056)
At reporting date	(979,013)	-

7. Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

7. Financial instruments measured at fair value (cont'd)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2019:

31 December 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	487,025,148	-	-	487,025,148
Total	487,025,148	-	-	487,025,148

30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	415,051,239	-	-	415,051,239
Total	415,051,239	-	-	415,051,239

There were no transfers between levels during the period (June 2019: nil).

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

8. Segment reporting

The Company engages in investing activities, including cash, term deposits and equity investments. The Company continues to have foreign equity and currency exposure as part of its principal activity in making investments in listed global securities. It has no other reportable business or geographic segments.

9. Capital commitments

There were no capital commitments entered into by the Company before period end which settle after period end.

10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2019 (June 2019: nil).

11. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 3.0 cents per share to be paid on 28 April 2020.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affects or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of WAM Global Limited declare that:

- 1) The financial statements and notes, as set out on pages 7 to 14, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2019 and of its performance for the half year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 11th day of February 2020

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Independent Auditor's Review Report
to the Members of WAM Global Limited
ABN 76 624 572 925**

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of WAM Global Limited ("the Company"), which comprises the statement of financial position as at 31 December 2019, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of WAM Global Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of WAM Global Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*.



S M Whiddett
Partner

11 February 2020



Pitcher Partners
Sydney

Wilson Asset Management

Level 26, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000
E info@wilsonassetmanagement.com.au
T + 61 2 9247 6755

wilsonassetmanagement.com.au