

WAM GLOBAL LIMITED

ABN 76 624 572 925

Appendix 4D Half Year Report

for the half year ended 31 December 2020

Results for Announcement to the Market

All comparisons to the half year ended 31 December 2019

	\$	up/down	% mvmt
Revenue from ordinary activities	73,972,644	up	72.5%
Profit from ordinary activities before income tax expense	69,952,324	up	80.1%
Net profit from ordinary activities after income tax expense	48,979,649	up	79.8%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2021 Interim dividend cents per share	5.0c	5.0c	30%
2020 Final dividend cents per share	4.0c	4.0c	30%

Interim dividend dates

Ex dividend date	31 May 2021
Record date	1 June 2021
Last election date for the DRP	3 June 2021
Payment date	7 June 2021

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("DRP") is in operation and the recommended fully franked interim dividend of 5.0 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 20	31 Dec 19
Net tangible asset backing (after tax) per share	\$2.44	\$2.39

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 2020 Annual Financial Report.

W | A | M *Global*

Financial Report

For the half year ended 31 December 2020

W Wilson
Asset Management

OVER **20** YEARS Making a
difference

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

Joint Company Secretaries

Jesse Hamilton
Linda Kiriczenko

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
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Sydney NSW 2000

Contact Details

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Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
T: 1300 420 372 (in Australia)
+61 2 8023 5472 (International)
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 2020

The Directors present their report together with the financial report of WAM Global Limited for the half year ended 31 December 2020.

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 \$69,952,324 (2019: \$38,840,108) and an operating profit after tax of \$48,979,649 (2019: \$27,234,023). The profit for the period is reflective of the strong investment portfolio performance over the six months to 31 December 2020. The investment portfolio increased 15.5% in the six months to 31 December 2020 outperforming the MSCI World Index (AUD) by 5.8%, while holding an average cash level of 5.2% during the period.

The operating profit for the period includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio and foreign currency movements during the period. This movement in the fair 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 or loss 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 11.9% for the six months to 31 December 2020, including the 4.0 cents per share fully franked final dividend paid to shareholders during the period. This increase is after the corporate tax of 6.0 cents per share or 2.7% during the period. Corporate tax payments made throughout the period were the major item of difference between the investment portfolio increase of 15.5% 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%, other company related expenses of 0.1% and capital raising decrement of 0.1%.

The NTA before tax as at 31 December 2020 amounted to \$2.51 per share (June 2020: \$2.28). The NTA after tax was \$2.44 per share (June 2020: \$2.25). These figures are after the 4.0 cents per share fully franked final dividend paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2020 was 30.3%. This was reflective of WAM Global's strong investment portfolio performance and the reduction in the share price discount to NTA. As at 31 December 2020, the share price discount to NTA was 4.6% (June 2020: discount of 18.1%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

On 10 February 2021, the Board of Directors announced a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost. Each WAM Global Option provides holders with the opportunity, but not the requirement, to purchase one additional WAM Global share for \$2.54 per Option, without paying brokerage fees. The Options can be exercised at any time, up until they expire on 12 September 2022. The Options will trade on the ASX under the code WGBO from 15 March 2021.

Dividends

The Board declared a fully franked interim dividend of 5.0 cents per share, representing a 66.7% increase on the FY2020 fully franked interim dividend, to be paid on 7 June 2021. Shares issued on Options exercised on or before 26 May 2021 will also receive the fully franked interim dividend of 5.0 cents per share. A fully franked final dividend of 4.0 cents per share was paid during the period.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits 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 22nd day of February 2021

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Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

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**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 2020, 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

22 February 2021

Statement of comprehensive income for the half year ended 31 December 2020

	Note	December 2020 \$	December 2019 \$
Net realised and unrealised gains on financial investments and foreign currency		71,744,124	40,014,738
Other revenue from operating activities	2	2,228,520	2,862,220
Management fees		(3,332,985)	(3,291,100)
Directors fees		(40,000)	(40,000)
Brokerage expense on share purchases		(268,129)	(294,099)
Custody fees		(27,362)	(22,542)
ASX listing and chess fees		(61,493)	(91,294)
Share registry fees		(64,482)	(56,248)
Disbursements, mailing and printing		(45,700)	(76,683)
ASIC industry funding levy		(10,599)	(8,495)
Accounting fees		(23,100)	(23,100)
Audit fees		(24,779)	(26,979)
Company secretary fees		(8,250)	(8,250)
Other expenses from ordinary activities		(113,441)	(98,060)
Profit before income tax		69,952,324	38,840,108
Income tax expense		(20,972,675)	(11,606,085)
Profit after income tax attributable to members of the Company	6	48,979,649	27,234,023
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		48,979,649	27,234,023
Basic and diluted earnings per share		23.06 cents	12.86 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2020

	Note	December 2020 \$	June 2020 \$
Current assets			
Cash and cash equivalents		20,097,377	36,864,655
Trade and other receivables		1,518,203	40,177,357
Financial assets	7	516,680,745	425,179,149
Total current assets		538,296,325	502,221,161
Non-current assets			
Deferred tax assets		908,987	2,154,432
Total non-current assets		908,987	2,154,432
Total assets		539,205,312	504,375,593
Current liabilities			
Trade and other payables		4,670,385	18,380,738
Current tax liabilities		5,181,236	7,241,095
Total current liabilities		9,851,621	25,621,833
Non-current liabilities			
Deferred tax liabilities		9,094,816	-
Total non-current liabilities		9,094,816	-
Total liabilities		18,946,437	25,621,833
Net assets		520,258,875	478,753,760
Equity			
Issued capital	4	467,796,118	466,780,658
Profits reserve	5	91,444,857	50,955,202
Accumulated losses	6	(38,982,100)	(38,982,100)
Total equity		520,258,875	478,753,760

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2020

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
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		-	(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
Balance at 1 July 2020		466,780,658	(38,982,100)	50,955,202	478,753,760
Profit for the period		-	48,979,649	-	48,979,649
Transfer to profits reserve	5	-	(48,979,649)	48,979,649	-
Other comprehensive income for the period		-	-	-	-
Transaction with owners:					
Shares issued via dividend reinvestment plan	4(b)	1,015,460	-	-	1,015,460
Dividends paid	3(a)	-	-	(8,489,994)	(8,489,994)
Balance at 31 December 2020		467,796,118	(38,982,100)	91,444,857	520,258,875

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2020

	December 2020 \$	December 2019 \$
Cash flows from operating activities		
Proceeds from sale of investments	369,468,716	525,553,462
Payments for purchase of investments	(347,950,430)	(560,130,933)
Realised foreign exchange (losses)/gains	(17,584,595)	11,143,135
Dividends received	2,077,309	2,397,646
Interest received	19,477	175,030
Management fee (GST inclusive)	(3,518,033)	(3,489,859)
Brokerage expense on share purchases (GST inclusive)	(268,776)	(295,979)
Payments for administration expenses (GST inclusive)	(518,449)	(465,235)
Income tax paid	(12,692,272)	-
GST on brokerage expense on share sales	(2,160)	(1,989)
Net GST received from the ATO	246,875	239,797
Net cash used in operating activities	(10,722,338)	(24,874,925)
Cash flows from financing activities		
Dividends paid – net of reinvestment	(7,474,534)	(3,727,919)
Proceeds received from the repayment of offer costs	1,566,132	1,566,132
Net cash used in financing activities	(5,908,402)	(2,161,787)
Net decrease in cash and cash equivalents held	(16,630,740)	(27,036,712)
Cash and cash equivalents at the beginning of the half year	36,864,655	52,858,624
Effects of foreign currency exchange rate changes on cash and cash equivalents	(136,538)	(815,687)
Cash and cash equivalents at the end of the half year	20,097,377	25,006,225
Non-cash transactions:		
Shares issued via dividend reinvestment plan	1,015,460	504,234

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2020

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 22 February 2021 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 2020 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 2020 Annual Financial Report.

2. Other revenue

	December 2020 \$	December 2019 \$
Foreign sourced dividends	2,144,230	2,562,830
Australian sourced dividends	58,213	153,158
Interest	26,077	144,564
Underwriting fees	-	1,668
	2,228,520	2,862,220

3. Dividends

a) Ordinary dividends paid during the period

	December 2020 \$	December 2019 \$
Final dividend FY2020: 4.0 cents per share fully franked at 30% tax rate paid 30 October 2020 (Final dividend FY2020: 2.0 cents per share fully franked)	8,489,994	4,232,153

b) Dividends not recognised at period end

	December 2020 \$	December 2019 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 5.0 cents per share payable on 7 June 2021 (Interim dividend FY2020: 3.0 cents per share fully franked)	10,635,711	6,355,445

4. Issued capital

a) Paid-up capital

	December 2020 \$	June 2020 \$
212,714,212 ordinary shares fully paid (June 2020: 212,249,854)	467,796,118	466,780,658

b) Movement in issued capital

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	466,780,658	465,536,769
464,358 ordinary shares issued on 30 October 2020 under a dividend reinvestment plan	1,015,460	-
240,526 ordinary shares issued on 25 October 2019 under a dividend reinvestment plan	-	504,234
401,705 ordinary shares issued on 28 April 2020 under a dividend reinvestment plan	-	739,655
At reporting date	467,796,118	466,780,658

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) and has been repaid in full, with \$1,566,132 being repaid during the period to 31 December 2020.

5. Profits reserve

	December 2020 \$	June 2020 \$
Profits reserve	91,444,857	50,955,202

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

	December 2020 \$	June 2020 \$
Movement in profits reserve		
Balance at the beginning of the reporting period	50,955,202	17,511,056
Transfer of profits during the period	48,979,649	44,031,744
Final dividend paid (refer to note 3(a))	(8,489,994)	(4,232,153)
Interim dividend paid (refer to Note 3(b))	-	(6,355,445)
At reporting date	91,444,857	50,955,202

6. Accumulated losses

	December 2020 \$	June 2020 \$
Balance at the beginning of the reporting period	(38,982,100)	-
Profit for the period attributable to members of the Company	48,979,649	5,049,644
Transfer to profits reserve	(48,979,649)	(44,031,744)
At reporting date	(38,982,100)	(38,982,100)

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.

Included within Level 2 of the hierarchy is a convertible note. The fair value of the investment in the convertible note has been recognised using the effective interest rate method inherent in the instrument.

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 2020:

31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	515,174,145	1,506,600	-	516,680,745
Total	515,174,145	1,506,600	-	516,680,745

30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	425,179,149	-	-	425,179,149
Total	425,179,149	-	-	425,179,149

There were no transfers between levels during the period (June 2020: 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 for the Company as at 31 December 2020 (June 2020: nil).

10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2020 (June 2020: nil).

11. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 5.0 cents per share to be paid on 7 June 2021.

On 10 February 2021, the Board of Directors announced a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost. Each WAM Global Option provides holders with the opportunity, but not the requirement, to purchase one additional WAM Global share for \$2.54 per Option, without paying brokerage fees. The Options can be exercised at any time, up until they expire on 12 September 2022. The Options will trade on the ASX under the code WGBO from 15 March 2021.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affect 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 2020 and of its performance, as represented by the results of the operations and the cash flows, for the half year ended on that date.
- 2) At the date of this declaration, 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 22nd day of February 2021

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201 Sussex Street
Sydney NSW 2000

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of WAM Global Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the 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 and other explanatory information, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for 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.



S M Whiddett
Partner



Pitcher Partners
Sydney

22 February 2021

Wilson Asset Management

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