

Chairman's update

Geoff Wilson AO



- 80.1% increase in operating profit before tax
- 15.5%[^] investment portfolio performance, outperforming the Index by 5.8%[^]
- 5.0c fully franked interim dividend, 66.7% increase

WAM Global Limited (ASX: WGB) achieved an 80.1% increase in operating profit before tax to \$70.0 million and a 79.8% increase in operating profit after tax to \$49.0 million in its FY2021 half year results. The operating profit is reflective of the strong investment portfolio performance over the period.

The Board of Directors declared a fully franked interim dividend of 5.0 cents per share, representing a 66.7% increase on the FY2020 fully franked interim dividend. The interim dividend represents an annualised fully franked dividend yield of 4.2%^{*} and a grossed-up dividend yield of 6.0%^{**}. The fully franked dividend has been achieved through the solid performance of the investment portfolio since inception and the profits reserve available.

Global equity markets were turbulent due to increasing coronavirus cases in the US and Europe, positive vaccine news, record stimulus measures from central banks and a US presidential election. Against this macroeconomic backdrop, the investment team demonstrated excellent stock selection and delivered shareholders, strong risk-adjusted returns. In the six months ending 31 December 2020, WAM Global achieved a total shareholder return of 30.3%.

The WAM Global investment portfolio increased 15.5%[^], outperforming the MSCI World Index (AUD) by 5.8%[^], with an average cash level of 5.2% during the period. In the 2020 calendar year the investment portfolio rose 9.3%[^], outperforming the Index by 3.7%[^], with an average cash holding of 9.6%.

Approaching the third anniversary of WAM Global's listing on the ASX, we are pleased to have delivered shareholders diversified global equity exposure, solid investment portfolio performance and increased fully franked dividends, while closing the share price discount to net tangible assets (NTA).

The Board believes the recently announced one-for-one Bonus Issue of Options, is an exciting opportunity to significantly grow the Company's assets to the benefit of all shareholders. 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. Options exercised on or before 26 May 2021 will also receive the fully franked interim dividend of 5.0 cents per share.

^{*}Based on the 31 December 2020 share price of \$2.39 per share.

^{**}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

[^]Investment portfolio performance and Index returns are before expenses, fees and taxes.

Dividend increase

+66.7%

Annualised fully franked interim dividend

10.0c

Annualised fully franked dividend yield^{*}

4.2%

Fully franked interim dividend

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. The Dividend Reinvestment Plan (DRP) will be operating without a discount for the interim dividend.

Since inception in June 2018, WAM Global has paid 9.0 cents per share in fully franked dividends to shareholders.

Key dividend dates

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

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.

The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the payment of tax on profits.

The Company's profits reserve at the end of the period was 43.0 cents per share, before the payment of the fully franked interim dividend of 5.0 cents per share, representing 4.3 years of dividend coverage for shareholders.

Lead Portfolio Manager's update

Catriona Burns

We were pleased to deliver outperformance through the continued application of our investment process and are excited about the portfolio of businesses we have invested in.

Over the period we selectively transitioned a portion of the portfolio from coronavirus beneficiaries to companies that would benefit from the re-opening of economies. We focused on businesses with strong industry positions, quality management teams and earnings growth, particularly those companies that reset their cost bases during the pandemic, which should drive higher margins as revenues recover.

Core holdings that significantly contributed to the investment portfolio outperformance during the period included: US life sciences tools and services company Avantor (NYSE: AVTR), German online home furnishings retailers home24 (ETR: H24), German Westwing Group (ETR: WEW), US infrastructure services provider Quanta Services (NYSE: PWR) and US based nutritional snack food company, The Simply Good Foods Company (NASDAQ: SMPL).

The investment portfolio provides exposure to many enduring long-term trends, such as the transition to the cloud, an increased focus on health and wellbeing, ecommerce and the digitisation of payments. As vaccines roll out, we are continuing to identify businesses well positioned to benefit from a recovery in economic growth and normalisation post the coronavirus pandemic. While we are optimistic on equity markets we continue to watch inflation carefully. Central banks may be faced with tough decisions should we witness a persistent rise in inflation. For the time being however, the combination of strengthening economic growth, supportive fiscal policies and low interest rates is providing a positive backdrop for equities.

We currently hold 96.4%* of the investment portfolio in equities and see significant opportunities. The additional capital raised from the Bonus Issue of Options will allow us to invest in a selection of undervalued growth companies, that we have identified through our rigorous investment process.

*Holding as at 18 February 2021.

Investment portfolio performance

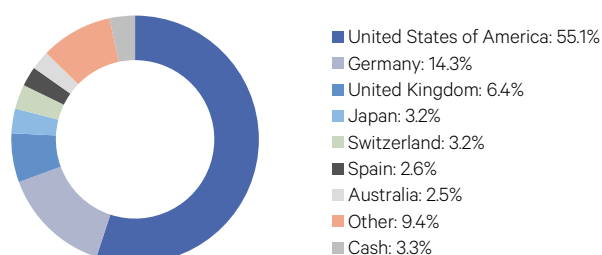
as at 31 December 2020

	Fin YTD	1 yr	Since inception %pa (Jun-18)
WGB Investment Portfolio	15.5%	9.3%	9.9%
MSCI World Index (AUD)	9.7%	5.6%	9.8%
Outperformance	+5.8%	+3.7%	+0.1%
MSCI World SMID (Small/Mid) Cap Index in AUD terms	16.2%	5.5%	6.7%
Outperformance	(0.7%)	+3.8%	+3.2%

Investment portfolio performance and Index returns are before expenses, fees and taxes.

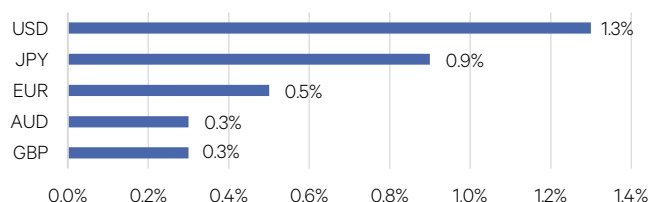
Portfolio composition by geographical exposure

as at 31 December 2020



Cash currency exposure

as at 31 December 2020 (3.3%)



Top 20 holdings with portfolio weightings

as at 31 December 2020

Code	Company	Country	%
AVTR US	Avantor Inc	USA	3.2%
ICE US	Intercontinental Exchange Inc	USA	3.0%
H24 GR	home24 SE	GER	2.9%
SAX GR	Ströer SE & Co. KGaA	GER	2.8%
FISV US	Fiserv Inc	USA	2.7%
700 HK	Tencent Holdings Limited	HK	2.5%
APG US	APi Group Corporation	USA	2.4%
AZO US	AutoZone Inc	USA	2.4%
SWON SW	SoftwareONE Holding AG	SUI	2.2%
SMPL US	The Simply Good Foods Company	USA	2.1%
FIS US	Fidelity National Information Services Inc	USA	2.1%
V US	Visa Inc	USA	2.0%
NOMD US	Nomad Foods Limited	UK	2.0%
AON US	Aon Plc	IRE	2.0%
EA US	Electronic Arts Inc	USA	2.0%
ZBRA US	Zebra Technologies Corporation	USA	2.0%
TMO US	Thermo Fisher Scientific Inc	USA	2.0%
LOW US	Lowe's Cos Inc	USA	2.0%
DB1 GY	Deutsche Börse AG	GER	2.0%
3038 JP	Kobe Bussan Co Limited	JPN	2.0%