

**WCM Global Growth Limited**  
**ABN 69 617 281 268**

**Final Report / Appendix 4E for the**  
**Year Ended 30 June 2021**

**Provided to the ASX under Listing Rule 4.3A**

# Appendix 4E

## Final Report for the year ended 30 June 2021

WCM Global Growth Limited

ABN 69 617 281 268 (ASX code "WQG")

### 1. Reporting year

Report for the year ended:	30 June 2021
Previous corresponding year:	30 June 2020

### 2. Results for announcement to the market

	\$A'000	Up/Down	\$A'000 Movement	% Movement
Revenues from ordinary activities ( <i>item 2.1</i> )	73,390	Up	31,756	76.3
Profit from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	48,409	Up	23,803	96.7
Net profit for the year attributable to members ( <i>item 2.3</i> )	48,409	Up	23,803	96.7

### 3. Dividends paid or payable

Dividends	Amount per security	Franked amount per security	Total \$'000	Record Date	Payment Date
Final dividend – year ended 30 June 2019	2.0 cents	-	3,526	6 Aug 19	16 Aug 19
Interim dividend – year ended 30 June 2020	2.0 cents	-	3,480	10 Mar 20	31 Mar 20
Final dividend – year ended 30 June 2020	2.0 cents	1.0 cents	3,480	15 Sep 20	30 Sep 20
Interim dividend – year ended 30 June 2021	2.0 cents	2.0 cents	3,498	19 Mar 21	31 Mar 21
Final dividend – year ended 30 June 2021	2.5 cents	2.5 cents	4,423*	17 Sep 21	30 Sep 21

\* Estimated dividend based on issued capital at 19 August 2021. This is subject to change if further options are exercised before the record date

### 4. Statement of Profit or Loss and Other Comprehensive Income – refer attached financial statements.

### 5. Statement of Financial Position – refer attached financial statements.

### 6. Statement of Cash Flows – refer attached financial statements.

### 7. Dividends – during the year ended 30 June 2021, the Company paid a total of \$6,978,134 to shareholders as dividend payments (2020: \$7,006,379). Refer to note 6 of the attached financial statements.

- 8. Dividend reinvestment plan** – the Company's Dividend Reinvestment Plan provides for a 3% discount to the Volume Weighted Average Price of ordinary shares for the 5 trading days beginning on the ex-dividend date.

The last date for receipt of election notices for participation in the DRP with respect to the FY2021 final dividend is 22 September 2021.

- 9. Statement of Changes in Equity** – refer attached financial statements.

**10. Net tangible assets per security**

	Current year 30 June 2021	Current year 30 June 2020
Net tangible asset backing per ordinary security (after tax and provision for tax on unrealised gains)	\$1.569	\$1.334

- 11. Control gained over entities during the year** – There was no control gained over any entities during the year.

- 12. Associates** – The Company has no associates or joint venture entities.

**13. Significant information relating to the entity's financial performance and financial position**

- Total investment gains were \$71.739m for the year ended 30 June 2021.
- Securities income and interest earned from investments was \$1.651m for the year ended 30 June 2021.
- Expenses from ordinary activities were \$4.717m for the year ended 30 June 2021.

- 14. The financial information provided in this Appendix 4E has been prepared in accordance with Australian accounting standards.**

**15. Commentary on the results for the year**

- For the financial year ended 30 June 2021 the profit from ordinary activities after tax was \$48.409m (2020: \$24.606m).
- The basic earnings per ordinary share were 27.4cps (2020: 14.0cps).
- The diluted earnings per ordinary share were 25.3cps (2020: 14.0cps).

- 16. Audit of the financial report** - the financial report has been audited by EY. The financial report is not subject to a qualified independent audit report.



Valentina Stojanovska  
Chairman  
Sydney  
19 August 2021

**WCM Global Growth Limited**  
**ABN 69 617 281 268**

**Financial Report for the  
Year Ended 30 June 2021**

	Page
Chairman's Report	2-5
Directors' Report	6-13
Auditor's Independence Declaration	14
Financial Report for the Year Ended 30 June 2021	15-34
Statement of Profit or Loss and Other Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19-34
Directors' Declaration	35
Independent Auditor's Report	36-39
Company Particulars	40
Additional Information for Listed Companies	41-43

## Chairman's Report

Dear Shareholder,

I am pleased to present this report of WCM Global Growth Limited (**WQG** or the **Company**) for the year ended 30 June 2021 (**FY2021**).

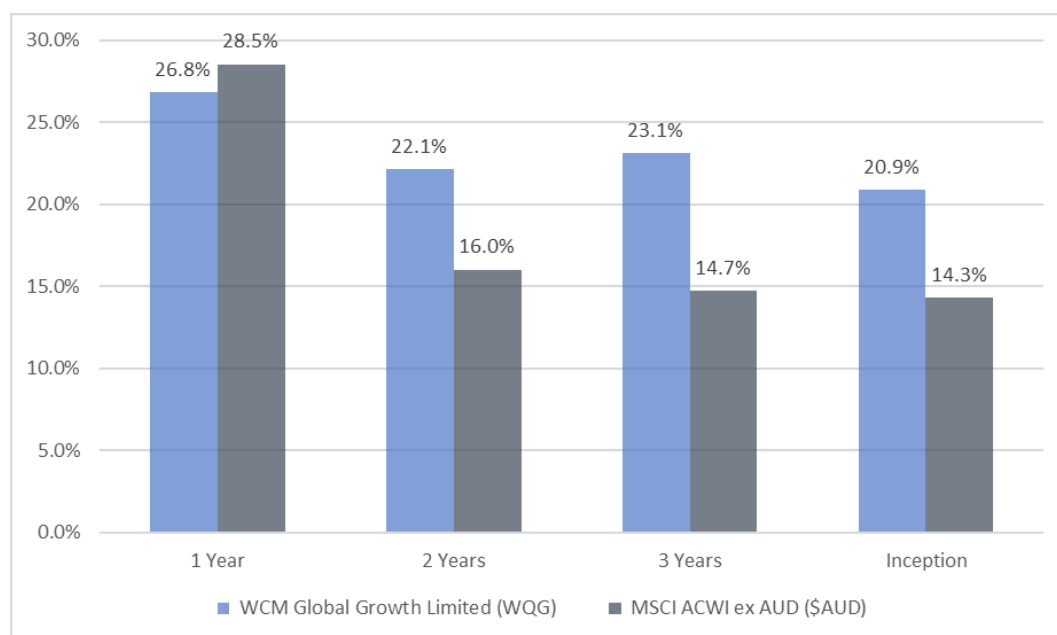
### Results and Performance

The Company has achieved a strong result with net operating profit after tax for FY2021 of \$48,409,000 (30 June 2020: net operating profit after tax of \$24,606,000). The significant increase in after-tax profit for the period is primarily attributed to an increase in the value of the Company's investment portfolio and continued strong investment performance of the Company's Portfolio Manager, WCM Investment Management, LLC (**WCM**).

For FY2021, the pre-tax net tangible asset (**NTA**) value per share of the Company has increased from \$1.45 as at 30 June 2020 to \$1.79 as at 30 June 2021. The increased NTA was after the payment of a 2.0 cents per share dividend (50% franked) on 30 September 2020 and a 2.0 cents per share dividend (100% franked) paid on 31 March 2021.

The portfolio has delivered a very pleasing return of 26.8% for the period, notwithstanding the impact of the market rotation towards value. The portfolio has outperformed its benchmark, the MSCI All-Country World ex-Australia Index over 2 years, 3 years and since inception.

Historical returns of the WQG portfolio versus its benchmark are shown below:



Data as at 30 June 2021 in AUD. Performance presented is net of fees and includes the reinvestment of all dividends and income. Past performance is not indicative of future results. Inception date of WCM Global Growth Limited is 21 June 2017.

The exceptional investment performance since inception is a direct reflection of both the quality and expertise of WCM and its unique investment strategy: WCM believes the direction of a company's economic moat is of more importance than its absolute width or size, and corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'.

Pleasingly, the strong investment performance is being reflected in the Company's share price which gained 34.5% in FY2021 (inclusive of the 4.0 cents per share dividends paid).

## Investment Portfolio

WCM's two key criteria for any company to be considered for inclusion in the WCM Quality Global Growth Strategy are:

1. a rising competitive advantage (or expanding economic moat); and
2. a corporate culture that supports the expansion of this moat. WCM believes the direction of a company's economic moat is of more importance than its absolute width or size.

Its research is therefore focused on identifying those companies with a positive moat trajectory as measured by a rising return on invested capital as opposed to those with a large but static or declining moat. WCM also strongly believes that corporate culture is a key determinant of a firm's ability to achieve a consistently growing moat. WCM has developed a proprietary approach to analysing corporate culture and has investment team members solely dedicated to this part of their process.

TOP 10 PORTFOLIO HOLDINGS	30 June 2021 %
Stryker Corp.	4.88
Shopify	4.88
West Pharmaceutical Services	4.17
LVMH (Moët Hennessy Louis Vuitton)	3.81
Sherwin-Williams	3.80
MercadoLibre	3.63
Thermo Fisher Scientific	3.45
First Republic Bank	3.33
Taiwan Semiconductor	3.31
Visa Inc.	3.25
<b>Total</b>	<b>38.51</b>

SECTOR BREAKDOWN	30 June 2021 %
Information Technology	26.95
Health Care	19.38
Consumer Discretionary	17.84
Financials	10.24
Industrials	9.65
Consumer Staples	6.07
Materials	3.80
Communication Services	2.92
Cash	3.15
<b>Total</b>	<b>100.00</b>

## Dividend Policy

The Board is delighted with the progress made in relation to the Company's dividend policy. Dividends commenced in August 2019 and in September 2020, WQG commenced partial franking of dividends, together with the implementation of a Dividend Reinvestment Plan (**DRP**).

The strong support for the Company from WQG's shareholders was reflected in the DRP participation rate for the FY2021 interim dividend of 31.3% being one of the highest DRP participation rates for any listed investment company.

The Company further enhanced its dividend policy by moving to fully franked dividends, commencing with the FY2021 interim dividend of 2.0 cents per share. The interim dividend was paid on 31 March 2021, with a Record Date of 19 March 2021.

The Company has further enhanced its dividend policy and is pleased to announce progressive dividend payments, commencing with the declaration of an increased final dividend for FY2021 of 2.5 cents per share fully franked at a corporate tax rate of 30%. The final dividend will be paid on 30 September 2021, with a Record Date of 17 September 2021.

### Dividend Policy (continued)

The Company's DRP will be in operation for the FY2021 final dividend. Shares issued under the DRP for the final dividend will be issued at an attractive 3% discount to the volume weighted average price in accordance with the Rules of the DRP.

The Company's present intention is to increase its dividends further over the next 12 months, with the interim dividend for the year ending 30 June 2022 (**FY2022**) expected to increase to 2.75 cents per share and the final dividend for FY2022 expected to increase to 3.0 cents per share. It is also anticipated that the FY2022 interim and final dividends will be fully franked subject to the Company having sufficient profit reserves and franking credits and corporate, legal and regulatory considerations.

### Bonus Issue of Options

On 17 February 2021, the Company announced a bonus issue of loyalty options (**Options**) at no cost to existing investors.

These Options were issued on a one (1) for three (3) basis and allow holders to subscribe for new shares in the Company at a fixed exercise price of \$1.50 per share. The Options are exercisable at any time until 31 August 2022. The Options were listed on the ASX under the code "WQGOA".

The Options provide a number of significant benefits to shareholders including:

- a) rewarding the loyalty and ongoing support of shareholders by issuing the Options as a bonus;
- b) should the Options be exercised:
  - expanding the Company's scale and increasing the liquidity of its shares;
  - increasing the breadth and depth of the Company's shareholder base;
  - lowering WQG's fixed operating cost per share;
- c) reinforcing WQG's position as a leading global equities listed investment company; and
- d) further enhancing the profile of WCM Investment Management in the market.

As at 30 June 2021, 619,355 options have been exercised, totalling \$929,033, and equating to 619,355 additional ordinary shares being issued in the Company.

### Improving Shareholder Value

A key priority for the Board and the Company's Investment Manager over the reporting period was to develop and further improve its shareholder engagement strategy, targeted at the direct and financial adviser market. The deployment of this strategy included:

- conferences and live-streamed events targeting self-managed superannuation fund trustees and self-directed investors through channels such as the Switzer Financial Group;
- regular shareholder webinars;
- twice monthly email communication;
- ongoing targeting of adviser and broker channels;
- weekly NTA reporting; and
- a targeted a multichannel and multiplatform advertising campaign including mainstream media, to increase investor awareness of the WCM brand in Australia.

Over the past 12 months Contango Asset Management Limited, as investment manager of WQG, has made outstanding progress in raising the Company's market profile. On 30 June 2020, WQG was trading at a post-tax NTA discount of -5.8%. In contrast, on 30 June 2021, WQG traded at a post-tax NTA premium of 3.9%.

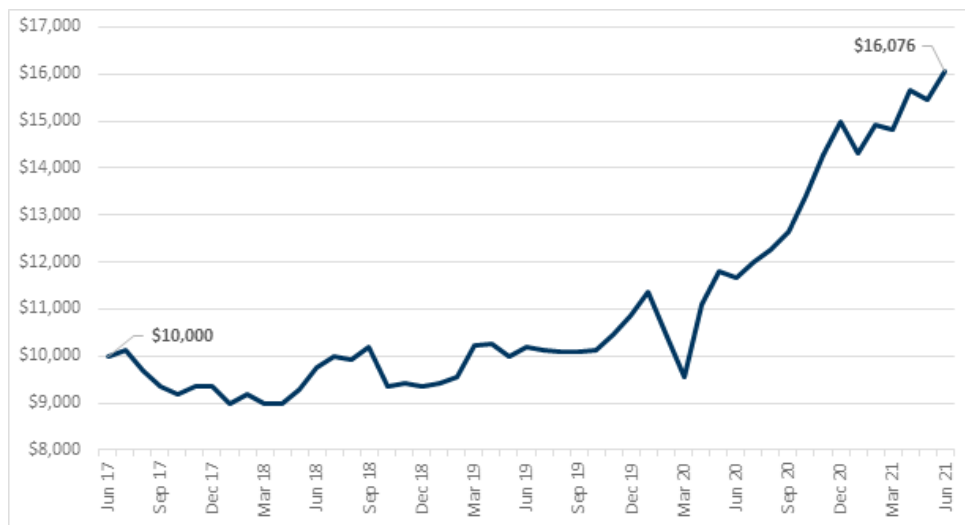


## Outlook

The Board is delighted with the continued strong investment performance of the Company. The return from the portfolio of 26.8% in FY2021 brings the four-year compound return since inception in June 2017 to 20.9% per annum – an exceptional performance.

The total shareholder return from an initial \$10,000 investment in the Company's initial public offer in June 2017 has now grown to \$16,076 as shown in the chart below.

**Growth of \$10,000 invested**



Data as at 30 June 2021 in AUD. Value presented based on closing listed share price and options price including the reinvestment of all dividends. Past performance is not indicative of future results.

The increased FY2021 final dividend and the progressive dividend policy outlined above will add further shareholder value in FY2022. The bonus issue of options has also provided shareholders with the opportunity to increase their shareholding in the Company on attractive terms.

It is most pleasing to report that since 30 June 2021, the Company's NTA has continued to appreciate. As at 13 August 2021, the Company's pre and post-tax NTA per share was \$1.90 and \$1.65 respectively.

While the outlook for financial markets may be uncertain, more than a decade of outperformance by WCM demonstrates that the Company's investment approach is robust. The Board is confident that the Company is well positioned for continued future success.

Yours faithfully,

Valentina Stojanovska Cal  
Chairman  
WCM Global Growth Limited

## Directors' Report

The Directors present their report together with the financial report of WCM Global Growth Limited (**Company**) for the financial year ended 30 June 2021 (**FY2021**) and auditor's report thereon. This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

### Directors

The names of Directors in office during the financial year and at the date of this report are:

Valentina Stojanovska Cal – Chairman and Non-executive Director  
Michael Liu – Non-executive Director  
Stephen Merlicek – Non-executive Director  
Paul Rickard – Non-executive Director  
Martin Switzer – Non-executive Director

### Information on Directors

The qualifications, experience and special responsibilities of each person who has been a Director of the Company at any time during the year is provided below, together with details of the Company Secretaries as at the year end.

#### **Valentina Stojanovska Cal** BA, LLB, LLM, GAICD (Chairman and Non-executive Director)

Valentina has more than 20 years' experience as a corporate, commercial and tax lawyer advising funds, listed investment companies, financial institutions, responsible entities and ratings agencies, as well as national and multinational (outbound/inbound) corporates, across a diverse range of industries, including mining, finance, airlines, retail and manufacturing, property and construction, equity and capital markets and private equity.

Valentina has held senior positions at KPMG, Phillips Fox, Corrs and Minter Ellison, and has worked in-house at Multiplex and Chartered Accountants Australia and New Zealand, including as National Manager and General Counsel. Valentina is a Consultant at Sparke Helmore and is Chair of the firm's Sports and Entertainment Law practice. She is also the Principal of Black Book Legal. She is admitted as a Legal Practitioner/Solicitor in Australia.

Valentina is Chairman of The Charlie Teo Foundation and the Managing Director of Black Book Management Pty Ltd. She is also an Executive Patron of the Taronga Zoo and on the Ambassador Board at The Australian Ballet, where she is also an Ambassador. Valentina has a Bachelor of Law/Arts (LLB/BA) and a Master of Laws (LLM) from the University of Melbourne, is a Graduate of the Australian Institute of Company Directors (GAICD), has completed the Leadership Program – Mount Eliza, Melbourne Business School and is a Chartered Tax Advisor (CTA) at The Tax Institute.

Other responsibilities: Member Audit and Risk Committee

#### **Michael Liu** LLB (Hons), BComm (Non-executive Director)

Michael has over 25 years of experience in the financial services industry including executive positions at Macquarie Group and UBS Investment Bank. Michael has extensive experience in capital management, mergers and acquisitions, investment banking, credit ratings, capital markets and corporate finance.

At UBS Investment Bank, Michael was Head of Capital Management and advised ASX-listed entities, including listed investment companies, on a range of capital management matters including share buy-backs and dividend policy.

Michael was also admitted to practise as a Barrister and Solicitor of the Supreme Court of Victoria in 1996. At law firm Allens Arthur Robinson, Michael provided legal advice on tax, superannuation and corporate finance matters.

Michael has held Non-executive positions at a number of companies including wealth advisory firm Affinity Private and a community bank franchise of Bendigo and Adelaide Bank Limited. Michael was previously Managing Director – APAC at WorldRemit Ltd, a global money transfer organisation headquartered in London, and a member of the Board of Directors of WorldRemit Ltd's Australian, New Zealand, Singapore and Hong Kong subsidiaries.

**Information on Directors (continued)**

Michael is currently a Non-executive Director of BankVic and a Non-executive Director of Foresters Financial.

Michael has a Bachelor of Laws (Honours) and a Bachelor of Commerce from the University of Melbourne.

Other responsibilities: Chairman Audit and Risk Committee

**Stephen Merlicek** BEc (Hons), MCom (Hons) (Non-executive Director)

From 2009 to 2018 Steve was Chief Investment Officer at IOOF, an ASX-listed financial services organisation with over \$140 billion under management, administration, advice and supervision. He was responsible for the Funds Management Division, comprising IOOF's multi-manager products and Quant Plus (quantitative manager).

Prior to joining IOOF, Steve was chief investment officer at Telstra Super for 10 years, during which time it was a top performing fund winning numerous investment awards.

Earlier in his career, Steve was an international equities portfolio manager, an economist and a regular soldier in the Australian Army.

Steve currently acts as Chairman for Activus Investment Advisers. He also sits as independent member of the Walter and Eliza Hall Institute.

Steve has a Bachelor of Economics (Honours) from Monash University in Melbourne, a Master of Commerce (Honours) from the University of Melbourne and is also a Fellow of the Financial Services Institute of Australia (FINSIA).

Steve was named CIO of the Year at the inaugural CIO/COO National Achievement Awards in 2012.

Other responsibilities: Member Audit & Risk Committee

**Paul Rickard** BSc, DipFP, MSAFAA (Non-executive Director)

Paul was the founding Managing Director of CommSec, which he led from 1994 through to 2002, and was chairman until 2009. In 2005, Paul was named 'Stockbroker of the Year' and admitted to the Industry Hall of Fame of the Australian Stockbrokers Foundation.

After a 20 year career with the Commonwealth Bank, finishing in the role as Executive General Manager Payments & Business Technology, Paul left in 2009 to team up with Peter Switzer and found the "Switzer Super Report", a subscription based newsletter for the trustees of self-managed super funds. An expert in investment and superannuation, he is a regular commentator on TV, radio and online, and overseas editorial development at Switzer Financial Group.

Paul is also a Non-executive Director of Tyro Payments Ltd, PEXA Group Limited, Switzer Financial Group Pty Limited and Russh Media Pty Limited.

Paul has a Bachelor of Science from the University of Sydney, 1982 and a Diploma of Financial Planning from the RMIT University, 1994.

Other responsibilities: Member Audit & Risk Committee

**Martin Switzer** BEc (Non-executive Director)

Martin is Chief Executive Officer and Managing Director of Contango Asset Management Limited (**CAML**), the parent entity of the Investment Manager, and has held this position since 27 October 2017. Prior to that he was a Non-executive Director of CAML and held that position since 25 August 2016. He is also a Director of Switzer Asset Management Limited (since 30 December 2015) and a Non-executive Director of WCM Global Long Short Limited (since 21 February 2019).

Before his appointment as Chief Executive Officer and Managing Director of CAML, Martin was previously the Chief Operating Officer of Switzer Financial Group, a content and financial services business. He has been a host on the Sky News Business channel, as well as a consultant to the Australian Defence Force Financial Services Consumer Centre.

### **Company Secretaries**

The following person held the position of Company Secretary during the financial year:

#### **Anthony Rule**

Anthony has over 17 years' experience in the financial services industry. During this time, he has held senior finance roles across both the publicly listed and private sectors including the Commonwealth Bank of Australia and most recently at Hunter Hall International where he held the role of Head of Finance and Operations. Anthony is also Company Secretary of ASX listed entities WCM Global Long Short Limited and Contango Asset Management Limited.

Anthony holds a Bachelor of Business & Commerce, is a member of CPA Australia and a fellow of the Governance Institute of Australia.

#### **Kristy Do (Appointed 12 July 2021)**

Kristy Do has over 23 years' experience as a legal practitioner with over 19 years in the financial services industry. She is presently the General Counsel and Company Secretary for Contango Asset Management Limited (**CAML**). Prior to joining CAML, Kristy was General Counsel & Company Secretary for Nikko Asset Management, Company Secretary for Mirvac Group, Senior Lawyer for ANZ Wealth and a legal practitioner for Colins Biggers and Paisley. Kristy also spent six years with the Australian Securities and Investments Commission in enforcement litigation and compliance roles ending her service there as Manager of the Compliance Directorate for Financial Services responsible for ensuring compliance with Australian financial services law by large entities regulated by ASIC. Kristy is a co-opted member of the Board Governance Committee for Lifeline Australia. Kristy is also Company Secretary of ASX listed entity WCM Global Long Short Limited.

Kristy holds a Bachelor of Laws and Bachelor of Science (Architecture) degrees from the University of Sydney.

### **Company Overview and Principal Activities**

The principal activity of the Company during the financial year was investment into a diversified portfolio of globally listed quality high growth companies sourced from developed and emerging markets outside of Australia, with the primary objective of providing long-term capital growth.

### **Results**

The Company's net operating profit after tax for FY2021 was \$48,409,000 (30 June 2020: \$24,606,000). Basic earnings per share amounted to 27.4 cents per share for FY2021 (30 June 2020: 14.0 cents per share).

### **Review of operations**

The increase in after tax profit is primarily attributed to an increase in the value of the Company's investment portfolio.

The Company continued to invest funds in accordance with its stated investment objectives and in accordance with the provisions of its Constitution.

The Company's policy is to maintain an unhedged portfolio, that is, its value is exposed to foreign currency movements. A rise in the Australian dollar detracts from the portfolio's value and a fall increases the value in Australian dollar terms.

For FY2021, the pre-tax net tangible asset (**NTA**) value per share of the Company has increased from \$1.45 as at 30 June 2020 to \$1.79 as at 30 June 2021. The increased NTA was after the payment of a 2.0 cents per share final dividend (50% franked) for FY2020 on 30 September 2020 and a 2.0 cents per share interim dividend (100% franked) for the financial year ended 30 June 2020 (**FY2020**) paid on 31 March 2021.

### **Review of operations (continued)**

Refer to the Chairman's Report on page 2 for further information on the Company's results, strategy and future outlook.

### **Events after the reporting date**

On 17 August 2021, the Company advised the ASX that its pre-tax NTA per share was \$1.895 as at 13 August 2021.

On 19 August 2021, the Board of WCM Global Growth Limited declared a final dividend of 2.5 cents per share (100% franked at the corporate tax rate of 30%). The dividend is to be paid on 30 September 2021.

Since 30 June 2021, 697,177 of the Company's listed options have been exercised, totalling \$1,045,766, and equating to 697,177 additional ordinary shares being issued in the Company.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### **Dividends paid, recommended and declared**

The final dividend for FY2020 of 2.0 cents per share (50% franked at the corporate tax rate of 30%) was paid on 30 September 2020, with a Record Date of 15 September 2020.

An interim dividend of 2.0 cents per share (100% franked at the corporate tax rate of 30%) was paid on 31 March 2021, with a Record Date of 19 March 2021.

The Company also announced a final dividend for FY2021 of 2.5 cents per share (100% franked at the corporate tax rate of 30%). The final dividend will be paid on 30 September 2021, with a Record Date of 17 September 2021.

Refer to Note 6 for further information on dividends.

### **Likely developments**

The Company will continue to pursue its operating strategy to create shareholder value by investing in companies listed on global stock exchanges.

### **Environmental regulation**

The Company's operations are not subject to any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

### **Indemnification and insurance of Directors, officers and auditors**

During the financial year, the Company paid insurance premiums insuring all the Directors and the officers which indemnifies them against any claim made against them, subject to the conditions contained within the insurance policy. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the policy terms. To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, EY, as part of the terms of their engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made by the Company to EY in this respect during or since the financial year ended 30 June 2021.

### **Proceedings on behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the Company.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

**Non-audit and other assurance services provided by auditor**

The Company's auditor is EY. Non-audit services are approved by the Audit and Risk Committee.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 16 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

	2021 \$	2020 \$
<b>Audit and review of financial reports</b>		
Company	56,000	38,918
<b>Total audit and review of financial statements</b>	<b>56,000</b>	<b>38,918</b>
<u>Non-Audit Services</u>		
Taxation advice	10,000	-
Taxation compliance advice	10,000	7,500
<b>Total non-audit services</b>	<b>20,000</b>	<b>7,500</b>
<b>Total remuneration of EY</b>	<b>76,000</b>	<b>46,418</b>

**Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

**ASX Corporate Governance Statement**

The Board of Directors of the Company is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (**CGS**) in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Company's CGS is available on the Company's website at: ([www.contango.com.au](http://www.contango.com.au)).

**Remuneration Report (Audited)**

The Directors present the Company's remuneration report for FY2021 which details the remuneration information for Directors.

The Company does not have a Remuneration or Nomination Committee. These functions are performed by the full Board.

**Remuneration Report (Audited) (continued)**

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

The amount paid to Ms Valentina Stojanovska Cal, Mr Michael Liu, Mr Stephen Merlicek and Mr Paul Rickard is fixed at a set amount each year and is not related to the performance of the Company.

The other Director, Mr. Martin Switzer, is Managing Director and Chief Executive Officer of Contango Asset Management Limited (**CAML**), the parent entity of the Company's investment manager – Contango International Management Pty Ltd (**Investment Manager**). The Company pays management fees to the Investment Manager. Mr Switzer is directly remunerated by the parent entity, CAML. The amount of fees paid by the Company to the Investment Manager was not directly linked to the remuneration paid to Mr Switzer.

A remuneration consultant has not been engaged by the Company to provide recommendations in respect of this report.

For FY2021, the amounts paid (excluding GST) as short term compensation and post-employment benefits are outlined below. Short-term compensation includes only fixed fees and post-employment benefits include only superannuation contributions.

**Directors' Remuneration****2021**

		<b>Directors' Fees</b>	<b>Superannuation</b>	
	<b>Appointment Date</b>	<b>Short-Term Compensation</b>	<b>Post-Employment Benefits</b>	<b>Total</b>
Valentina Stojanovska Cal	27 April 2017	40,000	3,800	43,800
Michael Liu	27 April 2017	30,000	_*	30,000
Stephen Merlicek	27 April 2017	30,000	2,850	32,850
Paul Rickard	27 April 2017	30,000	2,850	32,850
Martin Switzer	9 February 2017	-	-	_**
<b>TOTAL</b>		<b>130,000</b>	<b>9,500</b>	<b>139,500</b>

**2020**

		<b>Directors' Fees</b>	<b>Superannuation</b>	
	<b>Appointment Date</b>	<b>Short-Term Compensation</b>	<b>Post-Employment Benefits</b>	<b>Total</b>
Valentina Stojanovska Cal	27 April 2017	40,000	3,800	43,800
Michael Liu	27 April 2017	30,000	_*	30,000
Stephen Merlicek	27 April 2017	30,000	2,850	32,850
Paul Rickard	27 April 2017	30,000	2,850	32,850
Martin Switzer	9 February 2017	-	-	_**
<b>TOTAL</b>		<b>130,000</b>	<b>9,500</b>	<b>139,500</b>

\*Mr Liu received no superannuation under the terms of his agreement with the Company.

\*\*Mr Switzer was directly remunerated by a related party of the Company. He was not directly remunerated by the Company.

The Company does not have any paid executives. CAML remunerated Martin Switzer as a Director and executive during the financial year. The Investment Manager is appointed to provide investment management services and administrative services and is remunerated for each of these appointments as described in Notes 17 and 18 of these financial statements.

The Directors are key management personnel (**KMP**) of the Company. The Investment Manager is not classified as KMP.

**Directors' interests in shares and options**

Directors' relevant interests in ordinary shares and options of the Company are detailed below.

	Ordinary Shares			Options		
	Opening balance	Movement	30/06/2021 Holding	Opening balance	Movement	30/06/21 Holding
Valentina Stojanovska Cal	5,000	131	5,131	-	1,711	1,711
Michael Liu	20,000	596	20,596	-	6,866	6,866
Stephen Merlicek	240,000	7,154	247,154	-	82,385	82,385
Paul Rickard	150,000	4,472	154,472	-	51,491	51,491
Martin Switzer	10,000	10,299	20,299	-	6,767	6,767

All Directors' interests in shares were purchased through the initial offer of shares, as 'on-market' transactions or under the dividend reinvestment plan (**DRP**) and are not part of any component of their remuneration.

All Directors' interests in options were issued as part of the one (1) for three (3) bonus issue of options in April 2021.

There have been no movements in the Directors relevant interest in ordinary shares after year end and up to the date of this report.

In addition to these payments and as part of its normal payment of dividends on its shares the Company made payments to Directors that held shares in the Company. Dividend amounts of \$9,678 were paid to current Directors Mr Stephen Merlicek (2020: \$9,600); \$6,049 to Mr Paul Rickard (2020: \$6,000); \$807 to Mr Michael Liu (2020: \$800); \$603 to Mr Martin Switzer (2020: \$400); and \$201 was paid to Ms Valentina Stojanovska Cal (2020: \$200). All Directors participated in the DRP during FY2021. All shares issued under the DRP are reflected in the movement of Directors' relevant interests in ordinary shares above.

There were no other transactions with KMP during FY2021.

**Directors' meetings**

	Board Meetings		Audit and Risk Committee Meetings	
	Attended	Held	Attended	Held
Valentina Stojanovska Cal	7	7	2	2
Michael Liu	7	7	2	2
Paul Rickard	7	7	2	2
Stephen Merlicek	6	7	2	2
Martin Switzer	5	7	NA	NA



## Consequences of Company's performance on shareholder wealth

	2021	2020	2019	2018	2017
Revenue	\$73,390,000	\$41,634,000	\$29,480,000	\$17,788,000	(\$2,241,000)
Increase in revenue	76%	41%	66%	894%	-
Profit/(loss) before tax	\$68,673,000	\$35,224,000	\$24,360,000	\$15,592,000	(\$3,250,000)
Profit/(loss) after tax	\$48,409,000	\$24,606,000	\$16,986,000	\$10,908,000	(\$2,275,000)
Closing share price	\$1.635	\$1.245	\$1.120	\$1.075	\$1.100
Change in share price	31.3%	11.2%	4.2%	(2.3%)	n.a
Closing option price (August 2022 options)	\$0.160	n.a	n.a	n.a	n.a
Dividends paid to shareholders	\$6,978,000	\$7,006,000	-	-	-
Total remuneration of KMP	\$140,000	\$140,000	\$140,000	\$172,000	31,000

In FY2021, shareholders also benefitted from the one (1) for three (3) bonus issue of options that were issued to shareholders on 13 April 2021. The options were issued for no consideration and the closing price at 30 June 2021 was \$0.16.

End of Remuneration Report.



Valentina Stojanovska Cal  
Chairman  
Sydney  
19 August 2021



**Building a better  
working world**

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## Auditor's Independence Declaration to the Directors of WCM Global Growth Limited

As lead auditor for the audit of the financial report of WCM Global Growth Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Luke Slater  
Partner  
19 August 2021

**WCM GLOBAL GROWTH LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
for the year ended 30 June 2021**

	Notes	2021 \$'000	2020 \$'000
<b>Revenue and other income</b>			
Interest income		-	16
Dividend income		1,651	1,827
Fair value gain on financial assets at fair value through profit or loss	4	71,739	39,791
<b>Total income</b>		<b>73,390</b>	<b>41,634</b>
<b>Expenses</b>			
Investment management fees	17	3,474	2,932
Performance fee expenses	17	-	1,992
Transactions costs		110	217
Directors' remuneration	15	140	140
Business administration expenses	18	250	250
Other expenses		743	879
<b>Total expenses</b>		<b>4,717</b>	<b>6,410</b>
<b>Profit before income tax</b>		<b>68,673</b>	<b>35,224</b>
Income tax expense	5	(20,264)	(10,618)
<b>Net profit from continuing operations</b>		<b>48,409</b>	<b>24,606</b>
<b>Profit for the year</b>		<b>48,409</b>	<b>24,606</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>48,409</b>	<b>24,606</b>
<b>Earnings per share for comprehensive income to the equity holders of the parent entity:</b>			
Basic earnings per share (cents per share)	14	27.4	14.0
Diluted earnings per share (cents per share)	14	25.3	14.0

The above statement should be read in conjunction with the accompanying notes.

**WCM GLOBAL GROWTH LIMITED**

**STATEMENT OF FINANCIAL POSITION  
as at 30 June 2021**

	Notes	2021 \$'000	2020 \$'000
<b>Assets</b>			
Cash and cash equivalents	7	10,565	10,359
Trade and other receivables	8	256	345
Investments at fair value through profit or loss	9	305,149	244,685
<b>Total assets</b>		<b>315,970</b>	<b>255,389</b>
<b>Liabilities</b>			
Trade and other payables	10	366	2,582
Current tax liability	5	6,752	2,015
Deferred tax liabilities	5	32,274	18,611
<b>Total liabilities</b>		<b>39,392</b>	<b>23,208</b>
<b>Net assets</b>		<b>276,578</b>	<b>232,181</b>
<b>Equity</b>			
Issued capital	11	191,928	188,962
Dividend reserve	12(a)	87,562	46,131
Accumulated losses	12(b)	(2,912)	(2,912)
<b>Equity attributable to owners of WCM Global Growth Limited</b>		<b>276,578</b>	<b>232,181</b>

The above statement should be read in conjunction with the accompanying notes.

**WCM GLOBAL GROWTH LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2021**

	Contributed Equity \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>Balance at 30 June 2020</b>	<b>188,962</b>	<b>46,131</b>	<b>(2,912)</b>	<b>232,181</b>
Profit for the year	-	-	48,409	48,409
Total comprehensive income for the period	-	-	<b>48,409</b>	<b>48,409</b>
<b>Transactions with owners in their capacity as owners:</b>				
Transfer to the dividend reserve	-	48,409	(48,409)	-
Dividend for the year	-	(6,978)	-	(6,978)
Shares issued under dividend reinvestment plan	2,134	-	-	2,134
Options exercised net of costs	832	-	-	832
	<b>2,966</b>	<b>41,431</b>	<b>(48,409)</b>	<b>(4,012)</b>
<b>Balance as at 30 June 2021</b>	<b>191,928</b>	<b>87,562</b>	<b>(2,912)</b>	<b>276,578</b>
<b>Balance at 30 June 2019</b>	<b>145,554</b>	<b>25,203</b>	<b>(2,275)</b>	<b>168,482</b>
Profit for the year	-	-	24,606	24,606
Total comprehensive income for the period	-	-	<b>24,606</b>	<b>24,606</b>
<b>Transactions with owners in their capacity as owners:</b>				
Transfer to the dividend reserve	-	25,243	(25,243)	-
Dividend for the year	-	(4,315)	-	(4,315)
Proceeds of partial options underwriting net of costs	46,050	-	-	46,050
Costs of shares bought back	(2,642)	-	-	(2,642)
	<b>43,408</b>	<b>20,928</b>	<b>(25,243)</b>	<b>39,093</b>
<b>Balance as at 30 June 2020</b>	<b>188,962</b>	<b>46,131</b>	<b>(2,912)</b>	<b>232,181</b>

The above statement should be read in conjunction with the accompanying notes

**WCM GLOBAL GROWTH LIMITED**

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(6,688)	(5,477)
Payment for investments		(75,529)	(122,072)
Proceeds from sale of investments		87,012	83,860
Realised foreign exchange impacts		(316)	(28)
Dividends received		1,604	1,907
Interest received		-	16
Income tax paid	5(d)	(1,865)	-
<b>Net cash provided by/(used in) operating activities</b>	13(a)	<b>4,218</b>	<b>(41,794)</b>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of options net of costs	11(b)	832	-
Proceeds from partial options underwriting net of underwriting costs		-	46,050
On market buyback of shares		-	(2,641)
Dividends paid net of dividends reinvested		(4,844)	(7,006)
<b>Net cash (used in)/provided by financing activities</b>		<b>(4,012)</b>	<b>36,403</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>206</b>	<b>(5,391)</b>
Cash and cash equivalents at the beginning of the year		10,359	15,750
<b>Cash and cash equivalents at the end of the year</b>	13(b)	<b>10,565</b>	<b>10,359</b>

The above statement should be read in conjunction with the accompanying notes.

**Table of Contents**

NOTE 1:	Statement of significant accounting policies	20
NOTE 2:	Significant accounting estimates and judgements	23
NOTE 3:	Financial risk management	23
NOTE 4:	Fair value gain/(loss) on financial assets at fair value through profit and loss	28
NOTE 5:	Income tax	29
NOTE 6:	Dividends	29
NOTE 7:	Cash and cash equivalents	29
NOTE 8:	Trade and other receivables	29
NOTE 9:	Investments at fair value through profit or loss	30
NOTE 10:	Trade and other payables	30
NOTE 11:	Issued capital	30
NOTE 12:	Reserves and accumulated losses	31
NOTE 13:	Cash flow information	32
NOTE 14:	Earnings per share	32
NOTE 15:	Directors' remuneration	32
NOTE 16:	Auditor's remuneration	33
NOTE 17:	Investment manager	33
NOTE 18:	Related party disclosures	33
NOTE 19:	Segment information	34
NOTE 20:	Commitments	34
NOTE 21:	Contingencies	34
NOTE 22:	Subsequent events	34

**WCM GLOBAL GROWTH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**NOTE 1: Statement of significant accounting policies**

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the activities of WCM Global Growth Limited. The Company is limited by shares, incorporated and domiciled in Australia. The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 19 August 2021.

*Compliance with IFRS*

The financial statements of WCM Global Growth Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*Historical cost convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The Statement of Financial Position has been presented in order of liquidity. The financial report is presented in Australian Dollars which is the functional currency of the Company.

*Critical accounting estimates*

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

**(b) Accounting for profits and losses**

At the conclusion of each calendar month, the Company records profits earned to Retained Earnings with the intention of transferring undistributed Retained Earnings to a Dividend Reserve subject to Board approval. Losses incurred at the end of each calendar month must be recouped before a transfer to the Dividend Reserve can occur. Losses incurred at the end of each financial year are transferred to Accumulated Losses. The above process enables the Directors to declare or determine to pay dividends from the Dividend Reserve to shareholders at a future date.

**(c) Going concern**

The financial report has been prepared on a going concern basis.

**(d) Revenue**

Dividend income is recognised on the ex-dividend date with any related withholding tax recorded as an expense.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method for all financial instruments that are not held at fair value through profit or loss.

Net gains/(losses) on financial assets and financial liabilities held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend income.

All revenue is stated net of the amount of goods and services tax (**GST**).

**(e) Expenses**

All expenses, including investment management fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.



**NOTE 1: Statement of significant accounting policies (continued)**

**(f) Trade and other receivables**

Trade and other receivables may include amounts for dividends, interest and amounts due from brokers. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 1 (d) above. Trade and other receivables also include such items as Reduced Input Tax Credits ("**RITC**").

**(g) Trade and other payables**

Trade and other payables are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Payables include liabilities, amounts due to brokers and accrued expenses owed by the Company which are unpaid as at the end of the reporting period.

**(h) Foreign currency transactions**

Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The differences arising from these foreign currency translations are recognised in profit/(loss) on the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

**(i) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

**(j) Income tax**

Current income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

*Deferred tax balances*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**(k) New standards adopted as at 1 July 2020**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

**NOTE 1: Statement of significant accounting policies (continued)**

**(I) Financial instruments**

*(i) Classification and measurement*

**Financial assets**

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

For equity securities, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss. The Company's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate the information about these financial assets on a fair value basis together with other related financial information.

A financial asset is measured at amortised cost only if both of the following conditions are met:

- the asset is held with a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using effective interest rate (EIR) method and are subject to impairment.

**Financial liabilities**

Financial liabilities continue to be measured at either amortised cost or fair value through profit or loss.

*(ii) Recognition/derecognition*

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets and financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all the risks and rewards of ownership.

*(iii) Impairment*

Impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. In order to determine whether there has been a significant increase in credit risk since initial recognition, the entity compares the risk of default as at the reporting date with risk of default as at initial recognition using reasonable and supportable data, unless the financial asset is determined to have low credit risk at the reporting date.

For trade and other receivables, the simplified approach is used, which requires recognition of a loss allowance based on the lifetime expected credit losses. As a practical expedient, the Company uses a provision matrix based on historical information and adjusted for forward-looking estimates in order to determine the lifetime expected credit losses.

Any change in expected credit losses between the previous reporting period and the current reporting period is recognised as an impairment gain or loss in profit or loss. There is no impairment during the year and as at 30 June 2021 (June 2020: Nil).

**NOTE 1: Statement of significant accounting policies (continued)**

**(m) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(n) Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report and in the interim condensed financial statements have been rounded to the nearest thousand dollars (\$000's), or in certain cases, to the nearest dollar (where indicated).

**(o) Standards issued but not effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. The Directors have assessed that the implementation of these standards does not have a material impact on the financial report for the current and future reporting periods.

**NOTE 2: Significant accounting estimates and judgements**

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

**(a) Income tax**

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

**(b) Fair value measurements**

Certain financial assets and liabilities are measured at fair value. Fair values have been determined in accordance with fair value measurement hierarchy. Refer to Note 3 for the details of the fair value measure key assumptions and inputs.

**NOTE 3: Financial risk management**

**(a) Objectives, strategies, policies and processes**

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and risk relating to fair value.

The Company's overall risk management programme focuses on ensuring compliance with the Company's investment management agreement (**IMA**) and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Company.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and price risks, and ratings analysis for credit risk.

**NOTE 3: Financial risk management (continued)****(b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk and currency risk. Market risk is managed and monitored using sensitivity analysis and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The sensitivity of the Company's equity and profit/(loss) before income tax to price risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

Once the Investment Manager determines that an investment may be affected by a reasonably possible movement, the effect of this movement on the Company's equity and profit/(loss) is monitored.

*(i) Price risk*

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk exposure arises from the Company's investment portfolio. The investments are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Company's overall market positions are monitored on a daily basis by the Company's Investment Manager and are reviewed on a monthly basis by the Board of Directors.

The Company's net assets include investments in equity securities.

At 30 June 2021, the overall market exposures were as follows:

	2021 \$'000	2020 \$'000
Securities designated at fair value through profit or loss	<b>305,149</b>	244,685

At 30 June 2021, the Company's market risk is affected by changes in market prices. If the exposure of financial assets and liabilities had increased by 10% with all other variables held constant, this would have increased net assets attributable to shareholders and net profit after tax by approximately \$21,360,000 (2020: \$17,128,000). Conversely, if the exposure of financial assets and liabilities at 30 June 2021 had decreased by 10% with all other variables held constant, this would have decreased net assets attributable to shareholders and net profit after tax by approximately \$21,360,000 (2020: \$17,128,000).

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company has established limits on investments in interest bearing assets, which are monitored on a daily basis.

In accordance with the Company's policy, the Company monitors the Company's overall interest sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis. Compliance with the Company's policy is reported to the Board on a monthly basis.

**NOTE 3: Financial risk management (continued)****(b) Market risk (continued)***(ii) Interest rate risk (continued)*

At 30 June 2021, cash and cash equivalents to the value of \$10,565,000 (2020: \$10,359,000) are the only financial instrument subject to interest rate risk. The Company is not subject to significant amounts of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

*(iii) Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities and other investments that are denominated in foreign currencies and other assets and liabilities denominated in foreign currencies recorded in the normal course of business.

The table below demonstrates the impact of a reasonably possible 5% movement in currency rate as at the end of each reporting period for non-hedged foreign currency denominated securities and cash.

Currency	Change in Currency Rate %	Effect on Total Comprehensive Income for the Year (\$'000)			
		2021		2020	
USD	5/(5)	7,944	(7,944)	7,380	(7,380)
EUR	5/(5)	1,099	(1,099)	419	(419)
HKD	5/(5)	897	(897)	500	(500)
JPY	5/(5)	214	(214)	221	(221)
BRL	5/(5)	202	(202)	-	-
SEK	5/(5)	469	(469)	200	(200)
CHF	5/(5)	158	(158)	155	(155)
CAD	5/(5)	1	(1)	1	(1)

Foreign currency exposure related to non-hedged monetary items is made up predominantly of US Dollar cash deposits which are held at call with a major financial institution. The above analysis calculates the effect of a reasonably possible movement in the currencies disclosed above against the Australian Dollar on the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position.

Notwithstanding that investments in non-monetary items do not give rise to currency risk under the accounting standards, the Company monitors its exposure to each currency both monetary and non-monetary financial instruments as a percentage of portfolio assets in order to ensure that its risk to adverse currency movements remains within its mandate limits.

The table below sets out the Company's exposures to foreign exchange rates at the reporting date:

Currency	% Portfolio Assets	
	2021	2020
USD	72	83
EUR	10	5
HKD	8	6
JPY	2	2
BRL	2	-
SEK	4	2
CHF	1	2
AUD	1	-

**NOTE 3: Financial risk management (continued)****(c) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

The Investment Manager manages credit risk by diversifying the exposure among counterparties and operating in liquid markets. The Company does not have any significant concentration of credit risk on an industry basis. Deposits are held with AA- rated institutions.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Company holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired or would otherwise be past due or impaired as at reporting date and no amounts have been written off in the period.

**(d) Liquidity risk**

Liquidity risk is the risk that a Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

The Company may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Company may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer. No such investments were held at the Statement of Financial Position date.

In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a daily basis, and the Board reviews it on a quarterly basis.

*Maturity analysis for financial liabilities*

The table below analyses the Company's financial liabilities, excluding gross settled derivative financial liabilities, into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	1-3 months	3-12 months	12-60 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 30 June 2021</b>					
Payables	366	-	-	-	366
<b>Total financial liabilities</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366</b>
	Less than 1 month	1-3 months	3-12 months	12-60 months	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 30 June 2020</b>					
Payables	2,582	-	-	-	2,582
<b>Total financial liabilities</b>	<b>2,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,582</b>

**NOTE 3: Financial risk management (continued)****(e) Fair values of financial assets and financial liabilities**

The amounts of the Company's investments in the Statement of Financial Position are carried at fair value.

For the year ended 30 June 2021, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques (2020: \$Nil). The fair values of the Company's investments at fair value through profit or loss for the years then ended were determined directly, in full, by reference to quoted prices from the relevant overseas securities exchanges. The quoted market price used for financial assets and liabilities held by the Company is the current close price. Financial assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Company held \$305,149,000 Level 1 listed equity securities as at 30 June 2021 (2020: \$244,685,000). For all other financial assets and liabilities, the carrying value is an approximation of fair value, including cash and cash equivalents, trade and other receivables and trade and other payables due to their short-term nature.

**NOTE 4: Fair value gain/(loss) on financial assets at fair value through profit and loss**

	2021 \$'000	2020 \$'000
<b>Fair value gain/(loss) on financial assets through profit and loss comprises:</b>		
Realised and unrealised gains on portfolio investments	71,946	39,819
Realised and unrealised (losses)/gains on foreign exchange losses	(207)	(28)
<b>Total fair value gain on financial assets through profit and loss</b>	<b>71,739</b>	<b>39,791</b>

**NOTE 5: Income tax****(a) Components of tax expense/(benefit)**

	2021 \$'000	2020 \$'000
Current tax	6,752	2,015
Deferred tax	13,512	8,603
Total income tax expense	20,264	10,618

**(b) Prima facie tax payable**

Profit before tax from continuing operations	68,673	35,224
Total profit before income tax	68,673	35,224
Prima facie income tax benefit on profit before income tax at 30%	20,602	10,567

Add/(less) tax effect of:

Under provision from prior year	(338)	51
Income tax expense attributable to profit	20,264	10,618

**(c) Deferred tax***Deferred tax assets*

The balance relates to:

Balance for accruals	-	26
Balance for capital raising costs	58	239
	58	265

*Deferred tax liabilities*

Financial assets at fair value through profit or loss	(32,282)	(18,839)
Balance for accruals	(50)	(37)
	(32,332)	(18,876)

Net deferred tax liabilities

	(32,274)	(18,611)
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**(d) Income tax expense comprises**

Decrease in deferred tax assets	207	569
Increase in deferred tax liabilities	13,455	8,034
Increase in current tax liabilities	4,737	2,015
Income tax paid during the financial year	1,865	-
	20,264	10,618

**(e) Deferred income tax expense charged to equity**

Deferred income tax related to items charged directly to equity

Increase in deferred tax assets	-	-
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**WCM GLOBAL GROWTH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 6: Dividends**

**Year ended 30 June 2021**

	<b>Dividend (cents per share)</b>	<b>Total amount</b>	<b>% franked<sup>1</sup></b>	<b>Date of payment</b>
2020 Final Dividend	2.0	3,480,229	50%	30/09/2020
2021 Interim Dividend	2.0	3,497,905	100%	31/03/2021
<b>Dividends paid</b>		<b>6,978,134</b>		

**Year ended 30 June 2020**

	<b>Dividend (cents per share)</b>	<b>Total amount</b>	<b>% franked<sup>1</sup></b>	<b>Date of payment</b>
2019 Final Dividend	2.0	3,526,150	0%	16/08/2019
2020 Interim Dividend	2.0	3,480,229	0%	31/03/2020
<b>Dividends paid</b>		<b>7,006,379</b>		

<sup>1</sup> At the corporate tax rate of 30%.

On 19 August 2021, the Board of WCM Global Growth Limited declared a final dividend of 2.5 cents per share (100% franked at the corporate tax rate of 30%). The dividend is to be paid on 30 September 2021. The final dividend was declared subsequent to 30 June 2021 and therefore the total amount of the dividend of \$4,405,547 (based on total shares on issue as at 30 June 2021) is not recognised as a liability at 30 June 2021.

The 2019 Final Dividend above of \$3,526,150 includes \$2,691,414 that was accrued as at 30 June 2019 but paid during the year ended 30 June 2020.

**Franking account balance**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of the financial year	<b>2,015</b>	-
Under provision from prior year	<b>(152)</b>	-
Current tax accrued	<b>6,752</b>	2,015
Franking credits on dividends paid	<b>(2,245)</b>	-
<b>Total franking account balance</b>	<b>6,370</b>	2,015

The Company's ability to continue to pay franked dividends is primarily dependent upon the payment of income tax on an annual basis.

**NOTE 7: Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on deposit	<b>10,565</b>	10,359

**NOTE 8: Trade and other receivables**

	<b>169</b>	<b>122</b>
	<b>87</b>	<b>223</b>
<b>Total trade and other receivables</b>	<b>256</b>	345

**WCM GLOBAL GROWTH LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 9: Investments at fair value through profit and loss**

Financial assets at fair value through profit and loss	2021 \$'000	2020 \$'000
Shares in listed entities	305,149	244,685
<b>Investments at fair value through profit and loss</b>	<b>305,149</b>	<b>244,685</b>

**NOTE 10: Trade and other payables**

Other payables	366	2,582
<b>Total trade and other payables</b>	<b>366</b>	<b>2,582</b>

**NOTE 11: Issued capital**

(a) Shares on issue	2021 \$'000	2020 \$'000
Ordinary shares fully paid	191,928	188,962

**(b) Movement in ordinary share capital**

	2021 No. of Shares	2020 No. of Shares	2021 \$'000	2020 \$'000
Beginning of the financial year	174,011,470	134,570,678	188,962	145,554
Movements during the year:				
Shares bought back on market	-	(2,431,695)	-	(2,642)
Options exercised net of costs	619,355	-	832	-
Shares issued pursuant to options underwriting net of costs	-	41,872,487	-	46,050
Shares issued under dividend reinvestment plan	1,591,049	-	2,134	-
<b>End of the financial year</b>	<b>176,221,874</b>	<b>174,011,470</b>	<b>191,928</b>	<b>188,962</b>

**(c) Rights of each type of share**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share gives entitlement to one vote when a poll is called.

**(d) Options and options underwriting**

On 17 February 2021, the Board of WQG resolved to issue bonus loyalty options (**Options**).

These Options were issued on a one (1) for three (3) basis and allow holders to subscribe for new shares in the Company at a fixed exercise price of \$1.50 per share. The Options are exercisable at any time until 31 August 2022. The Options were listed on the ASX under the code WQGOA.

As at 30 June 2021, 619,355 options have been exercised, totalling \$929,033 (excluding costs), and 619,355 additional ordinary shares have been issued in the Company.

There were 57,880,698 options on issue as at 30 June 2021 (2020: Nil). Assuming the exercise of all of the Company's August 2022 Options, the Company's fully diluted issued capital would be 234,102,572 shares.

For the year ended 30 June 2020, there were no options on issue. However, on 25 June 2019, the Company entered into an underwriting agreement with respect to unexercised options which expired on 24 June 2019. Pursuant to the underwriting agreement, the Company issued 41,872,487 shares at an issue price of \$1.10 per share on 3 July 2019.

**NOTE 11: Issued capital (continued)****(d) Options exercise and options underwriting (continued)**

Under the underwriting agreement of the options shortfall, the parent entity of the Investment Manager Contango Asset Management Limited entered into an agreement to reimburse the Company for all costs associated with the underwriting exercise which totalled \$1,212,000.

**(e) Capital management**

The Board of Directors is committed to prudent capital management and a conservative approach to protect shareholder value in all market conditions. The Company is not subject to any externally imposed capital requirements.

The Company's capital consists of issued capital, retained earnings/accumulated losses and a dividend reserve to preserve the Company's capacity to pay future dividends as per the dividend policy.

The Company recognises that market prices will fluctuate in accordance with market conditions which will impact on the capital position of the Company. To adjust the Company's capital structure, the Company may issue new shares or options from time to time, buy-back its own shares or vary the amount of dividends paid to shareholders.

On 13 April 2021 the Company issued bonus options to shareholders (refer to Note 11(d)).

On 25 June 2021 the Company announced an extension to the Company's on-market buy-back programme until 26 June 2022. No shares were purchased under the buy-back during the year ended 30 June 2021.

**NOTE 12: Reserves and accumulated losses**

	2021 \$'000	2020 \$'000
<b>(a) Dividend reserve</b>		
Balance at the beginning of the year	46,131	25,203
Transfer from accumulated losses	48,409	25,243
Dividend for the year	(6,978)	(4,315)
<b>Balance at end of year</b>	<b>87,562</b>	<b>46,131</b>
	2021 \$'000	2020 \$'000
<b>(b) Retained earnings/(accumulated Losses)</b>		
Balance at the beginning of the year	(2,912)	(2,275)
Profit for the year	48,409	24,606
Transfer to dividend reserve	(48,409)	(25,243)
<b>Balance at end of year</b>	<b>(2,912)</b>	<b>(2,912)</b>

**NOTE 13: Cash flow information****(a) Reconciliation of cash flow from operations with profit after income tax**

	2021 \$'000	2020 \$'000
Profit from ordinary activities after income tax	48,409	24,606
<b>Change in assets and liabilities:</b>		
Increase in receivables	89	73
Decrease in payables	(2,215)	(9,812)
Increase in financial assets at fair value	(60,464)	(67,279)
Decrease in current and deferred taxes attributable to operations	20,264	10,618
Increase in income tax paid	(1,865)	-
<b>Net cash from/(used in) operating activities</b>	<b>4,218</b>	<b>(41,794)</b>

**(b) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank and on deposit	10,565	10,359
<b>Closing cash balance</b>	<b>10,565</b>	<b>10,359</b>

**NOTE 14: Earnings per share**

	2021 \$'000	2020 \$'000
Reconciliation of earnings used in calculating earnings per share		
Profit from continuing operations	48,409	24,606
Profit used in calculating basic earnings per share	48,409	24,606
<b>Earnings used in calculating diluted earnings per share</b>	<b>48,409</b>	<b>24,606</b>

	2021 No. of Shares	2020 No. of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	176,803,396	176,212,026
Weighted average number of ordinary shares used in calculating diluted earnings per share	191,276,200	176,212,026
Basic earnings per share (cents per share)	27.4	14.0
Diluted earnings per share (cents per share)	25.3	14.0

**NOTE 15: Directors' remuneration**

	2021 \$	2020 \$
<b>Compensation by category</b>		
Short-term employment benefits	130,000	130,000
Post-employment benefits	9,500	9,500
<b>Total directors' remuneration</b>	<b>139,500</b>	<b>139,500</b>

**NOTE 16: Auditor's remuneration**

	2021 \$	2020 \$
<b>Audit and review of financial reports</b>		
Company	56,000	38,918
<b>Total audit and review of financial statements</b>	56,000	38,918
<b>Non-Audit Services</b>		
Taxation advice	10,000	-
Taxation compliance advice	10,000	7,500
<b>Total non-audit services</b>	20,000	7,500
<b>Total remuneration of EY</b>	76,000	46,418

**NOTE 17: Investment manager**

The Company has appointed Contango International Management Pty Limited as the investment manager (**Investment Manager**), pursuant to an Investment Management Agreement.

The Investment Manager has appointed WCM Investment Management as its adviser in respect of the Company's portfolio and the Investment Manager pays on fees under the Investment Management Agreement to WCM Investment Management. The Company is not required to pay any fees to WCM Investment Management.

The Investment Manager is entitled to a management fee of 1.25% per annum (excluding GST) of the Company's portfolio value.

The Company has agreed to pay the Investment Manager a performance fee equal to 10% (excluding GST) of the portfolio's outperformance relative to the "Total Hurdle Amount" being the initial portfolio value adjusted for the benchmark return (being the MSCI All Country World Index ex-Australia with gross dividends reinvested reported in Australian Dollars and unhedged) plus the management fee over each final year subject to full recoupment of any prior year underperformance. The maximum performance fee payable in any financial year is capped at 0.75% of the closing market value of the portfolio in each financial year.

During the 2021 financial year, the Company paid management fees of \$3,474,000 (excluding GST) to the Investment Manager (2020: \$2,932,000) and paid performance fees of \$Nil (excluding GST) to the Investment Advisor (2020: \$1,992,000). As at 30 June 2021, the management fee payable is \$335,000 (2020: \$289,000) and performance fee payable is \$Nil (2020: \$2,103,000).

**NOTE 18: Related party disclosures**

All transactions with related entities are made on commercial and arms-length terms.

The Investment Manager is a related party of the Company by reason that their respective Boards have common Directors. The Company and the Investment Manager have entered into an Investment Management Agreement and Shared Services Agreement, which have each been negotiated on arm's length terms. During the year ended 30 June 2021, the Investment Manager did not hold any shares in the Company (2020: Nil). During the financial year, the Company paid \$250,000 (excluding GST) in fees under the Shared Services Agreement (2020: \$250,000). As at 30 June 2021, the fee payable is \$Nil (2020: \$Nil). The investment management fees paid are detailed in Note 17 above.

In addition to these payments and as part of its normal payment of dividends on its shares, the Company made payments to Directors that held shares in WCM Global Growth Limited. Dividend amounts of \$9,678 were paid to current Directors Mr Stephen Merlicek (2020: \$9,600); \$6,049 to Mr Paul Rickard (2020: \$6,000); \$807 to Mr Michael Liu (2020: \$800); \$603 to Mr Martin Switzer (2020: \$400); and \$201 was paid to Ms Valentina Stojanovska Cal (2020: \$200). All of the Directors participated in the DRP for the year ended 30 June 2021 (2020: not applicable as the DRP had not been implemented).

For the final dividend for the year ended 30 June 2020, the Investment Manager offered WQG shareholders a one-time DRP participation incentive. The total amount paid to the Company from the Investment Manager was \$32,751.

**NOTE 18: Related party disclosures (continued)**

As at 30 June 2021 there were no amounts receivable from the parent entity of the Investment Manager, Contango Asset Management Limited (**CGA**) (30 June 2020: Nil). For the year ended 30 June 2020, \$1,212,000 was received from CGA for reimbursement of options underwriting costs incurred under an underwriting agreement (refer to Note 11(d)).

**NOTE 19: Segment information**

The Company operates solely in the business of investment in companies listed on global share markets. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The CODM has been identified as the Board of Directors.

**NOTE 20: Commitments**

As at 30 June 2021, the Company had no commitments (2020: \$Nil).

**NOTE 21: Contingencies**

As at 30 June 2021, the Company had no contingent liabilities (2020: \$Nil).

**NOTE 22: Subsequent events**

On 17 August 2021, the Company advised the ASX that its pre-tax NTA per share was \$1.895 as at 13 August 2021.

On 19 August 2021, the Board of WCM Global Growth Limited declared a final dividend of 2.5 cents per share (100% franked). The dividend is to be paid on 30 September 2021.

Since 30 June 2021, 697,177 of the Company's listed options have been exercised, totalling \$1,045,766, and equating to 697,177 additional ordinary shares being issued in the Company.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**DIRECTORS' DECLARATION**  
**for the year 30 June 2021**

**Directors' Declaration**

In accordance with a resolution of the Directors of WCM Global Growth Limited (the **Company**), I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
  - (ii) complying with International Financial Reporting Standards and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**Valentina Stojanovska Cal**  
Chairman  
Sydney  
19 August 2021

## Independent Auditor's Report to the Members of WCM Global Growth Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of WCM Global Growth Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



#### Key audit matter

#### How our audit addressed the key audit matter

##### Existence and valuation of the investment portfolio

WCM Global Growth Limited's investment portfolio as at 30 June 2021 includes listed offshore equities.

Investment valuation and existence was a key audit matter as the investment balance of \$305,148,769 represents 97% of total assets.

As detailed in the Company's accounting policy, described in Note 2(b) of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.

Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter.

We assessed the effectiveness of controls relating to the recognition and valuation of investments.

We obtained and considered the assurance report on the controls of the Company's administrator and custodian in relation to the fund administration and custody services for the year ended 30 June 2021 and considered the auditor's qualifications, competence and objectivity and the results of their procedures.

We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2021.

We assessed the fair value of all investments in the portfolio held at 30 June 2021. For listed securities, the values were verified against independently sourced market prices.

We assessed the adequacy of the disclosures in Note 4 and Note 9 of the financial report.

#### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Audit of the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 11 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of WCM Global Growth Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

A handwritten signature in black ink that reads 'Luke Slater'.

Luke Slater

Partner

Melbourne

19 August 2021

## **WCM GLOBAL GROWTH LIMITED**

### **COMPANY PARTICULARS for the year ended 30 June 2021**

The Company was incorporated as a limited liability company in Victoria on 9 February 2018. The Company is a Listed Investment Company with its securities listed only on the Australian Securities Exchange.

#### **Registered office**

Level 6  
10 Spring Street  
Sydney NSW 2000  
Telephone +61 2 9048 7888

#### **Directors**

Valentina Stojanovska Cal (Chairman)  
Michael Liu  
Stephen Merlicek  
Paul Rickard  
Martin Switzer

#### **Company secretary**

Kristy Do (appointed 12 July 2021)  
Anthony Rule

#### **Auditor**

EY  
8 Exhibition Street  
Melbourne Victoria 3000

#### **Investment custodian**

National Australia Bank Limited  
500 Bourke Street  
Melbourne VIC 3000

#### **Share registrar**

Link Market Services  
Level 12  
680 George Street  
Sydney NSW 2000  
Telephone 1300 554 474

**WCM GLOBAL GROWTH LIMITED****ADDITIONAL INFORMATION FOR LISTED COMPANIES  
for the year ended 30 June 2021****A. SECURITY HOLDINGS DATA****Top 20 registered share holders**

As at 31 July 2021 the 20 largest holders of the Company's ordinary shares are listed below:

Rank	Registered Holder	Ordinary shares	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,272,674	16.60
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,792,567	4.42
3	KALART PTY LTD	2,800,000	1.59
4	ROMEOMIKE ENTERPRISES PTY LTD	2,600,000	1.47
5	NATIONAL NOMINEES LIMITED	2,297,283	1.30
6	MAGELLAN EQUITIES PTY LIMITED	1,862,560	1.06
7	TRUEBELL CAPITAL PTY LTD	1,550,000	0.88
8	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,217,483	0.69
9	NETWEALTH INVESTMENTS LIMITED	877,774	0.50
10	KEISER SHIPPING & TRANSPORT PTY LTD	877,613	0.50
11	PABASA PTY LTD	783,474	0.44
12	DAVID PERRY INVESTMENTS PTY LTD	780,299	0.44
13	ORRY INVESTMENTS PTY LTD	725,000	0.41
14	SALMO PTY LTD	586,365	0.33
15	BLIND WELFARE PTY LTD	542,593	0.31
16	MR GORDON BRUCE COWARD & MRS ANNETTE MAREE COWARD	530,252	0.30
17	MR MATTHEW CURZON ALLEN & MRS ELIZABETH JANE ALLEN	506,667	0.29
18	DAVID OGG & ASSOCIATES PTY LTD	494,309	0.28
19	FORTY FIFTH DECBARB PTY LTD	487,220	0.28
20	ROSE AMAZINGNESS PTY LTD	485,000	0.28
		<b>57,069,133</b>	<b>32.36</b>

**Distribution of shareholdings**

At 31 July 2021 there were 3,966 holdings of ordinary shares. These holdings were distributed as follows:

Category	Share holdings	Ordinary shares held
1 to 1,000	227	103,156
1,001 to 5,000	539	1,678,754
5,001 to 10,000	604	4,724,082
10,001 to 100,000	2,381	78,233,031
100,001 and over	215	91,600,819
<b>Total</b>	<b>3,966</b>	<b>176,339,842</b>
<b>Average holding size</b>	<b>44,463</b>	

There were 68 ordinary share holdings of less than a marketable parcel of \$500 (305 shares).

**Substantial shareholders**

The number of substantial shareholders of the Company's ordinary shares are listed below:

	Ordinary shares	%
Investment Administration Services Pty Ltd	20,768,632	11.44

**WCM GLOBAL GROWTH LIMITED****ADDITIONAL INFORMATION FOR LISTED COMPANIES  
for the year ended 30 June 2021****Top 20 registered option holders**

As at 31 July 2021 the 20 largest holders of the Company's options are listed below:

Rank	Registered Holder	Options	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,384,496	17.98
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,365,232	4.09
3	ROMEOMIKE ENTERPRISES PTY LTD	1,087,511	1.88
4	TRUEBELL CAPITAL PTY LTD	1,082,311	1.87
5	KALART PTY LTD	952,671	1.65
6	NATIONAL NOMINEES LIMITED	815,761	1.41
7	INVESTMENT MANAGEMENT CO PTY LTD	422,242	0.73
8	PABASA PTY LTD	361,158	0.63
9	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	305,265	0.53
10	KEISER SHIPPING & TRANSPORT PTY LTD	292,538	0.51
11	NETWEALTH INVESTMENTS LIMITED	275,859	0.48
12	FORTY FIFTH DECBARB PTY LTD	257,172	0.45
13	ORRY INVESTMENTS PTY LTD	241,667	0.42
14	PRINCEHORN SUPERANNUATION FUND PTY LTD	203,553	0.35
15	SALMO PTY LTD	195,455	0.34
16	MR ROBERT JOHN HUNT & MRS SUSAN HELEN HUNT	181,334	0.31
17	BLIND WELFARE PTY LTD	180,865	0.31
18	LORNETTE PTY LTD	178,334	0.31
19	MR COLIN BERNASCONI	177,134	0.31
20	MR GORDON BRUCE COWARD & MRS ANNETTE MAREE COWARD	176,751	0.31
		<b>20,137,309</b>	<b>34.86</b>

**Distribution of option holders**

At 31 July 2021 there were 3,477 holdings of options. These holdings were distributed as follows:

Category	Option holdings	Options held
1 to 1,000	420	175,112
1,001 to 5,000	1,078	3,069,731
5,001 to 10,000	870	6,357,086
10,001 to 100,000	1,059	24,037,264
100,001 and over	50	24,123,537
<b>Total</b>	<b>3,477</b>	<b>57,762,730</b>
<b>Average holding size</b>	<b>2,658</b>	

**WCM GLOBAL GROWTH LIMITED****ADDITIONAL INFORMATION FOR LISTED COMPANIES  
for the year ended 30 June 2021****B. INVESTMENTS AND TRANSACTIONS**

As at 31 July 2021, the Company held investments in the following companies:

Ticker/Ccy	Stock Name	Ticker/Ccy	Stock Name
ADYE/NLG	ADYEN NV /WI	MAGA/BRE	MAGAZINE LUIZA SA
AIA/HKD	AIA GROUP LIMITED	MELI/USD	MERCADOLIBRE INC
ALCO/CHF	ALCON INC	MTD/USD	METTLER-TOLEDO INTERNATIONAL INC
APH/USD	AMPHENOL CORPORATION CLASS A COM STK USD 0-01	MXB/USD	MSCI INCORPORATED
ATLA/SEK	ATLAS COPCO AB-A SHS	NIK/USD	NIKE INC CLASS B
CHD/USD	CHURCH & DWIGHT CO INC	ODFL/USD	OLD DOMINION FREIGHT LINE INC
COS/USD	COSTCO WHOLESALE CORP NEW	PNO/FR	PERNOD RICARD SA
ENTG/USD	ENTEGRIS INC	PRCR/USD	PROCORE TECHNOLOGIES INC
EVOG/SEK	EVOLUTION AB	SERN/USD	SERVICENOW INC
FER1/ITL	FERRARI NV	SHPF/USD	SHOPIFY INC - CLASS A
FICX/USD	FAIR ISAAC CORPORATION	SHW/USD	SHERWIN WILLIAMS
FRCB/USD	FIRST REPUBLIC BANK SAN FRAN	SYK/USD	STRYKER CORPORATION
GGG/USD	GRACO INC	SYP/USD	SYNOPSYS INC
HDB/USD	HDFC BANK LTD ADR	TEHL/HKD	TENCENT HOLDINGS LTD
HEIA/USD	HEICO CORP-CLASS A	THE/USD	THERMO FISHER SCIENTIFIC INC
KEY/JPY	KEYENCE CORPORATION	TWS/USD	TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD - SP ADR
LRCX.O	LAM RESEARCH ORD	VISA/USD	VISA INCORPORATED CLASS A SHARES
LOU/FR	LVMH MOET HENNESSY VUITTON SE	WSTP/USD	WEST PHARMACEUTICAL SERVICES
LULU/USD	LULULEMON ATHLETICA INCORPORATED	WUXB/HKD	WUXI BIOLOGICS CAYMAN INC

**C. TRANSACTION DATA**

Over the financial period ended 30 June 2021, the Company executed 326 purchase transactions and 64 sale transactions all of which were in listed securities. The total brokerage paid or accrued during this period was \$110,000.