

WAM Global announces Bonus Issue of Options to all shareholders

10 February 2021
ASX announcement

The WAM Global Limited (ASX: WGB) Board of Directors today announces a one-for-one Bonus Option Issue to all shareholders of the Company, at no additional cost.

Each WAM Global Option provides holders with the opportunity, but not the requirement, to purchase one additional WAM Global share for \$2.54 per Option, without paying brokerage fees. The Options can be exercised at any time, up until they expire on 12 September 2022. Shares issued on Options exercised on or before 26 May 2021 will also receive the fully franked interim dividend of 5.0 cents per share, which represents an annualised fully franked dividend yield of 3.9% and a grossed-up dividend yield of 5.6%* on the exercise price of \$2.54 per Option.

Chairman Geoff Wilson AO said: "Approaching the third anniversary of WAM Global's listing on the ASX, we are pleased that we have delivered shareholders diversified global equity exposure, solid investment portfolio performance and increased fully franked dividends, while closing the share price discount to net tangible assets. We are excited by the opportunity to significantly grow the Company's assets to the benefit of all shareholders."

The investment portfolio currently holds 4.4%[†] in cash and the investment team sees significant opportunities that fit the WAM Global investment process. Lead Portfolio Manager Catriona Burns and the team discussed their positive outlook and a selection of undervalued global growth companies during the [WAM Global Interim Results Webinar](#) on 4 February 2021.

The primary purpose of the Bonus Option Issue is to equitably and efficiently grow the Company's assets, increase its relevance in the market, improve the prospect of broker and research coverage, and gain additional interest from financial planners. The increased size is also expected to reduce the fixed expense ratio of the Company for shareholders.

The Options will trade on the ASX under the code WGB0 from 15 March 2021. WAM Global's share registry, Boardroom Pty Limited, will email Option Exercise Forms on 15 March 2021, to eligible shareholders who have elected to receive communication via email to their email addresses on the share register, this email will be sent from companies@boardroomlimited.com.au. Printed copies will be mailed only to those shareholders who elected to receive communication via mail. If you would like to change your communication preferences, please contact Boardroom directly on 1300 420 372 or wilsonam@boardroomlimited.com.au. WAM Global will trade ex-bonus Option entitlement on 10 March 2021.

The record date to determine entitlements under the Bonus Option Issue is 11 March 2021.

We have attached a [factsheet](#) that explains how options work. Please call Corporate Affairs Advisor Olivia Harris on (02) 9247 6755 or email info@wilsonassetmanagement.com.au with any questions about the Bonus Option Issue.

Financial year to 31 December 2020

Investment portfolio performance[^]

15.5%

Investment portfolio outperformance[^]

+5.8%

Fully franked interim dividend

5.0cps

Annualised fully franked interim dividend yield^{^^}

3.9%

Profits reserve

43.0cps

Dividend coverage[#]

4.3 years

Exercise price

\$2.54

Share price^{^^}

\$2.54

[^]Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

[†]Cash holdings as at 9 February 2021.

[†]Investment portfolio performance and index returns are before expenses, fees and taxes.

[†]Based on the 9 February 2021 share price of \$2.54 per share.

[#]Dividend coverage is based on the profits reserve of 43.0 cents per share as at 31 December 2020 and before the fully franked interim dividend of 5.0 cents per share.

Indicative timetable

Lodgement of Bonus Option Issue prospectus	10 February 2021
Shares trade ex Bonus Option Entitlements	10 March 2021
Record date to determine entitlements under the Bonus Option Issue	11 March 2021
Intended date for issue and entry of Options on the register	12 March 2021
Electronic prospectus available to shareholders	15 March 2021
Despatch of Option Exercise Form	15 March 2021
Trading in Options commences on ASX	15 March 2021
Exercise Options on or before to receive the FY2021 fully franked interim dividend of 5.0 cents per share	26 May 2021
Shares trade ex-dividend	31 May 2021
Payment date of FY2021 fully franked interim dividend	7 June 2021
Options expire	12 September 2022 (5:00pm Sydney time)

WAM Global FY2021 Interim Results Webinar

Chairman and Chief Investment Officer Geoff Wilson AO, Lead Portfolio Manager Catriona Burns, Portfolio Manager Nick Healy and Equity Analyst William Liu discussed WAM Global's FY2021 interim results and their views on global equity markets and answered shareholders' questions on Thursday 4 February 2021. You can access a recording [here](#).

About WAM Global

WAM Global Limited, one of Australia's leading LICs, is managed by Wilson Asset Management. Listed in June 2018, WAM Global provides investors with exposure to an actively managed diversified portfolio of undervalued international growth companies. WAM Global's investment objectives are to deliver investors a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. All major platforms provide access to WAM Global, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Global receives coverage from the following independent investment research providers:



About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the Investment Manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 90,000 retail investors. Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.



For further information, visit wilsonassetmanagement.com.au or contact:

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LIC options explained

Many listed investment companies (LICs) issue bonus options to shareholders giving optionholders various benefits, including the opportunity to buy shares at a discount. This fact sheet explains the key features and benefits of LIC options.

Overview

Options give the optionholder the right, but not the obligation, to buy shares in the LIC at a fixed price until they expire. If the share price increases above the option exercise price optionholders have the opportunity to acquire new shares at a discount.

Optionholders have two main choices before their options expire:

1

Exercise some or all options for the exercise price and be issued new shares in the LIC.

2

Sell some or all options for a profit.



If optionholders take no action, their options will simply expire.

Key terms

Bonus option issue

The issue of free options to shareholders by a company. A company may issue bonus options when it lists on the ASX (initial public offering) or once it is trading.

Exercise price

The price shares can be purchased when an option is exercised. Sometimes called the strike price.

Expiry date

The last day to exercise options.

In the money

A phrase used when the share price of the underlying shares is higher than the exercise price of the option.

Option price

The price options are trading at on the ASX.

Underlying shares

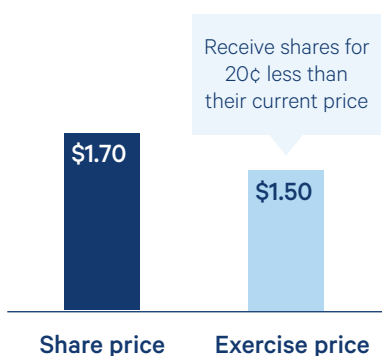
The company shares or securities over which the options are issued. Options can be exercised to receive additional underlying shares.

Buy shares at a discount

EXAMPLE:

If shares are trading on the ASX above the exercise price:

Optionholders can exercise their options and be issued new shares in the company at a discount to the current market price.



If shares are trading on the ASX below the option exercise price:

Optionholders can choose not to exercise their options and instead buy additional shares on market at less than the exercise price.



Benefits



Acquire shares at a discount

Until the time the options expire, optionholders can exercise options to receive shares in the company for a fixed price (the exercise price). If the exercise price is lower than the current price of the underlying shares, optionholders acquire shares at a discount.



Receive dividends

If optionholders exercise their options before the record date for dividends, they are entitled to receive any announced dividends for each option exercised. This assumes the shares received from the exercise of options are held on the dividend record date.



Grow assets

Issuing options grows the assets of a LIC. This growth can reduce the fixed expense ratio for shareholders and increase the on-market liquidity of shares in the LIC.



Sell options for a gain

As options trade on the ASX, optionholders can sell their options for a profit. Options are issued at no cost to the optionholder.



No brokerage

Unlike buying shares trading on the ASX, exercising options allows optionholders to acquire new shares without paying brokerage.



Flexibility

Optionholders have maximum flexibility and can exercise, sell or hold their options in any combination until they expire.

Wilson
Asset Management

If you would like further information about LIC options, please contact us:

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