

**WCM GLOBAL GROWTH LIMITED**  
**ABN 69 619 281 268**

**FINAL REPORT / APPENDIX 4E**

**FOR THE PERIOD ENDED 30 JUNE 2019**

**PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

## Appendix 4E - Final Report

### WCM GLOBAL GROWTH LIMITED

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

- 1. Reporting period** – for the period from 01 July 2018 to 30 June 2019 – the previous period for FY18 covered the period from 1 July 2017 to 30 June 2018
- 2. Results for announcement to the market**
  - Revenues from ordinary activities up from \$17.788m to \$28.268m (+59%) (excludes reimbursement of underwriting costs)
  - Profit from ordinary activities after tax up from \$10.908m to \$16.986m (+56%)
  - Net profit for the period attributable to members up from \$10.908m to \$16.986m (+56%)

**Dividends paid or payable relating to the current year earnings**

  - No dividends have been paid (2018: Nil). The FY19 final dividend (for the June 2019 quarter) was declared on 8 May 2019 at 2.0 cents per share. This dividend traded ex-dividend on 5 August 2019 was paid on 16 August 2019. The dividend was unfranked
- 3. Statement of Comprehensive Income** – refer attached financial statements
- 4. Statement of Financial Position** – refer attached financial statements
- 5. Statement of Cash Flows** – refer attached financial statements
- 6. Dividends** – no dividends have been paid as at 30 June 2019
- 7. Dividend reinvestment plan** – the Company does not have an active DRP
- 8. Statement of Retained Earnings/(Accumulated Losses)** – refer attached financial statements
- 9. Net tangible assets per security** – as at 30 June 2019 the NTA before tax was \$1.35 per share (2018: \$1.20) and NTA after tax was \$1.26 per share (2018: \$1.17)
- 10. Control gained over entities during the period** – There was no control of any entities gained during the period
- 11. Associates** – The Company has no associates or joint venture entities
- 12. Significant information relating to the entity's financial performance and financial position**
  - For the financial year ended 2019, total investment gains were \$27.278m
  - Securities income and interest earned from investments was \$0.990m for the year
  - Expenses from ordinary activities for the year were \$3.908m (excludes the underwriting costs which were reimbursed)
- 13. The financial information provided in this Appendix 4E has been prepared in accordance with Australian accounting standards.**
- 14. Commentary on the results for the period**
  - For the financial year ended 30 June 2019 the profit from ordinary activities after tax was \$16.986m (2018: \$10.908m)
  - The earnings per ordinary share were 18.0cps (2018: 12.0cps)

- 15. Audit of the financial report** - the financial report has been audited and is subject to final audit sign-off.  
No qualification of the audit report is expected

A handwritten signature in black ink, consisting of a stylized, circular flourish followed by a long, horizontal stroke.

Valentina Stojanovska (Chairman)

Date: 23 August 2019

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

**Financial report for the**  
**Year ended 30 June 2019**

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## **Directors' Report**

The directors present their report together with the financial report of WCM Global Growth Limited ("the Company" or "WQG"), for the financial year ended 30 June 2019 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

### **Directors**

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

Valentina Stojanovska – Non-executive Chairman  
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 WCM Global Growth Limited at any time during the year is provided below, together with details of the company secretary as at the year end.

#### **Valentina Stojanovska** LLB/BA, 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 General Counsel.

Valentina is a Consultant at Sparke Helmore and is Chair of the firm's Sports and Entertainment Law practice. She is admitted as a Solicitor and Barrister in Australia.

Valentina is Chairman of the Australasian Football Institute and The Charlie Teo Foundation and is a director on the boards of Black Book Management Pty Ltd, Australasian Football Institute and Australasian Football Foundation.

She is also an Executive Patron of the Taronga Zoo. 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) – The Tax Institute.

Other responsibilities: Member Audit and Risk Committee

#### **Michael Liu** LL.B (Hons), B. Comm (Non-Executive Director)

Michael has over 20 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 is currently Asia Pacific Director at WorldRemit Ltd, a global money transfer organisation headquartered in London, and is a member of the Board of Directors of WorldRemit Ltd's Australian, New Zealand and Hong Kong subsidiaries. Michael is also a Non-Executive Director of BankVic.

### **Information on Directors (continued)**

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** B.Ec (Hons), M Com (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 Investment Committees of IOOF, Baker Hear and Diabetes Institute and the Walter and Eliza Hall Institute. Steve is also a director of AvSuper.

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.

Paul is also a Non-Executive Director of Tyro Payments Ltd, OpenInvest Limited and Switzer Financial Group 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** B.Ec (Non-executive Director)

Martin is Chief Executive Officer 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 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 director of Contango Income Generator Limited (since 21 February 2019).

Before his appointment as Chief Executive Officer 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.

Other responsibilities: Member of audit committee.

## **Company Secretary**

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

Hari Morfis (Resigned 22 November 2018)

Jonathan Swain (Appointed 22 November 2018 and resigned 13 March 2019)

Anthony Rule (Appointed 13 March 2019)

Anthony has over 16 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 Contango Asset Management Limited and Contango Income Generator Limited.

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

## **Company Overview and Principal Activities**

The Company was admitted to the official list of ASX on 23 June 2017 after completing a successful initial public offer of shares during May and June 2017.

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 profit after income tax attributable to the owners of WCM Global Growth Limited was \$16.986m (2018: \$10.908m).

Basic earnings per share amounted to 18.0 cents per share for the year ended 30 June 2019 (2018: 12.0 cents per share).

## **Review of operations**

The current year profit is primarily attributed to positive investment performance.

At 30 June 2019 the Company's after-tax Net Tangible Asset ("NTA") value per share increased to \$1.264 from \$1.167 at 30 June 2018. The NTA return was +8.3% compared to a pre-tax return of 12.1% for the MSCI ACWI (ex-Australia) benchmark. The NTA return for the year ended 30 June 2019 was diluted by the exercise of 45,173,465 options exercised at a price of \$1.10.

For the year ended 30 June 2019 the portfolio returned 25.2% exceeding the 12.1% return of the benchmark by 13.1%.

The share price discount to post-tax NTA at the end of June 2019 was 11.40%.

In May 2018 the WQG board approved the WQG Buyback Program to take advantage of the deep discount of the share price relative to NTA. The Company initiated the Buyback on 22 June 2018 and for the year ended 30 June 2019 1,572,665 shares were purchased for a gross consideration of \$1,696,628. The Buyback ceased on 21 June 2019.

In June 2019 the WQG board approved a new WQG Buyback Program to continue to take advantage of the deep discount of the share price relative to NTA. The Company initiated the Buyback on 27 June 2019 and as at 30 June 2019 no shares had been purchased for no gross consideration. At the end of the period there was 9,445,307 shares remaining (based on the Corporations Act Limited the buyback to 10% of company shares within a 12-month period) with an estimated value of \$10,578,744.

## **Significant changes in the state of affairs**

There have been no significant changes in the Company's state of affairs during the financial year.



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

No 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.

### **Likely developments**

The Company will continue to pursue its operating strategy to create shareholder value by investing in companies listed on overseas securities 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.

### **Dividend paid, recommended and declared**

During the year the Company announced that it reviewed the Company's dividend policy and decided to commence the payment of ordinary dividends to shareholders. This is consistent with the Company's ongoing commitment to shareholder value through active capital management and efficient capital allocation. The intention is to make ongoing interim and final dividend payments to shareholders subject to the Company having sufficient profit reserves and corporate, legal and regulatory considerations.

The final dividend for the year ended 30 June 2019 of 2.0 cents per share (unfranked) was paid to shareholders on 16 August 2019.

Total dividends paid or declared during FY19 was \$3,526,150 (2018: \$Nil).

### **Options exercise and partial underwriting**

As part of the initial public offering, the Company issued 90,926,413 options. Each option gave the holder the right to acquire a share in the Company for \$1.10. These options traded on ASX under the code WQGO. The options ceased trading on 18 June 2019 and expired at the close of business on 24 June 2019. For the year ended 30 June 2019, there were 45,173,465 options exercised (2018: 58,463) increasing capital by \$49,690,811 (2018: \$64,309).

The Board resolved to partially underwrite the balance of unexercised options and entered into an underwriting agreement to underwrite up to 46,302,632 of the WQGO, at the exercise price of \$1.10 per share. 41,872,487 options were underwritten in total increasing capital by \$46,059,736. The shares issued settled on 3 July 2019.

The month of June was the most significant in WCM Global Growth Limited's history since listing on the ASX, with the successful exercise and partial underwriting of the vast majority of the Company's listed options.

The Board was delighted with the large percentage of shareholders who supported the Company by exercising their options and the high level of interest it received from new investors. The successful options exercise and partial underwriting resulted in additional capital being raised of \$95,750,547, increasing the market capitalisation of the Company to around \$230 million.

The board believes the success of the issue will further enhance WQG's position in the market place by:

- significantly expanding its scale and improving the liquidity of its shares, both of which should reduce the present share price discount to NTA;
- increasing the breadth and depth of WQG's shareholder base through the introduction of a number of leading financial planning groups and high net worth investors;
- lowering WQG's fixed operating costs per share;
- increasing the relevance of WQG in the market; and
- enhancing the profile of WCM Investment Management among Australian investors.

All fees payable pursuant to the underwriting were incurred and paid by Contango Asset Management Limited.

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

During the financial year, the Company paid insurance premiums amounting to \$77,295 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, Ernst & Young, 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 Ernst & Young in this respect during or since the financial year ended 30 June 2019.

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

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

### **Consequences of Companies' performance on shareholder wealth**

|                               | <b>2019</b> | <b>2018</b> | <b>2017</b> |
|-------------------------------|-------------|-------------|-------------|
| Revenue                       | 29,479,887  | 17,788,000  | (2,241,000) |
| Increase in revenue           | 66%         | 894%        | -           |
| Profit before tax             | 24,360,390  | 15,592,000  | (3,250,000) |
| Change in share price         | 4.19%       | -2.27%      | 0.00%       |
| Dividend paid to shareholders | -           | -           | -           |
| Return of capital             | -           | -           | -           |
| Total remuneration of KMP     | 139,500     | 172,350     | 31,146      |

### **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 auditors are Ernst & Young. Non-audit services are approved by the audit committee. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Board of Directors, in accordance with advice from the audit 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 30 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.

**Amounts paid and payable to Ernst & Young for:**

Audit and other assurance services

|   | 2019            | 2018            |
|---|-----------------|-----------------|
| Audit and review of financial reports                     | \$33,825        | \$33,000        |
| Other assurance reports                                   | -               | -               |
| Total remuneration for audit and other assurance services | <u>\$33,825</u> | <u>\$33,000</u> |
| <u>Other non-audit services</u>                           |                 |                 |
| Taxation services   | <u>\$7,500</u>  | <u>\$28,300</u> |
| Total remuneration for non-audit services                 | <u>\$7,500</u>  | <u>\$28,300</u> |
| Total remuneration of Ernst & Young                       | <u>\$41,325</u> | <u>\$61,300</u> |

**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 dollar

**ASX Corporate Governance Statement**

The Board of Directors of WCM Global Growth Limited is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (CGS) in accordance with the third 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 the period ended 30 June 2019 which details the remuneration information for directors and other key management personnel.

The amount paid to these directors is fixed at a set amount each year and is not related to the performance of the Company.

The other director, Mr. Switzer, was Managing Director and Chief Executive Officer of Contango Asset Management Limited, the parent entity of the company's investment manager – Contango International Management Pty Ltd ("the Investment Manager"). The company pays management fees to the Investment Manager. Mr Switzer is directly remunerated by the parent entity, Contango Asset Management Limited. 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 the period ended 30 June 2019, 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.

## Remuneration report (Audited) (continued)

### Director's Remuneration

#### 2019

|                       | Appointment Date | Director's Fees<br>Short-Term<br>Compensation<br>FY19 | Superannuation<br>Post-Employment<br>Benefits<br>FY19 | Total<br>FY19  |
|-----------------------|------------------|---|---|----------------|
| Valentina Stojanovska | 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 Switzer was directly remunerated by a related party of the Company. He was not directly remunerated by the Company.

#### 2018

|                       | Appointment Date | Director's Fees<br>Short-Term<br>Compensation<br>FY18 | Superannuation<br>Post-Employment<br>Benefits<br>FY18 | Total<br>FY18  |
|-----------------------|------------------|---|---|----------------|
| Valentina Stojanovska | 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  | 30,000  | 2,850   | 32,850         |
| <b>TOTAL</b>          |                  | <b>160,000</b>  | <b>12,350</b>   | <b>172,350</b> |

### Directors' interests in shares and options

Directors' relevant interests in ordinary shares and options of WCM Global Growth Limited are detailed below.

|                       | Ordinary Shares |          |                  | Options         |           |                  |
|-----------------------|-----------------|----------|------------------|-----------------|-----------|------------------|
|                       | Opening balance | Movement | 30/06/19 Holding | Opening balance | Movement  | 30/06/19 Holding |
| Valentina Stojanovska | 5,000           | -        | 5,000            | -               | -         | -                |
| Michael Liu           | 10,000          | 10,000   | 20,000           | 10,000          | (10,000)  | -                |
| Stephen Merlicek      | 5,000           | 235,000  | 240,000          | 235,000         | (235,000) | -                |
| Paul Rickard          | 100,000         | 50,000   | 150,000          | 50,000          | (50,000)  | -                |
| Martin Switzer        | 5,000           | 5,000    | 10,000           | 5,000           | (5,000)   | -                |

All directors' interests in shares were purchased through the initial offer of shares or as 'on-market' transactions and are not part of any component of their remuneration.

All directors' interests in options under the initial offer and are not part of any component of remuneration.

### Other Key Management Personnel

The Company does not have any paid executives. Contango Asset Management Limited, the parent entity of the Manager, Contango International Management Pty Limited, remunerated Martin Switzer as a director and executive during the financial year. The 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.

**Directors' meetings**

|                       | <b>Board Meetings</b>     |                 | <b>Audit and Risk Committee Meetings</b> |                 |
|-----------------------|---------------------------|-----------------|--|-----------------|
|                       | <b>Eligible to attend</b> | <b>Attended</b> | <b>Eligible to attend</b>                | <b>Attended</b> |
| Valentina Stojanovska | 5                         | 4               | 2  | 1               |
| Michael Liu           | 5                         | 5               | 2  | 2               |
| Stephen Merlicek      | 5                         | 5               | 2  | 2               |
| Paul Rickard          | 5                         | 4               | 2  | 1               |
| Martin Switzer        | 5                         | 5               | 2  | 2               |

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



Valentina Stojanovska  
Chairman  
Sydney  
23 August 2019



**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 2019, 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  
23 August 2019

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

|  | Notes | 2019<br>\$'000 | 2018<br>\$'000 |
|--|-------|----------------|----------------|
| <b>Revenue and other income</b>  |       |                |                |
| Interest Income  |       | 7              | 2              |
| Dividend Income  |       | 983            | 937            |
| Fair value gain on financial assets at fair value through profit or loss                       | 4     | 27,278         | 16,849         |
| Reimbursement of underwriting cost   |       | 1,212          | -              |
| <b>Total Income</b>  |       | <b>29,480</b>  | <b>17,788</b>  |
| <b>Expenses</b>  |       |                |                |
| Investment management fees   | 17    | 1,449          | 1,265          |
| Performance fee expenses   | 17    | 1,400          | -              |
| Transactions costs   |       | 85             | 57             |
| Directors' remuneration  | 15    | 140            | 172            |
| Business administration expenses   |       | 250            | 250            |
| Other expenses   |       | 584            | 452            |
| Underwriting costs   |       | 1,212          | -              |
| <b>Total Expenses</b>  |       | <b>5,120</b>   | <b>2,196</b>   |
| <b>Profit before income tax</b>  |       | <b>24,360</b>  | <b>15,592</b>  |
| Income tax expense   | 5     | (7,374)        | (4,684)        |
| Net profit from continuing operations  |       | 16,986         | 10,908         |
| <b>Profit for the year</b>   |       | <b>16,986</b>  | <b>10,908</b>  |
| Other comprehensive income   |       | -              | -              |
| <b>Total comprehensive income for the year</b>   |       | <b>16,986</b>  | <b>10,908</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    | 18.0           | 12.0           |
| Diluted earnings per share (cents per share)   | 14    | 18.0           | 12.0           |

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

**Statement of Financial Position**  
**As at 30 June 2019**

|   | Notes | 2019<br>\$'000 | 2018<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Assets</b>   |       |                |                |
| Cash and cash equivalents   | 7     | 15,750         | 2,281          |
| Trade and other receivables                                       | 8     | 418            | 322            |
| Investments at fair value through profit or loss                  | 9     | 177,406        | 106,513        |
| Underwriting cost reimbursement receivable                        |       | 1,212          | -              |
| <b>Total assets</b>   |       | <b>194,786</b> | <b>109,116</b> |
| <b>Liabilities</b>  |       |                |                |
| Trade and other payables  | 10    | 12,393         | 287            |
| Dividend Payable  | 6     | 2,691          | -              |
| Underwriting cost payable   |       | 1,212          | -              |
| Deferred tax liabilities  | 5     | 10,008         | 2,635          |
| <b>Total liabilities</b>  |       | <b>26,304</b>  | <b>2,922</b>   |
| <b>Net assets</b>   |       | <b>168,482</b> | <b>106,194</b> |
| <b>Equity</b>   |       |                |                |
| Issued capital  | 11    | 145,554        | 97,561         |
| Reserves  | 12(a) | 25,203         | 10,908         |
| Accumulated losses  | 12(b) | (2,275)        | (2,275)        |
| <b>Equity attributable to owners of WCM Global Growth Limited</b> |       | <b>168,482</b> | <b>106,194</b> |

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



**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

|  | Contributed Equity<br>\$'000 | Reserves<br>\$'000 | Accumulated Losses<br>\$'000 | Total Equity<br>\$'000 |
|--|------------------------------|--------------------|------------------------------|------------------------|
| <b>Balance at 30 June 2018</b>                               | <b>97,561</b>                | <b>10,908</b>      | <b>(2,275)</b>               | <b>106,194</b>         |
| Profit for the year  | -                            | -                  | 16,986                       | 16,986                 |
| Total comprehensive income for the period                    | -                            | -                  | <b>16,986</b>                | <b>16,986</b>          |
| <b>Transactions with owners in their capacity as owners:</b> |                              |                    |                              |                        |
| Transfer to dividend payment reserve                         | -                            | 16,986             | (16,986)                     | -                      |
| Dividend for the year  |                              | (2,691)            | -                            | (2,691)                |
| Proceeds of options exercised                                | 49,691                       | -                  | -                            | 49,691                 |
| Costs of shares bought back                                  | (1,698)                      | -                  | -                            | (1,698)                |
|  | <b>47,993</b>                | <b>14,295</b>      | <b>(16,986)</b>              | <b>45,302</b>          |
| <b>Balance as at 30 June 2019</b>                            | <b>145,554</b>               | <b>25,203</b>      | <b>(2,275)</b>               | <b>168,482</b>         |
| <b>Balance at start of period</b>                            | <b>97,789</b>                | <b>-</b>           | <b>(2,275)</b>               | <b>95,514</b>          |
| Profit for the year  | -                            | -                  | 10,908                       | 10,908                 |
| Total comprehensive income for the period                    | -                            | -                  | <b>10,908</b>                | <b>10,908</b>          |
| <b>Transactions with owners in their capacity as owners:</b> |                              |                    |                              |                        |
| Transfer to dividend payment reserve                         | -                            | 10,908             | (10,908)                     | -                      |
| Proceeds of options exercised                                | 64                           | -                  | -                            | 64                     |
| Costs of shares bought back                                  | (16)                         | -                  | -                            | (16)                   |
| Gross share issue expenses                                   | (394)                        | -                  | -                            | (394)                  |
| Deferred tax asset on share issue expenses                   | 118                          | -                  | -                            | 118                    |
|  | <b>(228)</b>                 | <b>10,908</b>      | <b>-</b>                     | <b>(228)</b>           |
| <b>Balance at 30 June 2018</b>                               | <b>97,561</b>                | <b>10,908</b>      | <b>(2,275)</b>               | <b>106,194</b>         |

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

**Statement of Cash Flows**  
**For the year ended 30 June 2019**

|   | 2019                   | 2018     |
|---|------------------------|----------|
| Notes   | \$'000                 | \$'000   |
| <b>Cash flows from operating activities</b>                 |                        |          |
| Payments to suppliers and employees                         | (2,516)                | (2,205)  |
| Payment for investments                                     | (58,552)               | (30,304) |
| Realised foreign exchange impacts                           | (55)                   | (25)     |
| Proceeds from sale of investments                           | 25,560                 | 28,548   |
| Dividends received  | 1,031                  | 953      |
| Interest received   | 8                      | 2        |
| <b>Net cash used in operating activities</b>                | 13 (a) <b>(34,524)</b> | (3,031)  |
| <b>Cash flows from financing activities</b>                 |                        |          |
| Proceeds from exercise of options                           | 49,691                 | 64       |
| On market buyback of shares                                 | (1,698)                | (16)     |
| Capital raising costs                                       | -                      | (571)    |
| <b>Net cash provided by/(used in) financing activities</b>  | <b>47,993</b>          | (523)    |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>13,469</b>          | (3,554)  |
| Cash and cash equivalents at the beginning of the year      | <b>2,281</b>           | 5,835    |
| <b>Cash and cash equivalents at the end of the year</b>     | 13(b) <b>15,750</b>    | 2,281    |

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

## **Notes to the Financial Statements**

### **For the year ended 30 June 2019**

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The accompanying notes form part of these financial statements.

## **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 23 August 2019.

#### *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 Dividend Reserve at the conclusion of the financial period. Losses incurred at the end of each calendar month are transferred to Accumulated Losses. The above process enables the Directors to declare or determine to pay dividends from the Reserve to shareholders at a future date.

### **(c) Going concern**

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

### **(d) Revenue**

Interest revenue is recognised in the statement of comprehensive income using the effective interest method for all financial instruments that are not held at fair value through profit or loss.

Dividend revenue is presented gross of any non-recoverable withholding taxes and recognised when the right to receive a dividend has been established.

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. Realised and unrealised gains are shown in the notes to the financial statements.

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

### **(e) Expenses**

All expenses, including Investment Manager's 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, trust distributions 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. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

**(j) Income tax**

Current income tax expense or revenue 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.

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) New standards adopted as at 1 July 2018**

**AASB 15 Revenue from Contracts with Customers**

AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018.

As per management's assessment, there were no impacts on the Company's financial statements upon adoption of AASB 15 on 1 July 2018 as the Company's revenue recognition of interest income, dividend income, net gains/(losses) on financial instruments were unaffected as these items are excluded from the scope of AASB 15.

**AASB 9 Financial Instruments**

AASB 9 *Financial Instruments* replaces AASB 139's '*Financial Instruments: Recognition and Measurement*' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

As per management's assessment, the adoption had no material impact on the carrying amounts of the Company's receivables.

**(l) 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 and derivatives, 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 amortized 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.
- 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.

The assessment of the Company's business model was made as of the date on initial recognition being 1 July 2018, and then applied retrospectively to those financial assets that were not derecognized before 1 July 2018. The assessment of whether contractual cash flows are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. Financial assets at amortised cost are subsequently measured using effective interest (EIR) method and are subject to impairment.

**Financial liabilities**

Classification of financial liabilities remains unchanged for the Company. 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.

## **NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(l) Financial instruments (continued)**

#### ***(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 material impact on the Company as of 30 June 2019.

#### ***(iv) Hedge accounting***

The Company may hold derivative financial instruments for trading purposes only. The Company did not have any existing hedging relationships at the date of initial application and as at 30 June 2019. AASB 9 does not change the general principles of how an entity accounts for effective hedges. The application of AASB 9 did not have a significant impact to the Company.

### **(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 Tax 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**

The company has applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

### ***(o) Standards Issued but not effective***

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Company. The Company intends to adopt these standards, if applicable, when they become effective.

### **AASB 16 Leases**

AASB 16 was issued in January 2016 and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117. Lessor accounting is substantially unchanged from today's accounting under AASB 17. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. The standard requires lessees and lessors to make more extensive disclosures than under AASB 117. AASB 16 is effective for annual periods beginning on or after 1 January 2019, however early adoption is permitted. The Company is not a Lessor and expects no impact of adopting this standard.

## **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 and interest rate risk), credit risk, liquidity risk and risk relating to fair value.

The Company's overall risk management program focuses on ensuring compliance with the Company's Prospectus 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 Board').

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, price risks, and ratings analysis for credit risk.

As part of its risk management strategy, the Company uses derivatives and other investments, including share price and warrants, to manage exposures resulting from changes in interest rates, equity price risks, and exposures arising from forecast transactions.

### **(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 two types of risk: price risk and interest rate 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 management 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.



**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

*(i) Price risk (continued)*

Equity price risk exposure arises from the Company's investment portfolio. The investments are classified on the balance sheet as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited. At 30 June 2019, the Company had no short-sold positions.

Derivatives are traded sparingly and used to provide short-term exposure to the general equity market.

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 debt and equity securities and related derivatives.

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

|  | <b>2019</b>    | 2018    |
|--|----------------|---------|
|  | <b>\$'000</b>  | \$'000  |
| Securities designated at fair value through profit or loss | <b>177,406</b> | 106,513 |
|  | <b>177,406</b> | 106,513 |

At 30 June 2019, the trust'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 unitholders by approximately \$17,741,000 (2018: \$10,651,000). Conversely, if the exposure of financial assets and liabilities at 30 June 2019 had decreased by 10% with all other variables held constant, this would have decreased net assets attributable to unitholders by approximately \$17,741,000 (2018: \$10,651,000).

*(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. The Company may use derivatives to hedge against unexpected increases in interest rates. No such investments were held at 30 June 2019 (2018: \$Nil).

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.

At 30 June 2019, cash and cash equivalents to the value of \$15.75m (2018: \$2.28m) 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. Increases or decreases in the fair value of the Company's foreign currency denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments.

**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**(b) Market risk (continued)**

*(iii) Currency risk (continued)*

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 monetary assets.

| Currency | Change in Currency Rate % | Effect on comprehensive Income (\$'000) |         |      |         |
|----------|---------------------------|---|---------|------|---------|
|          |                           | 2019                                    |         | 2018 |         |
| USD      | 5/(5)                     | 7,139                                   | (7,139) | 4047 | (4,047) |
| EUR      | 5/(5)                     | 622                                     | (622)   | 533  | (533)   |
| HKD      | 5/(5)                     | 509                                     | (509)   | 428  | (428)   |
| JPY      | 5/(5)                     | 240                                     | (240)   | 183  | 183     |
| GBP      | 5/(5)                     | 202                                     | (202)   | 143  | (143)   |
| SEK      | 5/(5)                     | 129                                     | (129)   | 93   | (93)    |
| CHF      | 5/(5)                     | 181                                     | (181)   | 1    | (1)     |
| DKK      | 5/(5)                     | -                                       | -       | -    | -       |

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 AUD on the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position, based on the last 5 years of historical movement in foreign exchange rates, with all other variables held constant.

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 net assets attributable to shareholders 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 | % of Net Assets |      |
|----------|-----------------|------|
|          | 2019            | 2018 |
| USD      | 79              | 76   |
| EUR      | 7               | 10   |
| HKD      | 6               | 8    |
| JPY      | 3               | 3    |
| GBP      | 2               | 3    |
| SEK      | 1               | 2    |
| CHF      | 2               | -    |
| DKK      | -               | -    |

**(c) Credit risk**

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

Credit risk primarily arises from investments in debt securities and from trading derivative products. Other credit risk arises from cash and cash equivalents, and deposits with banks and other financial institutions.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values. At 30 June 2019 the Company had no derivative exposure (2018: \$Nil).

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 AAA rated institutions.

**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**(c) Credit risk (continued)**

With respect to credit risk arising from the financial assets of the Company, other than derivatives, 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 balance sheet 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 2019</b>             |                   |            |             |              |               |
| Payables                           | 12,393            | -          | -           | -            | 12,393        |
| <b>Total financial liabilities</b> | <b>12,393</b>     | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>12,393</b> |

|                                    | Less than 1 month | 1-3 months | 3-12 months | 12-60 months | Total      |
|------------------------------------|-------------------|------------|-------------|--------------|------------|
|                                    | \$'000            | \$'000     | \$'000      | \$'000       | \$'000     |
| <b>At 30 June 2018</b>             |                   |            |             |              |            |
| Payables                           | 287               | -          | -           | -            | 287        |
| <b>Total financial liabilities</b> | <b>287</b>        | <b>-</b>   | <b>-</b>    | <b>-</b>     | <b>287</b> |

**NOTE 3: FINANCIAL RISK MANAGEMENT (continued)**

**(e) Fair values of financial assets and financial liabilities**

The carrying amounts of the Company's financial assets and financial liabilities in the Statement of Financial Position are all at fair value.

For the year ended 30 June 2019, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques (2018: \$Nil). The fair values of the Company's financial assets and liabilities 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 \$177,406,169 Level 1 listed equity securities as at 30 June 2019 (2018: \$106,512,659). 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 ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS**

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>Fair value gain/(loss) on financial assets through profit and loss comprises:</b> |                |                |
| Realised and unrealised gains on portfolio investments                               | 27,171         | 17,106         |
| Realised and unrealised losses on foreign exchange losses                            | 107            | (257)          |
| Total fair value gain on financial assets through profit and loss                    | 27,278         | 16,849         |

**NOTE 5: INCOME TAX**

**a) Components of tax expense/(benefit)**

|              | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------|----------------|----------------|
| Current tax  | -              | -              |
| Deferred tax | 7,374          | 4,684          |
|              | <b>7,374</b>   | <b>4,684</b>   |

**b) Prima Facie Tax Payable**

|   |        |        |
|---|--------|--------|
| Profit/(loss) before tax from continuing operations               | 24,360 | 15,592 |
| Total profit/(loss) before income tax                             | 24,360 | 15,592 |
| Prima facie income tax benefit on profit before income tax at 30% | 7,308  | 4,678  |
| Add/(less) tax effect of:   |        |        |
| Under provision from prior year                                   | 66     | 6      |
| Income tax expense/(benefit) attributable to profit               | 7,374  | 4,684  |

**c) Deferred tax**

*Deferred tax assets*

The balance relates to:

|                            |            |              |
|----------------------------|------------|--------------|
| Tax losses carried forward | 365        | 915          |
| Accruals                   | 16         | 31           |
| Capital raising costs      | 453        | 661          |
|                            | <b>834</b> | <b>1,607</b> |

*Deferred tax liabilities*

|   |                 |                |
|---|-----------------|----------------|
| Financial assets at fair value through profit or loss | (10,781)        | (4,176)        |
| Accruals  | (61)            | (66)           |
|   | <b>(10,842)</b> | <b>(4,242)</b> |
| Net deferred tax assets/(liabilities)                 | <b>(10,008)</b> | <b>(2,635)</b> |

**d) Deferred Income Tax Expense/(revenue) included in income tax expense comprises**

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Decrease in deferred tax assets      | 773          | 512          |
| Increase in deferred tax liabilities | 6,600        | 4,172        |
|                                      | <b>7,373</b> | <b>4,684</b> |

**e) Deferred Income Tax Expense charged to equity**

|   |   |     |
|---|---|-----|
| Deferred Income tax related to items charged directly to equity |   |     |
| Increase in deferred tax assets                                 | - | 118 |
|   | - | 118 |

**NOTE 6: DIVIDENDS**

Year Ended 30 June 2019

|  | Dividend Rate<br>(cents per<br>share) | Total amount<br>'000 | % Franked | Date of Payment |
|--|---------------------------------------|----------------------|-----------|-----------------|
| 2019 Final Dividend (declared on 8 May 2019) | 2                                     | 2,691                | 0.00%     | 16 August 2019  |

**NOTE 7: CASH AND CASH EQUIVALENTS**

|                             | 2019<br>\$'000 | 2018<br>\$'000 |
|-----------------------------|----------------|----------------|
| Cash at bank and on deposit | 15,750         | 2,281          |

**NOTE 8: TRADE AND OTHER RECEIVABLES**

|                   |            |            |
|-------------------|------------|------------|
| Accrued income    | 202        | 251        |
| Other receivables | 216        | 71         |
|                   | <b>418</b> | <b>322</b> |

**NOTE 9: INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**Financial assets at fair value through profit and loss**

|   |         |         |
|---|---------|---------|
| Shares in listed entities                         | 177,406 | 106,513 |
| Investments at fair value through profit and loss | 177,406 | 106,513 |

**NOTE 10: TRADE AND OTHER PAYABLES**

|   |               |            |
|---|---------------|------------|
| Due to brokers - payable for securities purchased | 10,752        | 183        |
| Other payables                                    | 1,641         | 104        |
|   | <b>12,393</b> | <b>287</b> |

**NOTE 11: ISSUED CAPITAL**

**a) Shares on Issue**

|                            | 2019<br>\$'000 | 2018<br>\$'000 |
|----------------------------|----------------|----------------|
| Ordinary shares fully paid | 145,554        | 97,561         |

Fully paid ordinary shares carry one vote per share and the right to dividends.

**b) Movement in ordinary share capital**

|  | 2019<br>No. of Shares | 2018<br>No. of Shares | 2019<br>\$'000 | 2018<br>\$'000 |
|--|-----------------------|-----------------------|----------------|----------------|
| Beginning of the financial year        | 90,969,878            | 90,926,415            | 97,561         | 97,789         |
| Issued during the year:                |                       |                       |                |                |
| Shares bought back on market           | (1,572,665)           | (15,000)              | (1,697)        | (16)           |
| Shares issued from exercise of options | 45,173,465            | 58,463                | 49,690         | 64             |
| Costs associated with issues of shares | -                     | -                     | -              | (276)          |
| <b>End of the financial year</b>       | <b>134,570,678</b>    | <b>90,969,878</b>     | <b>145,554</b> | <b>97,561</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 Exercise and Partial Underwriting**

For the year ended 30 June 2019, there were 45,173,465 options exercised to ordinary shares at a price of \$1.10 per option (2018: 58,463).

The options ceased trading on 18 June 2019 and expired at the close of business on 24 June 2019. There were no options on issue as at 30 June 2019 (2018: 90,867,952).

The Board resolved to partially underwrite the balance of the unexercised options and entered into an underwriting agreement to underwrite 46,302,632 options at the exercise price of \$1.10. Under the options underwriting, 41,872,487 of unexercised options were underwritten with an effective issue date of 3 July 2019.

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 \$1,212,203.

All underwritten options rank equally with existing shares.

**(e) Capital Management**

The Company's capital is invested:

- with the performance objective to exceed the Morgan Stanley Capital International (MSCI) All Country World Index ex-Australia with gross dividends reinvested reported in Australian dollars and unhedged by more than 3% per annum before tax and fees over rolling three-year time periods, but with lower volatility than the benchmark;
- to maximise shareholder return through long term capital growth; and
- to preserve the capital base of the Company.

The Directors have the additional discretion to undertake capital management initiatives such as on-market share buy-back of shares to assist with these investment objectives.

**NOTE 12: RESERVES AND ACCUMULATED LOSSES**

**a) Dividend Payment Reserve**

|                                      | 2019<br>\$'000 | 2018<br>\$'000 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 10,908         | -              |
| Transfer from accumulated losses     | 16,986         | 10,908         |
| Dividend for the year                | (2,691)        | -              |
| <b>Balance at end of year</b>        | <b>25,203</b>  | <b>10,908</b>  |

|  | 2019<br>\$'000 | 2018<br>\$'000 |
|--|----------------|----------------|
| <b>b) Retained Earnings/(Accumulated Losses)</b> |                |                |
| Balance at the beginning of the year             | (2,275)        | (2,275)        |
| Profit for the year                              | 16,079         | 10,908         |
| Transfer to dividend reserve                     | (16,079)       | (10,908)       |
| <b>Balance at end of year</b>                    | <b>(2,275)</b> | <b>(2,275)</b> |

**NOTE 13: CASH FLOW INFORMATION**

**a) Reconciliation of cash flow from operations with profit after income tax**

|  | 2019<br>\$'000  | 2018<br>\$'000 |
|--|-----------------|----------------|
| <b>Profit/(loss) from ordinary activities after income tax</b> | 16,986          | 10,908         |
| <b>Change in assets and liabilities:</b>                       |                 |                |
| (Increase)/decrease in receivables                             | (96)            | 62             |
| Increase/(decrease) in payables                                | 12,106          | (8)            |
| Increase in financial assets at fair value                     | (70,893)        | (18,677)       |
| Decrease in deferred taxes attributable to operations          | 7,373           | 4,684          |
| <b>Net cash (used in)/provided by operating activities</b>     | <b>(34,524)</b> | <b>(3,031)</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 is as follows:

|                             |        |       |
|-----------------------------|--------|-------|
| Cash at bank and on deposit | 15,750 | 2,281 |
| Closing cash balance        | 15,750 | 2,281 |



**NOTE 14: EARNINGS PER SHARE**

|   | 2019<br>\$'000        | 2018<br>\$'000        |
|---|-----------------------|-----------------------|
| Reconciliation of earnings used in calculating earnings per share                             |                       |                       |
| Profit from continuing operations   | 16,986                | 10,908                |
| Profit used in calculating basic earnings per share   | 16,986                | 10,908                |
| Earnings used in calculating diluted earnings per share                                       | 16,986                | 10,908                |
|   | 2019<br>No. of Shares | 2018<br>No. of Shares |
| Weighted average number of ordinary shares used in the calculating basic earnings per share   | 94,860,511            | 90,997,802            |
| Weighted average number of ordinary shares used in the calculating diluted earnings per share | 94,860,511            | 90,997,802            |
| Basic earnings per share (cents per share)  | 18.00                 | 12.00                 |
| Diluted earnings per share (cents per share)  | 18.00                 | 12.00                 |

**NOTE 15: DIRECTORS' COMPENSATION**

|                                 | 2019    | 2018    |
|---------------------------------|---------|---------|
| <b>Compensation by category</b> |         |         |
| Short-term employment benefits  | 130,000 | 160,000 |
| Post-employment benefits        | 9,500   | 12,350  |
|                                 | 139,500 | 172,350 |

**NOTE 16: AUDITOR'S REMUNERATION**

|   | 2019   | 2018   |
|---|--------|--------|
| Audit and review of financial reports                     | 33,825 | 33,000 |
| Other assurance reports                                   | -      | -      |
| Total remuneration for audit and other assurance services | 33,825 | 33,000 |
| Taxation services   | 7,500  | 28,300 |
| Total remuneration for non-audit services                 | 7,500  | 28,300 |
| <b>Total remuneration of Ernst &amp; Young</b>            | 41,325 | 61,300 |

**NOTE 17: INVESTMENT MANAGER**

The Company has appointed the Investment Manager, Contango International Management Pty Limited, 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 its 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) for the Company's portfolio value.

**NOTE 17: INVESTMENT MANAGER (continued)**

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 2019 financial year, the Company paid management fees of \$1,448,828 (excluding GST) to the Investment Manager (2018: \$1,265,003) and paid performance fees of \$1,399,782 (excluding GST) to the Investment Advisor (2018: \$Nil). As at 30 June 2019, the management fee payable is \$139,061 (2018: \$104,000) and performance fee payable is \$1,399,782 (2018: \$Nil).

**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 2019, the Investment Manager did not hold any shares in the Company (2018: Nil). During the financial year, the Company paid \$250,000 (excluding GST) in fees under the Shared Services Agreement (2018: \$250,000). As at 30 June 2019, the fee payable is \$Nil (2018: \$Nil). The management fees paid are detailed in note 17 above.

As at 30 June 2019, \$1,212,203 is receivable from the parent entity of the Investment Manager Contango Asset Management Limited for options underwriting costs incurred under an underwriting agreement.

**NOTE 19: SEGMENT INFORMATION**

The Company operates solely in the business of investment in companies listed on the 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 & 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**

The Company may commit to underwriting activities in respect of public share issues. At 30 June 2019 the potential financial amount that the Company may be liable for is \$Nil (2018: \$Nil).

**NOTE 21: CONTINGENCIES**

As at 30 June 2019, the Company had no contingent liabilities (2018: \$Nil).

**NOTE 22: SUBSEQUENT EVENTS**

On 3 July 2019, 41,872,487 unexercised options were underwritten in total at a price of \$1.10 per option, bringing the total number of shares in the Company to 176,443,165. All fees payable pursuant to the underwriting were paid by Contango Asset Management Limited.

Due to the options underwriting, and the share buyback, the total shares on issue increased from 134,570,678 to 176,307,481 on the dividend record date, 6 August 2019. This increased the final dividend payment from \$2,691,414 accrued as at 30 June 2019 to \$3,526,150. The dividend was paid on 16 August 2019.

There has been no other matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2019, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2019, of the Company.

## **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 2019 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.

A handwritten signature in black ink, consisting of a stylized, circular scribble followed by a long, horizontal stroke.

**Valentina Stojanovska**  
Chairman  
Sydney  
23 August 2019

## 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 2019, 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 of the Company.

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 2019 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* (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   |
|---|--|
| <b>Existence and valuation of the investment portfolio</b>  |  |
| <p>WCM Global Growth Limited's investment portfolio as at 30 June 2019 includes listed offshore equities and cash holdings.</p> <p>Investment valuation and existence is a key audit matter as the investment balance of \$177,406,169 represents 92% of total assets.</p> <p>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.</p> <p>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.</p> | <p>We assessed the effectiveness of controls relating to the recognition and valuation of investments.</p> <p>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 2019 and considered the auditor's qualifications, competence and objectivity and the results of their procedures.</p> <p>We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2019.</p> <p>We assessed the fair value of all investments in the portfolio held at 30 June 2019. For listed securities, the values were verified against independently sourced market prices.</p> <p>We assessed the adequacy of the disclosures in Note 4 and Note 9 of the financial report.</p> |

### 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 2019 Annual Report other than the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not and will 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Company or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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

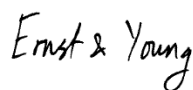
### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 8 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of WCM Global Growth Limited for the year ended 30 June 2019, 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



Luke Slater  
Partner  
Melbourne  
23 August 2019

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 Stock Exchange.

**Registered office**

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

**Directors**

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

**Company secretary**

Anthony Rule

**Auditor**

Ernst & Young  
8 Exhibition Street  
Melbourne Victoria 3000

**Investment custodian**

National Australia Bank Limited  
500 Bourke Street  
Melbourne VIC 3000

**Share registrar**

Computershare Investor Services Pty Ltd  
Yarra Falls  
452 Johnston Street  
Abbotsford Victoria 3067  
Telephone 1300 850 505



## A. SECURITY HOLDINGS DATA

### Top 20 registered security holders

As at 31 July 2019 the twenty largest holders of the Company's ordinary shares are listed below:

| Rank | Registered Holder   | Ordinary Shares   | %            |
|------|---|-------------------|--------------|
| 1    | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                     | 24,260,005        | 13.76        |
| 2    | TRUEBELL CAPITAL PTY LTD <TRUEBELL INVESTMENT FUND>           | 6,334,540         | 3.59         |
| 3    | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                     | 5,250,749         | 2.98         |
| 4    | HALCYCON PTY LTD  | 5,100,000         | 2.89         |
| 5    | MAGELLAN EQUITIES PTY LIMITED                                 | 1,808,644         | 1.03         |
| 6    | NATIONAL NOMINEES LIMITED                                     | 1,545,578         | 0.88         |
| 7    | FORTY FIFTH DECBARB PTY LTD <ME RYAN SUPER FUND A/C>          | 1,108,130         | 0.63         |
| 8    | KEISER SHIPPING & TRANSPORT PTY LTD                           | 910,000           | 0.52         |
| 9    | PABASA PTY LTD <KEHOE FAMILY SUPER A/C>                       | 822,111           | 0.47         |
| 10   | ORRY INVESTMENTS PTY LTD                                      | 800,000           | 0.45         |
| 11   | R & J BASSAT PENSION FUND PTY LTD <R BASSAT PENSION FUND A/C> | 800,000           | 0.45         |
| 12   | MR THOMAS ROBSON + MRS SOPHIE ROBSON <S & T 333 A/C>          | 800,000           | 0.45         |
| 13   | PICKO PTY LTD   | 607,968           | 0.34         |
| 14   | DAVID PERRY INVESTMENTS PTY LTD <D F PERRY S/F A/C>           | 597,711           | 0.34         |
| 15   | PARADISE CAPITAL PTY LTD                                      | 585,330           | 0.33         |
| 15   | MR ROBERT JOHN HUNT + MRS SUSAN HELEN HUNT <HUNT FAMILY A/C>  | 544,000           | 0.31         |
| 17   | RST SUPER PTY LTD <RST SUPERANNUATION FUND A/C>               | 543,000           | 0.31         |
| 17   | BLIND WELFARE PTY LTD <BLIND WELFARE FOUNDATION A/C>          | 542,593           | 0.31         |
| 19   | ACCORD MBO PTY LTD <MBO SUPER FUND A/C>                       | 495,648           | 0.28         |
| 20   | DAVID OGG & ASSOCIATES PTY LTD <DAVID L OGG S/F NO 1 A/C>     | 480,000           | 0.27         |
|      |   | <b>53,936,007</b> | <b>30.59</b> |

### Range of security holders

At 31 July 2019 there were 3,499 holdings of ordinary shares. These holdings were distributed as follows:

|                             | Share<br>holdings |
|-----------------------------|-------------------|
| 1 - 1,000                   | 70                |
| 1,001 - 5,000               | 423               |
| 5,001 - 10,000              | 510               |
| 10,000 - 100,000            | 2,296             |
| 100,000 and over            | 200               |
| <b>Total holders</b>        | <b>3,499</b>      |
| <b>Average holding size</b> | <b>50,387</b>     |

There were 26 ordinary share holdings of less than a marketable parcel of \$500 (490 shares).

## **B. ON-MARKET BUY BACK**

In May 2018 the WQG board approved the WQG Buyback Program to take advantage of the deep discount of the share price relative to NTA. The Company initiated the Buyback on 22 June 2018 and for the year ended 30 June 2019 1,572,665 shares were purchased for a gross consideration of \$1,696,628. The Buyback ceased on 21 June 2019.

In June 2019 the WQG board approved a new WQG Buyback Program to continue to take advantage of the deep discount of the share price relative to NTA. The Company initiated the Buyback on 27 June 2019 and as at 30 June 2019 no shares had been purchased for a gross consideration. At the end of the period there was 9,445,307 shares remaining (based on the Corporations Act Limited the buyback to 10% of company shares within a 12-month period) with an estimated value of \$10,578,744.

The share price discount to post-tax NTA at the end of June 2019 was 11.4%.

## **C. INVESTMENTS AND TRANSACTIONS**

As at 30 June 2019, the Company held investments in the following companies:

| Ticker/Ccy | Stock Name                   | Ticker/Ccy | Stock Name                                |
|------------|------------------------------|------------|---|
| ACEE/USD   | CHUBB LIMITED                | HDB/USD    | HDFC BANK LTD ADR                         |
| ADYE/NLG   | ADYEN NV /WI                 | ILMN/USD   | ILLUMINA INC                              |
| AGL/USD    | AGILENT TECHNOLOGIES INC     | KEY/JPY    | KEYENCE CORPORATION                       |
| AIA/HKD    | AIA GROUP LIMITED            | MELI/USD   | MERCADOLIBRE INC                          |
| ALCO/CHF   | ALCON INC                    | MTD/USD    | METTLER-TOLEDO INTERNATIONAL INC          |
| ANSS/USD   | ANSYS INC                    | NFLX/USD   | NETFLIX INC                               |
| APH/USD    | AMPHENOL CORPORATION CLASS   | PNO/FR     | PERNOD RICARD SA                          |
| ATLA/SEK   | ATLAS COPCO AB-A SHS         | SCH/USD    | SCHLUMBERGER LIMITED                      |
| BTN/USD    | BOSTON SCIENTIFIC CORP       | SHPF/USD   | SHOPIFY INC - CLASS A                     |
| CHA/USD    | SCHWAB (CHARLES) CORPORATION | SHW/USD    | SHERWIN WILLIAMS                          |
| CMPG/GBP   | COMPASS GROUP PLC            | STES/USD   | STERIS PLC                                |
| CNR/USD    | CANADIAN NATIONAL RAILWAY    | SYK/USD    | STRYKER CORPORATION                       |
| COS/USD    | COSTCO WHOLESALE CORP NEW    | SYM/DE     | SYMRISE AG                                |
| CPR/USD    | COOPER COMPANIES INC         | TEHL/HKD   | TENCENT HOLDINGS LTD                      |
| CROW/USD   | CROWN CASTLE INTL CORP       | TWS/USD    | TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD |
| ECO/USD    | ECOLAB                       | VISA/USD   | VISA INC CLASS A                          |
| ESS/FR     | ESSILORLUXOTTICA             | VRSK/USD   | VERISK ANALYTICS INC                      |
| FRCB/USD   | FIRST REPUBLIC BANK SAN FRAN | WSTP/USD   | WEST PHARMACEUTICAL SERVICES              |
| GGG/USD    | GRACO INC                    |            |   |

## **D. TRANSACTION DATA**

Over the financial period ended 30 June 2019, the Company executed 267 purchase transactions and 98 sale transactions. The total brokerage paid or accrued during this period was \$49,060.