

WCM GLOBAL LONG SHORT LIMITED (ASX: WLS)

ASX Announcement

2022 Annual General Meeting

Friday, 25 November 2022 | 10:00AM

Chair's Address - Mr Mark Kerr

The Company's net operating loss after tax for FY2022 was \$2,999,000 (30 June 2021: net operating profit after tax of \$3,813,000). The decrease in before tax profit for the period is mainly attributed to a decrease in the value of the Company's investment portfolio during a period of very difficult market conditions.

In recognition of the ongoing support and loyalty of the Company's shareholders prior to the completion of the Updated Proposed Restructure, the Board was delighted to declare a special dividend of 4.8165 cents per share, fully franked at the 25% tax rate on 13th of October 2022.

The special dividend was paid on 31 October 2022, with a record date of 19 October 2022.

Proposed Restructure

As shareholders will be aware, in September 2020 the Company's shareholders approved a resolution to adopt a new strategy managed by WCM Investment Management, LLC called the WCM Quality Global Growth Long Short Equity Strategy (hereafter referred to as the **Strategy**) for the Company's investment portfolio. The Board was delighted with the strong support and high level of engagement from shareholders when approving the new Strategy.

While more than eight years of outperformance by WCM in managing the Strategy demonstrates that the Company's new investment approach is robust, the Board understood that the share price discount to NTA per share remained a material concern for the Company's shareholders.

The portfolio has been challenged especially since 1 January 2022 as global markets attempt to navigate a flurry of concurrent economic hurdles, including soaring inflation and rising interest rates around the world. The first six months of the 2022 calendar year was the worst opening-half for developed-market equities in over 50 years.

The portfolio has delivered a return of -14.5% for the period (net of fees), compared with 9.7% for the prior period to 30 June 2021.

On 24 January 2022, the Company announced that, in response to the share price discount to NAV, an Independent Board Committee had been established to negotiate a restructure of WLS to address this issue.

On 29 April 2022, the Company announced that it had entered into an Implementation Deed in relation to a proposed restructure. Under the original restructure proposal, WLS shareholders would exchange their WLS shares for units in a newly registered and unlisted managed investment scheme.

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On the 13th of October 2022, having progressed the proposed restructure and further considered the present market conditions, the Board advised that the Implementation Deed was amended and restated. If the revised terms of the Updated Proposed Restructure are approved and implemented:

- WLS shareholders will exchange their shares in WLS, a listed investment company, for units in the WCM Quality Global Growth Fund (Quoted Managed Fund), with the number of units in the Fund received for each WLS share being based on WLS's post-tax net tangible assets (NTA) relative to the Fund's end of day NAV immediately before implementation.
- WLS will become wholly owned by the Fund and, following implementation, will be delisted from the ASX and then wound up. From the date of implementation, WLS's assets will be managed by WCM in accordance with the long-only global strategy utilised by WCMQ.

After the announcement in October, the Federal Court approved the Scheme Booklet, and an Extraordinary General Meeting has been convened on Monday 12th December to vote on the Proposed Restructure.

The voting thresholds are high. The Requisite Majorities of WLS Shareholders required to approve the Scheme Resolution are:

- unless the Court orders otherwise, a majority in number (i.e., more than 50%) of WLS Shareholders present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate WLS Shareholders, by corporate representative); and
- (Voting test) at least 75% of the total number of votes cast on the Scheme Resolution by WLS Shareholders present and voting at the Scheme Meeting (either in person, or by proxy, attorney or, in the case of corporate WLS Shareholders, by corporate representative).

Accordingly, your vote is important.

The Recommending Directors believe the advantages of the Scheme outweigh the disadvantages. For this reason, each Recommending Director recommends, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the WLS Shareholders, that you vote in favour of the Scheme.

Implementation of the Scheme is subject to the conditions listed in Section 3.5 of the Scheme Booklet. These customary conditions include approval by the Court and WLS Shareholder approval at the Scheme Meeting.

Further information on the proposed restructure has already been sent to shareholders.

The Board believes the adoption of the Proposed Restructure during the current half year will also offer shareholders values much closer to NTA and we look forward to the upcoming Extraordinary General Meeting.

Mark Kerr
Chair

- ENDS -

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