

WCM GLOBAL GROWTH LIMITED (ASX: WQG)

ASX Announcement

2024 Annual General Meeting

Wednesday, 13 November 2024 | 11:00AM

Chair's Address – Ms Valentina Stojanovska Cal

The Company achieved a net operating profit after tax for FY2024 of \$45,341,000, an increase from the previous financial year of \$8,157,000. The increase in after-tax profit for the year is primarily attributed to an increase in the value of the Company's investment portfolio and the investment performance of the Company's investment advisor, WCM Investment Management, LLC (WCM). For FY2024, the pre-tax net tangible asset (NTA) value per share of the Company increased from \$1.465 as at 30 June 2023 to \$1.744 as at 30 June 2024, representing a 19% increase. The Company's after-tax NTA per share increased by 14% from \$1.375 to \$1.565 over the same period. The higher NTA was after the payment of four quarterly dividends during the financial year totaling 6.8 cents per share (cps).

Global equity markets rallied strongly in FY2024, with several major indices reaching all-time highs. After several challenging economic hurdles in the previous financial year, including soaring inflation and rising investment rates, FY2024 saw better-than-expected outcomes for several major economies, primarily led by the outlook for interest rates. The buoyancy in markets was driven by a combination of growing optimism of a soft landing for the global economy plus the expectations of lower interest rates by the end of calendar year 2024. These improved market conditions contributed to strong investment returns for the Company in FY2024.

For FY2024, the Company's portfolio achieved a return of 25.63%, outperforming the MSCI All-Country World Index (ex-Australia) (Benchmark) by 5.69%, which delivered a return of 19.94%. It is pleasing to see that the portfolio has delivered returns in excess of the Benchmark over six months, one and five years, and since inception.

The long-term performance of the Company's investment portfolio remains strong. Since inception in June 2017, the WQG portfolio has returned 14.77% per annum after all fees compared with the Benchmark of 12.53%. This is consistent with the longer-term performance of the WCM Quality Global Growth Strategy Composite, on which WQG's portfolio is based, which has returned 14.59% per annum since inception in 2008.

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

The Board had previously advised of its intention to pay a fully franked final dividend with respect to FY2024 of 1.76 cps in line with the Company's progressive quarterly dividend policy. However, based on the strong financial results of the Company over the past two years and

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its dividend reserves and accumulated franking credits, the Board is pleased to announce an increased final dividend for the quarter ended 30 June 2024 (Q4 FY2024) of 1.81 cps, fully franked at a 30% tax rate. The final dividend was paid on 30 September 2024, with a record date of 13 September 2024.

The Company's strong financial position has also enabled the Board to revise upwards its previously announced future dividend intentions.

Following payment of the increased FY2024 final dividend of 1.81 cps on 30 September 2024, the Board's present intention is to pay the following quarterly dividends, fully franked at a 30% tax rate:

- 1.83 cps for the quarter ended 30 September 2024, to be paid in December 2024;
- 1.87 cps for the quarter ending 31 December 2024, to be paid in March 2025;
- 1.89 cps for the quarter ending 31 March 2025, to be paid in June 2025; and
- 1.91 cps for the quarter ending 30 June 2025, to be paid in September 2025.

The Company continued to have strong participation in the Dividend Reinvestment Plan. The Company's DRP has been in operation for all dividends paid since the DRP's implementation in September 2020. Shares issued under the DRP are issued at an attractive 3% discount to the volume weighted average price in accordance with the Rules of the DRP.

A continued priority for the Board and the Company's Investment Manager over the reporting period was further refining its shareholder engagement strategy, aimed at growing the Company and addressing the discount relative to NTA. Some of these initiatives have included:

- Continued promotion of the Company's DRP that is now available to shareholders four times per year in line with the announcements of future quarterly dividends.
- An on-market share buyback which commenced on 9 September 2022 and continues as an accretive measure for shareholders and to protect the Company during this period of heightened market volatility. During FY2024, the Company purchased a total of 12.3 million shares with a total value of approximately \$16.3 million. The buy-back remains in place until 26 June 2025.
- Commitment to ongoing distribution and marketing activities for financial advisers and investors on the benefits of WQG.
- Ongoing communications to shareholders on a weekly/monthly basis.

In addition to these initiatives, the Company recently completed a successful Share Placement Offer having received binding commitments for 26.4 million shares from professional and sophisticated investors at \$1.56 per share, to raise a total of \$41.2 million. The Placement bookbuild completed on Friday, 1 November 2024 with bids received in excess of WQG's maximum Placement offer amount.

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Following this successful Placement, the Company has subsequently launched a Share Purchase Plan to eligible existing shareholders to purchase up to \$30,000 of ordinary fully paid shares in WQG, without incurring any brokerage for \$1.56 per share. This offer is now open and will close on Wednesday 4 December 2024.

The Board of WQG believes that there will be a number of benefits from the Placement and SPP to existing and new shareholders such as:

- a larger market capitalisation of the Company which should lead to increased liquidity;
- increased size and relevance of the Company in the marketplace;
- a more diverse shareholder base through the Introduction of new investors and financial planning groups to the Company;
- economies of scale on some operating costs; and
- the opportunity for existing shareholders to increase their investment in the Company at an attractive price, free of brokerage.

The Company intends to invest the proceeds from the Placement and SPP in accordance with the Company's investment strategy managed on behalf of WQG by WCM Investment Management.

The Board is pleased with the strong investment performance of the Company in FY2024 which exceeded its Benchmark return. The Company's investment approach remains sound and the portfolio remains well placed for continued long-term growth.

Valentina Stojanovska Cal
Chair

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