

WCM GLOBAL GROWTH LIMITED
ABN 69 617 281 268

HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018
PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

Appendix 4D

Half Year Report for the six months to 31 December 2018

WCM GLOBAL GROWTH LIMITED

ABN 69 617 281 268

1. Reporting period

Report for the half year ended	31 December 2018
Previous corresponding periods:	Half-year ended 31 December 2017 Financial year ended 30 June 2018

2. Results for announcement to the market

	Movement \$A'000		\$A'000
Revenues from ordinary activities (<i>item 2.1</i>)	Down 116.1%	to	(1,182)
Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Down 133.9%	to	(1,543)
Net profit for the period attributable to members (<i>item 2.3</i>)	Down 133.9%	to	(1,543)

Dividends paid (<i>item 2.4</i>)	Amount per security	Franked amount per security at 30% tax rate
Nil – see item 5 below	n/a	n/a

3. Net tangible assets per security

	Current period 31 Dec 2018	Previous corresponding period 31 Dec 2017
Net tangible asset backing per ordinary security (after provision for tax on unrealised gains)	\$1.151	\$1.095

4. Details of entities over which control has been gained or lost during the period:

Nil

5. Dividends

No dividends were paid or declared in respect of the half-year ended 31 December 2018

6. Details of dividend or distribution reinvestment plans in operation are described below:

Nil

7. Details of associates and joint venture entities

Nil

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report which accompanies this report.

9. Independent review of the financial report

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.

WCM Global Growth Limited

ABN 69 617 281 268

Financial report for the half-year ended 31 December 2018

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Directors' Report

The directors present their report together with the condensed financial report of WCM Global Growth Limited (the "Company"), for the half-year ended 31 December 2018, and the independent review report thereon. This financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors

The names of directors in office during the half-year up to 31 December 2018 and up to the date of this report (unless otherwise indicated) are:

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

Principal activity

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

Results

The Company's net operating loss after tax for the half-year was \$1,543,009 (31 December 2017: profit of \$4,548,246). Basic loss per share amounted to (1.7) cents per share for the half-year (31 December 2017: profit of 5.0 cents per share).

Review of operations

The current period loss is primarily attributed to a decrease in value of the Company's investment portfolio since the beginning of July 2018. This has occurred during a period of weak performance in global share markets.

For the half-year ended 31 December 2018, the after-tax Net Tangible Asset ("NTA") value per share of the Company has decreased from \$1.167 to \$1.151. The NTA return was -1.37% compared to -4.22% for the MSCI All Country World Index ex-Australia over the same period.

The Company continued to invest funds in accordance with target asset allocations as set out in the governing documents of the Company, and in accordance with the provisions of its Constitution.

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

During the half-year the Company continued with the board approved WQG Buyback Program to take advantage of the deep discount of the share price relative to NTA. During the half-year 1,166,935 shares were purchased for a gross consideration of \$1,266,945. At the end of the period there was 7,872,343 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 \$8,108,513. The share price discount to NTA as at 31 December 2018 was 10.51%.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the half-year under review.

Directors' Report

Events subsequent to balance date

There have been no significant events subsequent to 31 December 2018 that have occurred that would have any material impact on the content of these financial statements.

Auditor's Independence Declaration

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

Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report have been rounded to the nearest dollar and in the financial statements have been rounded to the nearest thousand dollars (\$000's).

This report is signed in accordance with a resolution of the directors.




Michael Liu – Director
20th February 2019

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

As lead auditor for the review of WCM Global Growth Limited for the half-year ended 31 December 2018, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



Ernst & Young



Luke Slater

Luke Slater
Partner
20 February 2019

Condensed Interim Statement of Profit or Loss and other Comprehensive Income

For the half-year ended 31 December 2018

	Note	Half-year ended 31 Dec 2018 \$000's	Half-year ended 31 Dec 2017 \$000's
Revenue and other income			
Interest		2	1
Dividends		333	283
Fair value (loss)/gain on financial assets through profit and loss	2	(1,517)	7,052
Total (Loss)/Income		(1,182)	7,336
Less: Expenses			
Management fees		699	628
Administration expenses		125	125
Performance fees		102	-
Brokerage on investment transactions		21	14
Listing, custody and registry costs		59	93
Directors' fees		70	87
Insurance		39	44
Professional services		48	49
Marketing, promotion and shareholder relations		96	1
Research		14	1
Other expenses		63	103
Total Expenses		1,336	1,145
Profit/(loss) before income tax		(2,518)	6,191
Income tax benefit/(expense)		975	(1,643)
Net profit/(loss) from continuing operations		(1,543)	4,548
Profit/(loss) for the half-year		(1,543)	4,548
Total comprehensive income for the half-year		(1,543)	4,548
Earnings per share for comprehensive income to the equity holders of the Company:			
Basic earnings per share		(1.7)	5.0
Diluted earnings per share		(1.7)	5.0

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

Condensed Interim Statement of Financial Position As at 31 December 2018

	As at 31 Dec 2018 \$000's	As at 30 Jun 2018 \$000's
Financial Assets		
Cash and cash equivalents	2,540	2,281
Prepayments and receivables	171	322
Investments at fair value through profit or loss	103,592	106,513
Total assets	106,303	109,116
Financial Liabilities		
Payables	1,306	287
Deferred tax liability	1,660	2,635
Total liabilities	2,966	2,922
Net assets	103,337	106,194
Equity		
Contributed equity	96,247	97,561
Reserves	10,908	10,908
Accumulated losses	(3,818)	(2,275)
Total Equity attributable to owners of WCM Global Growth Limited	103,337	106,194

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

Condensed Interim Statement of Changes in Equity For the half-year ended 31 December 2018

	Contributed Equity \$000's	Reserves \$000's	Accumulated Earnings/(Losses) \$000's	Total Equity \$000's
As at 1 July 2017	97,789	-	(2,275)	95,014
Profit for the half-year	-	-	4,548	4,548
Total comprehensive income for the half year	-	-	4,548	4,548
Transactions with owners in their capacity as owners:				
Issue of shares from exercise of listed options	61	-	-	61
Capital raising costs	(276)	-	-	(276)
Deferred tax asset	(210)	-	-	(210)
Total transactions with owners as in their capacity as owners:	(425)	-	-	(425)
As at 31 December 2017	97,364	-	2,273	99,137
As at 1 July 2018	97,561	10,908	(2,275)	106,194
Loss for the half-year	-	-	(1,543)	(1,543)
Total comprehensive income for the half year	-	-	(1,543)	(1,543)
Transactions with owners in their capacity as owners:				
On-market buy-back of shares	(1,314)	-	-	(1,314)
Total transactions with owners as in their capacity as owners:	(1,314)	-	-	(1,314)
As at 31 December 2018	96,247	10,908	(3,818)	103,337

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

Condensed Interim Statement of Cash Flows For the half-year ended 31 December 2018

	Half-year ended 31 Dec 2018 \$000's	Half-year ended 31 Dec 2017 \$000's
<i>Cash flows from operating activities</i>		
Payments for investments	(11,797)	(6,453)
Payments to suppliers and employees	(1,260)	(1,083)
Proceeds from sale of investments	14,154	5,976
Dividends received	474	455
Interest received	2	1
Net cash inflow/(outflow) from operating activities	1,573	(1,104)
<i>Cash flows from financing activities</i>		
Proceeds from shares issued	-	61
On-market buy-back of shares	(1,314)	-
Capital raising costs	-	(571)
Net cash outflow from financing activities	(1,314)	(510)
Net increase/(decrease) in cash and cash equivalents	259	(1,614)
Cash and cash equivalents at the beginning of the half-year	2,281	5,835
Cash and cash equivalents at end of the half-year	2,540	4,221

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

Notes to the Interim Financial Statements

For the half-year ended 31 December 2018

1. Basis of preparation of the half-year financial report

This condensed half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by WCM Global Growth Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the Directors' Report.

WCM Global Growth Limited is "for-profit" for the purpose of preparing financial statements.

(a) Basis of preparation of the financial report

This condensed half-year financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The key accounting policies applied in this half-year are described in Note 1(b) – (j).

The financial report covers the activities of WCM Global Growth Limited. The Company is limited by shares, incorporated and domiciled in Australia. The registered office is Level 6, 10 Spring Street, Sydney NSW 2000.

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.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments (2014)* became mandatorily effective on 1 July 2018. Accordingly, these standards apply for the first time to this set of financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

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.

The adoption of AASB 15 has not had a material effect on the Company.

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.

The adoption of AASB 9 has not had a material effect on the Company.

1. Basis of preparation of the half-year financial report (continued)

(b) Going concern

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

(c) Revenue

Dividend income is recognised on the ex-dividend date with any related withholding tax recorded as an expense. Dividends received from associates are accounted for in accordance with the equity method.

Interest income 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.

Revenue from the sale of investments is recognised in the Statement of Comprehensive Income on the sale contract date.

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

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

(d) 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.

(e) Income tax

Current income tax expense or benefit is the tax payable or receivable 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.

(f) Financial instruments

AASB 9 has been applied retrospectively from 1 July 2018. In accordance with the transition requirements, comparatives have not been restated. The adoption of AASB 9 has not had a material effect on the Company.

(f) Financial instruments (continued)

(i) Classification and measurement

Financial assets

The Company measures its financial assets at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

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

- the asset is held within 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 of initial application, being 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised 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 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) 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.

(iii) Hedge accounting

The Company may hold derivative financial instruments for trading purposes only. The Company applied hedge accounting prospectively. At the date of initial application the Company did not have any existing hedging relationships. 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.

(f) Financial instruments (continued)

(iv) Classification and measurement

The adoption of AASB 9 has not had a material effect on the Company's financial assets and financial liabilities.

(g) 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.

(h) Accounting standards effective at 31 December 2018

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period.

The Directors have assessed that the implementation of these standards does not have a material impact on the interim condensed financial report.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(j) Rounding of Amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report have been rounded to the nearest dollar and in the financial statements have been rounded to the nearest thousand dollars (\$000's).

	Half-year ended 31 Dec 2018 \$000's	Half-year ended 31 Dec 2017 \$000's
2. Fair value (loss)/gain on financial assets through profit and loss		
Realised/unrealised foreign exchange gains/(losses)	240	(373)
Realised/unrealised investment (losses)/gains	(1,757)	7,425
	<u>(1,517)</u>	<u>7,052</u>

3. Dividends

No dividend has been declared in respect of the half-year ended 31 December 2018 (31 December 2017: Nil).

4. Contributed Capital

	Half-year ended 31 Dec 2018 No. 000's	Half-year ended 31 Dec 2018 \$000's	Half-year ended 31 Dec 2017 No. 000's	Half-year ended 31 Dec 2017 \$000's
Beginning of the half-year	90,970	97,561	90,927	97,789
Shares bought back on market	(1,211)	(1,314)	-	-
Shares issued from options exercise	-	-	55	61
Costs associated with capital raisings	-	-	-	(276)
Deferred tax asset	-	-	-	(210)
End of the half-year	<u>89,759</u>	<u>96,247</u>	<u>90,982</u>	<u>97,364</u>

5. Fair Value Measurement

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

For the half-year ended 31 December 2018 and year ended 30 June 2018, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques. The fair values of the Company's financial assets and liabilities for the periods then ended were determined directly, by reference to quoted prices from the global securities exchanges or by input other than quoted prices that were observable. 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: Inputs 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 \$103,591,763 Level 1 assets as at 31 December 2018 (30 June 2018: \$106,512,659).

For all other financial assets and financial liabilities in the Statement of Financial Position, the directors consider that the carrying amounts approximate their fair values as all financial assets and financial liabilities not fair valued are short-term in nature.

6. Related Parties

The Company's investment manager is Contango International Management Pty Limited ("Investment Manager"). The Company paid management fees of \$698,765 (2017: \$627,823) to the Investment Manager during the year.

The Company's investment advisor is WCM Investment Management ("Investment Advisor"). The Company paid performance fees of \$101,946 (2017: Nil) to the Investment Advisor during the year.

In addition, the Company has a services agreement with 2735 CSM Holdings Pty Limited to provide the use of premises and facilities, company secretarial, administrative, financial and accounting services. For the financial half-year 2018 the fees paid to 2735 CSM Holdings Pty Limited for these services were \$125,000 (2017: \$125,000).

7. Related Parties (continued)

The Investment Manager and 2735 CSM Holdings Pty Limited are director associated entities.

8. 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 or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows. The CODM has been identified as the Chief Executive Officer.

9. Contingent liabilities & Commitments

As at 31 December 2018, the Company had no contingent liabilities or capital commitments (30 June 2018: Nil).

10. Events occurring after the balance sheet date

There has been no other matter or circumstance, which has arisen since 31 December 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2018, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2018, of the Company.

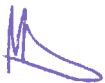
DIRECTORS' DECLARATION

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 interim 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 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.



Michael Liu – Director
20th February 2019

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

Report on review of interim financial information

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of WCM Global Growth Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

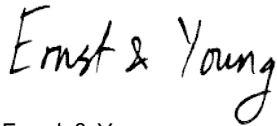
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Ernst & Young



Luke Slater
Partner
Melbourne
20 February 2019