

## WCM Global Growth Limited

### Annual General Meeting Chairman's Address

Thursday 12 November | 2:00 PM

Ms Valentina Stojanovska Cal

#### Introduction

Good morning ladies and gentlemen. Welcome to the Annual General Meeting of WCM Global Growth Limited.

Today we are very pleased to welcome those of you participating online through our first virtual meeting platform provided by our share registrar Link Market Services Limited.

It is 2:00pm and we have a quorum present. I now declare the meeting open.

Allow me to introduce myself, and my colleagues. I am Valentina Stojanovska Cal, Chairman of the Company. With me today are Directors Mr Michael Liu, Mr Stephen Merlicek, Mr Paul Rickard and Mr Martin Switzer, and our Company Secretary, Mr Anthony Rule.

Mr Switzer is also the Chief Executive Officer of Contango Asset Management Limited, the Company's Investment Manager, so we welcome him in this capacity as well.

Also, in attendance is Mr Luke Slater, who joins us from Ernst & Young, the Company's auditor.

On behalf of the Directors of WCM Global Growth Limited, I would like to thank you for taking the time to attend the Company's fourth Annual General Meeting.

Following my preliminary comments, we will proceed with the formal business of today's AGM, which is:

- to receive and consider the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2020;
- the adoption of the Remuneration Report;
- re-elect myself, Ms Valentina Stojanovska Cal as a Non-Executive director;
- re-elect Mr Paul Rickard as a Non-Executive director; and
- re-elect Mr Martin Switzer as a Non-Executive director.

Notice of the meeting was duly given and the meeting has been properly convened. We will turn to the resolutions later in the meeting. Please note that only shareholders, proxy holders or shareholder company representatives may vote.

Voting on each of the resolutions will be conducted by way of a poll.

Shareholders attending the meeting online, will be able to cast their vote using the electronic voting card received on your screen when online registration is validated. Please refer to the virtual annual meeting online portal guide or use the help line specified at the top of your screen.

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For shareholders participating online through the virtual meeting website, if you would like to ask a question pertaining to a resolution, please click on the 'Ask Question' button, indicate what resolution it pertains to, type your question and click submit. I encourage shareholders attending online, and who have questions, to send their questions through as soon as possible and we will endeavour to get to them at each resolution. Following the voting, general business questions will be taken.

Shareholder questions received prior to the meeting not relating to a resolution will be addressed during the general business questions. If you have any trouble being able to vote or ask any questions please call the Link Market Services help number for the meeting on 1800 990 363. You can also find this number at the top of your screen.

## Chairman's Address

The Company had another outstanding year, posting an after-tax profit of \$24.6m in FY2020 (FY2019 was \$17.0m). The Company's Portfolio Manager, WCM Investment Management, LLC ("WCM"), delivered a portfolio gain of 17.6% for the year which was significantly above the MSCI ACWI (ex-Australia) Total Return index (the "Benchmark") of 4.8%. Since inception in June 2017 to 30 June 2020, the portfolio has achieved an investment return of 19.7% per annum which is 7.0% per annum above the Benchmark of 12.7% per annum over the same period.

The Board is delighted with WCM's continued outperformance against a backdrop of incredible market volatility, primarily caused by the COVID-19 pandemic. These positive results are 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'. This process has resulted in WCM's flagship portfolio outperforming the MSCI World Index by an annualised 6.9% per annum since inception<sup>1</sup>, with WCM's assets under management growing from A\$1 billion to over A\$93 billion over the same period<sup>1</sup>.

The Company was pleased to commence the payment of dividends in FY2020. A total of 4.0 cents per share was paid during the year, comprising a final dividend in respect of FY2019 of 2.0 cents per share paid on 16 August 2019 and an interim dividend in respect of FY2020 of 2.0 cents per share paid on 31 March 2020.

In July 2020, the Board declared a final dividend in respect of FY2020 of 2.0 cents per share, 50% franked at a tax rate of 30%, which was paid to shareholders on 30 September 2020.

The Company's first two dividend payments in FY2020 were both unfranked. The commencement of partial franking of dividend payments in FY2021 reflects the Company's positive performance and is a further pleasing progression of the Company's capital management and dividend policy. It is expected that any interim dividend with respect to FY2021 will also be franked to at least 50%.

In May 2020, the Board was pleased to implement the WCM Global Growth Limited Dividend Reinvestment Plan ("DRP") as part of its commitment to capital management initiatives that enhance shareholder value. New shares under the DRP in relation to the FY2020 final dividend were issued at an attractive 6% discount, half of which was funded by a one-time DRP participation

<sup>1</sup> Data as at 31 October 2020.

incentive from the Company's Investment Manager, Contango Asset Management Limited ("Contango"). The strong support from shareholders for this initiative was reflected in the DRP participation rate of 31.3% being one of the highest DRP participation rates for any listed investment company.

As previously reported, the size of the Company increased materially in FY2020 as a result of the successful options exercise and underwriting in June/July 2019. This resulted in additional capital of \$95.8m being raised. The benefits to shareholders of increasing the scale of the Company are well established and became evident from the Company's subsequent share price performance.

All fees pursuant to the underwriting were paid for by Contango and 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 Board was grateful for the financial support of Contango in both the DRP and options exercise initiatives. The Board also worked with Contango to develop and further improve its shareholder engagement strategy, targeted at the direct and financial adviser market. The deployment of this strategy included:

- conferences and live-streamed events targeting self-managed superannuation fund trustees and self-directed investors through channels such as the Switzer Financial Group;
- regular shareholder webinars;
- twice monthly email communication;
- ongoing targeting of adviser and broker channels;
- the introduction of weekly net tangible asset reporting ("NTA"); and
- targeted mainstream media advertising to increase investor awareness of the WCM brand in Australia.

In summary, the Board and its investment manager were focused on four key areas in FY2020 to improve shareholder value: investment performance; increasing the scale of the Company; active capital management; and enhancing shareholder communication and engagement. As stated in previous correspondence, the Board believes that these four areas of focus are critical to address any share price discount to NTA.

In this regard, the Board is very pleased to note the significant reduction in the Company's share price discount to NTA in FY2020. On 30 June 2019, the Company was trading at a post-tax NTA discount of 8.6% (adjusted for the options exercise and underwriting). In contrast, on 31 October 2020, the Company traded at a post-tax NTA premium of 1.8%.

The Board and its investment manager remain firmly committed to continuing to improve shareholder returns by maintaining the focus on these four key areas in FY2021.

Whilst the outlook for financial markets may be uncertain, more than a decade of outperformance by WCM demonstrates that the Company's investment approach is robust. The Board is confident that the Company is well positioned for continued future success.

## Resolutions

Ladies and Gentlemen, we now come to the formal part of the business - matters requiring resolution, which are outlined in the Notice of Meeting.

The resolutions for consideration today may only be voted on by shareholders, proxy holders and shareholder company representatives.

Shareholders online through the virtual meeting website have the opportunity to ask questions on each matter being put to shareholders.

Shareholders attending the meeting online, will be able to cast their vote using the electronic voting card button online, once you have successfully logged in. Please click on the 'Get A Voting Card' button and you will be able to vote for each resolution. There should be a button to vote at both the top of your screen and at the bottom.

Following the voting, general business questions will be taken. For shareholders participating online through the virtual meeting website – please click on the 'Ask Question' button, type your question and click submit. There should be a button to ask a question at both the top of your screen and at the bottom.

If you have any trouble being able to vote or ask any questions please call the Link Market Services help number for the meeting which is 1800 990 363. You can also find this number at the top of your screen.

Now, moving to the resolutions, I propose to call a poll on each of these resolutions.

Each resolution set out in the Notice of Meeting is to be considered as an ordinary resolution and, as such, must be approved by a simple majority of the votes cast by shareholders entitled to vote and voting on the resolution.

## Financial Statements and Reports

The first item is to receive and consider the Financial Statements of the Company for the year ended 30 June 2020, which include the Financial Report, the Directors' Report and the Auditor's Report.

There is no requirement for shareholders to approve the Financial Statements.

I would like now to provide shareholders with the opportunity to ask questions about, or comment on, the Financial Statements. Questions relating to the audit may be directed to our Auditors, Ernst & Young.

I will handover to our Company Secretary to read any questions that have been presented online with respect to the financial statements and reports.

We have received the following question online OR we have no questions.

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### **Resolution 1: Adoption of Remuneration Report**

Resolution 1 concerns the Adoption of the Remuneration Report.

This resolution, if thought fit, approves the Remuneration Report, as included in the Directors' Report of the Company for the year ended 30 June 2020.

The details of the Resolution and Proxy Votes are displayed on the screen. I would now like to provide shareholders with the opportunity to ask questions about, or comment on, the Remuneration Report.

I will hand over to our Company Secretary to read any questions that have been presented online with respect to Resolution 1.

We have received the following question online OR we have no questions for this resolution.

Thank you – please now select either “FOR”, “AGAINST” or “ABSTAIN” for Resolution 1 on the voting card.

For Resolution 2, as it is related to the re-election of myself I will now ask Michael Liu to read the Resolution.

### **Resolution 2 – Re-election of Non-executive Director – Ms. Valentina Stojanovska Cal**

Resolution 2 concerns the re-election of Ms. Valentina Stojanovska Cal as a Non-executive Director.

Ms. Valentina Stojanovska Cal's credentials are detailed in the Notice of Meeting.

The details of the Resolution and Proxy Votes are displayed on screen. I would now like to provide shareholders with the opportunity to ask questions about, or comment on, the re-election of Ms. Valentina Stojanovska Cal as a Non-executive Director.

I will hand over to our Company Secretary to read any questions that have been presented online with respect to Resolution 2.

We have received the following question online OR we have no questions for this resolution.

Thank you – please now select either “FOR”, “AGAINST” or “ABSTAIN” for Resolution 2 on the voting card.

### **Resolution 3 – Re-election of Non-executive Director – Mr. Paul Rickard**

Resolution 3 concerns the re-election of Mr. Paul Rickard as a Non-executive Director.

Mr. Paul Rickard's credentials are detailed in the Notice of Meeting.

The details of the Resolution and Proxy Votes are displayed on screen. I would now like to provide shareholders with the opportunity to ask questions about, or comment on, the re-election of Mr. Paul Rickard as a Non-executive Director.

I will hand over to our Company Secretary to read any questions that have been presented online with respect to Resolution 3.

We have received the following question online OR we have no questions for this resolution.

Thank you – please now select either “FOR”, “AGAINST” or “ABSTAIN” for Resolution 2 on the voting card.

#### **Resolution 4 – Re-election of Non-executive Director – Mr. Martin Switzer**

Resolution 4 concerns the re-election of Mr. Martin Switzer as a Non-executive Director.

Mr. Martin Switzer’s credentials are detailed in the Notice of Meeting.

The details of the Resolution and Proxy Votes are displayed on screen. I would now like to provide shareholders with the opportunity to ask questions about, or comment on, the election of Mr. Martin Switzer as a Non-executive Director.

I will hand over to our Company Secretary to read any questions that have been presented online with respect to Resolution 4.

We have received the following question online OR we have no questions for this resolution.

Thank you – please now select either “FOR”, “AGAINST” or “ABSTAIN” for Resolution 2 on the voting card.

I would like to invite shareholders to vote on all the resolutions if they have not done so already.

The voting process has now been completed. I therefore declare the poll closed. I will now welcome any additional general questions from attendees.

We have received the following question online OR we have no questions to address.

With the formal business of the meeting complete, I now close the meeting and advise that my address will be lodged with ASX shortly.

Thank you for attending the meeting. Contango Asset Management is available for further discussion via email at [invest@contango.com.au](mailto:invest@contango.com.au) or via telephone 1300 100 750.

Thank you for joining us today and thank you to all our shareholders for your continued support.

**Valentina Stojanovska Cal**  
**Chairman**

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