

**WCM GLOBAL LONG SHORT LIMITED (FORMERLY CONTANGO INCOME
GENERATOR LIMITED)
ABN 40 160 959 991**

**HALF-YEAR INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

Appendix 4D

Half-year Report for the six months ended 31 December 2021

WCM GLOBAL LONG SHORT LIMITED (FORMERLY CONTANGO INCOME GENERATOR LIMITED)

ABN 40 160 959 991

1. Reporting period:

| | |
|---------------------------------|----------------------------------|
| Report for the half-year ended: | 31 December 2021 |
| Previous corresponding period: | Half-year ended 31 December 2020 |

2. Results for announcement to the market:

| | \$A'000 | Up/Down | \$A'000 Movement | % Movement |
|---|---------|---------|---------------------|---------------|
| Revenues from ordinary activities (<i>item 2.1</i>) | 3,534 | Down | 951 | (21.2) |
| Profit from ordinary activities after tax attributable to members (<i>item 2.2</i>) | 4,647 | Up | 5,655 | NA |
| Net profit for the year attributable to members (<i>item 2.3</i>) | 4,647 | Up | 5,655 | NA |

| Interim Dividend (<i>item 2.4</i>) | 31 Dec 2021 | 31 Dec 2020 |
|---|--------------------|--------------------|
| Interim dividend per ordinary share | NA | NA |
| Franked amount per security at 30% tax rate | NA | NA |

3. Net tangible assets per security:

| | 31 Dec 2021 | 31 Dec 2020 |
|--|--------------------|--------------------|
| Net tangible asset backing per ordinary security (after tax) | \$0.849 | \$0.723 |

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

Nil.

5. Dividends:

No dividends were paid, declared or recommended in respect of the half-year ended 31 December 2021.

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

The rules of the DRP have been distributed to eligible shareholders and are also available on the Company's website.

The Company's DRP provides for a 3% discount to the Volume Weighted Average Price of ordinary shares for the 4 trading days up to and including record date. The last date for receipt of election notices for participation in the DRP is close of business one day after record date.

7. Details of associates and joint venture entities:

Nil.

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

9. Independent review of the financial report:

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

**WCM Global Long Short Limited
(formerly Contango Income Generator Limited)
ABN 40 160 959 991**

**Financial report for the
half-year ended 31 December 2021**

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Chairman's Report

Dear Shareholder,

I am pleased to present this report of WCM Global Long Short Limited (formerly Contango Income Generator Limited) (**WLS** or the **Company**) for the half-year ended 31 December 2021 (**H1 FY2022**).

Results and Performance

The Company's net operating profit before tax for H1 FY2022 was \$2,872,000 (31 December 2020: \$2,976,000). The profit for the period is mainly attributed to an increase in the value of the Company's investment portfolio.

Following a review of the Company's tax position for H1 FY2022, the Company recorded a significant tax benefit from the re-recognition of prior period carry forward tax losses. As a result, the Company's net operating profit after tax for the half-year was \$4,647,000 (31 December 2020: loss after tax of \$1,008,000). For further details refer to Note 1(f) of the financial statements.

The portfolio has delivered a return of 10.4% for the period (net of fees) (31 December 2020: 4.5%).

For H1 FY2022, the pre-tax net tangible asset (**NTA**) value per share of the Company increased from \$0.775 at 30 June 2021 to \$0.849 at 31 December 2021.

For H1 FY2022, the post-tax NTA value per share of the Company increased from \$0.760 at 30 June 2021 to \$0.849 at 31 December 2021. This increase is after the re-recognition of prior period carry forward tax losses after a review of the tax position was completed. For further details refer to Note 1(f) of the financial statements.

Selective Buy-back

Shareholders approved the selective buy-back of WAM Capital Limited's 69.6% shareholding in the Company at an Extraordinary General Meeting (**EGM**) held on 14 July 2021, with 80.99% of votes cast in favour of the buy-back resolution. The completion of the buy-back has enabled the Company to focus solely on, and invest fully in, the WCM Quality Global Growth Long Short Equity Strategy (the **Strategy**), providing shareholders with maximum exposure to the potential benefits of the Strategy.

Change of Company Name to WCM Global Long Short Limited

Shareholders also approved a special resolution at the EGM to change the name of the Company to WCM Global Long Short Limited (ASX:WLS), with 99.04% of votes cast in favour of the resolution. The name change aligns WCM with the Company's new investment strategy, increasing its relevance in the Australian marketplace under the WCM brand, and introduces a new strategy to the WCM product suite in the Australian market.

The WCM Quality Global Growth Long Short Equity Strategy

The Strategy has, since inception on 30 June 2014, generated a return of 24.2% per annum outperforming its benchmark, the MSCI All Country World Index (**Benchmark**), by an annualised 9.9% per annum¹.

Since the full implementation of the Strategy by the Company on 1 July 2021¹, WLS's portfolio has generated a return of 10.4%, exceeding the Benchmark by 1.2%. This is a pleasing result, with the improved portfolio performance achieved notwithstanding the impact of the market rotation towards value stocks over the past year.

¹ Inception date refers to the date at which the WLS portfolio was fully invested in the Strategy.

The WCM Quality Global Growth Long Short Equity Strategy (continued)

Value of \$10,000 invested²



Proposed Restructure to Address Share Price Discount to Net Tangible Assets

Shareholders of the Company will be aware from previous announcements that the Board has been focused on improving the performance of the Company's portfolio and addressing the Company's share price discount to NTA per share.

More specifically, the Board has previously confirmed its intention to monitor the share price closely and prioritise the implementation of corporate strategies to address the discount, should the Company's share price continue to trade at a material discount to NTA per share during the initial two year period of the existing investment management agreement (**IMA**) with Contango Asset Management Limited (**Manager**) and WCM Investment Management, LLC (**WCM**) as Investment Advisor.

It is pleasing that the performance of the investment portfolio has improved since the full implementation of the Strategy on 1 July 2021. However, the Board appreciated that the share price discount to NTA remained a material concern for the Company's shareholders and, to this end, it established an independent board committee (**IBC**) to consider and review potential strategies to address this matter.

On 24 January 2022, the Company announced that the IBC was in the process of negotiating the commercial terms of a proposed restructure that it believes will address the share price discount. The proposed restructure would be implemented by way of a capital reduction and scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (**Scheme**).

If the Scheme is implemented, investors will continue to have access to a portfolio of investments managed by WCM and constructed using the Strategy which was approved by shareholders in September 2020. However, the proposed new trust structure will provide investors the opportunity to enter and exit the fund at values much closer to the underlying NTA of the portfolio.

Shareholders are not required to take any action at this time. Full details of the proposed restructure will be provided in a Scheme booklet which the Company expects to be distributed by April 2022, with the implementation date expected in July 2022. For more information about the restructure, including an indicative timetable, please refer to the Company's ASX announcement on 24 January 2022, or contact the Company directly.

² Data as at 31 December 2021. WCM applies the same investment principles, philosophy and execution approach of its WCM Quality Global Growth Long Short Equity Strategy Composite, which was created on 30 June 2014, to the WLS portfolio. Past performance is not indicative of future performance. Performance is in AUD and includes the reinvestment of all dividends and income. The benchmark for the WLS portfolio is the MSCI All Country World Index (MSCI ACWI Index). For further information please refer to contango.com.au.

Proposed restructure to address share price discount to net tangible assets (continued)

The Board looks forward to a positive year ahead with the new Strategy now fully implemented and the proposed restructure to address the share price discount to NTA. On behalf of the Board, I thank shareholders for their continued support.

Sincerely,

A handwritten signature in black ink that reads "Mark Kerr". The signature is written in a cursive, slightly slanted style.

Mark Kerr
Chairman

WCM GLOBAL LONG SHORT LIMITED

DIRECTORS' REPORT

Directors' Report

The directors present their report together with the condensed financial report of WCM Global Long Short Limited (formerly Contango Income Generator Limited) (the **Company**), for the half-year ended 31 December 2021 and independent review 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 2021 and up to the date of this report (unless otherwise indicated) are:

Mark Kerr – Non-executive Chairman
Andrew Meakin - Non-executive Director
Martin Switzer – Non-executive Director

Principal activity

The principal activity of the Company during the period 1 July to 31 December 2021 was investment in the WCM Focused Global Growth Long-Short Offshore Fund Ltd. The WCM Focused Global Growth Long-Short Offshore Fund Ltd provides the Company with exposure to the WCM Quality Global Growth Long Short Equity Strategy, a global long short investment strategy managed by WCM Investment Management, LLC, a California-based asset management firm which specialises in the active management of global and emerging markets equities.

Results

The Company's net operating profit before tax for the half-year was \$2,872,000 (31 December 2020: \$2,976,000). The Company's net operating profit after tax for the half-year was \$4,647,000 (31 December 2020: loss after tax of \$1,008,000). The substantial increase in income tax benefit for the half-year was primarily due to the re-recognition of prior period carry forward tax losses after a review of the tax position was completed. For further details refer to Note 1(f) of the financial statements. Basic and diluted earnings per share amounted to 8.80 cents for the half-year (31 December 2020: loss of 0.83 cents per share).

Review of operations

Profit and performance

The increase in pre and post-tax profit for the period is attributed to an increase in value of the Company's investment portfolio.

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.

For the half-year ended 31 December 2021, the pre-tax NTA value per share of the Company has increased from \$0.775 as at 30 June 2021 to \$0.849 at 31 December 2021.

For the half-year ended 31 December 2021, the post-tax NTA value per share of the Company increased from \$0.760 at 30 June 2021 to \$0.849 at 31 December 2021.

Significant changes in the state of affairs

On 24 January 2022, the Company announced that the IBC was in the process of negotiating the commercial terms of a proposed restructure that it believes will address the share price discount. The proposed restructure would be implemented by way of a capital reduction and scheme of arrangement under Part 5.1 of the *Corporations Act 2001*.

The Scheme, if implemented, would result in:

- a new unlisted unit trust (**New Head Trust**) acquiring 100% of the Company's shares, becoming the Company's parent entity; and
- WLS shareholders exchanging their shares for units in the New Head Trust on a one-for-one basis.

WCM GLOBAL LONG SHORT LIMITED

DIRECTORS' REPORT (continued)

If the Scheme is implemented, investors will continue to have access to a portfolio of investments managed by WCM and constructed using the WCM Quality Global Growth Long Short Equity Strategy which was approved by shareholders in September 2020. However, the proposed new trust structure will provide investors the opportunity to enter and exit the fund at values much closer to the underlying NTA of the portfolio.

Implementation of the proposed restructure is expected to be conditional upon the satisfaction of various conditions, including:

- (a) execution of a definitive scheme implementation deed in a form acceptable to the Company and the Manager;
- (b) the IBC formally concluding that the proposed restructure is in the best interests of shareholders and recommending shareholders vote in favour of the proposed restructure in the absence of a superior proposal;
- (c) the Company's shareholders passing the resolutions required to approve the restructure;
- (d) an independent expert concluding that the restructure is in the best interests of the Company's shareholders as a whole; and
- (e) all required regulatory and court approvals being obtained.

Full details of the proposed restructure will be provided in a Scheme booklet which the Company expects to be distributed by April 2022, with the implementation date expected in July 2022.

There have been no significant changes in the state of affairs of the Company that occurred during the half-year under review other than as noted in the Chairman's Report and this report.

Events subsequent to balance date

On 14 February 2022, the Company advised ASX that its pre-tax and post-tax NTA per share was \$0.777 and \$0.777 as at 31 January 2022.

No other matters or circumstances have arisen since the end of the financial half-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.

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 review for the financial half-year is set out on page 7.

Signed in accordance with a resolution of the directors.



Mark Kerr
Chairman
Melbourne
18 February 2022



**Building a better
working world**

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Auditor's independence declaration to the directors of WCM Global Long Short Limited

As lead auditor for the review of the half-year financial report of WCM Global Long Short Limited for the half-year ended 31 December 2021, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young
Ernst & Young

Luke Slater

Luke Slater
Partner
18 February 2022

WCM GLOBAL LONG SHORT LIMITED
INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the half-year ended 31 December 2021

| | Note | 31 December 2021 \$'000 | 31 December 2020 \$'000 |
|---|------|----------------------------|----------------------------|
| Revenue and other income | | | |
| Dividend income | | - | 616 |
| Fair value gain on financial assets at fair value through profit or loss | 2 | 3,534 | 3,869 |
| Total income | | 3,534 | 4,485 |
| Expenses | | | |
| Investment management fees | 6 | 226 | 461 |
| Business administration expenses | 6 | 18 | 81 |
| Transaction costs | | - | 133 |
| Listing, custody and registry costs | | 33 | 62 |
| Legal, accounting and professional costs | | 58 | 38 |
| Directors' remuneration expense | | 39 | 43 |
| Other expenses | | 198 | 202 |
| Corporate expenses | | 90 | 489 |
| Total expenses | | 662 | 1,509 |
| Profit before income tax | | 2,872 | 2,976 |
| Income tax benefit/(expense) | | 1,775 | (3,984) |
| Profit/(loss) for the half-year | | 4,647 | (1,008) |
| Other comprehensive income for the half-year | | - | - |
| Total comprehensive income/(loss) for the half-year | | 4,647 | (1,008) |
| Earnings per share for comprehensive income/(loss) to the equity holders | | | |
| Basic and diluted earnings/(losses) per share (cents per share) | | 8.80 | (0.83) |

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

WCM GLOBAL LONG SHORT LIMITED**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021**

| | Note | 31 December 2021 \$'000 | 30 June 2021 \$'000 |
|---|------|----------------------------|------------------------|
| Assets | | | |
| Cash and cash equivalents | | 2,507 | 41,128 |
| Trade and other receivables | | 4 | 210 |
| Investments at fair value through profit or loss | 5 | 29,936 | 56,082 |
| Total assets | | 32,447 | 97,420 |
| Liabilities | | | |
| Trade and other payables | | 121 | 181 |
| Deferred tax liability | | - | 1,775 |
| Total liabilities | | 121 | 1,956 |
| Net assets | | 32,326 | 95,464 |
| Equity | | | |
| Issued capital | 4 | 47,394 | 115,179 |
| Dividend reserve | | 3,926 | 3,926 |
| Accumulated losses | | (18,994) | (23,641) |
| Equity attributable to owners of WCM Global Long Short Limited | | 32,326 | 95,464 |

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

WCM GLOBAL LONG SHORT LIMITED

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
For the half-year ended 31 December 2021

| | Issued Capital \$'000 | Dividend reserve \$'000 | Accumulated Losses \$'000 | Total Equity \$'000 |
|--|-----------------------------|-------------------------------|---------------------------------|------------------------|
| Balance at 30 June 2020 | 102,671 | 113 | (23,641) | 79,143 |
| Loss for the half-year | - | - | (1,008) | (1,008) |
| Total comprehensive income for the half-year | - | - | (1,008) | (1,008) |
| Transactions with owners in their capacity as owners: | | | | |
| Transfer to dividend reserve | - | 3,057 | (3,057) | - |
| Shares issued under Share Placement net of costs and tax | 9,667 | - | - | 9,667 |
| Shares issued under Share purchase plan net of costs and tax | 2,928 | - | - | 2,928 |
| Balance at 31 December 2020 | 115,266 | 3,170 | (27,706) | 90,730 |
| Balance at 30 June 2021 | 115,179 | 3,926 | (23,641) | 95,464 |
| Profit for the half-year | - | - | 4,647 | 4,647 |
| Total comprehensive income for the half-year | - | - | 4,647 | 4,647 |
| Transactions with owners in their capacity as owners: | | | | |
| Cancellation of shares under selective share buyback | (67,785) | - | - | (67,785) |
| Balance at 31 December 2021 | 47,394 | 3,926 | (18,994) | 32,326 |

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

WCM GLOBAL LONG SHORT LIMITED**INTERIM CONDENSED STATEMENT OF CASH FLOWS**
For the half-year ended 31 December 2021

| | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Payments for purchase of investments | - | (61,304) |
| Proceeds from sale of investments | 29,403 | 87,622 |
| Realised foreign exchange impacts | 154 | (701) |
| Dividends received | - | 1,067 |
| Other payments to suppliers and employees | (393) | (1,500) |
| Net cash provided by operating activities | 29,164 | 25,184 |
| Cash flows from financing activities | | |
| Share issued under Share Placement net of costs | - | 9,594 |
| Share issued under Share purchase plan net of costs | - | 2,928 |
| Cancellation of shares under selective share buyback | (67,785) | - |
| Net cash (used in)/provided by financing activities | (67,785) | 12,522 |
| Net (decrease)/increase in cash and cash equivalents | (38,621) | 37,706 |
| Cash and cash equivalents at the beginning of the half-year | 41,128 | 4,052 |
| Cash and cash equivalents at the end of the half-year | 2,507 | 41,758 |

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

Notes to the Interim Condensed Financial Statements For the half-year ended 31 December 2021

Note 1: Basis of preparation of the half-year 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 report for the year ended 30 June 2021 and any public announcements made by WCM Global Long Short Limited (formerly Contango Income Generator 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 Long Short Limited (formerly Contango Income Generator 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 has been prepared in accordance with Australian Accounting Standards 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) – (l).

The financial report covers the activities of WCM Global Long Short Limited (formerly Contango Income Generator 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 Interim Condensed 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.

New standards adopted as at 1 July 2021

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(b) Going concern

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

(c) 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 a Dividend Reserve subject to board approval. Losses incurred at the end of each calendar month must be recouped before a transfer to the Dividend Reserve can occur. Losses incurred at the end of each financial year are transferred to Accumulated Losses. The above process enables the Directors to declare or determine to pay dividends from the Dividend Reserve to shareholders at a future date.

Note 1: Basis of preparation of the half-year report (continued)

(d) Revenue

Dividend income is recognised on the ex-dividend date with any related withholding tax recorded as an expense.

Interest income is recognised in the Interim Condensed Statement of Profit or Loss and Other Comprehensive Income using the effective interest rate method for all financial instruments that are not held at fair value through profit or loss.

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).

(e) 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 Interim Condensed Statement of Financial Position.

(f) 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. The tax rate for the current period was 25% (2021: 30%).

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. The Company currently has a deferred tax asset cap implemented that is equal to the deferred tax liability. The deferred tax asset relating to the carry forward tax losses that are in excess of the deferred tax liability have not been recognised as a deferred tax asset given the uncertainty around the ability to utilise these tax losses prior to the implementation of the proposed restructure as detailed in Note 10.

Subsequent to the change in investment strategy on 1 October 2020, WAM Capital Limited (**WAM**) acquired a 69.6% shareholding in the Company pursuant to a takeover offer for the Company which opened on 13 October 2020 and closed on 13 November 2020. Due to the WAM takeover offer, the Company no longer passed the Continuity of Ownership Test and as a direct result of this action, all carry forward tax losses for the year ended 30 June 2020, and prior, were no longer available to utilise, and were derecognised accordingly.

The change in the Company's investment strategy was completed prior to the closure date of the WAM takeover offer, 13 November 2020, which is the date the Company no longer satisfied the Continuity of Ownership Test. On further review, the Company and its tax advisors determined the Company continued to satisfy the Continuity of Ownership Test at the date the Company no longer satisfied the Same Business Test, enabling the Company to carry forward its existing tax losses. As a result, net assets on the Interim Condensed Statement of Financial Position have been increased, however, this has no impact on current cash flows.

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: Basis of preparation of the half-year report (continued)

(g) 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, 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 financial assets are 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 amortised 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.

Financial assets at amortised cost are subsequently measured using effective interest rate (**EIR**) method and are subject to impairment.

(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 has expired or the Company has transferred substantially all the risks and rewards of ownership.

(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.

(h) 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 Australian 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 Interim Condensed Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Interim Condensed 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.

(i) 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.

Note 1: Basis of preparation of the half-year report (continued)**(j) Standards issued but not effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period.

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

(k) Comparatives

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

(l) 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 thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Note 2: Fair value gain/(loss) on financial assets through profit and loss

| | 31 December 2021 | 31 December 2020 |
|--------------------------------------|------------------|------------------|
| | \$'000 | \$'000 |
| Realised investment gains/(losses) | 4,076 | (9,290) |
| Unrealised investment (losses)/gains | (542) | 13,159 |
| Total investment gains | 3,534 | 3,869 |

Note 3: Dividends**Dividends paid or declared**

There were no dividends paid, declared or recommended during the half-year ended 31 December 2021 (half-year ended 31 December 2020: \$Nil).

Note 4: Issued capital

On 16 July 2021, the shares on issue for the Company were reduced by 87,465,103 following the cancellation of the shares subject to the selective buy-back with the proceeds for the selective buy-back of \$67,655,455, net of transaction costs, paid the same day.

| Details | 31 December 2021 | | 31 December 2020 | |
|---|-------------------|---------------|--------------------|----------------|
| | No. of Shares | \$'000 | No. of Shares | \$'000 |
| Opening balance of the half-year | 125,529,319 | 115,179 | 105,023,565 | 102,671 |
| Share issued during the half-year: | | | | |
| Share issued under Share Placement | - | - | 15,753,354 | 9,667 |
| Share issued under Share Purchase Plan | - | - | 4,752,220 | 2,928 |
| Shares bought back | (87,465,103) | (67,785) | - | - |
| Closing balance of the half-year | 38,064,216 | 47,394 | 125,529,139 | 115,266 |

WCM GLOBAL LONG SHORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Note 5: Fair Value Measurement

The carrying amounts of the Company's financial assets and financial liabilities are at or approximate fair value.

For the half-year ended 31 December 2021 and year ended 30 June 2021, 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 ended 31 December 2021 were determined directly, in full, by reference to quoted prices from WCM Focused Global Growth Long-Short Offshore Fund Ltd. 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 \$Nil Level 1 Financial Assets and Liabilities as at 31 December 2021 (30 June 2021: \$Nil). The Company held \$29,936,000 Level 2 Financial Assets and Liabilities as at 31 December 2021 (30 June 2021: \$56,082,000).

For all other financial assets and financial 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 6: Related Party Disclosures

All transactions with related entities are made on commercial arms-length terms.

The Company's investment manager is Contango Funds Management Limited (**Investment Manager**). The Company paid management fees of \$226,000 (2020: \$461,000) to the Investment Manager during the half-year. As at 31 December 2021, \$17,000 management fees were payable by the Company to the Investment Manager. As at 31 December 2021, there were no performance fees payable by the Company to the Investment Manager (2020: NA).

The Investment Manager has appointed WCM Investment Management, LLC as its Investment Advisor in respect of the Company's investment in the WCM Focused Global Growth Long-Short Offshore Fund Ltd. The Investment Advisor charges its share of the management fee and performance fee directly in the WCM Focused Global Growth Long-Short Offshore Fund Ltd.

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. The Company paid service fees of \$18,000 (2020: \$81,000) to 2735 CSM Holdings Pty Limited during the half-year.

The Investment Manager and 2735 CSM Holdings Pty Limited are Director associated entities. All the related party transactions are conducted on normal commercial terms and conditions.

The Company has agreed to pay the Investment Manager a performance fee equal to 20% (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 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.

There were no dividend payments for the period to current directors Mr Mark Kerr (2021: \$Nil); Mr Martin Switzer (2021: \$Nil) and Mr Andrew Meakin (2021: \$Nil).

Note 7: Segment Information

The Company operates solely in the business of investment in the WCM Focused Global Growth Long-Short Offshore Fund Ltd. 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 Interim Condensed Statement of Profit or Loss and Other Comprehensive Income, Interim Condensed Statement of Financial Position, Interim Condensed Statement of Changes in Equity and Interim Condensed Statement of Cash Flows. The CODM has been identified as the Board of Directors.

Note 8: Contingencies and Commitments

As at 31 December 2021, the Company had no contingent liabilities or capital commitments (30 June 2021: Nil).

Note 9: Subsequent Events

On 24 January 2022, the Company announced that an independent board committee (**IBC**) was in the process of negotiating the commercial terms of a proposed restructure. The proposed restructure would be implemented by way of a capital reduction and scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (**Scheme**).

The Scheme, if implemented, would result in:

- a new unlisted unit trust (**New Head Trust**) acquiring 100% of the Company's shares, becoming the Company's parent entity; and
- WLS shareholders exchanging their shares for units in the New Head Trust on a one-for-one basis.

If the Scheme is implemented, investors will continue to have access to a portfolio of investments managed by WCM and constructed using the WCM Quality Global Growth Long Short Equity Strategy which was approved by shareholders in September 2020. However, the new trust structure will provide investors the opportunity to enter and exit the fund at values much closer to the underlying NTA of the portfolio.

Implementation of the proposed restructure is expected to be conditional upon the satisfaction of various conditions, including:

- (a) execution of a definitive scheme implementation deed in a form acceptable to the Company and the Manager;
- (b) the IBC formally concluding that the proposed restructure is in the best interests of shareholders and recommending shareholders vote in favour of the proposed restructure in the absence of a superior proposal;
- (c) the Company's shareholders passing the resolutions required to approve the restructure;
- (d) an independent expert concluding that the restructure is in the best interests of the Company's shareholders as a whole; and
- (e) all required regulatory and court approvals being obtained.

Full details of the proposed restructure will be provided in a Scheme booklet which the Company expects to be distributed by April 2022, with the implementation date expected in July 2022.

On 14 February 2022, the Company advised ASX that its pre and post-tax NTA per share was \$0.777 and \$0.777 as at 31 January 2022.

No other matters or circumstances have arisen since the end of the financial half-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.

WCM GLOBAL LONG SHORT LIMITED

DIRECTORS' DECLARATION

For the half-year ended 31 December 2021

Directors' Declaration

In accordance with a resolution of the directors of WCM Global Long Short Limited (formerly Contango Income Generator 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 2021 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.



Mark Kerr
Chairman
Melbourne
18 February 2022



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Independent Auditor's Review Report to the Members of WCM Global Long Short Limited

Conclusion

We have reviewed the accompanying half-year financial report of WCM Global Long Short Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2021, 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 and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2021 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us 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 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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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.

Ernst & Young
Ernst & Young

Luke Slater
Luke Slater
Partner
Melbourne
18 February 2022