



Letter from the Chairman

Dear Shareholders,

I present below the report for WCM Global Long Short Limited (**WLS** or the **Company**) for the year ended 30 June 2022 (**FY2022**).

Results and Performance

The Company's net operating loss before tax for FY2022 was \$4,774,000 (30 June 2021: net operating profit before tax of \$7,045,000). The decrease in before tax profit for the period is mainly attributed to a decrease in the value of the Company's investment portfolio during a period of very difficult market conditions.

The Company's net operating loss after tax for the FY2022 was \$2,999,000 (30 June 2021: net operating profit after tax of \$3,813,000).

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

For FY2022, the pre-tax net tangible asset (**NTA**) value per share of the Company decreased from \$0.775 at 30 June 2021 to \$0.649 at 30 June 2022, while the post-tax NTA value per share of the Company decreased from \$0.760 to \$0.649 over the same period.

Proposed Restructure

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

While more than eight years of outperformance by WCM in managing the Strategy demonstrates that the Company's new investment approach is robust, the Board understands that the share price discount to NTA per share remains a material concern for the Company's shareholders. To this end, on 24 January 2022, the Company announced that an independent board committee (**IBC**) had been established to negotiate a restructure of WLS to address this issue.

On 29 April 2022, the Company executed an Implementation Deed in relation to a proposed restructure (**Proposed Restructure**). Under the Proposed Restructure, shares in WLS will be converted to units in a new fund (the **Fund**) via a Scheme of Arrangement (**Scheme**). The new Fund will provide investors with:

- the opportunity to enter and exit the Fund at values much closer to the underlying value of the WLS investment portfolio (**Portfolio**); and
- the ability to remain invested in the Portfolio, management by the same investment adviser and employing the same investment strategy as WLS.

One of the key drivers behind the Board's decision to adopt a new structure for the Company was to narrow the share price trading discount to NTA. Since the launch of the Strategy, and the announcement of the Proposed Restructure, the pre-tax discount to NTA has reduced significantly by 11.8%, from 18.9% to 7.1%, as at 31 July 2022. If the Proposed Restructure is approved and implemented:

- WLS shareholders will exchange their WLS shares for units in the Fund;
- WLS will become wholly owned by the Fund and will be delisted from the ASX;
- The Portfolio will be transferred to the Fund;
- The investment management agreement between WLS and Contango Funds Management Limited (**CFML** or the **Investment Manager**) will be terminated, without any termination fees becoming payable to CFML;
- The Fund will continue to engage WCM to manage the Portfolio as Investment Adviser, on materially the same terms as were approved by WLS shareholders in 2020 (including the method of calculating management and performance fees); and
- Unitholders in the Fund will be able to request the withdrawal of all or some of their units in accordance with the constitution of the Fund.

WLS shareholders will be given the opportunity to vote on the Scheme at a meeting of shareholders, expected to be in mid- November 2022. If approved, the Scheme will be implemented in early December 2022, subject to court dates.

A revised indicative timetable for the Proposed Restructure is set out below:

| Event | Date |
|--|-------------------------------------|
| Implementation Deed is executed | Completed 29 April 2022 |
| Lodge draft Scheme Booklet with ASIC/ASX | Mid-September 2022 |
| First Court Date* | Mid-October 2022 |
| Scheme Booklet dispatched to WLS shareholders | Late October 2022 |
| General meetings of WLS shareholders | Mid November 2022 |
| Shareholders consider the resolutions required to approve the proposed restructure | Late November 2022 |
| Second Court Date* | |
| Effective Date | |
| <i>Scheme orders lodged with ASIC / Last day of trading in the Company's shares on ASX (with shares suspended from trading on ASX from close of trading)</i> | Late November / early December 2022 |
| Implementation Date | |
| <i>Scheme consideration is issued / The Trust acquires 100% of the Company</i> | Early December 2022 |

*Subject to Court availability

The WCM Quality Global Growth Long Short Equity Strategy Composite

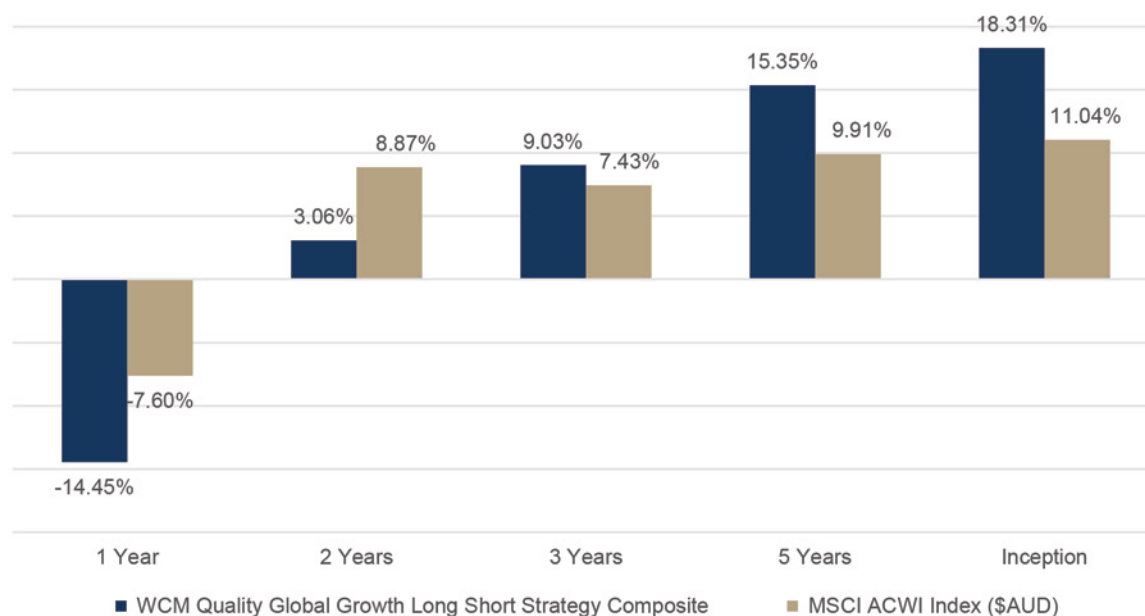
The Strategy has, since inception on 30 June 2014, generated a return of 18.3% per annum, outperforming its benchmark, the MSCI All Country World Index (**Benchmark**) by 7.3% per annum.

For FY2022, the Strategy generated a return of -14.5%, underperforming the benchmark which delivered -7.6% in the same period.

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

The sharp decline in growth stocks in the second half of FY2022 has been a significant challenge for global investors, however, the Company's portfolio is designed to deliver returns over the long term from exposure to quality companies with expanding competitive advantages supported by aligned corporate cultures.

Annualised returns of the Strategy versus its Benchmark at 30 June 2022 are shown below:



Investment Portfolio

WCM's investment process is based on the belief that corporate culture is one of the key drivers of the trajectory of a company's competitive advantage, or 'economic moat'.

WLS aims to own businesses with growing competitive advantages supported by tailwinds and aligned corporate cultures, while shorting businesses with deteriorating competitive advantages, confronting headwinds and challenged corporate cultures.

WCM strongly believes that corporate culture is a key determinant of a firm's ability to achieve a consistently growing moat. WCM has developed a proprietary approach to analysing corporate culture and has investment team members solely dedicated to this part of its investment process.

The following is the top 10 portfolio holdings and sector breakdown for the WLS Portfolio as at 30 June 2022:

| Top 10 Portfolio Holdings | 30 June 2022 % |
|---------------------------------|----------------|
| Thermo Fisher Scientific Inc. | 6.25 |
| Visa Inc - Class A Shrs | 4.80 |
| China Mengniu Dairy Co | 3.91 |
| Hdfc Bank Ltd-Adr | 3.78 |
| Unitedhealth Group Incorporated | 3.78 |
| Microsoft Corporation | 3.70 |
| Amadeus It Group Sa | 3.29 |
| Amphenol Corp | 3.27 |
| Pernod Ricard Sa | 3.24 |
| Aia Group Ltd | 3.06 |
| Total | 39.08 |

| Sector | Long % | Short % | 30 June 2022 % |
|------------------------|--------|---------|----------------|
| Technology | 35.70 | -6.80 | 28.90 |
| Consumer Staples | 23.70 | -3.00 | 20.60 |
| Energy | 19.30 | -7.80 | 11.40 |
| Financials | 11.60 | -0.60 | 11.10 |
| Health Care | 9.90 | 0.00 | 9.90 |
| Industrials | 11.50 | -4.20 | 7.30 |
| Information Technology | 0.00 | 0.00 | 0.00 |
| Materials | 0.00 | -1.10 | -1.10 |
| Real Estate | 0.00 | -2.00 | -2.00 |
| Communication Services | 0.00 | -2.60 | -2.60 |
| Utilities | 0.20 | -7.10 | -6.90 |

Outlook

The Board and the Investment Manager believe that the investment Strategy provides investors with the potential for excellent long-term returns. Since the change to the Strategy in September 2020, and the announcement of the Proposed Restructure in January 2022, the pre-tax discount to NTA has improved significantly. The Board believes the adoption of the Proposed Restructure during the current half year will also offer shareholders values much closer to NTA.

The Board looks forward to a positive year ahead and would like to thank all shareholders for their continued support.

Sincerely,



Mark Kerr

Chairman
WCM Global Long Short Limited



Mark Kerr

Chairman
WCM Global Long Short
Limited

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Directors' Report

The Directors present their report together with the financial report of WCM Global Long Short Limited (formerly Contango Income Generator Limited) (the **Company**), for the year ended 30 June 2022 (**FY2022**) and auditor's report thereon. This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Directors

The names of Directors in office during the financial year and up to the date of this report are:

MARK KERR
Non-executive Chairman

ANDREW MEAKIN
Non-executive Director

MARTIN SWITZER
Non-executive Director

Information on Directors

The qualifications, experience and special responsibilities of each person who has been a Director of the Company at any time during the year is provided below, together with details of the Company Secretaries as at the year end.



Mark Kerr

LLB

Non-executive Director

Mark is an experienced director whose other current role is as Managing Director for ASX listed company Hawthorn Resources Limited (22 November 2007 to present).

Mark is a director of Berkeley Consultants Pty Ltd which specialises in public relations and reputation management consultancy. He is also a director and adviser to various other private companies. Mark's community involvement currently extends to being a member of the Victorian Committee of the Juvenile Diabetes Research Foundation, a member of the St Vincent's Institute Charity Golf Day Committee and a volunteer Board Member at International Specialised Skills Institute.

Mark was formerly a non-executive director of Alice Queen Limited (23 November 2015 to 30 June 2019) and Chairman of Think Childcare Limited (21 July 2014 to 21 October 2021).

OTHER RESPONSIBILITIES

Member of Audit and Risk Committee

Chairman of Independent Board Committee



Andrew Meakin

BA, MMgt, MBA, ADFS (FP), FAPI
Non-executive Director

Andrew is an experienced investment professional with over 30 years' experience in Australian and overseas markets. He has held positions including managing director and non-executive director of a number of listed and unlisted public companies. Andrew is currently a director of Shartru Wealth and Apricity Finance. He holds a BA in Economics and Industrial Relations, Master of Management, Master of Business Administration and an Advanced Diploma of Financial Services.

OTHER RESPONSIBILITIES

Chair of Audit and Risk Committee, Member of Independent Board Committee



Martin Switzer

BEC
Non-executive Director

Martin is Chief Executive Officer and Managing Director of Contango Asset Management Limited (**CAML**), the parent entity of the Investment Manager, a position he has held since 27 October 2017. Prior to that he was a director of CAML and held that position since 25 August 2016. He is also a Non-executive Director of Switzer Asset Management Limited (since 30 December 2015) and a Non-executive Director of WCM Global Growth Limited (since 9 February 2017). Martin has over 20 years' experience in the financial services industry.

Company Secretaries

The following persons held the position of Company Secretary during the financial year:

Mark Licciardo

Appointed 26 November 2021

Kristy Do

Appointed 12 July 2021

Resigned 26 November 2021

Anthony Rule

Appointed 13 March 2019

Resigned 8 October 2021

Mark Licciardo

Widely recognised as a leader in his field, Mark has extensive experience working with boards of high profile ASX-listed companies guiding and implementing effective corporate governance practices.

He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies.

During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited.

Principal Activity

The principal activity of the Company during the year 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 loss before tax for FY2022 was \$4,774,000 (30 June 2021: net operating profit before tax of \$7,045,000). The Company's net operating loss after tax for the year was \$2,999,000 (30 June 2021: profit of \$3,813,000). Basic losses per share amounted to 7.2 cents per share for FY2022 (30 June 2021: basic earnings of 3.1 cents per share).

Review of Operations

The net operating loss before tax is primarily attributed to a decrease in value of the Company's investment portfolio.

The Company continued to invest funds in accordance with its stated investment strategy and in accordance with the provisions of its Constitution.

For the year to 30 June 2022, the pre-tax NTA value per share of the Company decreased from \$0.775 at 30 June 2021 to \$0.649 at 30 June 2022.

For the year ended 30 June 2022, the post-tax NTA value per share of the Company decreased from \$0.760 at 30 June 2021 to \$0.649 at 30 June 2022.

Refer to the Chairman's Report on page 3 for further information on the Company's results, strategy and future outlook.

Significant Changes in the State of Affairs

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 a selective buy-back, with the proceeds for the selective buy-back of \$67,655,454 paid the same day (net of transaction costs).

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

Dividends Paid, Recommended and Declared

There were no dividends paid or declared during FY2022 (2021: \$Nil).

Events After the Reporting Date

On 12 August 2022, the Company advised the ASX that its pre-tax and post-tax NTA per share was \$0.673 and \$0.669 respectively as at 31 July 2022, representing a pre-tax and post-tax NTA increase of 3.7% and 3.1% respectively for the month.

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

Likely Developments

The Company will continue to pursue its operating strategy to create shareholder value by investing in the WCM Focused Global Growth Long-Short Offshore Fund Ltd which provides exposure to the global long short strategy managed by WCM Investment Management, LLC until the Proposed Restructure is implemented.

Refer to the Chairman's Report on page 3 for further information on the Proposed Restructure.

Environmental Regulation

The Company's operations are not subject to any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Directors' Meetings

The number of meetings of the Board of Directors and the Audit and Risk Committee held during the financial year and the numbers of meetings attended by each Director were:

| | Board Meetings | | Audit and Risk Committee Meetings | |
|----------------|----------------|------|-----------------------------------|------|
| | Attended | Held | Attended | Held |
| Mark Kerr | 2 | 2 | 2 | 2 |
| Andrew Meakin | 2 | 2 | 2 | 2 |
| Martin Switzer | 2 | 2 | N/A | N/A |

Indemnification and Insurance of Directors, Officers and Auditors

During the financial year, the Company has paid insurance premiums insuring all of its Directors and officers which indemnifies them against any claim made against them subject to the conditions contained within the insurance policy. Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the policy terms. To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditor, Ernst & Young (**EY**), as part of the terms of its engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made by the Company to EY in this respect during or since FY2022.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company.

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 audit for the financial year is provided with this report.

Non-audit and Other Assurance Services Provided by Auditor

The Company's auditor is EY (2021: EY). Non-audit services are approved by the Audit and Risk Committee.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 18 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Amount paid and payable to auditors for:

| | 30 June 2022 \$ | 30 June 2021 \$ |
|---|--------------------|--------------------|
| Audit and review of financial reports | | |
| Company | 57,680 | 56,000 |
| Total remuneration for audit and review of financial reports | 57,680 | 56,000 |
| Non-audit Services | | |
| Taxation advice | - | 10,000 |
| Taxation compliance advice | 10,000 | 10,000 |
| Total remuneration for non-audit services | 10,000 | 20,000 |
| Total remuneration of auditors | 67,680 | 76,000 |

Rounding of Amounts

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

ASX Corporate Governance Statement

The Board of Directors of the Company is responsible for corporate governance. The Board has chosen to prepare the Corporate Governance Statement (**CGS**) in accordance with the fourth edition of the ASX Corporate Governance Council's Principles and Recommendations under which the CGS may be made available on the Company's website.

Accordingly, a copy of the Company's CGS is available on the CAML website at: www.contango.com.au.

Remuneration Report (audited)

The Directors present the Company's remuneration report for FY2022 which details the remuneration information for Directors.

The Company does not have a Remuneration or Nomination Committee. These functions are performed by the full Board.

On appointment to the Board, all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

The amounts paid to Messrs Kerr and Meakin are fixed at a set amount each year and are not related to the performance of the Company.

The other Director, Mr Switzer, is Chief Executive Officer and Managing Director of CAML, the parent entity of the Company's Investment Manager. The Company pays management fees to the Investment Manager. Mr Switzer is directly remunerated by the parent entity, CAML. The amount of fees paid by the Company to the Investment Manager was not directly linked to the remuneration paid to Mr Switzer.

A remuneration consultant has not been engaged by the Company to provide recommendations in respect of this report.

For FY2022, the amounts paid (excluding GST) as short-term compensation and post-employment benefits are outlined below. Short-term compensation includes only fixed fees and post-employment benefits include only superannuation contributions.

Directors' Remuneration

2022

| | Appointment Date | Directors' Fees | Superannuation | Total |
|-----------------|------------------|-------------------------|--------------------------|---------------|
| | | Short-Term Compensation | Post-Employment Benefits | |
| Mark Kerr | 26 October 2012 | 35,000 | 3,500 | 38,500 |
| Andrew Meakin | 27 October 2020 | 32,000 | 3,200 | 35,200 |
| Martin Switzer* | 21 February 2019 | - | - | - |
| Total | | 67,000 | 6,700 | 73,700 |

2021

| | Appointment Date | Directors' Fees | Superannuation | Total |
|-----------------|------------------|-------------------------|--------------------------|---------------|
| | | Short-Term Compensation | Post-Employment Benefits | |
| Mark Kerr | 26 October 2012 | 35,000 | 3,325 | 38,325 |
| Don Clarke | 25 November 2014 | 10,667 | 1,013 | 11,680 |
| Andrew Meakin | 27 October 2020 | 24,000 | 2,280 | 26,280 |
| Martin Switzer* | 21 February 2019 | - | - | - |
| Total | | 69,667 | 6,618 | 76,285 |

*Mr Switzer was directly remunerated by related parties of the Company. Mr Switzer was not directly remunerated by the Company.

The Company does not have any paid executives. CAML remunerated Mr Switzer as a Director and executive during the financial year. The Investment Manager is appointed to provide investment management services and administrative services and is remunerated for each of these appointments as described in Notes 19 and 20 of these financial statements.

The Directors are key management personnel (**KMP**) of the Company. The Investment Manager is not classified as a KMP.

Directors' Interests in Shares and Options

Directors' relevant interests in ordinary shares of the Company are detailed below.

| | Ordinary Shares | | |
|----------------|-----------------|----------|---------|
| | Opening balance | Movement | Closing |
| Mark Kerr | 435,136 | - | 435,136 |
| Andrew Meakin | 19,699 | - | 19,699 |
| Martin Switzer | 120,000 | - | 120,000 |

All Directors' interests in shares were through the initial offer of shares, as 'on-market' transactions or under the dividend reinvestment plan or share purchase plan and are not part of any component of their remuneration.

There have been no movements in the Directors' relevant interest in ordinary shares after year end and up to the date of this report.

As part of its normal payment of dividends on its shares the Company may make dividend payments to Directors that hold shares in the Company. There were no dividends paid to Directors during FY2022 (2021: Nil).

Consequences of Company's Performance and Shareholder Wealth

The following table summarises company performance and key performance indicators

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------|---------------|-------------|----------------|-------------|--------------|-------------|
| Revenue and other income | (\$3,527,000) | \$9,441,000 | (\$14,056,000) | \$4,579,000 | \$11,251,000 | \$4,391,000 |
| (Decrease)/increase in revenue | (137%) | 149% | (400%) | (59%) | 156% | 100% |
| (Loss)/profit before tax | (\$4,774,000) | \$7,045,000 | (\$16,096,000) | \$2,519,000 | \$9,482,000 | \$2,934,000 |
| Change in share price | (9.7%) | (4.6%) | (14.5%) | (2.6%) | 4.3% | (8%) |
| Dividend paid to shareholders | - | - | \$4,143,000 | \$8,154,000 | \$5,166,000 | \$2,144,000 |
| Total remuneration of KMP | \$73,700 | \$76,285 | \$73,365 | \$97,247 | \$136,875 | \$119,456 |

End of Remuneration Report.

Signed in accordance with a resolution of the Directors.



Mark Kerr

Chairman
Melbourne

24 August 2022

Auditor's Independence Declaration



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

As lead auditor for the audit of the financial report of WCM Global Long Short Limited for the financial year ended 30 June 2022, 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 audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young
Ernst & Young

Luke Slater

Luke Slater
Partner
24 August 2022

Financial Report

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

| | Notes | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
|--|-------|------------------------|------------------------|
| Revenue and other income | | | |
| Dividend income | | - | 616 |
| Fair value (losses)/gains on financial assets at fair value through profit or loss | 4 | (3,527) | 8,825 |
| Total income | | (3,527) | 9,441 |
| Expenses | | | |
| Investment management fees | 19 | 425 | 934 |
| Business administration expenses | | 34 | 148 |
| Transaction costs | | - | 137 |
| Listing, custody and registry costs | | 83 | 154 |
| Legal, accounting and professional costs | | 146 | 181 |
| Directors' remuneration expense | 17 | 74 | 76 |
| Other expenses | | 312 | 304 |
| Corporate expenses | | 173 | 462 |
| Total expenses | | 1,247 | 2,396 |
| (Loss)/profit before income tax | | (4,774) | 7,045 |
| Income tax benefit/(expense) | 5 | 1,775 | (3,232) |
| (Loss)/profit for the year | | (2,999) | 3,813 |
| (Loss)/profit for the year | | (2,999) | 3,813 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | (2,999) | 3,813 |
| Earnings per share for comprehensive income to the equity holders of the parent entity: | | | |
| Basic and diluted (losses)/earnings per share (cents per share) | 16 | (7.2) | 3.1 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

| | Notes | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
|---|-------|------------------------|------------------------|
| Assets | | | |
| Cash and cash equivalents | 7 | 2,014 | 41,128 |
| Trade and other receivables | 8 | 65 | 210 |
| Investments at fair value through profit or loss | 9 | 22,756 | 56,082 |
| Total assets | | 24,835 | 97,420 |
| Liabilities | | | |
| Trade and other payables | 10 | 154 | 181 |
| Deferred tax liabilities | 5 | - | 1,775 |
| Total liabilities | | 154 | 1,956 |
| Net assets | | 24,681 | 95,464 |
| Equity | | | |
| Issued capital | 11 | 47,394 | 115,179 |
| Accumulated losses | 12 | (24,596) | (23,641) |
| Dividend reserve | 12 | 1,883 | 3,926 |
| Equity attributable to owners of WCM Global Long Short Limited | | 24,681 | 95,464 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

| | Notes | Issued capital \$'000 | Dividend reserve \$'000 | Retained profits/ Accumulated losses \$'000 | Total Equity \$'000 |
|--|--------|--------------------------|----------------------------|---|------------------------|
| Balance as at 30 June 2020 | | 102,671 | 113 | (23,641) | 79,143 |
| Profit for the Year | | - | - | 3,813 | 3,813 |
| Total Comprehensive Income for the year | | - | - | 3,813 | 3,813 |
| Transactions with owners in their capacity as owners: | | | | | |
| Transfer to dividend reserve | | - | 3,813 | (3,813) | - |
| Shares issued under Share Placement net of costs and tax | 11 | 9,580 | - | - | 9,580 |
| Shares issued under Share Purchase Plan net of cost | 11 | 2,928 | - | - | 2,928 |
| Balance as at 30 June 2021 | 11, 12 | 115,179 | 3,926 | (23,641) | 95,464 |
| Balance as at 30 June 2021 | | 115,179 | 3,926 | (23,641) | 95,464 |
| Loss for the Year | | - | - | (2,999) | (2,999) |
| Total comprehensive income for the year | | - | - | (2,999) | (2,999) |
| Transactions with owners in their capacity as owners: | | | | | |
| Transfer to dividend reserve | 11 | - | (2,043) | 2,043 | - |
| Cancellation of shares under selective share buy-back | 11 | (67,785) | - | - | (67,785) |
| Balance as at 30 June 2022 | 11, 12 | 47,394 | 1,883 | (24,597) | 24,680 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

| | Notes | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
|--|-------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Payments for purchase of investments | | - | (61,308) |
| Proceeds from sale of investments | | 29,404 | 87,622 |
| Dividends received | | - | 1,077 |
| Realised foreign exchange impacts | | 154 | (701) |
| Other payments to suppliers and employees | | (887) | (2,049) |
| Net cash provided by operating activities | 13 | 28,671 | 24,641 |
| Cash flows from financing activities | | | |
| Share issued under Share Placement net of costs | | - | 9,507 |
| Share issued under Share Purchase Plan net of costs | 11 | - | 2,928 |
| Cancellation of shares under selective share buy-back | 11 | (67,785) | - |
| Net cash (used in)/provided by financing activities | | (67,785) | 12,435 |
| Net (decrease)/increase in cash and cash equivalents | | (39,114) | 37,076 |
| Cash and cash equivalents at the beginning of the financial year | | 41,128 | 4,052 |
| Cash and cash equivalents at end of year | 7 | 2,014 | 41,128 |

The accompanying notes to the financial statements should be read in conjunction with this statement.

Notes to the Financial Statements

For the year ended 30 June 2022

Contents of the notes to financial statements

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Note 1 Statement of Significant Accounting Policies

The following is a summary of significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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 Company is a for-profit entity for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors on 24 August 2022.

i. Compliance with IFRS

The financial statements of the WCM Global Long Short Limited company also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. 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. The financial report is presented in Australian Dollars (AUD) which is the functional currency of the Company.

iii. Critical accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

(b) 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.

The Constitution of the Company allows for other transfers between the reserve accounts subject to a resolution of the Directors.

(c) Going concern basis

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

(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 Statement of Profit or Loss and Other Comprehensive Income using the effective interest 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) Expenses

All expenses, including the investment management fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(f) Trade and other receivables

Trade and other receivables may include amounts for dividends, interest and amounts due from brokers. Dividends are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 1(d) above. Trade and other receivables also include such items as Reduced Input Tax Credits (**RITC**).

(g) 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.

(h) 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.

(i) Income tax

Current income tax expense or benefit 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 the Chairman's Report.

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.

(j) 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.

(k) 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, including shares in investment funds, 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 portfolio of financial assets is 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; and
- 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 that it becomes a party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Company has transferred substantially all 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. See Note 3(c) for further details.

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. There was no impairment during the year and as at 30 June 2022 (30 June 2021: Nil).

(l) 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 Taxation 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.

(m) Comparatives

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

n) 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 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).

(o) Standards issued but not effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. The Directors have assessed that the implementation of these standards does not have a material impact on the financial report

Note 2 Significant Accounting Estimates and Judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences to the extent management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(b) Fair value measurements

Certain financial assets and liabilities are measured at fair value. Fair values have been determined in accordance with fair value measurement hierarchy. Refer to Note 3(e) for the details of the fair value measure key assumptions and inputs.

Note 3 Financial Risk Management

(a) Objectives, strategies, policies and processes

The Company's activities may expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and risk relating to fair value.

The Company's overall risk management programme focuses on ensuring compliance with the Company's Investment Management Agreement and seeks to maximise the returns derived for the level of risk to which the Company is exposed. Financial risk management is carried out by an Investment Manager under policies approved by the Board of Directors of the Company.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and price risks, and ratings analysis for credit risk.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, interest rate risk and currency risk. Market risk is managed and monitored using sensitivity analysis and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The sensitivity of the Company's equity and profit/(loss) before income tax to price risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Company's investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Company invests. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

i. Price risk

Equity price risk is the risk that the fair value of equities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk exposure arises from the Company's investment portfolio. The investments are classified on the Statement of Financial Position at fair value through profit or loss. All securities investments present a risk of loss of capital.

The Company's net assets include investments in equity securities, including shares in investment funds. At 30 June 2022, the overall market exposures were as follows:

| | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
|---|---------------------------|---------------------------|
| Financial assets at fair value through profit or loss | 22,756 | 56,082 |

At 30 June 2022, the Company's market risk is affected by changes in market prices. If the exposure of financial assets and liabilities had increased by 10% with all other variables held constant, this would have increased net assets attributable to shareholders and net profit after tax by approximately \$2,276,000 (2021: \$3,926,000). Conversely, if the exposure of financial assets and liabilities at 30 June 2022 had decreased by 10% with all other variables held constant, this would have decreased net assets attributable to shareholders and net profit after tax by approximately \$2,276,000 (2021: \$3,926,000). Due to the deferred tax asset cap that has been implemented by the Company the above analysis does not include any tax impact.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Company has established limits on investments in interest bearing assets, which are monitored on a daily basis by the Company's Investment Manager.

In accordance with the Company's policy, the Company monitors the Company's overall interest sensitivity on a daily basis, and the Board of Directors reviews it on a quarterly basis. Compliance with the Company's policy is reported to the Board on a monthly basis.

At 30 June 2022, cash and cash equivalents to the value of \$2,014,000 (2021: \$41,128,000) are the only financial instrument subject to interest rate risk. The Company is not subject to significant amounts of interest rate risk due to fluctuations in the prevailing levels of market interest rates.

iii. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities that are denominated in United States Dollars (**USD**).

At 30 June 2022, the Company's currency risk is affected by changes in currency rates. If there was a 5% decrease in the USD foreign exchange rate relative to the Australian Dollar (**AUD**) with all other variables held constant, this would have increased net assets attributable to shareholders and net profit after tax by approximately \$1,138,000 (2021: \$1,963,000). Conversely, if there was a 5% increase in the USD foreign exchange rate relative to the AUD with all other variables held constant, this would have decreased net assets attributable to shareholders and net profit after tax by approximately \$1,138,000 (2021: \$1,963,000). Due to the deferred tax asset cap that has been implemented by the Company the above analysis does not include any tax impact.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Credit risk primarily arises from cash and cash equivalents, and deposits with banks and other financial institutions.

The Investment Manager manages credit risk by diversifying the exposure among counter parties and operating in liquid markets. The Company does not have any significant concentration of credit risk on an industry basis. Deposits are held with AA- rated institutions.

With respect to credit risk arising from the financial assets of the Company, the Company's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Company holds no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired or would otherwise be past due or impaired as at the reporting date and no amounts have been written off in the period.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in a financial instrument, WCM Focused Global Growth Long-Short Offshore Fund Ltd., which under normal market conditions are readily convertible to cash on a monthly basis. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

In accordance with the Company's policy, the Investment Manager monitors the Company's liquidity position on a daily basis, and the Board reviews it on a quarterly basis.

Maturity analysis for financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

| | Less than 1 month \$'000 | 1-3 months \$'000 | 3-12 months \$'000 | 12-60 months \$'000 | Total \$'000 |
|------------------------------------|-----------------------------|----------------------|-----------------------|------------------------|-----------------|
| At 30 June 2022 | | | | | |
| Trade and other payables | 154 | - | - | - | 154 |
| Total financial liabilities | 154 | - | - | - | 154 |

| | Less than 1 month \$'000 | 1-3 months \$'000 | 3-12 months \$'000 | 12-60 months \$'000 | Total \$'000 |
|------------------------------------|-----------------------------|----------------------|-----------------------|------------------------|-----------------|
| At 30 June 2021 | | | | | |
| Trade and other payables | 181 | - | - | - | 181 |
| Total financial liabilities | 181 | - | - | - | 181 |

(e) Fair values of financial assets and financial liabilities

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

For the years ended 30 June 2021 and 30 June 2022, the Company did not have any financial assets and financial liabilities that were determined using valuation techniques. For the year ended 30 June 2022, the fair values of the Company's financial assets and liabilities were determined directly, in full, by reference to valuations received from WCM Focused Global Growth Long-Short Offshore Fund Ltd. Financial asset 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 \$22,756,000 Level 2 financial assets as at 30 June 2022 (2021: Level 2 financial assets of \$56,082,000). Level 2 assets are valued at the value reported by the fund administrator of WCM Focused Global Growth Long-Short Offshore Fund Ltd. For all other financial assets and 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 4 Fair Value Gains/(Losses) on Financial Assets Through Profit or Loss

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Realised investment gains/(losses) | 4,076 | (9,290) |
| Unrealised investment (losses)/gains | (7,603) | 18,115 |
| Total investment (losses)/gains | (3,527) | 8,825 |

Note 5 Income Tax

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| (a) Components of tax (benefit)/expense | | |
| Current tax | - | - |
| Deferred tax | 1,775 | (3,232) |
| Total income tax benefit/(expense) | 1,775 | (3,232) |
| (b) Prima facie tax payable | | |
| (Loss)/profit before tax from continuing operations | (4,774) | 7,045 |
| Total (loss)/profit before income tax | (4,774) | 7,045 |
| Prima facie income tax (benefit)/expense on profit before income tax at 25% (2021: 30%) | (1,194) | 2,114 |
| Add/(less) tax effect of: | | |
| Imputation credits | - | 68 |
| Franking credit gross up | - | (226) |
| Deferred tax asset cap adjustment | - | (3,801) |
| Prior year losses (reinstated)/forgone | (5,393) | 5,172 |
| Impact of tax rate change - Prior losses reinstated | 899 | - |
| Derecognise carried forward tax losses | 3,870 | - |
| Deferred tax on temporary differences | 160 | - |
| Impact of tax rate change - Prior year deferred balances | (296) | - |
| Over provision from prior year | (11) | (83) |
| Other adjustments | 190 | (12) |
| Income tax (benefit)/expense attributable to profit | (1,775) | 3,232 |
| (c) Deferred tax | | |
| Deferred tax assets | | |
| The balance relates to: | | |
| Tax losses carried forward | 3,870 | 207 |
| Balance for accruals | 11 | 29 |
| Balance for capital raising costs | - | 196 |
| Tax related assets | 149 | - |
| Deferred tax asset adjustment | (4,030) | - |
| Total deferred tax assets | - | 432 |

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| c) Deferred tax (continued) | | |
| Deferred tax liabilities | | |
| Financial assets at fair value through profit or loss | - | (2,207) |
| Net deferred tax liabilities | - | (1,775) |
| (d) Deferred income tax expense/(benefit) included in income tax expense comprises | | |
| Under provision from prior year | - | (83) |
| Deferred tax asset recognised in equity | - | 73 |
| Decrease in deferred tax assets | 429 | 2,865 |
| (Decrease)/Increase in deferred tax liabilities | (2,204) | 377 |
| Total income tax (benefit)/expense | (1,775) | 3,232 |
| (e) Franking account balance | | |
| Beginning of the financial year | 611 | 441 |
| Franking credits received | - | 170 |
| Total franking account balance | 611 | 611 |

Note 6 Dividends

No dividends have been declared or paid during the year ended 30 June 2022 (2021: \$Nil).

Note 7 Cash and Cash Equivalents

| | 2022 \$'000 | 2021 \$'000 |
|--------------|----------------|----------------|
| Cash at bank | 2,014 | 41,128 |

Note 8 Trade and Other Receivables

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Other receivables | 8 | 143 |
| Prepayments | 57 | 67 |
| Total trade and other receivables | 65 | 210 |

Note 9 Investments at Fair Value Through Profit or Loss

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Financial assets at fair value through profit or loss | 22,756 | 56,082 |
| Investments at fair value through profit or loss | 22,756 | 56,082 |

Note 10 Trade and Other Payables

| | 2022 \$'000 | 2021 \$'000 |
|---------------------------------------|----------------|----------------|
| Other payables | 154 | 181 |
| Total trade and other payables | 154 | 181 |

Note 11 Issued Capital

| | 30 June 2022 | | 30 June 2021 | |
|--|---------------|--------|---------------|---------|
| | No. of Shares | \$'000 | No. of Shares | \$'000 |
| Issued and paid up capital - Ordinary shares | 38,064,216 | 47,394 | 125,529,319 | 115,179 |

Fully paid ordinary shares carry one vote per share and the right to dividends.

Movements in ordinary share capital

| Details | No. of shares | \$'000 |
|---|--------------------|----------------|
| Opening balance 1 July 2020 | 105,023,565 | 102,671 |
| Shares issued under Share Placement | 15,753,534 | 9,580 |
| Shares issued under Share Purchase Plan | 4,752,220 | 2,928 |
| Closing balance 30 June 2021 | 125,529,319 | 115,179 |
| Opening balance 1 July 2021 | 125,529,319 | 115,179 |
| Selective share buy-back | (87,465,103) | (67,785) |
| Closing balance 30 June 2022 | 38,064,216 | 47,394 |

(a) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

(b) Capital management

The Board of Directors is committed to prudent capital management and a conservative approach to protect shareholder value in all market conditions. The Company is not subject to any externally imposed capital requirements.

The Company's capital consists of issued capital, accumulated losses and a dividend reserve to preserve the Company's capacity to pay future dividends.

The Company recognises that market prices will fluctuate in accordance with market conditions which will impact on the capital position of the Company. To adjust the Company's capital structure, the Company may issue new shares or options from time to time, buy-back its own shares or vary the amount of dividends paid to shareholders.

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 a selective buy-back with the proceeds for the selective buy-back of \$67,655,454 paid the same day (net of transaction costs).

Note 12 Reserves and Accumulated Losses

(a) Dividend reserve

| | 2022 \$'000 | 2021 \$'000 |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 3,926 | 113 |
| Transfer from retained earnings | (2,043) | 3,813 |
| Balance at the end of the year | 1,883 | 3,926 |

(b) Accumulated losses

| | 2022 \$'000 | 2021 \$'000 |
|---|-----------------|-----------------|
| Balance at the beginning of the year | (23,641) | (23,641) |
| Transfer to dividend reserve | 2,043 | (3,813) |
| (Loss)/profit for the year attributable to the members of the company | (2,999) | 3,813 |
| Balance at the end of the year | (24,596) | (23,641) |

Note 13 Cash Flow Information

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| (Loss)/profit for the year attributable to shareholders after tax | (2,999) | 3,813 |
| Change in assets and liabilities: | | |
| Decrease in receivables | 145 | 305 |
| Decrease in payables | (27) | (70) |
| Decrease in investments at fair value through profit or loss | 33,327 | 17,278 |
| Net (decrease)/increase in deferred tax attributed to operations | (1,775) | 3,315 |
| Net cash provided by operating activities | 28,671 | 24,641 |

Note 14 Commitments

As at 30 June 2022, the Company had no commitments (30 June 2021: Nil).

Note 15 Contingencies

As at 30 June 2022, the Company had no contingent liabilities (30 June 2021: Nil).

Note 16 Earnings per Share

| | 2022 Cents | 2021 Cents |
|---|---------------|---------------|
| Basic and diluted (losses)/earnings per share | (7.16) | 3.10 |

| | 2022 Shares | 2021 Shares |
|--|-------------------|----------------|
| Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share | 41,898,302 | 123,384,121 |

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Net (loss)/profit used in the calculation of basic and diluted earnings per share | (2,999) | 3,813 |

Note 17 Directors' Remuneration

| | 2022 \$'000 | 2021 \$'000 |
|--------------------------------------|----------------|----------------|
| Compensation by category | | |
| Short-term employment benefits | 67,000 | 69,667 |
| Post-employment benefits | 6,700 | 6,618 |
| Total Directors' remuneration | 73,700 | 76,285 |

Note 18 Auditor's Remuneration

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Audit and review of financial reports | | |
| Company | 57,680 | 56,000 |
| Total audit and review of financial statements | 57,680 | 56,000 |
| Non-audit services | | |
| Taxation advice | - | 10,000 |
| Taxation compliance advice | 10,000 | 10,000 |
| Total non-audit services | 10,000 | 20,000 |
| Total remuneration of EY | 67,680 | 76,000 |

Note 19 Investment Management Information

For the period 1 July to 30 September 2020, the Company appointed the Investment Manager, Contango Funds Management Limited, pursuant to an Investment Management Agreement (**IMA**) dated 24 June 2016. The IMA was for an initial term of five years, following which it continued unless terminated in accordance with its terms. The Investment Objective under the IMA was to exceed the performance of the S&P/ASX Mid-Cap Industrial Accumulation Index over any rolling three year period after the IMA commencement.

The Company was required to pay the Investment Manager a quarterly management fee of:

- 0.2375 % (or 0.95% pa) for the Company's portfolio valued at less than or equal to \$150 million; plus
- 0.2250% (or 0.90% pa) on the increment of the Company's portfolio valued above \$150 million but less than or equal to \$500 million; plus
- 0.2125% (or 0.85% pa) on the increment of the Company's portfolio above \$500 million.

On 21 September 2020, the Company executed a new IMA, approved by shareholders at the Extraordinary General Meeting of the Company held on 18 September 2020.

Under the new IMA, from 1 October 2020, the Investment Manager is entitled to a management fee of 1.40% per annum (excluding GST) of the Company's portfolio value.

In addition, a services agreement with 2735 CSM Holdings Pty Limited (**CSM**) (refer to Note 20) was changed from \$250,000 per annum to 0.10% per annum (excluding GST) of the Company's portfolio value.

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 financial year subject to full recoupment of any prior year underperformance.

The Investment Manager has appointed WCM Investment Management, LLC as its investment advisor (**Investment Advisor**) in respect of the Company's investment in the WCM Focused Global Growth Long-Short Offshore Fund Ltd. The Company is not required to pay any fees to the Investment Advisor as the Investment Advisor charges its share of the management fee and performance fee in the WCM Focused Global Growth Long-Short Offshore Fund Ltd directly to that company.

For the 2022 financial year, the total investment management fee expense was \$425,000 (2021: \$934,000) which is recognised within Investment management fees expense in the Statement of Profit or Loss and Other Comprehensive Income. This was composed of management fees paid to the Investment Manager by the Company of \$184,000 (2021: \$616,000) and management fees paid to the Investment Advisor by WCM Focused Global Growth Long-Short Offshore Fund Ltd of \$241,000 (2021: \$318,000).

Note 20 Related Party Disclosures

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

The Company paid management fees of \$184,000 (2021: \$616,000) to the Investment Manager during the year. As at 30 June 2022, \$12,000 management fees were payable by the Company to the Investment Manager.

In addition, the Company has a services agreement with CSM. For the financial year 2022 the fees paid to CSM for these services were \$34,000 (2021: \$148,000).

The Investment Manager and CSM are director associated entities. All the related party transactions are conducted on normal commercial terms and conditions.

Note 21 Segment Information

The Company operates solely in the business of investment in 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 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 Board of Directors.

Note 22 Subsequent Events

On 12 August 2022, the Company advised the ASX that its pre-tax and post-tax NTA per share was \$0.673 and \$0.669 respectively as at 31 July 2022, representing a pre-tax and post-tax NTA increase of 3.7% and 3.1% respectively for the month.

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

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:

- (a) the 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 30 June 2022 and of its performance for the 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

24 August 2022

Independent Auditor's Report



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8 Exhibition Street
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Independent auditor's report to the members of WCM Global Long Short Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of WCM Global Long Short Limited (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



Existence and valuation of the investment portfolio

| Why significant | How our audit addressed the key audit matter |
|---|---|
| <p>WCM Global Long Short Limited's investment portfolio as at 30 June 2022 includes investment in the WCM Focused Global Growth Long-Short Offshore Fund Ltd.</p> <p>Investment valuation and existence was a key audit matter as the investment balance of \$22,755,990 represents 91% of total assets.</p> <p>As detailed in the Company's accounting policy, described in Note 1(k) of the financial report, these financial assets are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.</p> <p>Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial assets and the financial report. Accordingly, valuation of the investment portfolio was considered a key audit matter.</p> | <p>We assessed the effectiveness of controls relating to the recognition and valuation of investments.</p> <p>We obtained and considered the assurance report on the controls of the Company's administrator and custodian in relation to the fund administration and custody services for the year ended 30 June 2022 and considered the auditor's qualifications, competence and objectivity and the results of their procedures.</p> <p>We agreed all investment holdings, including cash accounts, to third party confirmations at 30 June 2022.</p> <p>We assessed the fair value of all investments in the portfolio held at 30 June 2022 to independent market price sources.</p> <p>We assessed the adequacy of the disclosures in Note 4 and Note 9 of the financial report.</p> |

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2022 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may



reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 10 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of WCM Global Long Short Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young
Ernst & Young

Luke Slater
Luke Slater
Partner
Melbourne
24 August 2022

Company Particulars

The Company was incorporated as a limited liability company in Victoria on 26 October 2012. The Company is a listed investment company with its securities listed only on the Australian Securities Exchange.

Registered Office

Level 6
10 Spring Street
Sydney NSW 2000
Telephone: 1300 001 750

Directors

Mark Kerr (Chairman)
Andrew Meakin
Martin Switzer

Company Secretary

Kristy Do (appointed 12 July 2021, resigned 26 November 2021)
Anthony Rule (appointed 13 March 2019, resigned 8 October 2021)
Mark Licciardo (appointed 26 November 2021)

Auditor

Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

Investment Custodian

National Australia Bank Limited
500 Bourke Street
Melbourne VIC 3000

Share Registrar

Link Market Services
Level 12
680 George Street
Sydney NSW 2000
Telephone: 1300 554 474

Fund Administrator

Unity Fund Services
Level 16
1 Farrer Place
Sydney NSW 2000

Additional Information for Listed Companies

A. Security Holdings Data

Top 20 registered shareholders

As at 31 July 2022, the 20 largest holders of the Company's ordinary shares are listed below:

| Registered Holder | Ordinary shares | % |
|--|-------------------|--------------|
| GOLD TIGER INVESTMENTS PTY LTD | 2,000,000 | 5.25 |
| NATIONAL NOMINEES LIMITED | 1,600,000 | 4.20 |
| BNP PARIBAS NOMS PTY LTD | 1,297,208 | 3.41 |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 1,252,522 | 3.29 |
| MORGCAM PTY LTD | 1,164,469 | 3.06 |
| LEAF SECURITIES PTY LTD | 800,000 | 2.10 |
| BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD | 766,146 | 2.01 |
| MR GREGORY HUGH HALLIDAY & MR SIMON ROBERT EVANS & MR THOMAS VERNON FURNER | 662,377 | 1.74 |
| BUDGEN JEWELLERS PTY LIMITED | 563,934 | 1.48 |
| CELLAR STOCKS PTY LTD | 560,000 | 1.47 |
| ROMEOMIKE ENTERPRISES PTY LTD | 525,000 | 1.38 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA | 478,142 | 1.26 |
| R & J BASSAT PENSION FUND PTY LTD | 400,000 | 1.05 |
| MR SIMON ROBERT EVANS & MRS KATHRYN MARGARET EVANS | 394,690 | 1.04 |
| NETWEALTH INVESTMENTS LIMITED | 366,721 | 0.96 |
| MR DAVID FREDERICK PERRY | 342,000 | 0.90 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 313,321 | 0.82 |
| MR DAVID KENLEY | 308,500 | 0.81 |
| MR MARK GREGORY KERR & MRS LINDA MARIE KERR | 307,746 | 0.81 |
| ABBAWOOD NOMINEES PTY LTD | 287,500 | 0.76 |
| Total | 14,390,276 | 37.81 |

Distribution of shareholdings

At 31 July 2022, there were 923 holders of ordinary shares. These holdings were distributed as follows:

| | Share holdings | Ordinary shares held |
|----------------------|----------------|----------------------|
| 1-1,000 | 119 | 47,563 |
| 1,001-5,000 | 168 | 483,896 |
| 5,001-10,000 | 135 | 1,054,212 |
| 10,001-100,000 | 435 | 14,960,281 |
| 100,001 and over | 66 | 21,518,264 |
| Total holders | 923 | 38,064,216 |

There were 85 shareholdings of less than a marketable parcel of \$500 (14,643 shares in total).

B. On-Market Buy Back

The Company does not have a current on market buy-back.

C. Investments and Transactions

As at 30 June 2022, the Company held investments in the WCM Focused Global Growth Long-Short Offshore Fund Ltd.

D. Transaction Data

Over the 12 months ended 30 June 2022, the Company executed no purchase transactions and one sale transaction which was in unlisted securities. The total brokerage paid or accrued during this period was \$0.



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