
W | A | M Alternative Assets

ABN 47 168 941 704

2023 Annual Report

Wilson
Asset Management
Making a difference



WAM Alternative Assets Limited

WAM Alternative Assets Limited (WAM Alternative Assets or the Company) is a listed investment company and is a reporting entity. The principle activity of the Company is to provide investors with exposure to a portfolio of real assets, private equity, infrastructure, real estate and private debt strategies.

WAM Alternative Assets

Directors

Michael Cottier (Chair)
Geoff Wilson AO
Adrian Siew
John Baillie
Kym Evans

Company Secretary

Jesse Hamilton

Investment Committee

Geoff Wilson AO (Chair)
Adrian Siew
Sally Box

Investment Manager

Wilson Asset Management
(International) Pty Limited
Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001

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Wilson Asset Management was
appointed as the Investment
Manager on 14 October 2020.

Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

T 1300 420 372 (in Australia)

+61 2 8023 5472 (International)

F (02) 9279 0664

For enquiries relating to
shareholdings, dividends (including
participation in the dividend
reinvestment plan) and related
matters, please contact the share
registry.

Australian Securities Exchange

WAM Alternative Assets Limited
Ordinary Shares (WMA)

Auditor

Pitcher Partners

Regional Shareholder Presentations



The Wilson Asset Management
and Future Generation teams
look forward to meeting with
our shareholders across the
country.

Newcastle Monday 9 October

Toowoomba Monday 30 October

Gold Coast Tuesday 31 October

Noosa Wednesday 1 November

Launceston Thursday 9 November

Join our hybrid Annual General Meeting

Wednesday, 25 October 2023

Museum of Sydney (Warrane Theatre)
Cnr Bridge St and Phillip St
Sydney NSW 2000

Further details to be provided.

FY2023 highlights

+25.0%

full year fully franked dividend increase

+11.6%

investment portfolio performance per annum since appointment of Wilson Asset Management as Investment Manager (October 2020)

5.0 cps

full year fully franked dividend

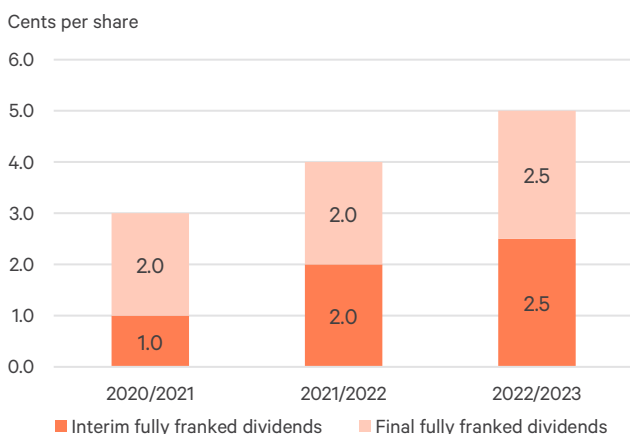
30 June 2023 snapshot

Appointment of new Investment Manager	14 October 2020
Gross assets	\$238.5m
Market capitalisation	\$198.1m
Shares on issue	195,209,463
Share price	\$1.015
Net tangible assets (pre-tax)*	\$1.22
Net tangible assets (post-tax)*	\$1.20
Profits reserve	18.2 cents
FY2023 fully franked dividends	5.0 cents

*Following the announcement of the WAM Alternative Assets June 2023 Investment Update and NTA, in light of current market circumstances a valuation provision was taken up for the venture capital component of the investment portfolio as part of the preparation of the Company's financial statements. As a result, the final 30 June 2023 pre-tax net tangible assets (NTA) of \$1.22 and post-tax NTA of \$1.20 differ slightly to the NTA announced by the Company on 14 July 2023. The adjustment will be also be reflected in the Company's August 2023 Investment Update and NTA to be announced to shareholders on or before 14 September 2023.

Fully franked dividends

Since Wilson Asset Management was appointed as Investment Manager in October 2020



FY2023 results

WAM Alternative Assets reported an operating profit before tax of \$11.7 million for the year (FY2022: \$23.2 million) and an operating profit after tax of \$9.5 million (FY2022: \$18.1 million), reflective of the investment portfolio performance during the year.

The investment portfolio increased 6.5% in the 12-month period to 30 June 2023 and 11.6% per annum since the appointment of Wilson Asset Management as Investment Manager in October 2020.

The Board of Directors is pleased to deliver a full year fully franked dividend of 5.0 cents per share, an increase of 25.0% on FY2022, with the final fully franked dividend being 2.5 cents per share. As at 31 July 2023, the Company's profits reserve was 18.4 cents per share, representing 3.7 years of dividend coverage for shareholders, before the payment of the final fully franked dividend of 2.5 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

Key dividend dates

Ex dividend date	5 October 2023
Dividend record date (7:00pm Sydney time)	6 October 2023
Last election date for DRP	10 October 2023
Final fully franked dividend payment date	20 October 2023

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Letter from the Chair

Michael Cottier



Dear Fellow Shareholders,

On behalf of the WAM Alternative Assets Board of Directors, I would like to thank all shareholders for their support and welcome all new shareholders who have joined us during the year. The WAM Alternative Assets investment portfolio is the only listed investment company (LIC) on the ASX that offers shareholders access to a diversified portfolio of alternative assets, typically only accessible to institutional investors. The Company aims to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits.

The Board of Directors is pleased to deliver a full year fully franked dividend of 5.0 cents per share, an increase of 25.0% on the FY2022 full year fully franked dividend, with the final fully franked dividend being 2.5 cents per share. As at 31 July 2023, the Company's profits reserve was 18.4 cents per share, representing 3.7 years of dividend coverage for shareholders, before the payment of the final fully franked dividend of 2.5 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

During the 2023 financial year, the WAM Alternative Assets investment portfolio continued to deliver solid risk adjusted returns for shareholders, increasing 6.5%*. Since the appointment of Wilson Asset Management as Investment Manager in October 2020 the WAM Alternative Assets investment portfolio has increased 11.6%* per annum. The investment portfolio performance over this period was achieved with volatility of 3.4%, lower than the volatility of the S&P/ASX All Ordinaries Accumulation Index of 14.3%, as measured by standard deviation. WAM Alternative Assets reported an operating profit before tax of \$11.7 million (FY2022: \$23.2 million) and an operating profit after tax of \$9.5 million (FY2022: \$18.1 million). The investment portfolio performance during the year has been driven by realised gains on exits achieved and positive revaluations of the underlying investments.

Wilson Asset Management has continued to review and rebalance the investment portfolio, as part of its revitalisation approach and long-term investment outlook to continue delivering on its investment objectives for shareholders. Since October 2020, WAM Alternative Assets has completed 12 successful exits and made eight new investments.

*Investment portfolio performance is before expenses, fees and taxes.

+25.0%

FY2023 full year fully franked dividend increase

+11.6%*

investment portfolio performance per annum since appointment of Wilson Asset Management as Investment Manager (October 2020)

5.0 cps

FY2023 full year fully franked dividend

Chair's letter

Approximately 25% to 30% of the investment portfolio remains in investments that formed part of the portfolio at the time that Wilson Asset Management was appointed as Investment Manager, which are expected to be exited over the medium term. WAM Alternative Assets previously announced plans to gradually reduce its exposure to the Argyle Water Fund towards a target of between 15% to 20%, as part of this strategy. The exposure as at 30 June 2023 is now 23.4% (June 2022: 35.4%). This re-positioning has enabled WAM Alternative Assets to enter into new investment opportunities in other asset classes and further diversify the investment portfolio for shareholders.

During the period, WAM Alternative Assets committed \$15 million to the Crescent Capital Partners VII Fund, \$10 million to the Intermediate Capital Group Australian Senior Loan Fund, \$10 million to Palisade's Renewable Energy Fund and \$5.1 million to the WMA Fortitude PE Trust. Crescent Capital Partners Fund VII is a private equity fund targeting mid-market growth buyout transactions across Australia and New Zealand. The Intermediate Capital Group Australian Senior Loan Fund targets investments in senior secured loans to established Australian and New Zealand based businesses, with leading market positions and strong management teams. The Palisade Renewable Energy Fund is one of the largest renewable energy platforms in Australia, which provides investors with access to \$2 billion of renewable energy generating assets and is diversified by energy source (wind and solar) and geography, with sites in South Australia, Queensland, Victoria and Tasmania. The WMA Fortitude PE Trust enables WAM Alternative Assets to co-invest alongside Fortitude Investment Partners into mid-market growth opportunities across Australia and New Zealand.

I would like to thank the WAM Alternative Assets investment team and the broader Wilson Asset Management team. We greatly appreciate the trust, loyalty and support we have received from WAM Alternative Assets shareholders.

Company performance

There are three key measures crucial to the evaluation of a listed investment company's performance: investment portfolio performance, net tangible asset growth and total shareholder return.

1) Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio and cash before expenses, fees and taxes, but after fees of the underlying investment fund managers. A key objective of WAM Alternative Assets is to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits to shareholders.

Performance at 30 June 2023	1 yr	2 yrs %pa	Since appointment of Wilson Asset Management (Oct-20) %pa
WAM Alternative Assets Investment Portfolio	6.5%	9.3%	11.6%

Investment portfolio performance is before expenses, fees and taxes.

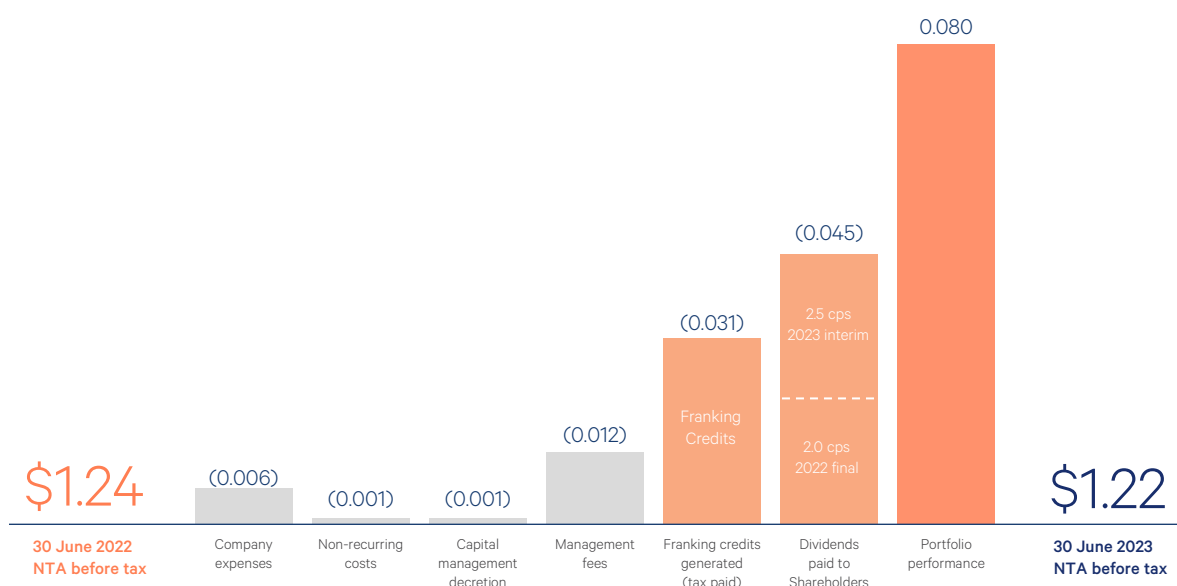
The WAM Alternative Assets investment portfolio increased 6.5% in the 12-month period to 30 June 2023 and has increased 11.6% per annum since the appointment of Wilson Asset Management as Investment Manager in October 2020. At 30 June 2023, the Company's investment portfolio had a cash weighting of 33.6%, including total capital commitments to new and existing investment partners of 22.0%. This measure is before expenses, fees and taxes, but after fees of the underlying investment fund managers.

2) Net tangible asset (NTA) growth

NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax and management fees). The NTA represents the realisable value of the Company and is provided to shareholders and announced on the ASX each month.

WAM Alternative Assets' pre-tax NTA increased 2.3% in the 12-month period to 30 June 2023, including the 4.5 cents per share of fully franked dividends paid to shareholders during the year. This increase is after corporate tax paid of 3.1 cents per share or 2.5% during the year. Corporate tax payments made throughout the year and management fees of 1.0% were the major items of difference between the investment portfolio performance of 6.5% and the NTA performance of 2.3%. The franking credits attached to corporate tax payments are available for distribution to shareholders through franked dividends. Other items contributing to the change in the value of the assets during the year were other company related expenses of 0.5%, non-recurring expenses of 0.1% and capital management decretion of 0.1%.

WAM Alternative Assets pre-tax NTA performance



3) Total shareholder return (TSR)

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends.

The TSR for WAM Alternative Assets for the year to 30 June 2023 was 2.2% and was driven by the investment portfolio performance of 6.5%, being partially offset by the share price discount to NTA widening from 16.4% as at 30 June 2022 to 17.3% as at 30 June 2023. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Dividends

The Board of Directors is pleased to deliver a final fully franked dividend of 2.5 cents per share, bringing the FY2023 full year fully franked dividend to 5.0 cents per share. The dividend reinvestment plan (DRP) will be in operation for the final dividend; shareholders can elect to participate up until 10 October 2023 for the final dividend to be eligible for the DRP. The DRP will operate without a discount for the final dividend.

As at 31 July 2023, the Company's profits reserve was 18.4 cents per share, representing 3.7 years of dividend coverage for shareholders, before the payment of the final fully franked dividend of 2.5 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

The Company's ability to continue paying franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on upon the payment of tax on profits from the Company's operations and exits from existing investments and the receipt of franked distributions from underlying investments.

I encourage you to visit the Wilson Asset Management website and subscribe to receive updates. If you have any questions or suggestions regarding WAM Alternative Assets or Wilson Asset Management, please contact myself or the Wilson Asset Management team on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

Thank you for your continued support.



Michael Cottier
Chair



Update from the Portfolio Manager *Dania Zinurova*



Dear Fellow Shareholders,

In FY2023, the uncertain macroeconomic environment shifted investors' focus towards diversification constructing a more balanced investment portfolio. The WAM Alternative Assets investment portfolio provides strong complementary benefits to shareholders holding equities and traditional asset classes. Benefits include a lower volatility of the investment returns, a broader opportunity set and a long-term investment horizon with returns driven by both capital growth and income. The WAM Alternative Assets investment portfolio includes investments in infrastructure, real assets, real estate, private debt and private equity. Our diversified investment portfolio aims to provide more consistent returns across economic cycles. Since Wilson Asset Management was appointed as the Investment Manager in October 2020, the investment team and I have continued to make significant progress towards the revitalisation strategy of the WAM Alternative Assets investment portfolio. We have completed several successful exits and redeployed the capital received into new investments across existing and new asset classes.

Since October 2020 we have added four new asset classes to the WAM Alternative Assets investment portfolio, including:

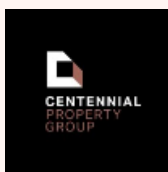
Asset class	Description
Infrastructure 	Invested with Palisade Investment Partners in Palisade's Diversified Infrastructure Fund and Palisade's Renewable Energy Fund, which includes over 25 mature infrastructure assets across different sectors. The returns in this portfolio are underpinned by long-term contractual revenues, and the majority of the income returns from this portfolio are inflation protected (i.e. consumer price index (CPI) linked annual increases).
Healthcare real estate 	Invested with Barwon Investment Partners in the Barwon Institutional Healthcare Property Fund, a well-established portfolio of over 25 assets, well diversified by asset type, tenants and geography. Due to the nature of lease agreements in this sector, the majority of the income returns from this portfolio are inflation protected (i.e. CPI linked annual increases).

Private debt



Invested with Intermediate Capital Group (ICG) in their Australian Senior Loan Fund, which lends to mid-and-large size mature cash generative businesses in Australia. Loans in the fund have variable rates, providing strong protection against rising interest rates.

Industrial real estate



Invested with Centennial Property Group's last mile industrials and logistics strategy in the CEN (I&L) Partnership Fund. The strategy aims to target Australian assets valued at \$15 million and over, in the industrial and logistics property sector, with a focus on acquiring vacant or underutilised land that provide opportunities to develop core, multi-unit industrial and logistics estates located in established, land constrained markets.

During the period, WAM Alternative Assets has introduced three new private equity investment partners including Adamantem Capital, a mid-market buy-out private equity firm, Crescent Capital, a mid-market buyout and growth private equity firm and Allegro Funds, a turnaround and transformation private equity firm.

Our investment partners are best-in-class with a proven investment track record, experienced investment teams and strong governance in place, providing WAM Alternative Assets shareholders with access to opportunities which are otherwise not available to retail investors in Australia. Some examples of our underlying investments include Climate Friendly, through the Adamantem Capital Fund II, a carbon farming project services provider. Established in 2003, Climate Friendly partners with landholders such as farmers, traditional custodians and conservation organisations to create carbon abatement projects which regenerate land and increase the amount of carbon their land removes from the atmosphere. Since Adamantem's investment, Climate Friendly has expanded its operations significantly.

Adamantem Capital Fund II has also invested in Advara HeartCare, a national provider of cardiology, sleep and respiratory services in Australia. Advara HeartCare offers a full range of best-in-class services and technologies to treat cardiovascular disease from initial consultation to non-invasive diagnostics, complex treatment, remote monitoring and follow-up. Through this investment, Adamantem Capital is working with Advara HeartCare's management team and doctors to help the company achieve its ambition of extending quality heart care to over one million Australians having a greater impact on society not just limited to care, but also better encompassing preventative care, policy influence and advocacy.

WAM Alternative Assets is invested in Palisade's Renewable Energy Fund (PREF). PREF is one of the largest renewable energy platforms in Australia that provides investors with access to \$2 billion of renewable energy generating assets, with over one gigawatt of total capacity. The PREF portfolio is diversified by fuel source (wind and solar) and geography with sites in South Australia, Queensland, Victoria and Tasmania. This investment provides the WAM Alternative Assets investment portfolio with a relatively stable income return, which is largely inflation protected (i.e. CPI linked annual increases).

WAM Alternative Assets' investment in Barwon Institutional Healthcare Fund provides access to a high quality portfolio of healthcare real estate assets. The healthcare real estate sector has attractive fundamentals, supported by the growing demand for healthcare services driven by a growing ageing population. Since inception of the fund in 2016, Barwon Investment Partners has built a strong track record, delivering investment returns of approximately 15% per annum to its investors, including an income return of approximately 5% per annum.

Outlook

As at 30 June 2023, the level of cash in the WAM Alternative Assets investment portfolio was 33.6%, of which 22.0% is committed to new investments. The current macroeconomic environment provides attractive opportunities for private equity, infrastructure, real estate and real assets as rising inflation, interest rates and slowing economic growth puts more pressure on the current valuations across sectors. Our investment partners in private equity have high levels of dry powder (i.e. capital available for investment) and are focused on finding mispriced high-quality businesses and assets. The team and I continue to assess the risks, quality and resilience of those investments in the current environment and the revitalisation strategy of the WAM Alternative Assets portfolio is underpinned by investments in the long term themes with strong fundamentals and high quality underlying assets.

Thank you for your continued support.



Dania Zinurova
Portfolio Manager

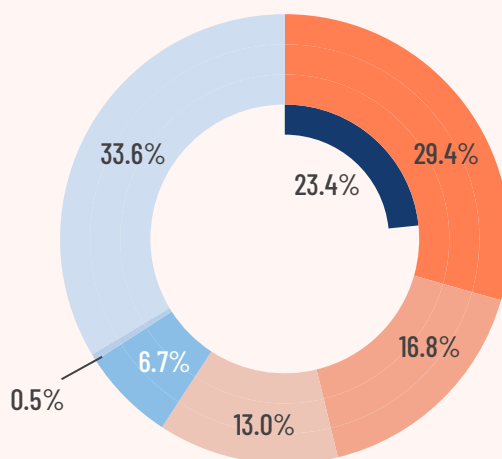
Asset class exposure as at 30 June 2023

- Real assets: 29.4%*
- Private equity: 16.8%
- Infrastructure: 13.0%
- Real estate: 6.7%
- Private debt: 0.5%
- Cash: 33.6%^

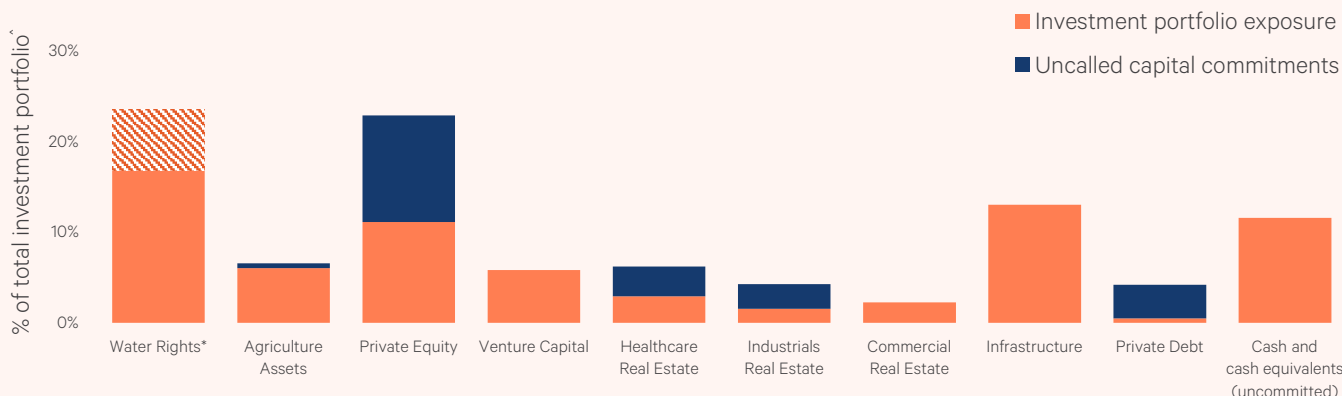
^Total capital commitments are 22.0%.

*Real assets includes:

- Water Rights: 23.4%



Investment portfolio exposure as at 30 June 2023



The fair value of individual investments held at the end of the reporting period are disclosed on page 59.

*Water rights includes \$16.0m (6.7% of total portfolio) of water rights held within the Strategic Australian Agriculture Fund (SAAF).

^Includes uncalled capital commitments to the Crescent Capital Partners Fund VII (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Barwon Institutional Healthcare Property Fund (\$7.8m); the Allegro Fund IV (\$7.7m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.3m) and the Strategic Australian Agriculture Fund (\$1.3m).

About Wilson Asset Management

Wilson Asset Management is passionate about making a difference for shareholders and the community for more than 25 years. As an investment manager, Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management is proud to be the Investment Manager for WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA).

Philanthropy

Geoff Wilson founded Future Generation Australia (ASX: FGX) in 2014 and Future Generation Global (ASX: FGG) in 2015. The Future Generation companies are Australia's first listed investment companies to provide both investment and social returns: the companies provide shareholders with exposure to leading Australian and global fund managers who deliver a stream of fully franked dividends and capital growth to investors. This group of leading fund managers manages more than \$1 billion in assets on a pro bono basis, waiving their performance and management fees. Their generosity allows the Future Generation companies to invest 1% of net tangible assets each year in not-for-profit organisations. Shareholders are able to decide which not-for-profits will receive the donation, whether it's supporting children and youth at risk (FGX) or investing in the promotion of wellbeing and preventing mental ill-health in young Australians (FGG). By 2030, Future Generation aims to have donated over \$100 million, with \$65.2 million donated since inception so far. The team at Wilson Asset Management continue to support both companies.

Wilson Asset Management is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. During the year, Wilson Asset Management and Future Generation team members were proud to support over 90 charities across several cause areas such as cancer research, homelessness and mental health. All philanthropic investments are made by the Investment Manager.

We are honoured to provide continued support to Olympic athletes, through managing over \$8 million for the Australian Olympic Committee (AOC) on a pro bono basis. The AOC provides crucial financial and institutional support to Australian athletes to compete at an Olympic level. All fees are foregone by the Investment Manager.

We also support a number of organisations through sponsorships and partnerships across a range of initiatives including the 2022 Wollongong UCI Road World Cycling Championship, The Australian Shareholder's Association, Sporting Chance Cancer Foundation, Women in Super and many more. All sponsorships and partnerships are made by the Investment Manager.

Advocacy and Education

As part of our focus on making a difference to shareholders and the community, our advocacy work for fair and equitable treatment of retail shareholders continues to be a priority. We firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market.

Together we have been publicly fighting for the preservation of Paul Keating's franking system since the Labor party first proposed changes in 2018, a proposal that was going to deny cash refunds of franking credits to certain investors. In September 2021, the Australian Government announced proposed legislation changes to the Australian franking system, this time limiting the ability of Australian companies to pay fully franked dividends to their shareholders. Of the two pieces of legislation proposed, the one that concerns us the most relates to the Government's plan to stop companies paying fully franked dividends that in Treasury's view are directly or indirectly funded by capital raisings. This legislation will stop small growth companies

from raising capital and paying fully franked dividends and encourage large companies to focus on minimising tax paid in Australia. The second piece of legislation regarding the off-market buy-backs will restrict a company's ability to equitably manage its capital.

Following a public consultation period and our extensive engagement with Federal MPs and Senators, a Senate Inquiry was held to take a deeper look into the details of the proposed changes. This has now taken place and the committee acknowledged Schedule 5 of the Bill: Franked distributions funded by capital raisings needs clarification, an important victory for us all including industry and taxation experts, lawyers and academics who agree that this legislation is flawed. Unfortunately, they did not grasp that Schedule 4 of the Bill: Off-market share buy-backs also has significant unintended consequences and needs redrafting.

The Australian franking system has been part of the reason Australia has seen more than three decades of economic stability and growth. It has encouraged Australian companies and shareholders to invest in Australia, employ Australians, pay tax in Australia and in turn create more local jobs and ownership of Australian companies by Australians. We will continue to engage with Federal members of parliament, raising awareness about the long term unintended consequences of the proposed legislation.

We also remain committed to education initiatives which advocate for change and progress in corporate Australia. We support the University of New South Wales' School of Mathematics and Statistics' Do The Maths program, which aims to inspire girls in high school to consider tertiary studies and careers in mathematics and statistics. We believe in the importance of gender diversity in the financial services industry, in particular funds management, which provides rewarding career paths. We regularly host Women's Investor Events which give likeminded women a platform to network and enhance financial literacy, while our Young Investor Events aim to inspire the next generation to begin their investment journey early.

Shareholder engagement and communication

Shareholders are the owners of WAM Alternative Assets; Wilson Asset Management's responsibility is to manage the Company on your behalf and be available to report to you on a regular basis. We encourage all shareholders to communicate with us and share their feedback. We have a variety of options to keep you informed, including:

-
- ✔ Email updates from our Lead Portfolio Managers

 - ✔ Shareholder presentations and events

 - ✔ Investment team insights including 'Buy Hold Sell' videos

 - ✔ Shareholder Q&A webinars

 - ✔ Monthly net tangible asset reports and investment updates

 - ✔ Roundtables with planners, advisers and their clients

 - ✔ Social media engagement

 - ✔ Investor education material

 - ✔ Annual and interim results announcements

As always, please contact us by phone on (02) 9247 6755 or by email at info@wilsonassetmanagement.com.au if you ever have any questions or feedback.

Objectives and investment process and investment process

Investment objectives

The investment objectives of WAM Alternative Assets are to:

- deliver absolute returns through a combination of dividend yield and capital growth; and
- provide diversification benefits.

Investment process – unique opportunities beyond traditional assets

WAM Alternative Assets provides investors with access to two distinctive processes:

- a partnership model focused on developing close relationships with key strategic partners; and
- a thematic portfolio construction approach that is built around active portfolio construction and review.

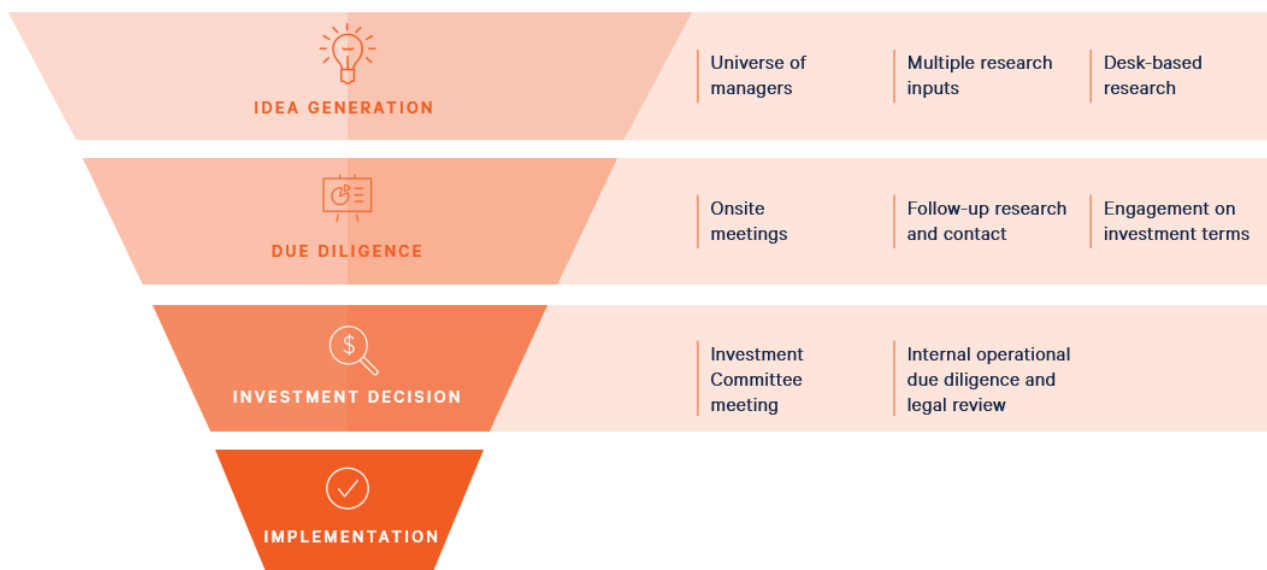
Partnership model

Investing alongside high-quality investment teams with an established track record; we follow a partnership model where WAM Alternative Assets seeks to source, maintain and develop close relationships with key strategic partners within the alternative assets space.

Thematic portfolio construction

WAM Alternative Assets takes a thematic portfolio construction approach which is built on key macro trends with strong tailwinds such as ageing population, digitalisation, climate change and increasing demand for food. This is built around active portfolio construction and review, a clear focus on themes and sectors, and a well-established and rigorous investment process.

We believe the underlying assets within the alternative asset strategies are built to last and expected to provide value or essential services to society over several decades. We therefore include Environmental, Social, and Corporate Governance (ESG) considerations in our investment process.



Directors' Report to shareholders for the year ended 30 June 2023

The Directors present their report together with the financial report of WAM Alternative Assets for the financial year ended 30 June 2023.

Principal activity

The principal activity of the Company is to provide investors with exposure to a portfolio of real assets, private equity, infrastructure, real estate and private debt strategies. The Company's investment objectives are to deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits to shareholders. No change in this activity took place during the period or is likely to in the future.

Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$11,712,540 (2022: \$23,221,165) and an operating profit after tax of \$9,484,706 (2022: \$18,054,728). The operating profit for 2023 is reflective of the investment portfolio performance during the period. The investment portfolio performance has been driven by realised gains on exits achieved in the investment portfolio and positive revaluations in the underlying investments in the current period, with the key contributor being private equity.

Within the private equity asset class, exit proceeds were received from exits achieved in the Shopper Media Group Funds (\$17,875,017), Hotel Funds (\$9,111,282), Energy Storage Fund (\$8,349,385) and VC2014 Fund (\$560,000) during the year. The underlying asset in the Shopper Media Group Funds, managed by Fortitude Investment Partners, is a digital, out-of-home, offline-media company in Australia that offers targeted shopper advertising through a national screen network of more than 2,000 screens in more than 420 shopping centres. The underlying asset in the Hotel Funds, managed by Fortitude Investment Partners, is a portfolio of 11 suburban hotels surrounding the Adelaide central business district. The underlying asset in the Energy Storage Fund, managed by RBP Investment Partners, is a battery storage developer based in the United States that develops, owns and manages advanced utility-scale front-of-meter energy storage systems in California. Our investment partner January Capital successfully completed the secondary sale of two underlying portfolio assets in the VC2014 fund, a portfolio of venture capital investments. Within the private real estate asset class, the underlying property in the Revesby Industrial Income Fund, an industrial food production and warehouse facility at Revesby, NSW managed by Centennial Property Group, was also sold (\$4,864,509).

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio during the period. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each period. This treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

The operating profit or loss for each financial period is reflective of the underlying investment portfolio performance. Alternative asset classes traditionally have a low correlation to equity markets, and provide investors with exposure to long-term investment strategies and strong diversification benefits. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

Further information on the three key listed investment company performance measures and the operating and financial review of the Company is contained in the Chair's letter.

Financial position

The net asset value of the Company as at 30 June 2023 was \$233,385,849 (2022: \$231,917,634). Further information on the financial position of the Company is contained in the Chair's letter.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2023.

Dividends paid or recommended

Dividends paid or declared during the year are as follows:

	\$
Final fully franked FY2022 dividend of 2.0 cents per share paid on 28 October 2022	3,890,159
Interim fully franked FY2023 dividend of 2.5 cents per share paid on 28 April 2023	4,872,198

Since the end of the year, the Directors declared a final fully franked dividend of 2.5 cents per share to be paid on 20 October 2023.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

- Michael Cottier
- Geoff Wilson AO
- Adrian Siew
- John Baillie
- Kym Evans

Information on Directors

Michael Cottier (Chair – independent)

Experience and expertise

Michael Cottier has over 30 years' experience in financial services roles and is currently an independent non-executive director of two non-listed entities, both of which are in senior financial services roles. Between 2009 and 2014 Michael served as Chief Financial Officer of QSuper Group, where he was responsible for group-wide finance and governance functions. Prior to joining QSuper, Michael spent seven years as CFO of QIC Limited, where he was responsible for group-wide finance and governance functions together with corporate advisory and human resources services.

Michael Cottier has been Chair of the Company since November 2018 and a Director of the Company since February 2017.

Other current listed company directorships

Michael Cottier has no other listed company directorships.

Former listed company directorships in the last 3 years

Michael Cottier has not resigned as a Director from any other listed companies within the last three years.

Michael Cottier (Chair – independent) (cont'd)

Special responsibilities

Chair of the Board and Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Michael Cottier's interests in shares of the Company are included later in this report.

Interests in contracts

Michael Cottier has no interests in contracts of the Company.

Geoff Wilson AO (Director – non-independent)

Experience and expertise

Geoff Wilson has over 43 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Australia Limited and Future Generation Global Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson has been a Director of the Company since September 2020.

Other current listed company directorships

Geoff Wilson is currently Chair of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a Director of Future Generation Australia Limited (appointed July 2014) and Future Generation Global Limited (appointed May 2015) and a Director of Global Value Fund Limited (appointed April 2014) and Hearts and Minds Investments Limited (appointed September 2018).

Former listed company directorships in the last 3 years

Geoff Wilson resigned as a director of 8IP Emerging Companies Limited in September 2020 and Australian Leaders Fund Limited in March 2021.

Special responsibilities

Chair of the Investment Committee.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

Adrian Siew (Director – non-independent)

Experience and expertise

Adrian has 27 years' experience in the financial industry. He started his career with Goldman Sachs European investment banking team in London before moving to Hong Kong and Singapore as part of their mergers and acquisitions and corporate finance advisory teams. He later spent 11 years with The Carlyle Group as a Director of their private equity buyout investment team in Sydney and Singapore. Adrian was the Lead Portfolio Manager responsible for the alternative asset strategy of Wilson Asset Management (International) Pty Limited, and is now a board director and investment committee member of WAM Alternative Assets Limited, and a board director of WAM Microcap Limited. He is also the Chief Executive Officer of Wilson Family Office.

Adrian Siew has been a Director of the Company since September 2020.

Other current listed company directorships

Adrian is a Director of WAM Microcap Limited (appointed since November 2020).

Former listed company directorships in the last 3 years

Adrian Siew has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

Member of the Investment Committee.

Interests in shares of the Company

Details of Adrian Siew's interests in shares of the Company are included later in this report.

Interests in contracts

Adrian Siew has no interests in contracts of the Company.

John Baillie (Director – independent)

Experience and expertise

John Baillie has over 27 years' experience in financial services, including wealth management, corporate advisory, investor relations and private equity capital raisings. John was a Senior Investment Advisor with Shaw and Partners (formally Shaw Stockbroking) for 22 years, with an emphasis on portfolio management, trading and private equity capital raisings. In 2015 John established JB & Partners Corporate Advisory that specialises in strategic advice and succession planning for private companies; particularly family businesses. John has advised in a diverse range of industries, including financial services (particularly AFSL issues), FMCG companies, eCommerce and the funeral industry. John is currently Chair of Seneca Financial Solutions and non-executive Director of a number of private companies. He is a Graduate Member of the Australian Institute of Company Directors and holds a Graduate Diploma (Securities) from the Securities Institute of Australia.

John Baillie has been a Director of the Company since December 2018.

Other current listed company directorships

John Baillie has no other listed company directorships.

John Baillie (Director – independent) (cont'd)

Former listed company directorships in the last 3 years

John Baillie resigned as a director of DXN Limited in March 2023.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of John Baillie's interests in shares of the Company are included later in this report.

Interests in contracts

John Baillie has no interests in contracts of the Company.

Kym Evans (Director – independent)

Experience and expertise

Kym Evans has over 32 years' experience in legal risk and general management roles. Kym was a private practice lawyer for 10 years, including 7 years with Allens. He had a further 10 years' experience as in-house counsel with HBOS Australia, Nortel Networks, Arnott's Biscuits and Flexirent Capital. Kym also performed management roles at BankWest (Head of Customer Projects Commercial and Business Division), Nortel Networks Australia (General Manager - Business Operations) and Flexirent Capital (General Manager - Corporate Services). More recently he held a role as a senior consultant at Control Risk looking after account management and business development for Control Risks' three practice areas of political risk consulting, integrity risk consulting and security risk consulting. Kym holds a Bachelor of Laws and also completed the New York Bar Exam and the Harvard Business School General Management Program.

Kym Evans has been a Director of the Company since December 2018.

Other current listed company directorships

Kym Evans has no other listed company directorships.

Former listed company directorships in the last 3 years

Kym Evans has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

Chair of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kym Evans' interests in shares of the Company are included later in this report.

Interests in contracts

Kym Evans has no interests in contracts of the Company.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Jesse Hamilton

Jesse Hamilton is a Chartered Accountant with more than 15 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. He is Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia Limited and Future Generation Global Limited. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Jesse Hamilton was appointed Company Secretary of WAM Alternative Assets in October 2020.

Members of the Investment Committee

The experience and qualifications of the members of the Investment Committee during the financial year and up to the date of this report are set out below:

Geoff Wilson (Chair)

Geoff Wilson is also a Director. Please refer to page 17 of the Director's Report for details of Geoff's experience and qualifications.

Adrian Siew

Adrian Siew is also a Director. Please refer to page 18 of the Director's Report for details of Adrian's experience and qualifications.

Sally Box

Sally has over 19 years' experience in private capital advisory, gained with leading organisations such as Allens, Macquarie Capital, QIC, Greenhill & Co, and is currently Managing Director at Cabot Properties Inc, a private equity real estate investment firm.

Investment Committee meetings

Director	No. eligible to attend	Attended
Geoff Wilson	4	1
Adrian Siew	4	4
Sally Box	4	4
John Roberts (resigned 5 July 2023)	4	2

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Alternative Assets.

a) Remuneration of Directors

All Directors of WAM Alternative Assets are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration, unless otherwise agreed.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors. The maximum total remuneration of the Directors of the Company has been set at \$195,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees, excluding Investment Committee responsibilities.

Directors' remuneration received for the year ended 30 June 2023:

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Michael Cottier	Chair	45,000	4,725	49,725
Geoff Wilson	Director	10,000	1,050	11,050
Adrian Siew	Director	40,000	4,200	44,200
John Baillie	Director	40,000	4,200	44,200
Kym Evans	Director	40,000	4,200	44,200
		175,000	18,375	193,375

Adrian Siew also received \$33,150 (\$30,000 short-term employee benefits and \$3,150 post-employment benefits) during the financial year in respect of his Investment Committee duties (2022: \$30,000 short-term employee benefits and \$3,000 post-employment benefits).

Directors receive a superannuation guarantee contribution required by the government, which was 10.5% of individuals' benefits for FY2023 (FY2022: 10.0%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

Directors' remuneration received for the year ended 30 June 2022:

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Michael Cottier	Chair	45,000	4,500	49,500
Geoff Wilson	Director	10,000	1,000	11,000
Adrian Siew	Director	40,000	4,000	44,000
John Baillie	Director	40,000	4,000	44,000
Kym Evans	Director	40,000	4,000	44,000
		175,000	17,500	192,500

Remuneration Report (Audited) (cont'd)

a) Remuneration of Directors (cont'd)

The following table reflects the Company's performance and Directors' remuneration over five years:

	2023	2022	2021	2020	2019
Operating profit after tax (\$)	\$9,484,706	\$18,054,728	\$18,019,312	\$5,132,523	\$6,713,084
Dividends (cents per share)	5.0	4.0	3.0	4.0	5.0
Share price (\$ per share)	\$1.015	\$1.035	\$0.985	\$0.72	\$0.76
NTA after tax (\$ per share)	\$1.20	\$1.19	\$1.14	\$1.09	\$1.10
Total Directors' remuneration (\$)	\$193,375	\$192,500	\$181,256	\$136,875	\$136,372
Shareholder's equity (\$)	\$233,385,849	\$231,917,634	\$221,004,176	\$211,109,380	\$221,199,797
Share buybacks (\$)	-	-	\$473,613	\$5,209,532	\$8,479,826

b) Director related entities remuneration

All transactions with related entities during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio, amounting to \$2,680,513 inclusive of GST (2022: \$2,603,082). As at 30 June 2023, the balance payable to the Manager was \$218,604 inclusive of GST (2022: \$220,573).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Alternative Assets to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$71,500 inclusive of GST (2022: \$71,500) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2022: \$16,500).

These amounts are in addition to the above Directors' remuneration. Since the end of the financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

c) Remuneration of executives

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined above.

Remuneration Report (Audited) (cont'd)

d) Equity instruments disclosures of Directors and related parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2022	Acquisitions	Disposals	Balance at 30 June 2023
Michael Cottier	30,847	985	-	31,832
Geoff Wilson	7,503,067	-	-	7,503,067
Adrian Siew	18,502	-	-	18,502
John Baillie	15,000	50,000	-	65,000
Kym Evans	39,416	22,151	-	61,567
	7,606,832	73,136	-	7,679,968

There have been no changes in shareholdings disclosed above between 30 June 2023 and the date of the report. Directors and Director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

- End of Remuneration Report -

Directors' meetings

Director	No. eligible to attend	Attended
Michael Cottier	4	4
Geoff Wilson	4	4
Adrian Siew	4	4
John Baillie	4	4
Kym Evans	4	4

Audit and Risk Committee meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2023 Corporate Governance Statement.

Audit and Risk Committee member	No. eligible to attend	Attended
Michael Cottier	4	4
John Baillie	4	4
Kym Evans	4	4

After balance date events

Since the end of the year, the Directors declared a final fully franked dividend of 2.5 cents per share to be paid on 20 October 2023.

WAM Alternative Assets' investment partner Cove Property Group successfully exited its investment in a commercial office building located in Manhattan, New York through the 2 Rector St Trust. A distribution of exit proceeds (\$5,120,039) was received in July 2023 and will be redeployed into new investment opportunities as part of the investment portfolio revitalisation strategy.

No other matter or circumstance has arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future developments

The Company will continue to provide investors with exposure to a portfolio of real assets, private equity, infrastructure, real estate and private debt strategies to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee fund-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions also impact these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory. The Company does not have any material exposure to environmental and social sustainability risk, however, it may have indirect exposure through its underlying investments.

Indemnification and insurance of officers or Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

During the year Pitcher Partners, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

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 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Director's Report have been rounded to the nearest dollar, unless otherwise indicated.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2023 is provided on the Company's website at wilsonassetmanagement.com.au.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 26 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors.



Michael Cottier
Chair

Dated this 28th day of August 2023

Pitcher Partners Sydney Partnership

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Sydney NSW 2000

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e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of WAM Alternative Assets Limited
ABN 47 168 941 704**

In relation to the independent audit of WAM Alternative Assets Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

28 August 2023

Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Net realised and unrealised gains on financial assets		8,563,719	17,532,310
Other revenue from operating activities	2	6,798,213	9,279,801
Management fees		(2,497,751)	(2,425,599)
Directors fees		(193,375)	(192,500)
Investment Committee fees		(99,450)	(99,000)
ASX listing and chess fees		(85,317)	(77,764)
Share registry fees		(40,846)	(49,057)
Disbursements, mailing and printing		(31,014)	(52,197)
Legal and professional fees		(28,679)	(57,957)
Audit fees		(185,562)	(170,894)
Other expenses from ordinary activities		(487,398)	(465,978)
Profit before income tax		11,712,540	23,221,165
Income tax expense	3(a)	(2,227,834)	(5,166,437)
Profit after income tax attributable to members of the Company		9,484,706	18,054,728
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		9,484,706	18,054,728
Basic and diluted earnings per share	15	4.87 cents	9.30 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2023

		2023	2022
Assets			
Cash and cash equivalents	13	78,454,036	64,936,568
Trade and other receivables	6	1,581,437	1,873,603
Financial assets	7	210,967,026	233,820,384
Other assets		417,375	600,565
Deferred tax assets	3(c)	59,403	74,712
Total assets		291,479,277	301,305,832
Liabilities			
Trade and other payables	8	498,900	3,121,991
Current tax liabilities	3(b)	3,678,177	3,348,828
Uncalled capital commitments	9	52,478,618	57,340,374
Deferred tax liabilities	3(d)	1,437,733	5,577,005
Total liabilities		58,093,428	69,388,198
Net assets		233,385,849	231,917,634
Equity			
Issued capital	10	205,863,212	205,117,346
Profits reserve	11	35,615,761	33,042,866
Accumulated losses	12	(8,093,124)	(6,242,578)
Total equity		233,385,849	231,917,634

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2023

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2021		204,496,486	(4,360,287)	20,867,977	221,004,176
Profit for the year		-	18,054,728	-	18,054,728
Transfer to profits reserve		-	(19,937,019)	19,937,019	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Share issued via dividend reinvestment plan	10(b)	620,860	-	-	620,860
Dividends paid	4(a)	-	-	(7,762,130)	(7,762,130)
Balance at 30 June 2022		205,117,346	(6,242,578)	33,042,866	231,917,634
Profit for the year		-	9,484,706	-	9,484,706
Transfer to profits reserve		-	(11,335,252)	11,335,252	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Share issued via dividend reinvestment plan	10(b)	745,866	-	-	745,866
Dividends paid	4(a)	-	-	(8,762,357)	(8,762,357)
Balance at 30 June 2023		205,863,212	(8,093,124)	35,615,761	233,385,849

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Proceeds from sale of investments		71,508,745	21,447,572
Payments for purchase of investments		(47,571,424)	(4,581,879)
Rebates of management and performance fees (inclusive of GST)		1,442,874	649,132
Dividends and trust distributions received		2,963,881	7,665,878
Interest received		2,683,375	185,618
Payments to suppliers (inclusive of GST)		(978,467)	(882,003)
Management fees paid		(2,682,482)	(2,589,476)
GST received		189,905	154,566
Income tax paid		(6,022,448)	(1,471,566)
Net cash provided by operating activities	14	21,533,959	20,577,842
Cash flows from financing activities			
Dividends paid – net of reinvestment		(8,016,491)	(7,141,270)
Net cash used in financing activities		(8,016,491)	(7,141,270)
Net increase in cash and cash equivalents held		13,517,468	13,436,572
Cash and cash equivalents at beginning of the year		64,936,568	51,499,996
Cash and cash equivalents at the end of the year	13	78,454,036	64,936,568
Non-cash transactions:			
Shares issued via dividend reinvestment plan	10(b)	745,866	620,860

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2023

1. Significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

WAM Alternative Assets is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 28 August 2023 by the Board of Directors.

WAM Alternative Assets is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Company's financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for financial assets, deferred tax assets and deferred tax liabilities.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, except for financial assets and certain other financial assets and liabilities which have been measured at fair value. All amounts are presented in Australian dollars.

In accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Financial Statements have been rounded to the nearest dollar, unless otherwise indicated.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. There was no material impact to the financial statements.

a) Financial assets and financial liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits itself to purchase or sell assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

1. Significant accounting policies (cont'd)

a) Financial assets and financial liabilities (cont'd)

Classification and subsequent measurement

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers.

(i) Financial assets at fair value through profit or loss

Financial assets are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

The Company manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at 30 June 2023. Further details on how the fair values of financial instruments are determined are disclosed in Note 16.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of comprehensive income.

b) Income tax

The current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

1. Significant accounting policies (cont'd)

b) Income tax (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within six months or less.

d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Distribution income is recognised when the right to receive a distribution has been established. All revenue is stated net of the amount of goods and services tax (GST).

e) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment. Refer to Note 1(h) for further detail.

f) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at amortised cost.

g) Uncalled capital commitments

Uncalled capital commitments are non-derivative financial liabilities and are stated at amortised cost.

1. Significant accounting policies (cont'd)

h) Impairment of assets

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the Statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 30 June 2023, there are \$88,431 expected credit losses recognised (2022: \$88,431).

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of financial position. Cash flows are presented in the Statement of cash flows on a gross basis (inclusive of GST), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

k) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Dividends

Dividends are recognised when declared during the financial year.

n) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

1. Significant accounting policies (cont'd)

n) Critical accounting estimates and judgments (cont'd)

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers. Refer to Note 16(d) for further information.

There are no other estimates or judgments that have a material impact on the Company's financial results for the year ended 30 June 2023.

o) New standards and interpretations not yet adopted

There are no new standards or interpretations not yet adopted that would have a material impact for the Company this financial period.

2. Other revenue

	2023 \$	2022 \$
Trust distributions	3,018,996	7,665,878
Interest	2,865,841	185,618
Rebates of management and performance fees	913,376	1,428,305
	6,798,213	9,279,801

3. Income tax

a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Prima facie tax on profit before income tax at 25.0% (2022: 25.0%)	2,928,135	5,805,291
Imputation credit gross up	-	273,715
Franking credit offset	-	(1,094,858)
Other non-assessable items*	(700,301)	182,289
	2,227,834	5,166,437
Effective tax rate	19.0%	22.2%

The effective tax rate reflects corporate tax rate applicable to the Company of 25% and other temporary differences. The decrease in the effective tax rate from the comparative year is reflective of the decrease in other temporary differences and unrealised losses on income tax exempt investments, offset by there being no franked distributions received during the period compared to the prior year.

*Other non-assessable items relates to unrealised gains and losses on income tax exempt investments and other timing differences.

3. Income tax (cont'd)

a) Income tax expense (cont'd)

	2023 \$	2022 \$
Total income tax expense results in a:		
Current tax liability	6,351,797	4,113,774
Deferred tax liability	(4,139,272)	1,011,838
Deferred tax asset	15,309	40,825
	2,227,834	5,166,437

b) Current tax liabilities

	2023 \$	2022 \$
Balance at the beginning of the year	3,348,828	706,210
Current year income tax on operating profit	6,351,797	4,113,774
Income tax paid	(6,022,448)	(1,471,566)
Under provision in prior period	-	410
At reporting date	3,678,177	3,348,828

c) Deferred tax assets

	2023 \$	2022 \$
Accruals	58,614	71,529
Capitalised share issue costs	789	3,183
	59,403	74,712
Movement in deferred tax assets		
Balance at the beginning of the year	74,712	115,537
Charged to the Statement of comprehensive income	(15,309)	(40,825)
At reporting date	59,403	74,712

3. Income tax (cont'd)

d) Deferred tax liabilities

	2023 \$	2022 \$
Accrued rebates	91,232	164,844
Fair value adjustments	1,346,501	5,412,161
	1,437,733	5,577,005
Movement in deferred tax liabilities		
Balance at the beginning of the year	5,577,005	4,565,167
(Credited)/charged to the Statement of comprehensive income	(4,139,272)	1,011,838
At reporting date	1,437,733	5,577,005

4. Dividends

a) Ordinary dividends paid during the year

	2023 \$	2022 \$
Final dividend FY2022: 2.0 cents per share fully franked at 25.0% tax rate, paid 28 October 2022 (Final dividend FY2021: 2.0 cents per share fully franked at 26.0% tax rate)	3,890,159	3,878,790
Interim dividend FY2023: 2.5 cents per share fully franked at 25.0% tax rate, paid 28 April 2023 (Interim dividend FY2022: 2.0 cents per share fully franked at 25.0% tax rate)	4,872,198	3,883,340
	8,762,357	7,762,130

b) Dividends not recognised at year end

	2023 \$	2022 \$
In addition to the above dividends, since the end of the year, the Directors have declared a 2.5 cents per share fully franked dividend (2022: 2.0 cents per share fully franked) which has not been recognised as a liability at the end of the financial year:	4,880,237	3,890,159

4. Dividends (cont'd)

c) Dividend franking account

	2023 \$	2022 \$
Balance of franking account at year end	5,043,235	1,716,471
Adjusted for franking credits arising from: - Estimated income tax payable	3,678,177	3,348,828
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 4(b):	(1,626,746)	(1,296,720)
	7,094,666	3,768,579

The Company's ability to continue to pay franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on upon the payment of tax on profits from the Company's operations and exits from existing investments and the receipt of franked distributions from the underlying investments.

The balance of the franking account does not include the tax to be paid on unrealised investment gains at the end of the reporting period. As at 30 June 2023, the deferred tax liability in relation to fair value movements on the investment portfolio is \$1,346,501 (2022: \$5,412,161).

5. Auditor's remuneration

	2023 \$	2022 \$
Remuneration of the auditor for:		
Auditing and reviewing the financial report	185,562	170,894
Other services provided by a related practice of the auditor:		
Taxation services	13,200	10,450
	198,762	181,344

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

6. Trade and other receivables

	2023 \$	2022 \$
Rebate income receivable	1,296,840	1,826,338
Interest receivable	182,466	-
Distributions receivable	55,115	-
GST receivable	47,016	47,265
	1,581,437	1,873,603

The Company derives rebate income in respect of management and performance fees charged by underlying investment fund managers in accordance with existing agreements in place.

7. Financial assets

2023	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Unlisted private debt funds \$	Total \$
Financial assets	68,193,534	30,312,464	71,481,358	30,964,425	10,015,245	210,967,026
Uncalled capital commitments	(27,959,906)	(14,329,900)	(1,312,500)	-	(8,876,312)	(52,478,618)
	40,233,628	15,982,564	70,168,858	30,964,425	1,138,933	158,488,408

2022	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Total \$
Financial assets	75,563,568	36,266,634	101,990,182	20,000,000	233,820,384
Called capital commitments	-	(2,618,000)	-	-	(2,618,000)
Uncalled capital commitments	(15,645,874)	(20,382,000)	(1,312,500)	(20,000,000)	(57,340,374)
	59,917,694	13,266,634	100,677,682	-	173,862,010

The above financial assets include \$52,478,618 in uncalled capital commitments (2022: \$57,340,374) and no called capital commitments (2022: \$2,618,000). Please refer to Note 8 and 9 for further information.

The Company manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at 30 June 2023.

The fair values of individual investments held at the end of the reporting period are disclosed on page 59 of the Annual Report.

8. Trade and other payables

	2023 \$	2022 \$
Management fee payable	218,604	220,573
Sundry payables	280,296	283,418
Called capital commitments	-	2,618,000
	498,900	3,121,991

Trade and other payables are settled within the terms of payment offered. No interest is applicable on these accounts. Called capital commitments relates to capital called before the end of the financial year but not yet deployed. Please refer to Note 9 for further information.

9. Uncalled capital commitments

	2023 \$	2022 \$
Crescent Capital Partners VII Fund	15,000,000	-
Intermediate Capital Group Australian Senior Loan Fund	8,876,312	-
Barwon Institutional Healthcare Property Fund	7,829,900	12,382,000
Allegro Fund IV	7,659,372	9,888,145
CEN (I&L) Partnership Fund	6,500,000	8,000,000
Adamantem Capital Fund II	5,300,534	5,757,729
Strategic Australian Agricultural Fund	1,312,500	1,312,500
Palisade's Diversified Infrastructure Fund	-	20,000,000
	52,478,618	57,340,374

Uncalled capital commitments relate to the Company's contractual agreements to purchase units in unlisted funds which have not been drawn down. Uncalled capital commitments are subject to be called pursuant to the Trust Deeds of the respective investee funds.

During the year, \$15,000,000 of capital was committed to the Crescent Capital Partners VII Fund, \$10,000,000 of capital was committed to the Intermediate Capital Group Australian Senior Loan Fund, \$10,000,001 of capital was committed to Palisade's Renewable Energy Fund and \$5,091,667 was committed to the WMA Fortitude PE Trust. From these commitments, \$20,000,000 was drawn down to Palisade's Diversified Infrastructure Fund, \$10,000,001 was drawn down to Palisade's Renewable Energy Fund, \$5,091,667 was drawn down to the WMA Fortitude PE Trust, \$4,552,100 was drawn down to the Barwon Institutional Healthcare Property Fund, \$2,228,773 was drawn down to the Allegro Fund IV, \$1,500,000 was drawn down to the CEN (I&L) Partnership Fund, \$1,123,688 was drawn down to the Intermediate Capital Group Australian Senior Loan Fund and \$457,195 was drawn down to the Adamantem Capital Fund II.

10. Issued capital

a) Paid-up capital

	2023 \$	2022 \$
195,209,463 ordinary shares fully paid (2022: 194,507,975)	205,863,212	205,117,346

b) Movement in issued capital

	2023 \$	2022 \$
Balance at the beginning of the year 194,507,975 ordinary shares fully paid (2022: 193,932,860)	205,117,346	204,496,486
379,712 ordinary shares issued on 28 October 2022 under a dividend reinvestment plan	401,652	-
321,776 ordinary shares issued on 28 April 2023 under a dividend reinvestment plan	344,214	-
234,147 ordinary shares issued on 22 October 2021 under a dividend reinvestment plan	-	241,090
340,968 ordinary shares issued on 14 April 2022 under a dividend reinvestment plan	-	379,770
At reporting date	205,863,212	205,117,346

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, with all substantive resolutions conducted by a poll. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share placements, share purchase plans, options issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to manage the capital of the Company during the year. The Company is not subject to any externally imposed capital requirements.

11. Profits reserve

	2023 \$	2022 \$
Profits reserve	35,615,761	33,042,866

The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments.

	2023 \$	2022 \$
Movement in profits reserve		
Balance at the beginning of the year	33,042,866	20,867,977
Transfer of profits during the year	11,335,252	19,937,019
Final dividend paid (refer to note 4(a))	(3,890,159)	(3,878,790)
Interim dividend paid (refer to note 4(a))	(4,872,198)	(3,883,340)
At reporting date	35,615,761	33,042,866

12. Accumulated losses

	2023 \$	2022 \$
Balance at the beginning of the year	(6,242,578)	(4,360,287)
Profit for the year attributable to members of the Company	9,484,706	18,054,728
Transfer to profits reserve	(11,335,252)	(19,937,019)
At reporting date	(8,093,124)	(6,242,578)

13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2023 \$	2022 \$
Cash at bank and on hand	58,454,036	64,936,568
Term deposits	20,000,000	-
	78,454,036	64,936,568

The weighted average interest rate for cash as at 30 June 2023 is 4.28% (2022: 0.91%). The term deposits have an average maturity of 16 days (2022: nil). All the term deposits are invested with major Australian banks and their 100% owned banking subsidiaries that have Standard & Poor's A-1+ rating.

14. Cash flow information

	2023 \$	2022 \$
Reconciliation of profit after tax to cash flow from operations:		
Profit after income tax	9,484,706	18,054,728
Fair value gains and movements in financial assets	15,373,602	(666,617)
Changes in assets and liabilities:		
Decrease/(increase) in receivables	292,166	(772,042)
Decrease in other assets	183,190	171,593
Decrease in deferred tax assets	15,309	40,825
(Decrease)/increase in payables	(5,091)	94,899
Increase in current tax liabilities	329,349	2,642,618
(Decrease)/increase in deferred tax liabilities	(4,139,272)	1,011,838
Net cash provided by operating activities	21,533,959	20,577,842

15. Earnings per share

	2023 Cents per share	2022 Cents per share
Basic and diluted earnings per share	4.87	9.30
Profit after income tax used in the calculation of basic and diluted earnings per share		
	2023 \$	2022 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	9,484,706	18,054,728
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share		
	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	194,824,655	194,171,590

There are no outstanding securities that are potentially dilutive in nature for the Company at the end of the year.

16. Financial risk management

The Company's financial instruments consist of unlisted investments, trade receivables, trade payables and uncalled capital commitments. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk, consisting of interest rate risk and price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks during the period.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial risks of the Company. The Manager monitors these risks daily. On a formal basis, the Investment Committee meets quarterly and monitors and manages the below risks as appropriate.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. Credit risk is not considered to be a major risk to the Company as the majority of cash held by the Company is invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short-term rating of A-1+ and long-term rating of AA-. The majority of all maturities for cash held by the Company are within three months.

The Company has provided for \$88,431 (2022: \$88,431) trade receivables which the Company considers to be impaired. None of the other assets exposed to a credit risk are overdue or considered to be impaired.

b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities or will be forced to sell financial assets at a value which is less than they are worth. Alternative asset investments typically involve the investors' capital being locked up for a number of years.

The Company's cash receipts depend upon the level of trust distributions and interest received, the proceeds from exits or other capital management initiatives that may be implemented by the Board from time to time.

The Investment Manager monitors the Company's cash flow requirements on an ongoing basis by reference to forecast disposals and purchases of investments, dividends and interest to be paid or received. The Company holds a portion of its portfolio in cash sufficient to ensure that it has cash readily available to meet all payments.

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

16. Financial risk management (cont'd)

b) Liquidity risk (cont'd)

30 June 2023	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	498,900	498,900
Uncalled capital commitments	-	52,478,618	52,478,618
Total	-	52,977,518	52,977,518

30 June 2022	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	3,121,991	3,121,991
Uncalled capital commitments	-	57,340,374	57,340,374
Total	-	60,462,365	60,462,365

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments.

By its nature, as a listed investment company that invests in unlisted investments, the Company will always be subject to market risk as it invests its capital in unlisted investments which are not risk free, as the fair value of these unlisted investments can fluctuate.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The Company however is not materially exposed to interest rate risk as the majority of its cash and term deposits mature within three months. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

At the end of the reporting period, the Company's exposure to interest rate risk and the effective average weighted interest rate was as follows:

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(i) Interest rate risk (cont'd)

30 June 2023	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	4.28%	78,454,036	-	78,454,036
Trade and other receivables		-	1,581,437	1,581,437
Financial assets		-	210,967,026	210,967,026
Total		78,454,036	212,548,463	291,002,499
Liabilities				
Trade and other payables		-	498,900	498,900
Uncalled capital commitments		-	52,478,618	52,478,618
Total		-	52,977,518	52,977,518
30 June 2022	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	0.91%	64,936,568	-	64,936,568
Trade and other receivables		-	1,873,603	1,873,603
Financial assets		-	233,820,384	233,820,384
Total		64,936,568	235,693,987	300,630,555
Liabilities				
Trade and other payables		-	3,121,991	3,121,991
Uncalled capital commitments		-	57,340,374	57,340,374
Total		-	60,462,365	60,462,365

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Price risk

Price risk arises from the Company's investments in unlisted funds, whose valuation is based on the valuation of the underlying companies or assets of those unlisted funds. All investments present a risk of loss of capital. The Investment Manager mitigates this risk through careful selection of investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid in nature.

The Company provides investors with exposure to a diversified portfolio of real assets, private equity, infrastructure, real estate and private debt strategies. The Company diversifies its portfolio across multiple underlying investment fund managers, underlying industries and investment stages.

The Investment Manager follows a due diligence process prior to making an investment. In making an investment decision, the Investment Manager considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying investment fund managers through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an agreement for a new investment, information is confirmed through reference checks or through the Investment Manager's standing data and experience. The Investment Manager also performs ongoing monitoring procedures primarily through discussions with the underlying investment fund managers and also monitors industry, tax, regulatory and legal developments for all investments.

Sensitivity analysis

For the purposes of a sensitivity analysis, the Company considers a 5% adjustment to the reported or latest available unit price, received from the underlying investment fund managers, used to determine fair value of the unlisted funds as reasonable. At reporting date, if these reported or latest available unit prices used to determine fair value of the unlisted funds changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$5,943,315 (2022: \$6,519,825). This would result in the 30 June 2023 net asset backing after tax moving by 3.0 cents per share (2022: 3.4 cents per share).

d) Financial instruments measured at fair value

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

16. Financial risk management (cont'd)

d) Financial instruments measured at fair value (cont'd)

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers. The Board has determined that it is appropriate to use these reported or latest available unit prices in valuing the investments in unlisted funds. The Company classifies the fair value of these investments as Level 3 in the fair value hierarchy.

The reported or latest available unit price, received from the underlying investment fund managers of an unlisted fund is calculated by the relevant underlying investment fund manager in accordance with their methodologies and assumptions to determine the fair value of the unlisted fund's investment in any portfolio companies. The methodologies that are used by the underlying investment fund managers to determine the fair value of the unlisted fund's investment in any portfolio companies are as follows:

- market approach (whereby fair value is derived by reference to observable valuation measures for comparable companies or assets including any recent transactions in the unlisted fund);
- income approach (such as the discounted projected cash flow method); or
- cost approach, as the best initial approximation of fair value upon acquisition of an investment.

The Company does not utilise valuation models to calculate the fair value of its investments in unlisted funds. The reported or latest available unit price received from the underlying investment fund managers is considered to be the key input in the determination of fair value. The Company does not have any other key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period, which may have a significant risk of causing a material adjustment to the Company's net asset value within the next financial year. However, the Company has the following control procedures in place to evaluate whether these reported or latest available unit prices of the unlisted funds underlying investment in any portfolio companies is calculated in a manner consistent with Australian Accounting Standard AASB 13: *Fair Value Measurement*:

- Thorough initial due diligence process and ongoing monitoring procedures, primarily discussions with the underlying investment fund managers;
- As part of the Company's Risk Management Framework, the Audit and Risk Committee monitors the Investment Manager's risk assessment of the Company's underlying fund investment managers;
- Comparison of historical realisations to the last reported fair values;
- Review of the financial statements, key assumptions and significant judgements used in determining the fair value of each investment, including those used in independent third party valuations of the respective unlisted funds (where available);
- Detailed assessment of the valuation and carrying value of each investment in the portfolio by the Investment Manager; and
- The Audit and Risk Committee and Board of Directors' assessment of the reporting provided by the Investment Manager and their external auditors, which includes detailed information regarding their separate reviews of the carrying value of the investment portfolio, such as the valuation methodology adopted at the individual investment level and the relevant external valuation firm used by the underlying investment manager (where applicable).

16. Financial risk management (cont'd)

d) Financial instruments measured at fair value (cont'd)

Due to the inherent uncertainty of the valuation of the unlisted funds, the values used and the methodologies and assumptions adopted in the valuation may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant. These values may need to be revised as circumstances change and material adjustments may still arise as a result of revaluation of the unquoted investments fair value within the next financial period.

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	68,193,534	68,193,534
Unlisted private real estate funds	-	-	30,312,464	30,312,464
Unlisted real assets funds	-	-	71,481,358	71,481,358
Unlisted infrastructure funds	-	-	30,964,425	30,964,425
Unlisted private debt funds	-	-	10,015,245	10,015,245
Total	-	-	210,967,026	210,967,026

30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	75,563,568	75,563,568
Unlisted private real estate funds	-	-	36,266,634	36,266,634
Unlisted real assets funds	-	-	101,990,182	101,990,182
Unlisted infrastructure funds	-	-	20,000,000	20,000,000
Total	-	-	233,820,384	233,820,384

The above financial assets include \$52,478,618 in uncalled capital commitments (2022: \$57,340,374) and no called capital commitments (2022: \$2,618,000). Please refer to Note 8 and 9 for further information.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

16. Financial risk management (cont'd)

d) Financial instruments measured at fair value (cont'd)

	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Unlisted private debt funds \$	Total \$
Year ended 30 June 2023						
Balance at the beginning of the period	75,563,568	36,266,634	101,990,182	20,000,000	-	233,820,384
New capital commitments [†]	20,091,667	-	-	10,000,001	10,000,000	40,091,668
Disposals	(35,895,684)	(5,613,061)	(30,000,000)	-	-	(71,508,745)
Net realised and unrealised gains/(losses)	8,433,983	(341,109)	(508,824)	964,424	15,245	8,563,719
At reporting date	68,193,534	30,312,464	71,481,358	30,964,425	10,015,245	210,967,026

[†]During the year, WAM Alternative Assets deployed \$20,000,000 in Palisade's Diversified Infrastructure Fund, \$10,000,000 in Palisade's Renewable Energy Fund, \$5,091,667 in the WMA Fortitude PE Trust, \$4,552,100 in the Barwon Institutional Healthcare Property Fund, \$2,228,773 in the Allegro Fund IV, \$1,500,000 in the CEN (I&L) Partnership Fund, \$1,123,688 in the Intermediate Capital Group Australian Senior Loan Fund and \$457,195 in the Adamantem Capital Fund II.

	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Total \$
Year ended 30 June 2022					
Balance at the beginning of the period	69,378,971	29,354,725	97,097,462	15,000,000	210,831,158
New capital commitments [†]	11,904,487	10,000,000	-	5,000,000	26,904,487
Capital returns	(514,509)	(1,925,000)	-	-	(2,439,509)
Disposals	(7,836,859)	(3,360,472)	(7,810,731)	-	(19,008,062)
Net realised and unrealised gains	2,631,478	2,197,381	12,703,451	-	17,532,310
At reporting date	75,563,568	36,266,634	101,990,182	20,000,000	233,820,384

[†]During the year, WAM Alternative Assets deployed \$2,000,000 in the CEN (I&L) Partnership Fund, \$1,699,717 in the Hotel Fund II, \$770,307 in the Adamantem Capital Fund II and \$111,855 in the Allegro Fund IV.

17. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and unlisted investments. It has no reportable operating segments. The Company currently categorises its unlisted investments into five categories: real assets, private equity, infrastructure, private real estate and private debt.

18. Commitments

Other than already disclosed in the annual report, there were no commitments entered into by the Company before the end of the year which settle after the end of the year (2022: nil).

19. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2023 (2022: nil).

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Michael Cottier Chair
- Geoff Wilson AO Director
- Adrian Siew Director
- John Baillie Director
- Kym Evans Director

a) Remuneration

There are no executives that are paid by the Company.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on pages 21 to 23, as required by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2023	175,000	18,375	193,375
Total Directors remuneration paid by the Company for the year ended 30 June 2022	175,000	17,500	192,500

Adrian Siew received \$33,150 (\$30,000 short-term employee benefits and \$3,150 post-employment benefits) during the financial year in respect of his Investment Committee duties (2022: \$30,000 short-term employee benefits and \$3,000 post-employment benefits).

20. Key management personnel compensation (cont'd)

b) Share holdings

At 30 June 2023, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2022	Acquisitions	Disposals	Balance at 30 June 2023
Michael Cottier	30,847	985	-	31,832
Geoff Wilson	7,503,067	-	-	7,503,067
Adrian Siew	18,502	-	-	18,502
John Baillie	15,000	50,000	-	65,000
Kym Evans	39,416	22,151	-	61,567
	7,606,832	73,136	-	7,679,968

At 30 June 2022, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2021	Acquisitions	Disposals	Balance at 30 June 2022
Michael Cottier	30,000	847	-	30,847
Geoff Wilson	7,391,038	112,029	-	7,503,067
Adrian Siew	18,502	-	-	18,502
John Baillie	15,000	-	-	15,000
Kym Evans	37,983	1,433	-	39,416
	7,492,523	114,309	-	7,606,832

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. Related party transactions

All transactions with related parties during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited. Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio, amounting to \$2,680,513 inclusive of GST (2022: \$2,603,082). As at 30 June 2023, the balance payable to the Manager was \$218,604 inclusive of GST (2022: \$220,573).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Alternative Assets to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$71,500 inclusive of GST (2022: \$71,500) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2022: \$16,500).

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

22. Events subsequent to reporting date

Since the end of the year, the Directors declared a final fully franked dividend of 2.5 cents per share to be paid on 20 October 2023.

WAM Alternative Assets' investment partner Cove Property Group successfully exited its investment in a commercial office building located in Manhattan, New York through the 2 Rector St Trust. A distribution of exit proceeds (\$5,120,039) was received in July 2023 and will be redeployed into new investment opportunities as part of the investment portfolio revitalisation strategy.

No other matter or circumstance has arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

The Directors of WAM Alternative Assets Limited declare that:

- 1) The financial statements as set out in pages 27 to 53 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 21 to 23, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2023 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date; and
- 2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Investment Manager, Wilson Asset Management (International) Pty Limited declaring that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
 - b) the Company's financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the Company's financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Michael Cottier
Chair

Dated this 28th day of August 2023

Pitcher Partners Sydney Partnership

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Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

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**Independent Auditor's Report
To the Members of WAM Alternative Assets Limited
ABN 47 168 941 704**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WAM Alternative Assets Limited ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of WAM Alternative Assets Limited is 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 2023 and of its financial performance for the year then ended; and
- ii. 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

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 judgement, 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, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<p>Existence and Valuation of Financial Assets Refer to Note 7: Financial Assets</p>	
<p>We focused our audit effort on the existence and valuation of the Company's financial assets, as they represent the most significant driver of the Company's Net Tangible Assets and Profit.</p> <p>The Company's financial assets consist of a portfolio of investments in unlisted private equity funds, unlisted private real estate funds, unlisted private debt funds, unlisted real asset funds and unlisted infrastructure funds. The determination of their fair value is considered to be complex in nature as their valuation is based on significant judgement with limited observable market inputs. Consequently, these investments are classified under Australian Accounting Standards as "Level 3" investments.</p> <p>Whilst the Company uses the reported or latest available unit price to determine the fair value of each investment in the portfolio, the valuation methodologies used by the underlying fund investment managers in determining their unit price require significant assumptions and judgements to be applied and are based on various valuation techniques including discounted cashflow, capitalisation of earnings income and market asset approaches.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls; ▪ Obtaining unit certificates and confirming a sample of investment holdings directly with the underlying investment fund managers; ▪ Obtaining an understanding of valuation methods used and the basis of assumptions and judgements applied; ▪ Selecting a sample of investments to review in detail, engaging with our internal valuation specialists to assess the valuation assumptions and methods used including discounted cash flow analysis, capitalisation of earnings income and market asset approaches using trading and transactional comparable data; ▪ Assessing significant assumptions and judgements used in determining the fair value of each investment; ▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

**Independent Auditor's Report
To the Members of WAM Alternative Assets Limited
ABN 47 168 941 704**

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2023, 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.

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 controls 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.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 judgement 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.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- 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 with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 23 of the Directors' Report for the year ended 30 June 2023. In our opinion, the Remuneration Report of WAM Alternative Assets Limited, for the year ended 30 June 2023, 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.



S M Whiddett
Partner



Pitcher Partners
Sydney

28 August 2023

Investments at fair value as at 30 June 2023

Investment name	Fair Value* \$	% of Gross Assets
Real assets		
Argyle Capital		
Argyle Water Fund	39,818,838	16.7%
Strategic Australian Agriculture Fund	30,350,020	12.7%
Total real assets	70,168,858	29.4%
Private equity		
Fortitude Investment Partners		
Birch & Waite Fund	7,132,790	3.0%
WMA Fortitude PE Trust	5,091,667	2.1%
Aquila Fund	2,754,322	1.2%
Tourism Fund	2,269,190	1.0%
Wild Breads and Wild Breads RCPS Funds	1,715,577	0.7%
IT Consulting Fund	650,172	0.3%
Origo Education Fund	593,489	0.2%
Total Fortitude Investment Partners	20,207,207	8.5%
January Capital		
aCommerce Funds	11,272,081	4.7%
Vinomofo Fund	2,349,220	1.0%
VC2014 Fund	1,373,529	0.6%
Total January Capital	14,994,830	6.3%
Other		
Adamantem Capital Fund II	3,576,632	1.5%
Allegro Fund IV	2,386,557	1.0%
Energy Storage Infrastructure Fund	229,295	0.1%
Total Other	6,192,484	2.6%
Valuation provision – venture capital [†]	(1,160,893)	(0.6%)
Total private equity	40,233,628	16.8%
Infrastructure		
Palisade's Diversified Infrastructure Fund	20,735,521	8.7%
Palisade's Renewable Energy Fund	10,228,904	4.3%
Total infrastructure	30,964,425	13.0%

Investment name	Fair Value* \$	% of Gross Assets
Private real estate		
Barwon Institutional Healthcare Property Fund	6,957,305	2.9%
Cove Property Group 2 Rector Street Trust	5,352,004	2.2%
CEN (I&L) Partnership Fund	3,487,129	1.5%
Darra Industrial Income Fund	186,126	0.1%
Total private real estate	15,982,564	6.7%
Private debt		
Intermediate Capital Group Australian Senior Loan Fund	1,138,933	0.5%
Total private debt	1,138,933	0.5%
Total portfolio	158,488,408	66.4%
Total cash and cash equivalents, and income receivable	80,035,473	33.6%
Gross assets	238,523,881	

*Includes undrawn capital commitments to the Crescent Capital Partners Fund VII (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Barwon Institutional Healthcare Property Fund (\$7.8m); the Allegro Fund IV (\$7.7m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.3m) and the Strategic Australian Agriculture Fund (\$1.3m). Refer to Note 9 for further information.

[†]The total number of Investments held at the end of the financial year was 22.

[‡]In light of current market circumstances, a valuation provision has been taken up for the venture capital component of the investment portfolio.

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 July 2023) – BNP Paribas Nominees Pty Limited holds 15,205,710 ordinary shares (7.8% of issued capital).

On-market buy back (as at 31 July 2023) - there is no current on-market buy back.

Distribution of shareholders (as at 31 July 2023)

	Number of shareholders	% of issued capital held
1 – 1,000	348	0.1%
1,001 – 5,000	689	1.1%
5,001 – 10,000	669	2.7%
10,001 – 100,000	2,585	46.2%
100,001 and over	254	49.9%
	4,545	100.0%

The number of shareholders holding less than marketable parcels is 174.

Twenty largest shareholders – Ordinary shares (as at 31 July 2023)

Name	Number of ordinary shares held	% of issued capital held
BNP Paribas Nominees Pty Limited	15,205,710	7.8%
Entities associated with Mr Geoff Wilson	7,503,067	3.8%
Netwealth Investments Limited	7,316,172	3.7%
Global Value Fund Limited	6,834,377	3.5%
HSBC Custody Nominees (Australia) Limited	4,562,769	2.3%
J P Morgan Nominees Australia Pty Limited	3,061,700	1.6%
Mr MG Peterson & Ms SA Wake	2,716,000	1.4%
Citicorp Nominees Pty Limited	1,746,314	0.9%
R W Kirby Pty Limited	1,169,040	0.6%
Bahrain Investments Pty Limited	1,041,334	0.5%
GEAT Incorporated	932,000	0.5%
Old Greenwich Investments Pty Limited	723,000	0.4%
Honnery Cahill Nominees Pty Limited	719,894	0.4%
Keofferam Investments Pty Ltd	588,000	0.3%
Jontra Holdings Pty Limited	549,400	0.3%
GK Morgan Investments Pty Limited	506,201	0.3%
Eidsvold Station Holdings Pty Limited	501,668	0.3%
Tendword Pty Limited	500,000	0.3%
Mr KJ Cairns & Mrs CV Cairns	500,000	0.3%
Charmseat Pty Limited	500,000	0.3%
	57,176,646	29.5%

Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.



Wilson Asset Management

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