

Strong increase in fully franked dividend driven by investment portfolio performance

18 July 2023
ASX announcement
and media release

Highlights

+16.7%

Increase in full year fully franked dividend of 3.5 cents per share

+14.3%

Increase in annualised FY2024 interim fully franked dividend guidance

+11.4%*

Investment portfolio performance in FY2023

4.0cps[^]

Annualised FY2024 interim fully franked dividend guidance

The WAM Strategic Value Limited (ASX: WAR) Board of Directors is pleased to declare a full year fully franked dividend of 3.5 cents per share, an increase of 16.7% on FY2022, with the final fully franked dividend being 2.0 cents per share.

The Board of Directors also announced its intention to deliver an interim fully franked dividend of 2.0 cents per share for FY2024[^], representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year dividend. WAM Strategic Value reported an operating profit before tax of \$19.8 million (FY2022: operating loss before tax of \$23.3 million) and an operating profit after tax of \$15.8 million (FY2022: operating loss after tax of \$14.5 million) in its FY2023 full year result[^].

The WAM Strategic Value investment portfolio increased 11.4% for the 12-month period to 30 June 2023 with an average cash weighting of 33.4%. During this period, the investment portfolio's allocation to equities (72.7% as at 30 June 2023) provided a weighted average return of 15.4% and the investment portfolio exposure to cash and cash equivalents (27.3% as at 30 June 2023) provided a weighted average return of 3.5%. The WAM Strategic Value investment team has continued to apply its proven investment process focused on identifying and capitalising on share price discounts to underlying asset values and is pleased to have deployed more than 12% of the fund into new opportunities during the financial year.

Chairman Geoff Wilson AO said the FY2024 interim dividend guidance was a result of the growing profits reserve and the solid investment portfolio performance during the year.

"WAM Strategic Value has been building its profits reserve in order to pay a stream of fully franked dividends to shareholders. This process takes time and in the past two years we have steadily grown the profits reserve, with the balance being 8.9 cents per share as at 30 June 2023 after paying 4.5 cents per share in fully franked dividends to shareholders since inception," he said.

"As the profits reserve gives the Company more than two years of dividend coverage at the current levels, along with solid investment portfolio performance, the Board is pleased to provide shareholders with FY2024 interim dividend guidance of 2.0 cents per share."

WAM Strategic Value focuses on providing shareholders with risk-adjusted returns by identifying and capitalising on buying assets at a discount; effectively trying to buy \$1 of assets for 80 cents or less.

"We believe it is an opportunistic time to be investing with quality investment managers at low valuations, as the share price discounts to NTA across the listed investment company and listed investment trust sector leads to continued corporate activity. We are selectively deploying capital into companies that meet our investment criteria and recently increased our shareholding in a number of companies trading at attractive valuations," Mr Wilson said.

\$1.34

Look-through NTA as at 30 June 2023

\$1.17

Pre-tax NTA as at 30 June 2023

8.9cps

Profits reserve as at 30 June 2023 before the payment of the 2.0 cps final fully franked dividend

Q&A webinar

Tuesday 18 July 2023
3:00pm (Sydney time)

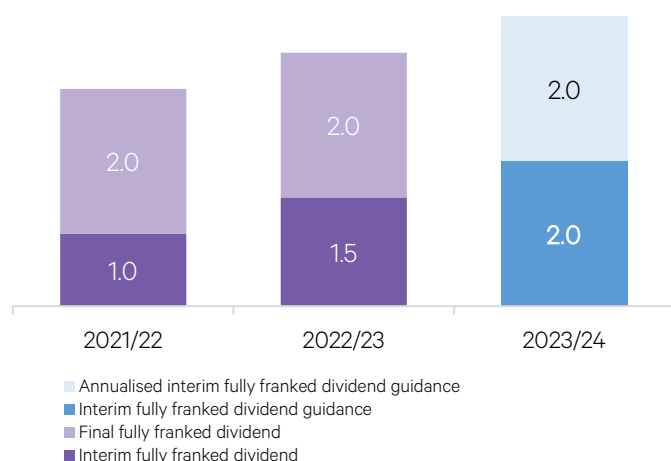
Join Chairman Geoff Wilson AO, Chief Financial Officer Jesse Hamilton, and Investment Specialist Martyn McCathie for an update on WAM Strategic Value.

[^]Investment portfolio performance is before expenses, fees and taxes.

[^]Subject to no material adverse changes in market conditions or to the investment portfolio.

[^]The FY2023 profit figures are unaudited. Audited full year results will be announced to the market in August 2023.

Fully franked dividends (cents per share)



Key dividend dates

Ex-dividend date	3 October 2023
Dividend record date (7:00pm Sydney time)	4 October 2023
Last election date for DRP	6 October 2023
Final fully franked dividend payment date	30 October 2023

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended final fully franked dividend of 2.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the aggregate price of shares purchased on market, less brokerage costs and other costs, divided by the number of shares purchased. The Company will have up to 10 trading days in which to procure shares on-market for all shareholders participating in the Plan. If the Company cannot cause sufficient existing shares to be acquired on-market within this time frame, the remainder of the dividend will either be applied towards the issue of new shares or given to the shareholder in cash. The DRP will operate without a discount for the final dividend.

Investment portfolio performance since inception

Performance as at 30 June 2023

	6 mths	1 yr	Since inception %pa (Jun-21)
WAM Strategic Value Investment Portfolio	6.2%	11.4%	0.5%

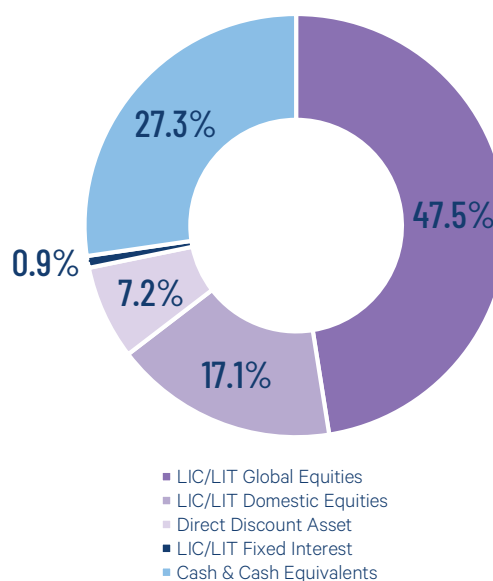
Investment portfolio performance is before expenses, fees and taxes.

Top 20 holdings with portfolio weightings As at 30 June 2023

Code	Name	%
WGB*	WAM Global Limited	16.2%
VG1	VGI Partners Global Investments Limited	9.0%
PIA	Pengana International Equities Limited	8.7%
QVE	QV Equities Limited	8.0%
RG8	Regal Asian Investments Limited	5.8%
MGF	Magellan Global Fund	5.4%
NSC	NAOS Small Cap Opportunities Company Limited	4.0%
AMP	AMP Limited	3.1%
GDC	Global Data Centre Group	2.8%
CIN	Carlton Investments Limited	1.5%
SEC	Spheria Emerging Companies Limited	0.8%
PMC	Platinum Capital Limited	0.7%
CD3	CD Private Equity Fund III	0.7%
CD2	CD Private Equity Fund II	0.7%
SB2	Salter Brothers Emerging Company Limited	0.6%
PIC	Perpetual Equity Investment Company Limited	0.6%
LRK	Lark Distilling Co. Limited	0.6%
QRI	Qualitas Real Estate Income Fund	0.6%
TEK	Thorney Technologies Limited	0.5%
NGE	NGE Capital Limited	0.4%

*WAM Strategic Value received WAM Global (ASX: WGB) shares as scrip consideration for Templeton Global Growth Fund (TGG) shares in October 2021 following WGB and TGG merger. Wilson Asset Management has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

Diversified investment portfolio by listed investment company/trust (LIC/LIT) sector As at 30 June 2023



About WAM Strategic Value

WAM Strategic Value became Wilson Asset Management’s eighth listed investment company in June 2021. WAM Strategic Value provides shareholders with exposure to Wilson Asset Management’s proven investment process focused on identifying and capitalising on share price discounts to underlying asset values of listed companies, primarily listed investment companies (LICs) and listed investment trusts (LITs) (commonly referred to as closed-end funds).

All major platforms provide access to WAM Strategic Value, including Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment. WAM Strategic Value receives coverage from the following independent investment research providers:



This announcement has been authorised by the Board of WAM Strategic Value Limited.

2
Years
Listed



About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years. As the investment manager for eight LICs – 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) – Wilson Asset Management invests over \$5 billion on behalf of over 130,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, 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. All philanthropic investments are made by the Investment Manager.

For more information visit www.wilsonassetmanagement.com.au or contact:

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