

WAM ALTERNATIVE ASSETS LIMITED

ABN 47 168 941 704

Appendix 4D Half Year Report

for the half year ended 31 December 2020

Results for Announcement to the Market

All comparisons to the half year ended 31 December 2019

	\$	up/down	% mvmt
Revenue from ordinary activities	7,353,374	down	49.7%
Profit from ordinary activities before income tax expense	5,171,718	down	57.3%
Net profit from ordinary activities after income tax expense	4,221,376	down	53.2%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2021 Interim dividend cents per share	1.0c	1.0c	26.0%
2020 Final dividend cents per share	3.0c	3.0c	26.0%
2020 Interim dividend cents per share	1.0c	0.65c	27.5%

Interim dividend dates

Ex dividend date	7 April 2021
Record date	8 April 2021
Last election date for the DRP	9 April 2021
Payment date	30 April 2021

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked interim dividend of 1.0 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 VWAP (volume weighted average market price) of shares sold on the ASX over the five trading days commencing on the second business day after the record date for the relevant dividend. The DRP will operate without a discount for the interim dividend.

	31 Dec 20	31 Dec 19
Net tangible asset backing (after tax) per share	\$1.08	\$1.11

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2020 Annual Financial Report.

W | A | M *Alternative Assets*

Financial Report

For the half year ended 31 December 2020

W Wilson
Asset Management

OVER **20** Making a
YEARS difference

ABN 47 168 941 704

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 retail investors with exposure to a portfolio of real assets, private equity, real estate, and aims to expand into new asset classes such as private debt and infrastructure.

Directors

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

Company Secretary

Jesse Hamilton

Investment Manager

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

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

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

Contact Details

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Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
T: (02) 8280 7100
F: (02) 9287 0303

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)

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Directors' Report to shareholders for the half year ended 31 December 2020

The Directors present their report together with the financial report of WAM Alternative Assets Limited (formerly Blue Sky Alternative Access Fund Limited) for the half year ended 31 December 2020.

Directors

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

Michael Cottier (Chairman – Independent)

Geoff Wilson AO (Director – Non-Independent) (appointed 9 September 2020)

John Baillie (Director – Independent)

Kym Evans (Director – Independent)

Adrian Siew (Director – Non-Independent) (appointed 9 September 2020)

Miles Staude (Director – Non-Independent) (resigned 27 October 2020)

Principal activity

The principal activity of the Company is to provide retail investors with exposure to a portfolio of real assets, private equity, real estate, and aims to expand into new asset classes such as private debt and infrastructure. 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 during the half year resulted in an operating profit before tax of \$5,171,718 (2019: \$12,109,993) and an operating profit after tax of \$4,221,376 (2019: \$9,014,002). The profit for the period is reflective of the performance of the investment portfolio over the six months to 31 December 2020. The comparative period saw an increase in profit before tax largely as a result of realised gains from the exit of the investment in the student accommodation portfolio as well as significant upward revaluations of the real assets portfolio. The performance of WAM Alternative Assets has been driven by positive revaluations in the current period, with improved performance from the private equity portfolio as the underlying businesses adapted to an environment with COVID-19 restrictions. Our investment in Better Medical Fund, a group of mixed billing family medical clinics around Australia which is managed by Fortitude Investment Partners, saw a significant increase in valuation as the manager moved to exit the underlying business in December 2020. The sale transaction has now completed since the end of the financial period and we received the sale proceeds from the exit.

The investment portfolio increased 3.7% in the six months to December 2020 and 3.6% since the appointment of Wilson Asset Management as investment manager in October 2020.

The operating profit for the period 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 and is important to understand with context to the overall performance of private equity, real assets and property markets in any given period. 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.

WAM Alternative Assets' NTA before tax increased 2.9% for the six months to 31 December 2020, including the 3.0 cents per share fully franked final dividend paid to shareholders during the period. This increase is after net corporate tax refunded of 0.3 cents per share or 0.2% during the period in relation to the 30 June 2020 income tax return. Management fees of 0.6% and other company related expenses of 0.5% were the major item of difference between the investment portfolio increase of 3.7% and the NTA performance. These were offset by accretion related to the share buy-back in place during the period.

The NTA before tax as at 31 December 2020 amounted to \$1.09 per share (June 2020: \$1.09). The NTA after tax was \$1.08 per share (June 2020: \$1.09). These figures are after the 3.0 cents per share fully franked final dividend paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2020 was 38.9%. This was reflective of the significant decrease in the share price discount to NTA and the WAM Alternative Asset's investment portfolio performance during the period. As at 31 December 2020, the share price discount to NTA was 10.7% (June 2020: 33.7%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

A fully franked final dividend of 3.0 cents per share was paid during the six month period and a fully franked interim dividend of 1.0 cents per share has been declared by the Board and will be paid on 30 April 2021.

Significant change in the state of affairs

In September, shareholders of Blue Sky Alternatives Access Fund Limited voted overwhelmingly to approve the proposal at the Extraordinary General Meeting (EGM) to enter into a new management agreement with Wilson Asset Management, and change the company name and constitution. The date of transition was 14 October 2020.

Rounding of amounts to nearest dollar

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

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 7 of this Financial Report.

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



Michael Cottier
Chairman

Dated in Sydney this 25th day of February 2021

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

In relation to the independent auditor's review of WAM Alternative Assets Limited for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



S M Whiddett
Partner

Pitcher Partners
Sydney

25 February 2021

Statement of comprehensive income for the half year ended 31 December 2020

	Note	December 2020 \$	December 2019 \$
Net realised and unrealised gains on financial investments		4,106,314	9,700,900
Other revenue from operating activities	2	3,247,060	4,911,544
Management fees		(1,179,899)	(1,396,022)
Directors fees		(85,443)	(68,438)
ASX listing and chess fees		(46,671)	(34,541)
Share registry fees		(49,181)	(16,421)
Disbursements, mailing and printing		(6,499)	(7,752)
Legal and professional fees		(215,804)	(95,649)
Audit fees		(239,383)	(486,053)
Other expenses from ordinary activities		(358,776)	(397,575)
Profit before income tax		5,171,718	12,109,993
Income tax expense		(950,342)	(3,095,991)
Profit after income tax attributable to members of the Company	6	4,221,376	9,014,002
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		4,221,376	9,014,002
Basic and diluted earnings per share		2.18 cents	4.50 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2020

	Note	December 2020 \$	June 2020 \$
Current assets			
Cash and cash equivalents		48,293,254	54,952,256
Trade and other receivables		1,054,884	2,845,695
Financial assets	7	161,897,512	158,353,698
Current tax assets		400,549	1,010,620
Other assets		945,282	274,548
Total current assets		212,591,481	217,436,817
Total assets		212,591,481	217,436,817
Current liabilities			
Trade and other payables		1,744,822	5,340,926
Deferred rebates		-	29,862
Total current liabilities		1,744,822	5,370,788
Non-current liabilities			
Deferred tax liabilities		1,805,306	956,649
Total non-current liabilities		1,805,306	956,649
Total liabilities		3,550,128	6,327,437
Net assets		209,041,353	211,109,380
Equity			
Issued capital	4	204,393,302	204,867,813
Profits reserve	5	9,008,338	10,601,854
Accumulated losses	6	(4,360,287)	(4,360,287)
Total equity		209,041,353	211,109,380

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2020

	Note	Issued Capital \$	Retained profits / (Accumulated losses) \$	Profits reserve \$	Total equity \$
Balance at 1 July 2019		210,087,024	11,112,774	-	221,199,798
Profit for the half year		-	9,014,003	-	9,014,003
Transfer to profits reserve		-	(9,014,003)	9,014,003	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Share buy-back	4(b)	(1,943,414)	-	-	(1,943,414)
Share buy-back costs (net of tax)		(3,611)	-	-	(3,611)
Dividends paid	3(a)	-	(8,033,835)	-	(8,033,835)
Balance at 31 December 2019		208,139,999	3,078,939	9,014,003	220,232,941
Balance at 1 July 2020		204,867,813	(4,360,287)	10,601,854	211,109,380
Profit for the half year		-	4,221,376	-	4,221,376
Transfer to profits reserve	5	-	(4,221,376)	4,221,376	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Share buy-back	4(b)	(473,613)	-	-	(473,613)
Share buy-back costs (net of tax)	4(b)	(898)	-	-	(898)
Dividends paid	3(a)	-	-	(5,814,892)	(5,814,892)
Balance at 31 December 2020		204,393,302	(4,360,287)	9,008,338	209,041,353

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2020

	December 2020 \$	December 2019 \$
Cash flows from operating activities		
Proceeds from sale of investments	-	40,552,504
Payments for purchase of investments	-	(375,000)
Trust distributions received	2,032,389	1,361,964
Rebates received	2,886,593	3,306,029
Interest received	72,728	229,969
Other investment income received	13,977	-
Management fee (GST inclusive)	(4,181,065)	(1,396,022)
Payments for administration expenses (GST inclusive)	(1,810,767)	(914,348)
Income tax refunded/(paid)	508,702	(4,367,444)
Net GST received from ATO	108,160	52,179
Net cash (used in)/provided by operating activities	(369,283)	38,449,831
Cash flows from financing activities		
Dividends paid – net of reinvestment	(5,814,892)	(8,033,835)
Share buy-back	(473,613)	(1,943,414)
Share buy-back costs	(1,214)	(4,980)
Net cash used in financing activities	(6,289,719)	(9,982,229)
Net (decrease)/increase in cash and cash equivalents held	(6,659,002)	28,467,602
Cash and cash equivalents at the beginning of the half year	54,952,256	29,689,943
Cash and cash equivalents at the end of the half year	48,293,254	58,157,545

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2020

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of WAM Alternative Assets Limited, formally Blue Sky Alternative Access Fund Limited.

The half year financial report was authorised for issue on 25 February 2021 by the Board of Directors.

Basis of preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2020 Annual Financial Report.

2. Other revenue

	December 2020 \$	December 2019 \$
Trust distributions	2,314,579	1,181,288
Rebates of management and performance fees	845,776	3,500,286
Interest	72,728	229,970
Other income	13,977	-
	3,247,060	4,911,544

3. Dividends

a) Ordinary dividends paid during the period

	December 2020 \$	December 2019 \$
Final dividend FY2020: 3.0 cents per share fully franked at the 26.0% tax rate, paid 25 September 2020 (Final dividend FY2019: 4.0 cents per share 65% franked at the 27.5% tax rate)	5,814,892	8,033,835

b) Dividends not recognised at period end

	December 2020 \$	December 2019 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 1.0 cents per share franked at the 26.0% tax rate, payable on 30 April 2021 (Interim dividend FY2020: 1.0 cents per share 65% franked at the 27.5% tax rate)	1,938,297	1,969,895

4. Issued capital

a) Paid-up capital

	December 2020 \$	June 2020 \$
193,829,724 ordinary shares fully paid (June 2020: 194,453,047)	204,393,302	204,867,813

b) Ordinary shares

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	204,867,813	210,087,024
623,323 ordinary shares bought back during the period (June 2020: 10,013,194)	(473,613)	(5,215,600)
Share issue costs (net of tax)	(898)	(3,611)
At reporting date	204,393,302	204,867,813

The on-market share buy-back program first commenced in May 2018 and was last renewed for an additional 12 months from 18 May 2020. The on-market share buy-back program was cancelled by the Board of Directors on 25 February 2021. The share buy-back program allowed up to 13,347,505 shares to be bought back. The number of shares acquired under the share buy-back depended on the prevailing market price of WMA shares and other factors determined at the discretion of the WMA Board, including requirements under the *Corporations Act 2001* and the ASX Listing Rules.

5. Profits reserve

	December 2020 \$	June 2020 \$
Profits reserve	9,008,338	10,601,854

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

	December 2020 \$	June 2020 \$
Movement in profits reserve		
Balance at the beginning of the period	10,601,854	-
Transfer of profits during the period	4,221,376	10,601,854
Final dividend paid (refer to note 3(a))	(5,814,892)	-
At reporting date	9,008,338	10,601,854

6. Accumulated losses

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	(4,360,287)	11,112,774
Profit for the period attributable to members of the Company	4,221,376	5,132,523
Transfer to profits reserve	(4,221,376)	(10,601,854)
Final dividend paid (refer to note 3(a))	-	(8,033,835)
Interim dividend paid (refer to note 3(b))	-	(1,969,895)
At reporting date	(4,360,287)	(4,360,287)

7. 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).

7. 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 unlisted fund investment 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 unlisted fund investment managers, of an unlisted fund is calculated by the relevant underlying unlisted fund investment 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 unlisted fund investment 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 unlisted fund investment managers is considered to be the key unobservable input. 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 unlisted fund investment managers;
- Comparison of historical realisations to the last reported fair values; and
- Review of the financial statements and independent third party valuations of the respective unlisted funds.

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.

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 unlisted fund investment 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 would have been an increase/decrease by \$5,990,208 (June 20: \$5,859,087).

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

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2020:

31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	54,618,324	54,618,324
Unlisted private real estate funds	-	-	13,787,467	13,787,467
Unlisted real assets funds	-	-	93,491,721	93,491,721
Total	-	-	161,897,512	161,897,512

30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	52,071,806	52,071,806
Unlisted private real estate funds	-	-	14,401,183	14,401,183
Unlisted real assets funds	-	-	91,880,709	91,880,709
Total	-	-	158,353,698	158,353,698

There were no transfers between Level 1, Level 2 or Level 3 during the period (June 2020: nil).

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

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

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Unlisted private equity funds \$	Unlisted private real- estate funds \$	Unlisted real assets funds \$	Total \$
Half year ended 31 December 2020				
Balance at the beginning of the period	52,071,807	14,401,184	91,880,707	158,353,698
Reduction of capital committed	-	-	(562,500)*	(562,500)
Net unrealised gain/(loss)	2,546,517	(613,717)	2,173,514	4,106,314
At reporting date	54,618,324	13,787,467	93,491,721	161,897,512
Year ended 30 June 2020				
Balance at the beginning of the period	57,896,044	49,743,894	88,785,468	196,425,406
Disposal	(1,354,336)	(39,810,320)	(1,717,881)	(42,882,537)
Net unrealised gain/(loss)	(4,469,901)	875,375	4,781,229	1,186,703
Net realised gain/(loss)	-	3,592,235	31,891	3,624,126
At reporting date	52,071,807	14,401,184	91,880,707	158,353,698

*The disposal relates to a reduction in the capital commitment for the investment in the Strategic Australian Agriculture Fund. The capital commitment was reduced in July 2020 following the receipt of the End of Investment Period notice from the manager of the Strategic Australian Agriculture Fund.

The Company's investments in unlisted funds are subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings at the time of its choosing, and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's financial statements.

8. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and unlisted investments. It has no reportable business or geographic segments. The Company currently categorises its unlisted investments into three categories: private equity, private real estate and real assets.

9. Capital commitments

The trade and other payables balance includes uncalled capital of \$1,312,500 to the Strategic Australian Agriculture Fund (June 2020: \$1,875,000) which is subject to be called pursuant to the Trust Deed. The capital commitment was reduced in July 2020 following the receipt of the End of Investment Period notice from the manager of the Strategic Australian Agriculture Fund.

There were no other capital commitments entered into by the Company before period end which settle after period end (June 2020: nil).

Since 31 December 2020, the Company welcomed two new investment partners, Palisade Investment Partners (Palisade) and Barwon Property Funds Management (Barwon), and is in the process of finalising commitments to Palisade Diversified Infrastructure Fund (PDIF) and Barwon Institutional Healthcare Property Fund (BIHPF).

Palisade is a specialist infrastructure funds manager providing dedicated asset management services, investing predominantly in Australian infrastructure. Since inception in 2007, Palisade has grown the PDIF portfolio to \$1.3 billion by investing in over 20 high quality infrastructure assets and delivering strong returns, driven by yield and capital appreciation. The addition of PDIF to WAM Alternative Assets' investment portfolio provides diversification, access to strong yield and an investment opportunity set with attractive underlying market fundamentals.

Barwon is a boutique fund manager focused on Australian real estate, and in 2016, was one of the first fund managers in Australia to launch a dedicated healthcare real estate strategy for institutional investors. Healthcare real estate has attractive fundamentals, with strong demographic and economic tailwinds and demand outpacing the supply of assets. This sector differentiates itself by long lease contracts (often over 10 years), fixed or regular rental valuation increases and the potential for further capital appreciation. BIHPF is a growing portfolio of 16 high quality healthcare property assets with quality tenants, such as Health Care, Healthscope and Calvary.

10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2020 (June 2020: nil).

11. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 1.0 cents per share to be paid on 30 April 2021.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affects 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 periods.

Directors' Declaration

The Directors of WAM Alternative Assets Limited declare that:

- 1) The financial statements and notes, as set out on pages 8 to 18, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, 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 31 December 2020 and of its performance for the half year ended on that date.
- 2) 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
Chairman

Dated in Sydney this 25th day of February 2021

**Independent Auditor's Review Report
To the Members of WAM Alternative Assets Limited
ABN 47 168 941 704****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of WAM Alternative Assets Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual 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 in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S M Whiddett
Partner



Pitcher Partners
Sydney

25 February 2021

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