



Outperformance drives increased fully franked interim dividend of 5.25 cents

20 February 2023
ASX announcement and media release

+15.4%*	+11.1%*	6.6%[^]	5.25cps
Investment portfolio performance per annum since inception (Jun-17)	Investment portfolio performance to 31 December 2022	Annualised fully franked interim dividend yield	FY2023 fully franked interim dividend

The WAM Microcap Limited (ASX: WMI) investment portfolio increased 11.1%* during the half year to 31 December 2022, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 4.1% with an average cash holding of 8.3%.

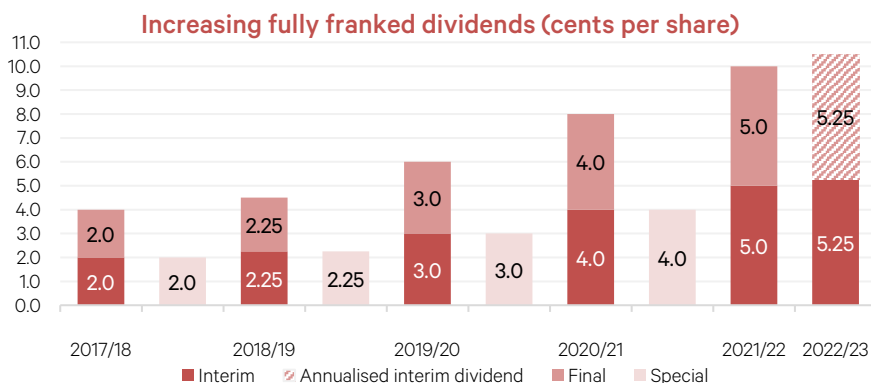
The Board of Directors declared a fully franked interim dividend of 5.25 cents per share, representing a 5.0% increase in the fully franked interim dividend, providing an annualised fully franked dividend yield of 6.6%[^] and a grossed-up dividend yield of 9.4%[#]. This is consistent with the Company's investment objective of delivering investors a growing stream of fully franked dividends.

Chairman Geoff Wilson AO said: "The increase in the fully franked interim dividend has been achieved through the strong investment portfolio performance since inception and the profits reserve accumulated over time.

"The investment team remains committed to its diligent and proven investment approach, which employs a market and research-driven investment process to identify undervalued growth companies in the Australian micro-cap market," Mr. Wilson said.

WAM Microcap reported an operating profit before tax of \$24,813,851 and an operating profit after tax of \$18,372,166 during the half year to 31 December 2022. As at 31 December 2022, the Company had 53.0 cents per share available in its profits reserve, before the payment of the FY2023 fully franked interim dividend of 5.25 cents per share, which represents 5.0 years of dividend coverage. The Company's ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profit. Since inception, the Company has paid 43.75 cents per share in fully franked dividends to shareholders.

Lead Portfolio Manager Oscar Oberg said: "WAM Microcap's investment portfolio has outperformed since inception, and in the half year to 31 December, amid heightened volatility in equity markets and in particular micro-cap companies with a market cap of less than \$300 million. We believe WAM Microcap is in a strong position to continue capitalising on investments at attractive valuations as we move in to 2023."



LIVE

Register to join the WAM Capital, WAM Microcap, WAM Research and WAM Active FY2023 Half Year Results Webinar on **Friday 3 March at 12:00pm (Sydney time).**

¹Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.
²Based on the 17 February 2023 share price of \$1.59 per share.
[#]Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.



53.0cps[^]

Profits reserve as at 31 December 2022

43.75cps

Dividends paid since inception

6.6%[#]

Annualised fully franked interim dividend yield

5.0 years[^]

Dividend coverage

Key dividend dates

Ex dividend date	12 April 2023
Dividend record date (7:00pm Sydney time)	13 April 2023
Last election date for DRP	17 April 2023
Dividend payment date	24 April 2023

Performance at 31 December 2022	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Jun-17)
WAM Microcap Investment Portfolio [*]	11.1%	-18.8%	10.1%	11.9%	15.4%
S&P/ASX Small Ordinaries Accumulation Index	7.0%	-18.4%	1.4%	2.9%	5.8%
Outperformance	+4.1%	-0.4%	+8.7%	+9.0%	+9.6%

^{*}Profits reserve and dividend coverage are before the payment of the FY2023 fully franked interim dividend of 5.25 cents per share.

[#]Based on the 17 February 2023 share price of \$1.59 per share and the annualised fully franked interim dividend of 10.5 cents per share.

[†]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

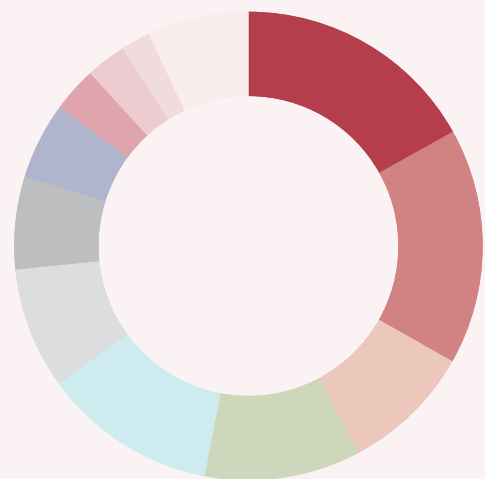
Top 20 holdings with portfolio weightings

as at 31 December 2022

Code	Name	%
MRM	MMA Offshore Limited	3.7%
TUA	Tuas Limited	2.9%
EXP	Experience Co Limited	2.9%
THL NZ	Tourism Holdings Limited	2.8%
QAL	Qualitas Limited	2.8%
n/a	Xpansiv Limited	2.7%
EGG	Enero Group Limited	2.5%
PRN	Perenti Limited	2.4%
SRG	SRG Global Limited	2.3%
CAJ	Capitol Health Limited	2.3%
PFP	Propel Funeral Partners Limited	2.2%
CLG	Close the Loop Limited	2.1%
RUL	RPMGlobal Holdings Limited	2.1%
IPG	IPD Group Limited	2.0%
LGI	LGI Limited	2.0%
IGL	IVE Group Limited	1.9%
NXD	NextEd Group Limited	1.9%
RIC	Ridley Corporation Limited	1.8%
ATA	Atturra Limited	1.7%
UNI	Universal Store Holdings Limited	1.7%

Diversified investment portfolio by sector

as at 31 December 2022



Industrials: 16.9%	Consumer discretionary: 16.3%
Information technology: 12.0%	Health care: 10.8%
Financials: 9.0%	Communication services: 8.4%
Materials: 6.4%	Energy: 5.3%
Consumer staples: 3.1%	Real estate: 2.8%
Utilities: 2.0%	Cash: 7.0%

About WAM Microcap

WAM Microcap Limited (ASX: WMI) is a listed investment company (LIC) managed by Wilson Asset Management. Listed in June 2017, WAM Microcap provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than \$300 million at the time of acquisition. WAM Microcap also provides exposure to relative value arbitrage and market mispricing opportunities. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

WAM Microcap
6 Years Listed



All major platforms provide access to WAM Microcap, 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 Microcap receives coverage from the following independent investment research providers:



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

For further information, visit
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About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 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 more than 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.