

Strong investment portfolio outperformance drives increased fully franked dividend

25 August 2023
ASX announcement
and media release

Highlights

+16.9%*

Investment portfolio performance in the financial year to 30 June 2023

+8.5%

Investment portfolio outperformance of S&P/ASX Small Ordinaries Accumulation Index

10.5 cps

FY2023 full year fully franked dividend

6.7%**

FY2023 fully franked dividend yield

49.0 cps

Dividends paid since inception

9.6%^

Fully franked grossed-up dividend yield

FY2023 Results Q&A Webinar

Tuesday 5 September 2023 at 2:30pm (Sydney time)

[Register](#) to join the investment team for our WAM Capital, WAM Microcap, WAM Research and WAM Active FY2023 Results Q&A Webinar.

Register *now*

The WAM Microcap Limited (ASX: WMI) investment portfolio increased 16.9%*, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 8.5% for the 12 months to 30 June 2023. Since inception in June 2017, the investment portfolio has increased 15.0%* per annum, outperforming the Index by 9.5% per annum.

The WAM Microcap Board of Directors declared a full year fully franked dividend of 10.5 cents per share, with the final fully franked dividend being 5.25 cents per share, representing an increase of 5.0% on the FY2022 final fully franked dividend. WAM Microcap reported an operating profit before tax of \$35.4 million (FY2022: operating loss before tax of \$53.9 million) and an operating profit after tax of \$26.3 million (FY2022: operating loss after tax of \$36.1 million) in its FY2023 full year result.

Lead Portfolio Manager Oscar Oberg said: "I am pleased with WAM Microcap's strong investment portfolio outperformance for the 2023 financial year. Our investment team applied our proven investment process to deliver this result for shareholders, during a period where many micro-cap companies underperformed the broader market.

"As we enter the 2024 financial year, the WAM Microcap investment team see opportunities in sectors where earnings estimates and share prices have already factored in the challenging macroeconomic conditions," he said.

The WAM Microcap investment process is focused on identifying and investing in undervalued growth companies in the Australian micro-cap market, with a market capitalisation less than \$300 million at the time of acquisition. Contributors to the investment portfolio outperformance include global tourism operator Tourism Holdings (ASX: THL) and offshore vessel operator MMA Offshore (ASX: MRM).

Chairman Geoff Wilson AO said: "The WAM Microcap investment team have diligently constructed the WAM Microcap portfolio with quality microcap companies, and we are pleased to deliver shareholders an increased full year fully franked dividend."

The final fully franked dividend has been achieved through the performance of the investment portfolio since inception, the profits reserve available and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

As at 31 July 2023, the Company had 52.9 cents per share available in its profits reserve, before the payment of the final fully franked dividend of 5.25 cents per share, payable on 16 October 2023. Since inception in June 2017, WAM Microcap has paid 49.0 cents per share in fully franked dividends to shareholders. The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies.

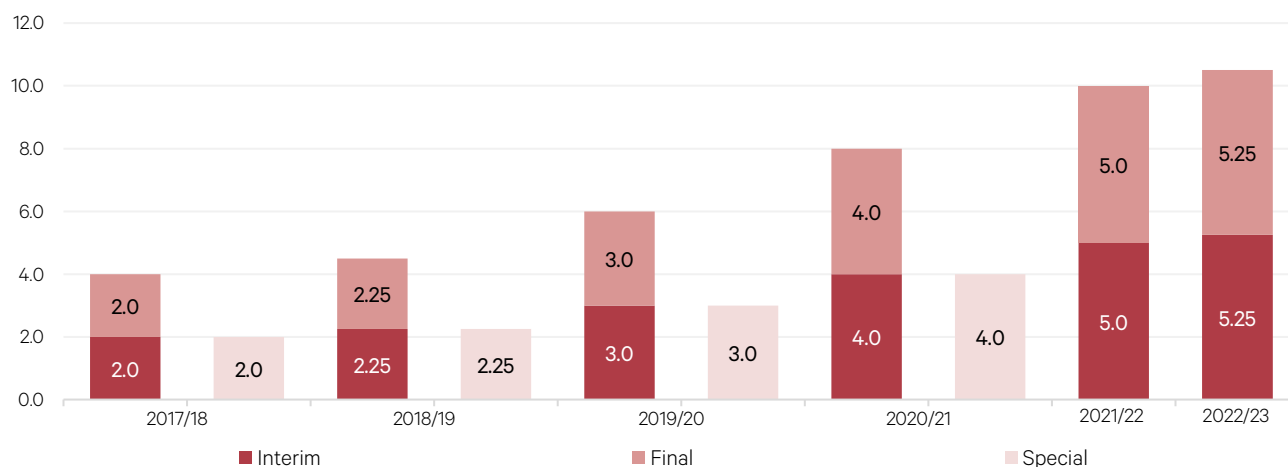
*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

**Based on the 24 August 2023 share price of \$1.575 per share.

^Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

Fully franked dividends since inception

Cents per share



Investment portfolio performance since inception

Performance as at 30 June 2023

	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (Jun-17)
WAM Microcap Investment Portfolio	16.9%	14.2%	12.3%	15.0%
S&P/ASX Small Ordinaries Accumulation Index	8.4%	5.2%	2.3%	5.5%
Outperformance	+8.5%	+9.0%	+10.0%	+9.5%

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

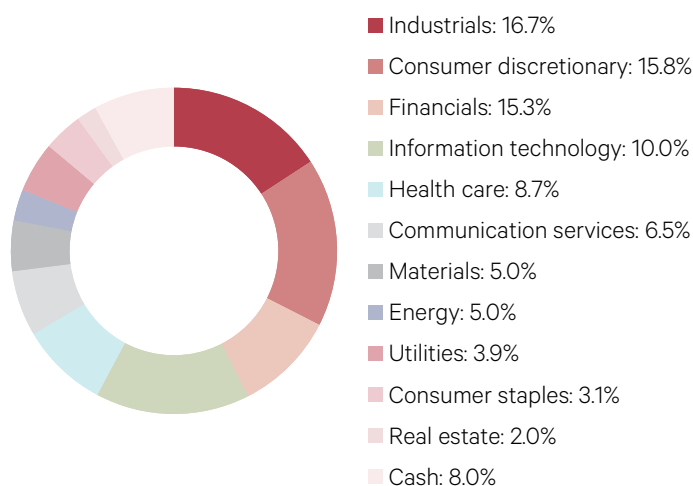
Top 20 holdings with portfolio weightings as at 30 June 2023

Code	Company name	%
TUA	Tuas Limited	3.4%
EVO	Embark Early Education Limited	3.3%
CLG	Close the Loop Limited	3.2%
SMP	Smartpay Holdings Limited	3.2%
LGI	LGI Limited	3.1%
n/a	Xpansiv Limited	2.7%
MRM	MMA Offshore Limited	2.5%
NXD	NextEd Group Limited	2.5%
SGF	SG Fleet Group Limited	2.3%
RIC	Ridley Corporation Limited	2.1%
CAJ	Capitol Health Limited	2.1%
TPW	Temple & Webster Group Limited	2.0%
DUG	DUG Technology Limited	2.0%
TRS	The Reject Shop Limited	1.9%
IGL	IVE Group Limited	1.8%
EXP	Experience Co Limited	1.8%
SSM	Service Stream Limited	1.8%
COI	Comet Ridge Limited	1.8%
REG	Regis Healthcare Limited	1.7%
QAL	Qualitas Limited	1.7%

Key final fully franked 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	16 October 2023

Diversified investment portfolio by sector as at 30 June 2023



About WAM Microcap

WAM Microcap Limited (ASX: WMI) 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.

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.

**6
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 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.

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

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