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# W | A | M Strategic Value

ABN 24 649 096 220

# 2023 Annual Report

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## WAM Strategic Value Limited

WAM Strategic Value Limited (WAM Strategic Value or the Company) is a listed investment company and is a reporting entity. It primarily invests in discounted asset opportunities, particularly in listed investment companies (LICs) and listed investment trusts (LITs) (commonly referred to as closed-end funds).

### WAM Strategic Value

#### Directors

Geoff Wilson AO (Chairman)  
Kate Thorley  
Glenn Burge

#### Company Secretary

Jesse Hamilton

#### 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

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Sydney NSW 2001

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E [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)

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### 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 Strategic Value Limited  
Ordinary Shares (WAR)

### 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

# \$19.8m

operating profit before tax

# +16.7%

increase in full year fully franked dividend

# +11.4%

investment portfolio performance in FY2023

# 4.0 cps

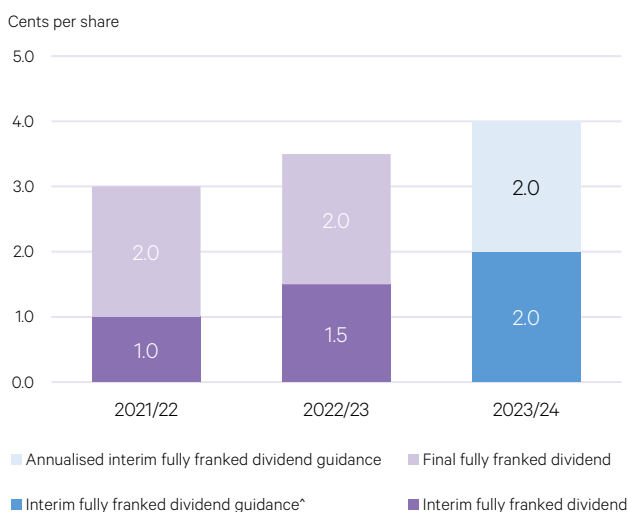
annualised FY2024 interim fully franked dividend guidance<sup>^</sup>

### Snapshot as at 30 June 2023

Listing date	June 2021
Gross assets <sup>*</sup>	\$211.4m
Market capitalisation	\$175.6m
Shares on issue	180,125,761
Share price	\$0.975
Net tangible assets (pre-tax)	\$1.17
Net tangible assets (post-tax)	\$1.21
FY2023 fully franked dividends	3.5 cents

<sup>\*</sup>Gross assets exclude the \$466k offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

### Fully franked dividends since inception



### FY2023 results

WAM Strategic Value reported an operating profit before tax of \$19.8 million for the year (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), reflective of the performance of the investment portfolio over the year.

The investment portfolio increased 11.4% during the 12-month period to 30 June 2023, with an average cash weighting of 33.4%.

The Board declared a full year fully franked dividend of 3.5 cents per share, with the final fully franked dividend being 2.0 cents per share. The full year fully franked dividend represents an increase of 16.7% on the previous year. This is consistent with the Company's investment objective to provide capital growth over the medium to long term, deliver investors a stream of fully franked dividends and preserve capital. As at 31 July 2023, the Company had 11.4 cents per share available in its profits reserve, before the payment of the final fully franked dividend of 2.0 cents per share.

In July 2023, the Board announced its intention to deliver an FY2024 interim fully franked dividend of 2.0 cents per share<sup>^</sup>, representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year fully franked dividend.

<sup>^</sup>Subject to no material adverse changes in market conditions or to the investment portfolio.

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# Letter from the Chairman and Lead Portfolio Manager *Geoff Wilson AO*



## Dear Fellow Shareholders,

WAM Strategic Value focuses 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). During the 2023 financial year, the application of our investment process delivered strong risk-adjusted performance for the Company, while the Reserve Bank of Australia lifted interest rates for an unprecedented eleven times, impacting the LIC and LIT sector, with share price discounts to net tangible assets (NTA) widening. This has led to increased corporate activity and liquidity event opportunities within the sector, as company boards look to implement strategies to provide investors with the ability to exit their investment at close to NTA.

## The 2023 Financial Year

During the period, the WAM Strategic Value investment portfolio increased 11.4%. The investment portfolio's allocation to equities, which was 72.7% as at 30 June 2023, provided a weighted average return of 15.4%. Given the current market conditions, we adopted a cautious approach, holding 27.3% cash and cash equivalents as at 30 June 2023, earning a weighted average return of 3.5%. As we enter the 2024 financial year, WAM Strategic Value's cash weighting has decreased to 18.2% of the investment portfolio as at 31 July 2023, as the investment team continues to strategically deploy cash into new investment opportunities. We are earning an average interest rate of 4.9% per annum on our cash holdings.

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).

The Board of Directors declared a 3.5 cents per share increased full year fully franked dividend, with the final fully franked dividend being 2.0 cents per share. The 3.5 cents per share full year fully franked dividend represents a 16.7% increase on the FY2022 full year fully franked dividend. The Board also announced its intention to deliver an FY2024 interim fully franked dividend of 2.0 cents per share, representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year fully franked dividend.

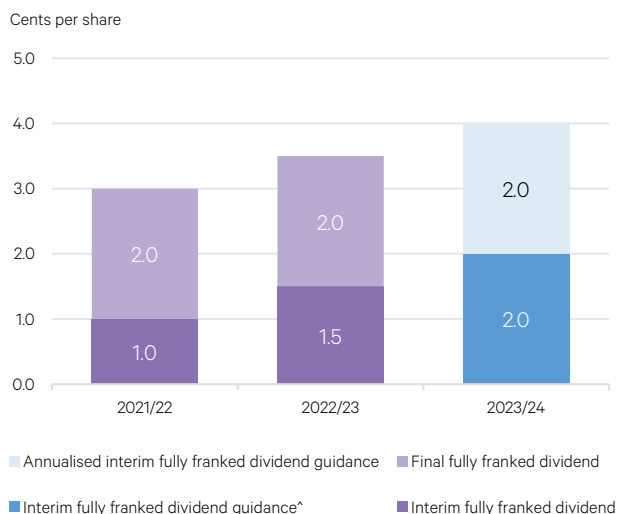
**+16.7%**  
increase in full  
year fully franked  
dividend

**+11.4%**  
investment  
portfolio  
performance in  
FY2023

**4.0 cps**  
annualised  
FY2024 interim  
fully franked  
dividend  
guidance

The profits reserve was 8.9 cents per share as at 30 June 2023 before the payment of the FY2023 final fully franked dividend of 2.0 cents per share. As at 31 July 2023, the profits reserve increased to 11.4 cents per share, representing 2.9 years of dividend coverage based on the annualised FY2024 interim dividend guidance, before the payment of the FY2023 final fully franked dividend of 2.0 cents per share.

### Fully franked dividends since inception



### 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

\*Subject to no material adverse changes in market conditions or to the investment portfolio.

The Company's ability to continue paying fully franked dividends at the current level is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.

### The LIC and LIT sector

The WAM Strategic Value investment portfolio provides shareholders with a diversified portfolio, with a 17.1% exposure to domestic LICs and LITs and a 47.5% exposure to global LICs and LITs as at 30 June 2023.

The LIC structure provides a permanent and stable closed-end pool of capital. An investment team that manages capital on behalf of a LIC can therefore make rational investment decisions based on sound investment strategies, undisturbed by fund inflows and outflows (investors' capital allocations and redemptions). Investors in LICs may also benefit from fully franked dividends paid over time.

During the period, the LIC and LIT sector experienced a sell-off as investors sought the perceived safe haven of term deposits and cash amid a volatile equity market. The yield on fixed interest and bonds has approached the average dividend yield for the Australian equity market for the first time in nearly 12 years, causing share price premiums to NTA to contract and discounts to widen. This also contributed to a number of operating companies trading at a discount to NTA.

The average discount to NTA for LICs and LITs focused on investing in Australian companies increased to 14.0% as at 30 June 2023, from 10.4% as at 30 June 2022. A total of seven of 91 LICs and LITs traded at a premium to NTA, which was down from 17 of 95 as at 30 June 2022. LICs and LITs focused on investing in global companies saw their share price premiums or discounts to NTA impacted, with an average share price discount to NTA of 19.9%, compared to 17.5% as at 30 June 2022.



## The WAM Strategic Value investment portfolio

During the 2023 financial year, the investment portfolio benefited from corporate activity with two of our holdings, Ellerston Asian Investments and Absolute Equity Performance Fund, providing liquidity events at NTA. We continue to deploy capital into investment opportunities that meet our investment criteria and recently increased our shareholding in a number of LICs, LITs and direct discount opportunities. A few examples of these holdings include Magellan Global Fund (ASX: MGF), Regal Asian Investments (ASX: RG8), VGI Partners Global Investments (ASX: VG1), Global Data Centre (ASX: GDC) and AMP (ASX: AMP).

During the period, Ellerston Asia Investments was merged with Ellerston Asia Growth Fund, and converted to a dual listed quoted managed fund, (ASX: EAFZ). The restructure provided Ellerston Asian Investments shareholders with the ability to redeem their investments at NTA while also providing other shareholders the option to remain invested in the strategy.

During the financial year, WAM Leaders (ASX: WLE) and Absolute Equity Performance Fund (AEG) (ASX: AEG) finalised a Scheme of Arrangement to merge the two entities. WAM Leaders acquired 100% of the shares in AEG while AEG shareholders received new WAM Leaders shares as consideration for their AEG shares. The transaction provided AEG shareholders the ability to exit their investments at a premium to the AEG share price. WAM Strategic Value invested in AEG at a weighted average share price discount to NTA of 12.6%, and exited its position at a premium to NTA following the implementation of the Scheme.

Magellan Global Fund provided investors with strong share price growth in the 2023 financial year increasing 23.1%. The strong share price performance has continued into the new financial year with the share price discount to net asset value (NAV) continuing to narrow. We are positive on the share price performance and the narrowing share price discount to NAV and believe that the discount will continue to narrow over time.

Regal Asian Investments' share price increased 16.8% in the year ending 30 June 2023, while the underlying investments in the portfolio only increased 3.2%, with the strong share price performance resulting in a narrowing of the discount to NTA from 17.5% to approximately 5.4%. In June, the share price performance was supported following the reintroduction of the buy-back program as well as the acquisition of approximately 3.5% of the issued capital by investment manager Regal Partners Limited and associated entity, Regal Australian Long Short Geared Equity Fund. At the end of June 2023, Regal Funds Management co-founder and Chief Investment Officer Philip King announced a 15.8% relevant interest in Regal Asian Investments. The acquisition of shares by Mr King and Regal Funds Management, alongside the continuation of the buy-back program, reflects strong support from the investment manager and alignment with shareholders' interests.

Global Data Centre is a direct discount holding in the WAM Strategic Value investment portfolio. These investments give shareholders direct access to companies that are trading at an attractive discount to their underlying asset value, with a catalyst that we expect will increase the market's valuation of the company. During the period, Global Data Centre's share price increased 27.9%, and the company recently announced that it will undertake a value realisation strategy following a review focused on assessing the long-term viability of its current investment structure. Under the new strategy, the company is unlikely to make new investments. Instead, the investment manager will seek to realise the value of Global Data Centre's existing assets over the medium term through asset disposals. We believe this catalyst will lead to a narrowing of Global Data Centre's share price discount to net assets in the near term.

AMP is another example of a direct discount holding in the WAM Strategic Value investment portfolio. AMP provides superannuation and investment products, financial advice, and banking products in Australia and New Zealand. The AMP share price increased 18.3% during the year, as the company recommenced its on-market buy-back as part of the previously announced \$1.1 billion capital management initiative with \$610 million returned to shareholders since August 2022 and \$140 million expected to be returned in the coming months. In AMP's half-year report announcement which covers the six-month period to June 2023, the company reported positive news with each of its main divisions delivering an underlying net profit after tax (NPAT) improvement compared to the first half of 2022. It also reported a group statutory NPAT of \$261 million, which included a net gain of \$209 million in the 2023 financial year relating to the sale of the international infrastructure equity business, the real estate and domestic infrastructure equity business, and the SMSF administration and software business SuperConcepts. We are positive on Chief Executive Officer Alexis George's strategy to simplify the business and reduce costs and expect the current capital management initiatives and the divestment of non-core divisions to drive share price performance in the medium term.

I would like to thank all shareholders for their support throughout the year and Chief Financial Officer Jesse Hamilton, Investment Specialist Martyn McCathie and the broader Wilson Asset Management investment team. We greatly appreciate the trust, loyalty and support we have received from WAM Strategic Value shareholders.

## Company performance

Over four decades of investing, I have found three key measures crucial to the evaluation of a listed investment company's (LIC) 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 of equities and cash before expenses, fees and taxes. A key objective of WAM Strategic Value is to provide capital growth over the medium-to-long term, deliver a stream of fully franked dividends and preserve capital.

Performance 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.

WAM Strategic Value's investment portfolio increased 11.4% in the year to 30 June 2023, while holding on average 33.4% of the investment portfolio in cash.



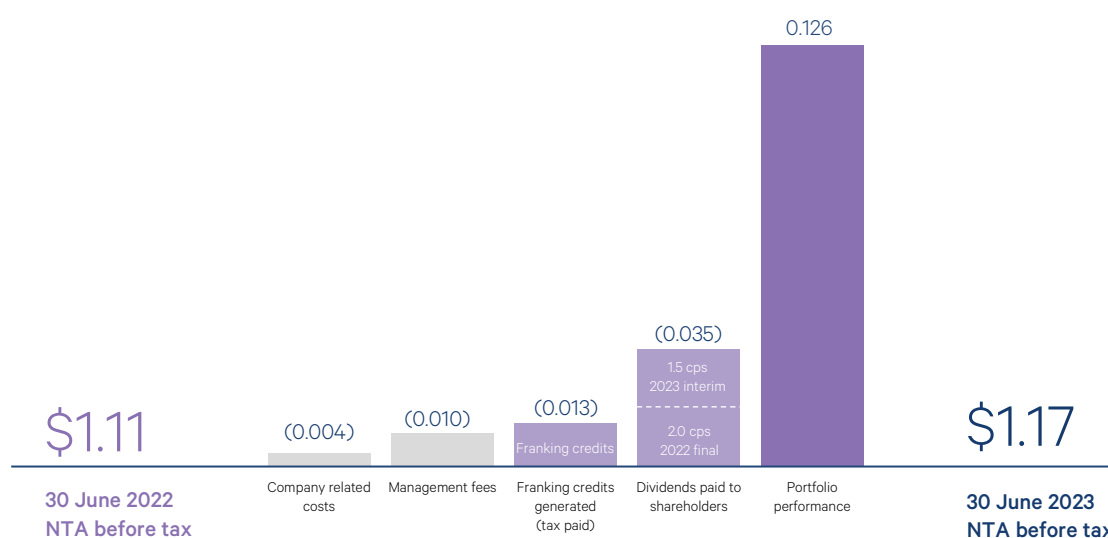
## 2) Net tangible asset (NTA) growth

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

WAM Strategic Value's pre-tax NTA increased 9.0% in the 12 months to 30 June 2023, including the 3.5 cents per share of fully franked dividends paid to shareholders during the year. This increase is after corporate tax paid of 1.3 cents per share or 1.2% of the Company's pre-tax NTA during the year. Corporate tax payments made throughout the year and management fees of 0.9%\* were the major items of difference between the investment portfolio performance of 11.4% and the NTA performance of 9.0%. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the year were other company related expenses of 0.4%.

*\*Wilson Asset Management has foregone management fees on the portion of the investment portfolio held in WAM Global (ASX: WGB) shares. WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. Wilson Asset Management is entitled to management fees of 1.0% (excluding GST) per annum.*

### WAM Strategic Value 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 Strategic Value was 4.1% for the year to 30 June 2023 and was driven by the investment portfolio performance of 11.4%, offset by the widening of the share price discount to NTA. As at 30 June 2023, the share price discount to NTA was 16.8% (FY2022: discount of 12.6%). The TSR is inclusive of the 3.5 cents per share in fully franked dividends paid during the financial year (FY2022: 1.0 cents per share). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

### Dividends

The Board declared a full year fully franked dividend of 3.5 cents per share, with the FY2023 final fully franked dividend being 2.0 cents per share. The full year fully franked dividend represents an increase of 16.7% on the previous year. Since inception, the Company has paid 4.5 cents per share in fully franked dividends to shareholders.

On 18 July 2023, the Board announced its intention to deliver an FY2024 interim fully franked dividend of 2.0 cents per share (subject to no material adverse changes in market conditions or to the investment portfolio), representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year dividend.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits and it is within prudent business practices. As at 31 July 2023, the Company had 11.4 cents per share available in its profits reserve, before the payment of the final fully franked dividend of 2.0 cents per share. 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 profits.

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.

For further information regarding the DRP, please visit [wilsonassetmanagement.com.au/lic/strategic-value/](https://wilsonassetmanagement.com.au/lic/strategic-value/).

## WAM Strategic Value top 20 holdings with portfolio weightings

as at 30 June 2023

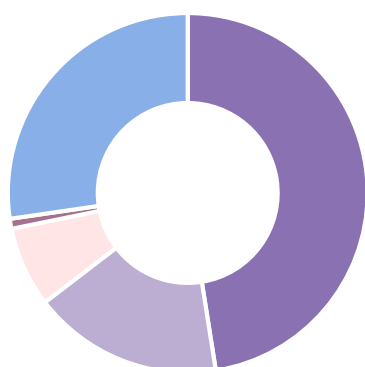
Code	Company Name	%	Code	Company Name	%
WGB*	WAM Global Limited	16.2%	SEC	Spheria Emerging Companies Limited	0.8%
VG1	VGI Partners Global Investments Limited	9.0%	PMC	Platinum Capital Limited	0.7%
PIA	Pengana International Equities Limited	8.7%	CD3	CD Private Equity Fund III	0.7%
QVE	QV Equities Limited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

The fair values of individual investments held at the end of the reporting period are disclosed on page 55.

\*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held.

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



- LIC/LIT Global Equities: 47.5%
- LIC/LIT Domestic Equities: 17.1%
- Direct Discount Asset: 7.2%
- LIC/LIT Fixed Interest: 0.9%
- Cash and Cash Equivalents: 27.3%

We encourage you to visit our website, subscribe to receive our updates and to call or email us with any questions or suggestions you have regarding WAM Strategic Value or Wilson Asset Management.

Please contact myself or the team on (02) 9247 6755, or email us at

[info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au).

Thank you for your continued support and keep safe.

**Geoff Wilson AO**  
Chairman and Lead Portfolio Manager

## 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 Strategic Value; 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](mailto:info@wilsonassetmanagement.com.au) if you ever have any questions or feedback.

## Objectives and investment process

### Investment objectives

The investment objectives of WAM Strategic Value are to:

- provide capital growth over the medium-to-long term;
- deliver investors a stream of fully franked dividends; and
- preserve capital.

### Investment process – focus on discounted assets opportunities

WAM Strategic Value provides investors with access to Wilson Asset Management’s market-driven investment process, developed to take advantage market mispricing, including Discounted Assets focused on LICs and LITs, and other market mispricing opportunities including corporate transactions and dividend yield arbitrages with franking credit benefits.

#### Discounted Asset opportunities

The risk-and-return analysis for Discounted Assets will involve an assessment of the potential reasons for the discount and techniques and strategies that could enable the Investment Manager to narrow or close the discount. This assessment will consider various matters identified using the Investment Manager’s significant expertise and experience including effective capital management and dividend policies, franking credit management, communication strategies with shareholders, board and management personnel changes, restructuring, returning capital to shareholders or corporate actions such as takeovers, divestitures or mergers.



#### Other mispricing opportunities

This investment process takes advantage of a broad range of mispricing opportunities. This part of the investment portfolio is actively traded, and as such, opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangement, corporate spin-offs and restructures), arbitrage opportunities, LIC discount arbitrages, short-selling and trading market themes and trends. Once an investment opportunity has been identified, the Investment Manager will undertake detailed research in order to identify any perceived mispricing in the relevant securities. The Investment Manager will then analyse risk and return potential and liquidity.



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

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

### Principal activity

The principal activity of the Company is making investments in discounted assets. The Company's investment objectives are to provide capital growth over the medium-to-long term, deliver a stream of fully franked dividends and preserve capital. No change in this activity took place during the year or is likely to in the future.

### Operating and financial review

Investment operations over the period resulted in an operating profit before tax of \$19,814,611 (FY2022: operating loss before tax of \$23,267,242) and an operating profit after tax of \$15,788,826 (FY2022: operating loss after tax of \$14,487,574). The operating profit for 2023 is reflective of the performance of the portfolio over the period. The investment portfolio increased 11.4% in the 12 months to 30 June 2023, while holding on average 33.4% in cash.

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the portfolio during the year. 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 equity 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.

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

### Financial position

The net asset value of the Company as at 30 June 2023 was \$218,344,675 (2022: \$208,860,255). Further information on the financial position of the Company is contained in the Chairman and Lead Portfolio Manager'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	3,602,515
Interim fully franked FY2023 dividend of 1.5 cents per share paid on 28 April 2023	2,701,891

Since the end of the year, the Directors declared a final fully franked dividend of 2.0 cents per share to be paid on 30 October 2023. Together with the FY2023 interim fully franked dividend of 1.5 cents per share paid to shareholders on 28 April 2023, this brings the full year fully franked dividend to 3.5 cents per share.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investee companies and the payment of tax on profits. As at 31 July 2023, the Company had 11.4 cents per share available in its profits reserve, representing 2.9 years of dividend coverage based on the annualised FY2024 interim dividend guidance, before the payment of the final fully franked dividend of 2.0 cents per share payable on 30 October 2023.

## Directors

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

- Geoff Wilson AO
- Kate Thorley
- Glenn Burge

## Information on Directors

### Geoff Wilson AO (Chairman – 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 Chairman of the Company since March 2021.

#### Other current listed company directorships

Geoff Wilson is currently Chairman 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) and WAM Global Limited (appointed February 2018). 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 WAM Alternative Assets Limited (appointed September 2020), Global Value Fund Limited (appointed April 2014) and Hearts and Minds Investments Limited (appointed September 2018).

### **Geoff Wilson AO (Chairman – non-independent) (cont'd)**

#### 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

Chairman of the Board.

#### 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.

### **Kate Thorley (Director – non-independent)**

#### Experience and expertise

Kate Thorley has over 18 years' experience in the funds management industry and more than 24 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Active Limited, WAM Research Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited, Future Generation Australia Limited and Future Generation Global Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (GAICD).

Kate Thorley has been a Director of the Company since March 2021.

#### Other current listed company directorships

Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Australia Limited (appointed April 2015), WAM Leaders Limited (appointed March 2016), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and Future Generation Global Limited (appointed March 2021).

#### Former listed company directorships in the last 3 years

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

#### Special responsibilities

None.

#### Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

#### Interests in contracts

Kate Thorley has no interests in contracts of the Company.

## **Glenn Burge (Director – independent)**

### **Experience and expertise**

Glenn Burge is an advisor to Audant Investments and has over 36 years' experience covering financial markets. Glenn's career as a senior media executive included the role as editor of the Australian Financial Review (2002 to 2011). He was also editorial director for Fairfax Media's suite of business and investment titles including BRW and Smart Investor from 2006. Other roles at Fairfax Media included executive editor of Metropolitan Media (2011 to 2014), where he led several print and digital media transformation projects. Glenn began his media career as a business reporter specialising in ASX listed companies and financial markets. He completed a Bachelor of Arts and Law from Macquarie University in 1981 and was admitted as a solicitor of the NSW Supreme Court in 1982.

Glenn Burge has been a Director of the Company since March 2021.

### **Other current listed company directorships**

Glenn Burge has no other current listed company directorships.

### **Former listed company directorships in the last 3 years**

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

### **Special responsibilities**

None.

### **Interests in shares of the Company**

Details of Glenn Burge's interests in shares of the Company are included later in this report.

### **Interests in contracts**

Glenn Burge 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 Strategic Value in March 2021.

## Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Strategic Value.

### a) Remuneration of Directors

All Directors of WAM Strategic Value 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.

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 \$110,000 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.

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

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson AO	Chairman	9,050	950	10,000
Kate Thorley	Director	9,050	950	10,000
Glenn Burge	Director	27,149	2,851	30,000
		<b>45,249</b>	<b>4,751</b>	<b>50,000</b>

Directors receive a superannuation guarantee contribution required by the government, which was 10.5% of individuals' benefits for FY2023 (FY2022: 10%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

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

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson AO	Chairman	9,166	916	10,082
Kate Thorley	Director	9,166	916	10,082
Glenn Burge	Director	27,497	2,750	30,247
		<b>45,829</b>	<b>4,582</b>	<b>50,411</b>

\*Includes Directors' fees for the period from date of listing, 28 June 2021 to 30 June 2022.

## Remuneration Report (Audited) (cont'd)

### 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, the entity appointed to manage the investment portfolio of WAM Strategic Value. 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 \$1,902,603 inclusive of GST (2022: \$2,204,951). WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. The Manager has foregone management fees on the portion of the investment portfolio held in WAM Global shares. As at 30 June 2023, the balance payable to the Manager was \$162,432 inclusive of GST (2022: \$153,862).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the increase in the value of the portfolio above the high-water mark.

The high-water mark is the greater of:

- the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus. If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been fully recovered.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased below the high-water mark over that period. For the year ended 30 June 2023, no performance fee was payable to Wilson Asset Management (International) Pty Limited (2022: nil).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Strategic Value to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$66,000 inclusive of GST (2022: \$66,452\*) and the fee for company secretarial services amounted to \$27,500 inclusive of GST (2022: \$27,726\*).

These amounts are in addition to the above Directors' remuneration. Since the end of the previous financial period, 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.

\*The fee for accounting and company secretarial services for FY2022 were pro-rata from the Company's listing date (28 June 2021) to 30 June 2022.



### 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.

### 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	Balance at the date of this report
Geoff Wilson	4,919,348	718,723	-	5,638,071	5,757,077*
Kate Thorley	100,170	722	-	100,892	100,892
Glenn Burge	82,000	31,500	-	113,500	113,500
	<b>5,101,518</b>	<b>750,945</b>	<b>-</b>	<b>5,852,463</b>	<b>5,971,469</b>

\*Geoff Wilson acquired 119,006 ordinary shares post 30 June 2023, as announced on 20 July 2023 and 9 August 2023.

Directors and Director related entities dispose of and acquire ordinary shares 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
Geoff Wilson	4	4
Kate Thorley	4	4
Glenn Burge	4	4

### Audit and Risk Committee

The Company has not established an Audit and Risk Committee due to the Company's size, Board composition and the nature of the Company's operations. As such, the Company's Board of Directors fulfil the role of the Audit and Risk Committee.

### After balance date events

Since the end of the year, the Directors declared a final fully franked dividend of 2.0 cents per share to be paid on 30 October 2023. Additionally, on 18 July 2023, the Board announced its intention to deliver an FY2024 interim fully franked dividend of 2.0 cents per share (subject to no material adverse changes in market conditions or to the investment portfolio), representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year dividend.

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 pursue investment activities – primarily investing in discounted assets – 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 company-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 impact the overall equity market and 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 environmental regulation under a law of the Commonwealth or of a State or Territory.

### 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 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 Board of Directors 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/Directors' Reports) Instrument 2016/191, the amounts in the Directors' 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](http://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 24 of the Annual Report.

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



**Geoff Wilson AO**  
**Chairman**

Dated this 29<sup>th</sup> day of August 2023

**Pitcher Partners Sydney Partnership**

Level 16, Tower 2 Darling Park  
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Sydney NSW 2000

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Sydney NSW 2001

p. +61 2 9221 2099  
e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**Auditor's Independence Declaration  
To the Directors of WAM Strategic Value Limited  
ABN 24 649 096 220**

In relation to the independent audit of WAM Strategic Value 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

29 August 2023

## Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
Net realised and unrealised gains/(losses) on financial assets		11,758,308	(27,006,994)
Other revenue from operating activities	2	10,474,607	6,520,614
Management fees		(1,772,880)	(2,054,613)
Directors fees		(50,000)	(50,411)
Brokerage expense on share purchases		(67,181)	(137,310)
Custody fees		(12,736)	(13,383)
ASX listing and CHESS fees		(89,353)	(104,512)
Share registry fees		(56,804)	(71,646)
Disbursements, mailing and printing		(23,114)	(10,409)
ASIC industry funding levy		(8,611)	(12,063)
Accounting fees		(66,000)	(66,542)
Audit fees		(54,862)	(48,429)
Company secretary fees		(27,500)	(27,726)
Other expenses from ordinary activities		(189,263)	(183,818)
<b>Profit/(loss) before income tax</b>		<b>19,814,611</b>	<b>(23,267,242)</b>
Income tax (expense)/benefit	3(a)	(4,025,785)	8,779,668
<b>Profit/(loss) after income tax attributable to members of the Company</b>		<b>15,788,826</b>	<b>(14,487,574)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>15,788,826</b>	<b>(14,487,574)</b>
<b>Basic and diluted earnings/(loss) per share</b>	<b>14</b>	<b>8.77 cents</b>	<b>(9.88 cents)*</b>

\*The basic and diluted loss per share at 30 June 2022 would have been 8.05 cents if calculated from 22 June 2021 (allotment date), as the Company only had one share on issue and no earnings up to this date.

The accompanying notes form part of these financial statements.

## Statement of financial position as at 30 June 2023

	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	12	57,637,839	79,591,306
Trade and other receivables	6	640,384	1,031,288
Financial assets	7	153,608,132	119,323,662
<b>Total current assets</b>		<b>211,886,355</b>	<b>199,946,256</b>
<b>Non-current assets</b>			
Trade and other receivables	6	-	466,122
Deferred tax assets	3(b)	7,134,006	10,855,126
<b>Total non-current assets</b>		<b>7,134,006</b>	<b>11,321,248</b>
<b>Total assets</b>		<b>219,020,361</b>	<b>211,267,504</b>
<b>Current liabilities</b>			
Trade and other payables	8	375,164	331,791
Current tax liabilities	3(c)	300,522	2,075,458
<b>Total current liabilities</b>		<b>675,686</b>	<b>2,407,249</b>
<b>Total liabilities</b>		<b>675,686</b>	<b>2,407,249</b>
<b>Net assets</b>		<b>218,344,675</b>	<b>208,860,255</b>
<b>Equity</b>			
Issued capital	9	225,147,829	225,147,829
Profits reserve	10	16,024,848	6,540,428
Accumulated losses	11	(22,828,002)	(22,828,002)
<b>Total equity</b>		<b>218,344,675</b>	<b>208,860,255</b>

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 \$
<b>Balance at 30 March 2021 (date of incorporation)</b>		-	-	-	-
Loss for the period		-	(14,487,574)	-	(14,487,574)
Transfer to profits reserve		-	(8,340,428)	8,340,428	-
Other comprehensive income for the period		-	-	-	-
<b>Transactions with owners:</b>					
Share issued on incorporation	9(b)	1	-	-	1
Shares issued via initial public offering	9(b)	225,000,000	-	-	225,000,000
Shares issued via dividend reinvestment plan	9(b)	147,828	-	-	147,828
Dividends paid	4(a)	-	-	(1,800,000)	(1,800,000)
<b>Balance at 30 June 2022</b>		<b>225,147,829</b>	<b>(22,828,002)</b>	<b>6,540,428</b>	<b>208,860,255</b>
Profit for the period		-	15,788,826	-	15,788,826
Transfer to profits reserve		-	(15,788,826)	15,788,826	-
Other comprehensive income for the period		-	-	-	-
<b>Transactions with owners:</b>					
Dividends paid	4(a)	-	-	(6,304,406)	(6,304,406)
<b>Balance at 30 June 2023</b>		<b>225,147,829</b>	<b>(22,828,002)</b>	<b>16,024,848</b>	<b>218,344,675</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2023

For the period  
30 March 2021 to  
30 June 2022  
\$

	Note	2023 \$	30 March 2021 to 30 June 2022 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		25,663,373	129,381,606
Payments for purchase of investments		(48,149,802)	(275,712,262)
Dividends received		7,268,457	6,015,908
Trust distributions, underwriting fees and other income received		789,416	225,649
Interest received		2,339,838	219,690
Management fee (GST inclusive)		(1,894,033)	(2,051,089)
Payments for administration expenses (GST inclusive)		(592,472)	(147,357)
Income tax paid		(2,079,601)	-
Brokerage expense on share purchases (GST inclusive)		(72,087)	(555,882)
GST on brokerage expense on share sales		(1,922)	(10,620)
Net GST received from ATO		147,528	276,200
<b>Net cash used in operating activities</b>	<b>13</b>	<b>(16,581,305)</b>	<b>(142,358,157)</b>
<b>Cash flows from financing activities</b>			
Dividends paid – net of reinvestment		(6,304,406)	(1,652,172)
Repayment of offer costs		932,244	943,756
Shares issued via initial public offering and on incorporation		-	225,000,001
Share issue costs		-	(2,342,122)
<b>Net cash (used in)/provided by financing activities</b>		<b>(5,372,162)</b>	<b>221,949,463</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>		<b>(21,953,467)</b>	<b>79,591,306</b>
Cash and cash equivalents at beginning of the period		79,591,306	-
<b>Cash and cash equivalents at the end of the period</b>	<b>12</b>	<b>57,637,839</b>	<b>79,591,306</b>
<b>Non-cash transactions:</b>			
Shares issued via dividend reinvestment plan		-	147,828

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 Strategic Value is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 29 August 2023 by the Board of Directors.

WAM Strategic Value 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.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, with the exception of certain 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 Report 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 instruments**

##### **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 the 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 instruments (cont'd)

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments.

The Company classifies its financial instruments into the following categories:

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

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. 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 such as borrowed stock 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.

#### 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 period 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.

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.

## 1. Significant accounting policies (cont'd)

### b) Income tax (cont'd)

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 four 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. Dividend revenue is recognised when the right to receive a dividend 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 (g) for further detail.

### f) Trade and other payables

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period, which are classified as non-current assets. Loans and receivables are included in trade and other receivables within the Statement of financial position.

### g) 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.

## 1. Significant accounting policies (cont'd)

### g) Impairment of assets (cont'd)

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 no expected credit losses recognised (2022: nil).

### h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net 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 part of receivables or payables 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.

### i) Comparative figures

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

### j) Profits reserve

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

### k) 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.

### l) Dividends

Dividends are recognised when declared during the financial year.

### m) 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.

There are no estimates or judgments that have a material impact on the Company's financial results for the year ended 30 June 2023. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgments are required in respect to their valuation.

### n) 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 \$	For the period 30 March 2021 to 30 June 2022 \$
Australian sourced dividends	7,268,457	6,015,908
Interest	2,390,661	272,498
Trust distributions	780,954	155,791
Underwriting fees and other income	34,535	76,417
	<b>10,474,607</b>	<b>6,520,614</b>

## 3. Income tax

### a) Income tax expense/(benefit)

The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense/(benefit) as follows:

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
Prima facie tax on profit/(loss) before income tax at 30% (2022: 30%)	5,944,383	(6,980,172)
Imputation credit gross up	822,301	771,212
Franking credit offset	(2,741,002)	(2,570,708)
Under provision in prior period	103	-
	<b>4,025,785</b>	<b>(8,779,668)</b>
Effective tax rate/(benefit)	20.3%	(37.7%)

The effective tax rate reflects the benefit to the Company of franking credits received on dividend income during the period. The increase in the effective tax rate from the comparative period is reflective of the profit before income tax in comparison to the loss before income tax in the prior period, in addition to the higher proportion of franked dividends compared to the operating result before tax received for the period.

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
<b>Total income tax expense/(benefit) results in a:</b>		
Current tax liability	304,665	1,912,995
Deferred tax asset	3,721,120	(10,692,663)
	<b>4,025,785</b>	<b>(8,779,668)</b>

### 3. Income tax (cont'd)

#### b) Deferred tax assets

	2023 \$	2022 \$
Fair value adjustments and timing differences on receivable	6,677,683	10,259,216
Capitalised share issue costs	281,320	421,847
Tax losses	162,463	162,463
Accruals	12,540	11,600
	<b>7,134,006</b>	<b>10,855,126</b>
<b>Movement in deferred tax assets</b>		
Balance at the beginning of the period	10,855,126	-
(Charged)/credited to the Statement of comprehensive income	(3,721,120)	10,692,663
Tax losses transferred	-	162,463
Capitalised share issue costs	-	702,637
Offer costs receivable	-	(702,637)
At reporting date	<b>7,134,006</b>	<b>10,855,126</b>

The Directors continue to consider it probable that future taxable profits will be available against which the \$162,463 (2022: \$162,463) of income tax losses can be recovered and therefore, the deferred tax asset recognised will be able to be utilised against future income tax payable.

#### c) Current tax liabilities

	2023 \$	2022 \$
Balance at the beginning of the period	2,075,458	-
Current period income tax on operating profit/(loss)	304,665	1,912,995
Net income tax paid	(2,079,601)	-
Transfer tax losses to deferred tax asset	-	162,463
At reporting date	<b>300,522</b>	<b>2,075,458</b>



#### 4. Dividends

##### a) Ordinary dividends paid during the year

	2023 \$	2022 \$
Final dividend FY2022: 2.0 cents per share fully franked at 30% tax rate, paid 28 October 2022	3,602,515	-
Interim dividend FY2023: 1.5 cents per share fully franked at 30% tax rate, paid 28 April 2023 (Interim dividend FY2022: 1.0 cents per share fully franked)	2,701,891	1,800,000
	<b>6,304,406</b>	<b>1,800,000</b>

##### 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 2.0 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	3,602,515	3,602,515

##### c) Dividend franking account

	2023 \$	2022 \$
Balance of franking account at year end	3,918,000	1,799,285
Adjusted for franking credits arising from: - Estimated income tax payable	300,522	2,075,458
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in Note 4(b):	(1,543,935)	(1,543,935)
	<b>2,674,587</b>	<b>2,330,808</b>

The Company's ability to continue paying fully franked dividends at the current level is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.

The balance of the franking account does not include tax to be paid on unrealised investment gains at the end of the reporting period. As at 30 June 2023, the deferred tax in relation to fair value movements on the investment portfolio is in a debit balance of \$6,817,519 and this amount has been presented as a deferred tax asset (2022: debit balance of \$10,682,766 presented as a deferred tax asset).

## 5. Auditor's remuneration

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
<b>Remuneration of the auditor for:</b>		
Auditing and reviewing the financial report	54,862	48,429
<b>Other services provided by a related practice of the auditor:</b>		
Taxation services	9,185	12,623*
Investigating accountant's fee on initial public offering	-	24,200
	<b>64,047</b>	<b>85,252</b>

\*Includes fees paid for the lodgment of the Company's FY2021 income tax return.

The Company's Board of Directors oversees the relationship with the Company's external auditor. The Board 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 \$
<b>Current:</b>		
Repayment of offer costs receivable	466,122	932,244
Investment income receivable	136,263	59,367
GST receivable	37,999	39,677
	<b>640,384</b>	<b>1,031,288</b>
<b>Non-current:</b>		
Repayment of offer costs receivable	-	466,122
	<b>-</b>	<b>466,122</b>

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of transaction. Investment income receivable relates to interest, dividend and trust distributions receivable at the end of the reporting period.

Under the investment management agreement, the Investment Manager has agreed to be responsible for the payment of the offer costs relating to the initial public offering that the Company would normally be liable for. These costs were paid upfront by the Company, however, the Investment Manager will repay the offer costs to the Company in 30 equal monthly repayments. The total offer costs in relation to the initial public offering were \$2,342,122 (\$1,639,485 net of tax) with \$1,876,000 being repaid to the end of the period and \$932,244 being repaid over the 12 months to 30 June 2023 by the Investment Manager. The remaining balance to be repaid by the Investment Manager of \$466,122 is included in trade and other receivables as at the end of the year.

## 7. Financial assets

	2023 \$	2022 \$
Listed investments at fair value	153,608,132	119,323,662
	<b>153,608,132</b>	<b>119,323,662</b>

The fair values of individual investments held at the end of the reporting period are disclosed on page 55 of the Annual Report.

## 8. Trade and other payables

	2023 \$	2022 \$
Sundry payables	172,999	177,929
Management fee payable	162,432	153,862
Outstanding settlements	39,733	-
	<b>375,164</b>	<b>331,791</b>

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of transaction. Sundry payables are settled within the terms of payment offered. No interest is applicable on these accounts.

## 9. Issued capital

### a) Paid-up capital

	2023 \$	2022 \$
180,125,761 ordinary shares fully paid (2022: 180,125,761)	225,147,829	225,147,829

### b) Movement in issued capital

	2023 \$	2022 \$
Balance at the beginning of the period	225,147,829	-
180,125,761 ordinary shares fully paid (2022: nil)		
1 ordinary share issued on 30 March 2021 (incorporation date)	-	1
180,000,000 ordinary shares issued on 22 June 2021 under the initial public offering	-	225,000,000
125,760 ordinary shares issued 14 April 2022 under a dividend reinvestment plan	-	147,828
At reporting date	<b>225,147,829</b>	<b>225,147,829</b>

## 9. Issued capital (cont'd)

### b) Movement in issued capital (cont'd)

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.

## 10. Profits reserve

	2023 \$	2022 \$
Profits reserve	<b>16,024,848</b>	<b>6,540,428</b>

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

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
<b>Movement in profits reserve</b>		
Balance at the beginning of the period	6,540,428	-
Transfer of profits during the period	15,788,826	8,340,428
Final dividend paid (refer to note 4(a))	(3,602,515)	-
Interim dividend paid (refer to note 4(a))	(2,701,891)	(1,800,000)
At reporting date	<b>16,024,848</b>	<b>6,540,428</b>

## 11. Accumulated losses

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
Balance at the beginning of the period	(22,828,002)	-
Profit/(loss) for the period attributable to members of the Company	15,788,826	(14,487,574)
Transfer to profits reserve	(15,788,826)	(8,340,428)
At reporting date	<b>(22,828,002)</b>	<b>(22,828,002)</b>

## 12. 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	10,637,839	19,591,306
Term deposits	47,000,000	60,000,000
	<b>57,637,839</b>	<b>79,591,306</b>

The weighted average interest rate for cash and term deposits as at 30 June 2023 is 4.88% (2022: 1.86%). The term deposits have an average maturity of 62 days (2022: 90 days). All the term deposits are invested with major Australian banks and their 100% owned banking subsidiaries that have Standard & Poor's A-1+ rating.

## 13. Cash flow information

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
<b>Reconciliation of profit/(loss) after tax to cash flow from operations:</b>		
Profit/(loss) after income tax	15,788,826	(14,487,574)
Fair value gains and movements in financial assets	(34,244,737)	(119,323,662)
<b>Changes in assets and liabilities:</b>		
Increase in receivables	(75,218)	(99,044)
Decrease/(increase) in deferred tax assets	3,721,120	(10,855,126)
Increase in payables	3,640	331,791
(Decrease)/increase in current tax liabilities	(1,774,936)	2,075,458
Net cash used in operating activities	<b>(16,581,305)</b>	<b>(142,358,157)</b>

## 14. Earnings per share

	2023 Cents per share	2022 Cents per share
<b>Basic and diluted earnings/(loss) per share</b>	8.77	(9.88)*

	2023 \$	For the period 30 March 2021 to 30 June 2022 \$
<b>Profit/(loss) after income tax used in the calculation of basic and diluted earnings/(loss) per share</b>	15,788,826	(14,487,574)

	2023 #	2022 #
<b>Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted earnings/(loss) per share</b>	180,125,761	146,616,020*

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

\*As at 30 June 2022, the weighted average number of shares used as the denominator in calculating basic earnings per share is based on the average number of shares from 30 March 2021, being the date of incorporation, to 30 June 2022. The basic and diluted loss per share at 30 June 2022 would have been 8.05 cents if calculated from 22 June 2021 (allotment date), as the Company only had one share on issue and no earnings up to this date.

## 15. Financial risk management

The Company's financial instruments consist of listed investments, trade receivables and trade payables. 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 other 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 market risk of the Company. The Manager monitors these risks daily. On a formal basis, the investment team meet weekly to monitor and manage 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. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging with them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of financial position, is the carrying amount net of any expected credit losses of those assets.

## 15. Financial risk management (cont'd)

### a) Credit risk (cont'd)

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk on an ongoing basis.

Credit risk is not considered to be a major risk to the Company as the majority of cash and term deposits held by the Company or in its portfolios are 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 Company also holds cash with its custodian that has a Standard and Poor's short-term rating of A-1 and long-term rating of A+. The majority of all maturities for cash and term deposits are within three months.

None of the 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.

The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Manager.

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

The Manager monitors the Company's cash flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount the Company can alter its cash outflows as appropriate. The Company also holds a portion of its portfolio in cash and term deposits sufficient to ensure that it has cash readily available to meet all payments. Furthermore, the assets of the Company are largely in the form of tradable securities which, where liquidity is available, can be sold on market when and if required.

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.

30 June 2023	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Trade and other payables	-	375,164	375,164
<b>Total</b>	<b>-</b>	<b>375,164</b>	<b>375,164</b>

## 15. Financial risk management (cont'd)

### b) Liquidity risk (cont'd)

30 June 2022	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Trade and other payables	-	331,791	331,791
<b>Total</b>	<b>-</b>	<b>331,791</b>	<b>331,791</b>

### 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 tradable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free, as the market price of these securities 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 four 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 weighted average interest rate was as follows:

30 June 2023	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	4.88%	57,637,839	-	57,637,839
Trade and other receivables		-	640,384	640,384
Financial assets		-	153,608,132	153,608,132
<b>Total</b>		<b>57,637,839</b>	<b>154,248,516</b>	<b>211,886,355</b>
<b>Liabilities</b>				
Trade and other payables		-	375,164	375,164
<b>Total</b>		<b>-</b>	<b>375,164</b>	<b>375,164</b>



**15. Financial risk management (cont'd)****c) Market risk (cont'd)****(i) Interest rate risk (cont'd)**

30 June 2022	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	1.86%	79,591,306	-	79,591,306
Trade and other receivables		-	1,497,410	1,497,410
Financial assets		-	119,323,662	119,323,662
<b>Total</b>		<b>79,591,306</b>	<b>120,821,072</b>	<b>200,412,378</b>
<b>Liabilities</b>				
Trade and other payables		-	331,791	331,791
<b>Total</b>		<b>-</b>	<b>331,791</b>	<b>331,791</b>

**(ii) Other price risk**

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's investments are carried at fair value with fair value changes recognised in the Statement of comprehensive income, all changes in market conditions will directly affect net investment income. Due to the short-term nature of receivables and payables, the carrying amounts of these financial assets and financial liabilities approximate their fair values.

The Manager seeks to manage and reduce the other price risk of the Company by diversification of the investment portfolio across numerous stocks and multiple sectors. The relative weightings of the individual securities and market sectors are reviewed daily in order to manage risk.

The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The Company's industry sector weighting of gross assets as at 30 June 2023 is as below:

Sector	2023 %	2022 %
LIC/LIT Global Equities	47.5	43.5
LIC/LIT Domestic Equities	17.1	12.2
Direct Discount Asset	7.2	3.7
LIC/LIT Fixed Interest	0.9	0.6
<b>Total</b>	<b>72.7</b>	<b>60.0</b>

**15. Financial risk management (cont'd)****c) Market risk (cont'd)****(ii) Other price risk (cont'd)**

Securities representing over 5% of gross assets of the Company as at 30 June 2023 are set out below:

Company name	2023 %
WAM Global Limited*	16.2
VGI Partners Global Investments Limited	9.0
Pengana International Equities Limited	8.7
QV Equities Limited	8.0
Regal Asian Investments Limited	5.8
Magellan Global Fund	5.4

Securities representing over 5% of gross assets of the Company as at 30 June 2022 are set out below:

Company name	2022 %
WAM Global Limited*	15.6
VGI Partners Global Investments Limited	8.5
Pengana International Equities Limited	7.5

\*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. Wilson Asset Management has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

**Sensitivity analysis**

For investments held by the Company at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result of a reasonably possible change in the risk variable. The sensitivity assumes all other variables to remain constant.

Investments represent 72.7% (2022: 60.0%) of gross assets at year end. At reporting date, if the fair value of each of the investments within the portfolio changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$5,376,285 (2022: \$4,176,328). This would result in the 30 June 2023 net asset backing after tax moving by 3.0 cents per share (2022: 2.3 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:

## 15. Financial risk management (cont'd)

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

**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).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

There were no transfers between Level 1 and Level 2 during the year (June 2022: nil).

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 30 June 2023:

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	153,608,132	-	-	153,608,132
<b>Total</b>	<b>153,608,132</b>	<b>-</b>	<b>-</b>	<b>153,608,132</b>

30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	119,323,662	-	-	119,323,662
<b>Total</b>	<b>119,323,662</b>	<b>-</b>	<b>-</b>	<b>119,323,662</b>

## 16. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial period was 515 (2022: 777). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$100,279 (2022: \$303,126).

## 17. Segment reporting

The Company engages in investing activities, including cash, term deposits and equity investments. It has no reportable operating segments.

## 18. Capital commitments

There were no capital commitments for the Company as at 30 June 2023 (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:

- Geoff Wilson AO Chairman
- Kate Thorley Director
- Glenn Burge Director

### a) Remuneration

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 in Note 21.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on pages 19 to 21, 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 period ended 30 June 2023	45,249	4,751	<b>50,000</b>
Total Directors remuneration paid by the Company for the period ended 30 June 2022	45,829	4,582	<b>50,411*</b>

\*Includes Directors' fees for the period from date of listing, 28 June 2021 to 30 June 2022.

### b) Shareholdings

The number of ordinary shares held in the Company during the financial year by each key management personnel of the Company and their related parties are set out below:

Ordinary shares held Directors	Balance at 30 June 2022	Acquisitions	Disposals	Balance at 30 June 2023
Geoff Wilson	4,919,348	718,723	-	5,638,071
Kate Thorley	100,170	722	-	100,892
Glenn Burge	82,000	31,500	-	113,500
	<b>5,101,518</b>	<b>750,945</b>	-	<b>5,852,463</b>

## 20. Key management personnel compensation (cont'd)

### b) Shareholdings (cont'd)

Ordinary shares held Directors	Balance at 30 March 2021	Acquisitions	Disposals	Balance at 30 June 2022
Geoff Wilson (appointed 30 March 2021)	1 <sup>†</sup>	4,919,347	-	4,919,348
Kate Thorley (appointed 30 March 2021)	-	100,170	-	100,170
Glenn Burge (appointed 30 March 2021)	-	82,000	-	82,000
	<b>1</b>	<b>5,101,517</b>	-	<b>5,101,518</b>

<sup>†</sup>Sole share on issue in the Company on incorporation.

Directors and Director related entities dispose of and acquire ordinary shares 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.

## 21. Related party transactions

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, the entity appointed to manage the investment portfolio of WAM Strategic Value 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 \$1,902,603 inclusive of GST (2022: \$2,204,951). WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. The Manager has foregone management fees on the portion of the investment portfolio held in WAM Global shares. As at 30 June 2023, the balance payable to the Manager was \$162,432 inclusive of GST (2022: \$153,862).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the increase in the value of the portfolio above the high-water mark.

The high-water mark is the greater of:

- the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus. If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been fully recovered.

## 21. Related party transactions (cont'd)

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased below the high-water mark over that period. For the year ended 30 June 2023, no performance fee was payable to Wilson Asset Management (International) Pty Limited (2022: nil).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Strategic Value Limited to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$66,000 inclusive of GST (2022: \$66,542<sup>\*</sup>) and the fee for company secretarial services amounted to \$27,500 inclusive of GST (2022: \$27,726<sup>\*</sup>).

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.

<sup>\*</sup>The fee for accounting and company secretarial services for FY2022 were pro-rata from the Company's listing date (28 June 2021) to 30 June 2022.

## 22. Events subsequent to reporting date

Since the end of the year, the Directors declared a final fully franked dividend of 2.0 cents per share to be paid on 30 October 2023. Additionally, on 18 July 2023, the Board announced its intention to deliver an FY2024 interim fully franked dividend of 2.0 cents per share (subject to no material adverse changes in market conditions or to the investment portfolio), representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year dividend.

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 Strategic Value Limited declare that:

- 1) The financial statements as set out in pages 25 to 48 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 19 to 21, 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 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.



**Geoff Wilson AO**  
**Chairman**

Dated this 29<sup>th</sup> day of August 2023

**Pitcher Partners Sydney Partnership**

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**Independent Auditor's Report  
To the Members of WAM Strategic Value Limited  
ABN 24 649 096 220****Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of WAM Strategic Value 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 period 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 Strategic Value 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 period 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 period. 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.

<b>Key audit matter</b>	<b>How our audit addressed the matter</b>
<b>Existence and Valuation of Financial Assets</b>	
<b>Refer to Note 7: Financial Assets</b>	
<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 investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs).</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls;</li> <li>▪ Reviewing and evaluating the independent auditor's report on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Custodian;</li> <li>▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the auditor's report relate to;</li> <li>▪ Obtaining confirmation of the investment holdings directly from the Custodian;</li> <li>▪ Assessing and recalculating the Company's valuation of individual investment holdings using independent observable pricing sources and inputs;</li> <li>▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and</li> <li>▪ Assessing the adequacy of disclosures in the financial statements.</li> </ul>

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
<b>Accuracy of Management and Performance Fees</b>	
<b>Refer to Note 8: Trade and other payables and Note 21: Related party transactions</b>	
<p>We focused our audit effort on the accuracy of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include the value of the portfolio and application of the correct fee percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the design and implementation of the processes and controls for calculating the management and performance fees;</li> <li>▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes;</li> <li>▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees;</li> <li>▪ Testing of key inputs including the value of the portfolio and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and</li> <li>▪ Assessing the adequacy of disclosures made in the financial statements.</li> </ul>

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Company's Financial Report for the period 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.

*Other Information*

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.
- 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.

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

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, related safeguards.

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 19 to 21 of the Directors' Report for the period ended 30 June 2023. In our opinion, the Remuneration Report of WAM Strategic Value Limited, for the period 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

29 August 2023



**Pitcher Partners**  
Sydney

## Investments at fair value as at 30 June 2023

Company Name	Code	Fair Value \$	% of Gross Assets
<b>LIC/LIT Global Equities</b>			
WAM Global Limited	WGB*	34,144,119	16.2%
VGI Partners Global Investments Limited	VG1	19,037,975	9.0%
Pengana International Equities Limited	PIA	18,360,021	8.7%
Regal Asian Investments Limited	RG8	12,199,838	5.8%
Magellan Global Fund	MGF	11,356,976	5.4%
Platinum Capital Limited	PMC	1,558,417	0.7%
CD Private Equity Fund III	CD3	1,553,961	0.7%
CD Private Equity Fund II	CD2	1,378,872	0.7%
CD Private Equity Fund I	CD1	508,477	0.2%
Platinum Asia Investments Limited	PAI	366,615	0.1%
Platinum Capital Limited Options	PMCO	5,258	0.0%
Platinum Asia Investments Limited Options	PAIO	2,038	0.0%
		<b>100,472,567</b>	<b>47.5%</b>
<b>LIC/LIT Domestic Equities</b>			
QV Equities Limited	QVE	16,961,389	8.0%
NAOS Small Cap Opportunities Company Limited	NSC	8,441,111	4.0%
Carlton Investments Limited	CIN	3,132,325	1.5%
Spheria Emerging Companies Limited	SEC	1,594,533	0.8%
Salter Brothers Emerging Company Limited	SB2	1,338,487	0.6%
Perpetual Equity Investment Company Limited	PIC	1,336,171	0.6%
Thorney Technologies Limited	TEK	1,159,375	0.6%
NGE Capital Limited	NGE	940,360	0.5%
Thorney Opportunities Limited	TOP	489,992	0.2%

Company Name	Code	Fair Value \$	% of Gross Assets
<b>LIC/LIT Domestic Equities (cont'd)</b>			
Ryder Capital Limited	RYD	427,965	0.2%
H&G High Conviction Limited	HCF	235,000	0.1%
		<b>36,056,708</b>	<b>17.1%</b>
<b>Direct Discount Asset</b>			
AMP Limited	AMP	6,501,110	3.1%
Global Data Centre Group	GDC	5,961,950	2.8%
Lark Distilling Co. Limited	LRK	1,271,825	0.6%
US Masters Residential Property Fund	URF	829,957	0.4%
SIV Capital Limited	SIV	410,929	0.2%
Excelsior Capital Limited	ECL	231,000	0.1%
Keybridge Capital Limited	KBC	8,184	0.0%
		<b>15,214,955</b>	<b>7.2%</b>
<b>LIC/LIT Fixed Interest</b>			
Qualitas Real Estate Income Fund	QRI	1,266,779	0.6%
360 Capital Enhanced Income Fund	TCF	597,123	0.3%
		<b>1,863,902</b>	<b>0.9%</b>
<b>Total long portfolio</b>		<b>153,608,132</b>	<b>72.7%</b>
<b>Total cash and cash equivalents, income receivable and net outstanding settlements</b>		<b>57,772,368</b>	<b>27.3%</b>
<b>Gross assets</b>		<b>211,380,500</b>	<b>100.0%</b>

\*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. Wilson Asset Management has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

The total number of stocks held at the end of the financial year was 32.

## 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)** - there are currently no substantial shareholders.

**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)

Category	Number of shareholders	% of issued capital held
1 – 1,000	261	0.1%
1,001 – 5,000	2,305	3.6%
5,001 – 10,000	1,587	6.7%
10,001 – 100,000	3,458	56.2%
100,001 and over	213	33.4%
	<b>7,824</b>	<b>100.0%</b>

The number of shareholders holding less than marketable parcels is 106.

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

Name	Number of ordinary shares held	% of issued capital held
Entities associated with Mr Geoff Wilson	5,698,001	3.2%
BNP Paribas Nominees Pty Limited	3,464,605	1.9%
Netwealth Investments Limited	3,378,619	1.9%
J P Morgan Nominees Australia	2,332,792	1.3%
Mrs K Dyer	1,673,000	0.9%
Norman Chan Pty Limited	1,200,000	0.7%
HSBC Custody Nominees (Australia) Limited	1,123,847	0.6%
Mr R H Bartlett	1,085,465	0.6%
Guwarra Pty Limited	767,886	0.4%
Jontra Holdings Pty Limited	720,000	0.4%
Boksborg Nominees Pty Limited	695,000	0.4%
Perpetual Corporate Trust Limited	650,000	0.4%
Leaf Securities Pty Limited	600,000	0.3%
Morgcam Pty Limited	575,000	0.3%
ADC (Investing) Pty Limited	543,793	0.3%
Seweta Pty Limited	500,000	0.3%
R W Kirby Pty Limited	488,000	0.3%
Cellar Stocks Pty Limited	479,312	0.3%
QGAS Pty Limited	450,000	0.2%
Dolk Family Superannuation Fund Pty Limited	428,110	0.2%
	<b>26,853,430</b>	<b>14.9%</b>

### 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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