

Strong increase in fully franked dividend driven by investment portfolio performance

29 August 2023
ASX announcement
and media release

Highlights

+16.7%

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

+14.3%

Increase in annualised FY2024 interim fully franked dividend guidance

+11.4%*

Investment portfolio performance in FY2023

4.0 cps[^]

Annualised FY2024 interim fully franked dividend guidance

Look-through NTA as at 31 July 2023

\$1.37

Pre-tax NTA as at 31 July 2023

\$1.21

Profits reserve as at 31 July 2023 before the payment of the 2.0 cps final fully franked dividend

11.4 cps

Access the WAM Strategic Value Q&A Webinar recording from 18 July 2023



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

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

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

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

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

"As we move into the 2024 financial year, the profits reserve has increased to 11.4 cents per share, representing 2.9 years of dividend coverage based on the FY2024 annualised interim dividend guidance, before the payment of the FY2023 final fully franked dividend of 2.0 cents per share."

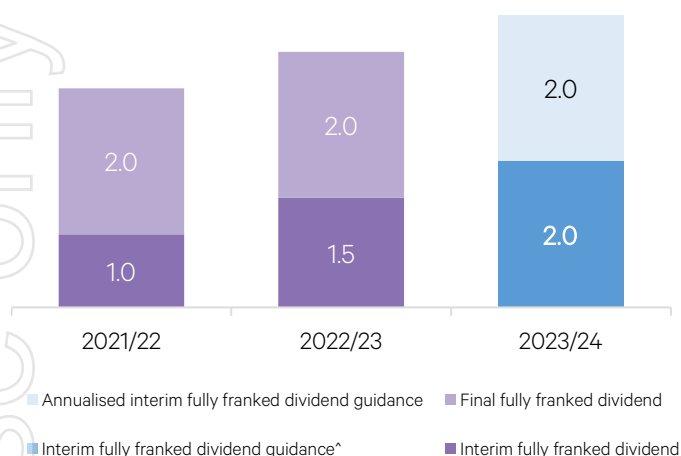
WAM Strategic Value focuses on providing shareholders with risk-adjusted returns by identifying and capitalising on buying assets at a discount; effectively trying to buy \$1 of assets for 80 cents or less.

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

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

^{*}Subject to no material adverse changes in market conditions or to the investment portfolio.

Fully franked dividends (cents per share)



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

Key dividend dates

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

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

Investment portfolio performance since inception

Performance as at 30 June 2023

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

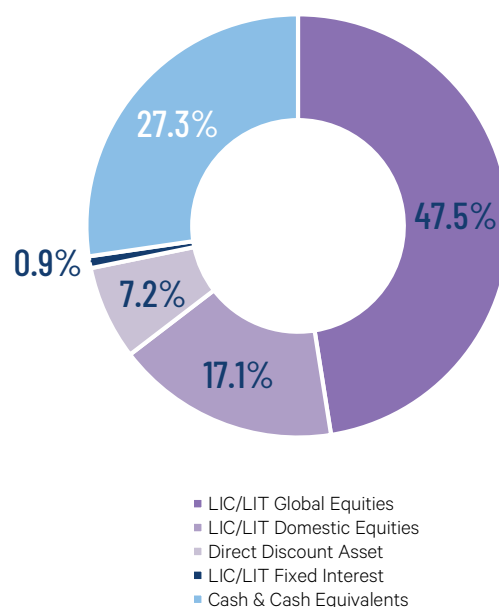
Investment portfolio performance is before expenses, fees and taxes.

Top 20 holdings with portfolio weightings As at 30 June 2023

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

*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.

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



About WAM Strategic Value

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

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





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

**2
Years
Listed**



About Wilson Asset Management



Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years. As the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.

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