

Strong investment portfolio performance and record profit drives increased fully franked full year dividend and special dividend

28 August 2024
ASX announcement
and media release

+50%

Increase in fully franked full year dividend to 5.25 cents per share

+18.6%

Investment portfolio performance in the financial year to 30 June 2024*

5.5%

Fully franked dividend yield FY2024**

7.9%

Grossed-up dividend yield**

6.25 cps ↑

Fully franked full year dividend FY2024 including the special fully franked dividend of 1.0 cents per share

WAM Strategic Value Limited (ASX: WAR) delivered strong investment portfolio performance in the financial year to 30 June 2024, increasing 18.6%*, and achieved a record operating profit before tax of \$28.7 million. This supported the Board of Directors’ decision to declare an increased fully franked final dividend of 3.0 cents per share, surpassing previous dividend guidance provided to shareholders, as well as a special fully franked dividend of 1.0 cents per share. The fully franked final dividend brings the fully franked full year dividend to 5.25 cents per share, a 50% increase on FY2023.

WAM Strategic Value’s investment strategy is centred on benefitting from the positive performance of discounted assets and the narrowing of these discounts over time. Through the Company’s continued focus on identifying opportunities that fit this proven investment process, the investment portfolio increased 18.6%* in the financial year. The investment portfolio demonstrated its defensive characteristics, capturing 100% of monthly market increases and outperforming 75% of monthly market declines. The investment portfolio’s performance has been achieved with less volatility# than the market. This reinforces the lower risk profile of the WAM Strategic Value investment portfolio, which can be attributed to its diversified holdings.

Q&A Webinar

Tuesday 3 September 2024 at 3:00pm (Sydney time)

Join Chairman Geoff Wilson AO, Chief Financial Officer Jesse Hamilton and Investment Specialist Martyn McCathie for an update on WAM Strategic Value.

Register now

5.25 cps | +50%

Fully franked full year dividend, surpassing previous dividend guidance

1.0 cps

Special fully franked dividend

The annualised 3.0 cents per share fully franked final dividend represents a fully franked dividend yield of 5.5% and a grossed-up dividend yield of 7.9%**. Since inception in June 2021, the Company has paid 8.75 cents per share in dividends to shareholders and 12.5 cents per share including the value of franking credits. The Company has 2.9 years** of dividend coverage based on 17.6 cents per share in the profits reserve at 31 July 2024, before the payment of the fully franked final dividend and the special fully franked dividend.

*Investment portfolio performance is before expenses, fees and taxes.
**Based on the annualised 3.0 cents per share FY2024 fully franked final dividend and 27 August 2024 share price of \$1.10. Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.
^The Company’s look-through pre-tax net tangible assets (NTA) is an estimation of the Company’s pre-tax NTA calculated using the estimated or most recently available pre-tax NTA of the underlying investment portfolio as at the end of the month where available. For further information, please visit our [website](#).
#Volatility shows the degree to which the returns of the portfolio move around from their long-run average. It can be thought of as a measure of the risk in the investment portfolio. Volatility is measured by standard deviation, a statistical measurement.

Chairman Geoff Wilson AO said: “I am pleased with WAM Strategic Value’s strong investment portfolio performance during the 2024 financial year, which has enabled us to increase the fully franked full year dividend by 50% to 5.25 cents per share and declare an additional special fully franked dividend of 1.0 cents per share for shareholders. The FY2024 fully franked full year dividend is consistent with the Company’s investment objective of delivering investors a stream of fully franked dividends.

“Throughout the financial year, the investment strategy has allowed WAM Strategic Value to generate sound, risk-adjusted returns. We continue to focus on our investment strategy of investing in undervalued assets with strong catalysts and during the period, several key holdings in the investment portfolio performed strongly. We believe the WAM Strategic Value share price should be trading at NTA or a premium to NTA given the value embedded within the investment portfolio,” Mr Wilson said.

The strong performance of WAM Strategic Value investment portfolio added significantly to the profits reserve during the year and enabled the Board of Directors to announce the increased fully franked full year dividend and special fully franked dividend. The investment portfolio performance contributed to a 44.7% increase in the Company’s record operating profit before tax of \$28.7 million (FY2023: \$19.8 million) and an operating profit after tax of \$22.1 million (FY2023: \$15.8 million) in its FY2024 full year result.

The WAM Strategic Value Board of Directors continues to be focused on the Company’s share price returning to NTA. During the 2024 financial year, the share price discount to net tangible assets (NTA) narrowed to 14.9% at 30 June 2024, from 16.8% at the start of the year. At 30 June 2024, the Company’s pre-tax NTA was \$1.29 and the theoretical ‘look-through’ NTA was \$1.46[†] per share, using the estimated or most recently available pre-tax NTA of the underlying investment portfolio. WAM Strategic Value’s share price discount to the look-through pre-tax NTA was 25.0% at 30 June 2024, providing a compelling investment opportunity.

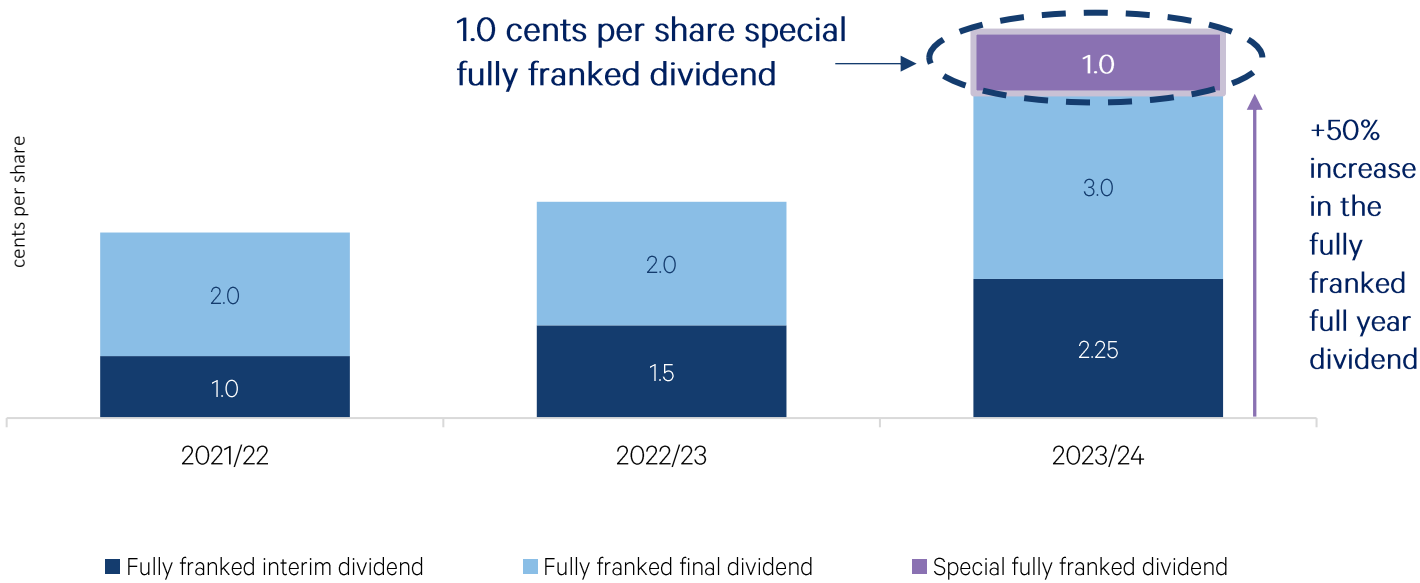
Total shareholder return (TSR) for the period was 16.9%, or 18.9% when including the value of franking credits. This was driven by the FY2023 fully franked final dividend of 2.0 cents per share paid in October 2023, the FY2024 fully franked interim dividend of 2.25 cents per share paid in May 2024 and the narrowing of the share price discount to NTA over the year.

Some of the highlights of the investment portfolio during the year included Global Data Centre Group (ASX: GDC) as its share price increased 92.1% in the financial year to 30 June 2024, from \$1.65 to \$3.17 per share. WAM Strategic Value initially invested in GDC at a discount to its underlying net assets and significantly increased its investment following the announcement of the company’s asset realisation strategy. Additionally, WAM Strategic Value sold out of its position in Magellan Global Fund (ASX: MGF) at a 35.1% premium to its average cost price. The Company’s holding in WAM Global (ASX: WGB) also contributed to investment portfolio performance driven by the narrowing of WAM Global’s discount to NTA from 18.7% at 30 June 2023 to 7.7% at 30 June 2024.

16.9 cps	8.75 cps	7.9%	5.5%
Profits reserve, before the payment of the final and special dividends	Dividends paid since inception in June 2021, 12.5 cps including the value of franking credits	Grossed-up dividend yield [#]	Fully franked dividend yield [#]

[†]The Company’s look-through pre-tax NTA is an estimation of the Company’s pre-tax NTA calculated using the estimated or most recently available pre-tax NTA of the underlying investment portfolio as at the end of the month where available. For further information, please visit our [website](#).
^{**}Based on the annualised 3.0 cents per share FY2024 fully franked final dividend and 17.6 cents per share in the profits reserve at 31 July 2024, before the payment of the fully franked final dividend and the special fully franked dividend.
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Fully franked dividends since inception in June 2021



Key dividend dates for the fully franked final dividend of 3.0 cps

Ex-dividend date	1 October 2024
Dividend record date (7:00pm Sydney time)	2 October 2024
Last election date for DRP	4 October 2024
Payment date	29 October 2024

Key dividend dates for the special fully franked dividend of 1.0 cps

Ex-dividend date	22 November 2024
Dividend record date (7:00pm Sydney time)	25 November 2024
Last election date for DRP	27 November 2024
Payment date	20 December 2024

The Dividend Reinvestment Plan (‘DRP’) is in operation and the recommended fully franked final dividend of 3.0 cents per share and the special fully franked dividend of 1.0 cents per share qualify. The Board has the discretion to satisfy the DRP by transferring existing fully paid ordinary shares in the Company purchased on-market, by issuing new fully paid ordinary shares in the Company, or using a combination of both. Existing shares purchased on-market and allocated under the DRP will be allocated at the aggregate price of shares purchased on-market, less brokerage costs and other costs, divided by the number of shares purchased. New shares allotted under the DRP will be allotted at the volume weighted average market price (VWAP) of shares sold on the ASX over the four trading days commencing on the ex-dividend date. The DRP will operate without a discount for the final and special dividends. Further details on the DRP rules are available at: wilsonassetmanagement.com.au/wam-strategic-value/

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Investment portfolio performance since inception

Investment portfolio performance at 30 June 2024	1 yr	2 yrs %pa	Since inception %pa (Jun-21)
WAM Strategic Value Investment Portfolio	18.6%	15.0%	6.1%

Investment portfolio performance is before expenses, fees and taxes.

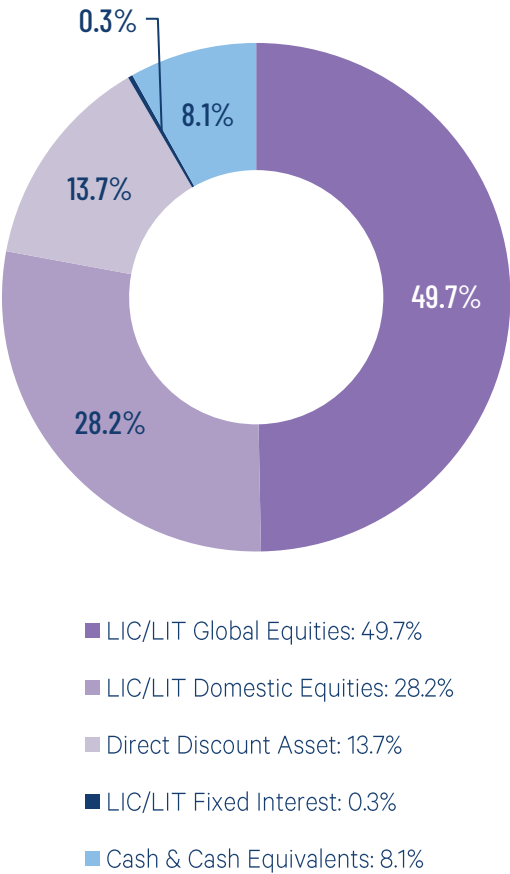
Top 20 holdings with portfolio weightings at 30 June 2024

Code	Company name	%
WGB*	WAM Global Limited	17.0%
QVE**	QV Equities Limited	14.1%
VG1	VGI Partners Global Investments Limited	13.6%
PIA	Pengana International Equities Limited	9.0%
GDC	Global Data Centre Group	7.8%
PIC	Perpetual Equity Investment Company Limited	7.1%
RG8	Regal Asian Investments Limited	5.5%
AOF	Australian Unity Office Fund	5.1%
NSC	NAOS Small Cap Opportunities Company Limited	2.1%
CIN	Carlton Investments Limited	1.8%
PAI	Platinum Asia Investments Limited	1.6%
SB2	Salter Brothers Emerging Companies Limited	1.4%
URF	US Masters Residential Property Fund	1.0%
PMC	Platinum Capital Limited	0.7%
NGE	NGE Capital Limited	0.6%
CD3	CD Private Equity Fund III	0.6%
CD2	CD Private Equity Fund II	0.5%
LRK	Lark Distilling Company Limited	0.5%
TEK	Thorney Technologies Limited	0.4%
TOP	Thorney Opportunities Limited	0.3%

*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.

**WAM Leaders (ASX: WLE) acquired 100% of the shares in QV Equities by way of a Scheme of Arrangement. WAM Strategic Value exited its holding in QV Equities on 15 July 2024, receiving cash consideration for its holding.

Diversified investment portfolio by listed investment company/trust (LIC/LIT) sector at 30 June 2024



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). 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.

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.

Listed
June 2021



WAM Strategic Value receives coverage from the following independent investment research providers:

BELL POTTER

INDEPENDENT
INVESTMENT RESEARCH

ORD MINNETT

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

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) – and the Wilson Asset Management Leaders Fund, Wilson Asset Management invests over \$5 billion on behalf of over 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, a significant funder of many Australian charities, providing all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.

Wilson
Asset Management
Making a difference

25
YEARS

>\$5 billion
in funds under management

>200 years
combined investment experience

>25 years
making a difference for shareholders

10
investment products

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

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