



W | A | M *Strategic Value*
Discounted asset opportunities.

Prospectus

Offer of fully paid ordinary shares in WAM Strategic Value Limited,
at an Offer price of \$1.25 per Share, to raise up to \$225,000,000

Wilson Asset Management

WAM Strategic Value Limited
ACN 649 096 220

Joint Lead Managers



Co-Managers



Important information: This Prospectus contains important information for you as a prospective investor and requires your immediate attention. It should be read in its entirety. If you have any questions as to its contents or the course you should follow, please consult your stockbroker, accountant, solicitor or other professional adviser immediately.

Important notices

This replacement prospectus is dated 17 May 2021 (**Prospectus**) and was lodged with the Australian Securities & Investments Commission (**ASIC**) on that date. This document replaces the prospectus dated 7 May 2021 that was lodged with ASIC on that date (**Original Prospectus**). It is issued by WAM Strategic Value Limited (ACN 649 096 220) (**Company**) and is an invitation to apply for a minimum of 13,200,000 Shares and up to 180,000,000 Shares at an Application Price of \$1.25 per Share to raise up to a maximum of \$225,000,000. This document is important and requires your immediate attention. It should be read in its entirety. You may wish to consult your professional adviser about its contents.

No Shares will be issued on the basis of this Prospectus later than the expiry date of this Prospectus, being the date 13 months after the date of the Original Prospectus.

ASX listing

The Company will apply within seven days after the date of the Original Prospectus for admission to the official list of the ASX and for the Shares to be quoted on the ASX.

The fact that the ASX may admit the Company to the official list and quote the Shares is not to be taken in any way as an indication of the merits of the Company. Neither the ASX, ASIC nor any of their respective officers take any responsibility for the contents of this Prospectus. If granted admission to the ASX, quotation of the Shares will commence as soon as practicable after holding statements are dispatched.

The Company does not intend to issue any Shares unless and until the Minimum Subscription has been received and the Shares have been granted permission to be quoted on the ASX on terms acceptable to the Company.

If permission is not granted for the Shares to be quoted before the end of three months after the date of the Original Prospectus or such longer period permitted by the Corporations Act or with the consent of ASIC, all Application Monies received under the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

Exposure Period

Pursuant to the Corporations Act, this Prospectus is subject to an exposure period of seven days after the date of the Original Prospectus, which period may be extended by ASIC by a further period of seven days (**Exposure Period**).

The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus.

Application Forms received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Application Forms received during the Exposure Period and all Application Forms received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Intermediary Authorisation

The Company does not hold an Australian Financial Services Licence (**AFSL**) under the Corporations Act. Accordingly, offers under this Prospectus will be made under an arrangement between the Company and Taylor Collison Limited, the holder of an AFSL (**Authorised Intermediary**) under section 911A(2)(b) of the Corporations Act. The Company will only authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under the Prospectus and the Company will only issue Shares in accordance with such offers if they are accepted.

The Joint Lead Managers and Co-Managers will manage the Offer on behalf of the Company. The Joint Lead Managers are Taylor Collison Limited and Morgans Financial Limited. The Joint Lead Managers' and the Authorised Intermediary's functions should not be considered as an endorsement of the Offer, nor a recommendation of the suitability of the Offer for any investor. The Co-Managers are Bell Potter Securities Limited, Shaw and Partners Limited, Ord Minnett Limited and Canaccord Genuity (Australia) Limited.

Neither of the Joint Lead Managers, Co-Managers or the Authorised Intermediary guarantee the success or performance of the Company or the returns (if any) to be received by investors. Neither of the Joint Lead Managers, Co-Managers or the Authorised Intermediary are responsible for, or has caused the issue of, this Prospectus.

Investment decision

Applicants should read this Prospectus in its entirety before deciding to apply for Shares. This Prospectus does not take into account your individual investment objectives, financial situation or any of your particular needs. You should seek independent legal, financial and taxation advice before making a decision whether to invest in the Company.

An investment in the Company carries risks. An outline of some of the risks that apply to an investment in the Company is set out in Section 6. Applicants are urged to consider this Section of the Prospectus carefully before deciding to apply for Shares.

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation not so contained or that may be contained may not be relied on as having been authorised by the Company in connection with the Offer.

Forward-looking statements

This Prospectus contains forward-looking statements. Forward-looking statements are not based on historical facts, but are based on current expectations of future results or events. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results or events to differ materially from the expectations described in such forward looking statements.

While the Company believes that the expectations reflected in the forward-looking statements in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors set out in Section 6, as well as other matters as yet not known to the Company or not currently considered material by the Company, may cause actual results or events to be materially different from those expressed, implied or projected in any forward-looking statements. Any forward-looking statement contained in this Prospectus is qualified by this cautionary statement.

Information about the Investment Manager

This Prospectus contains certain information about Wilson Asset Management (International) Pty Limited (ACN 081 047 118) (**Investment Manager** or **Wilson Asset Management**), its senior executives and its controlled entities (the **Wilson Asset Management Group**). It also contains details of Wilson Asset Management's investment approach, strategy and philosophy.

To the extent that the Prospectus includes statements by, or based on any statement of, or information provided by, the Investment Manager or the Wilson Asset Management Group or

includes statements based on any statement of, the Investment Manager consents to each such statement being included in the Prospectus in the form and context in which it is included and has not withdrawn that consent at any time prior to the lodgement of this Prospectus.

Offer to New Zealand investor warning

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial adviser.

The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Prospectus

An electronic version of this Prospectus (**Electronic Prospectus**) can be downloaded from wilsonassetmanagement.com.au/strategicvalue. The Offer to which the Electronic Prospectus relates is only available to persons receiving the Electronic Prospectus in Australia or New Zealand.

The Company will also send a paper copy of the Prospectus and Application Form free of charge if requested before the Closing Date.

If you download the Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by copies of the Application Form. The Shares to which the Electronic Prospectus relates will only be issued on receipt of a completed Application Form that has accompanied the Prospectus.

Online application

Applicants can apply online for shares under the Offer at wilsonassetmanagement.com.au/strategicvalue and pay their Application Monies by BPAY.

Print application

You can only make an Application for Shares under the Offer by completing and submitting an Application Form.

You can find detailed instructions on completing an Application Form on the back of the paper Application Form. You will be provided with prompts and instructions to assist you to complete the electronic Application Form.

Applications must be for a minimum of 1,800 Shares at \$1.25 per Share (i.e. for a minimum subscription amount of \$2,250). A larger number of Shares may be applied for in multiples of 100 Shares.

Completed paper Application Forms, together with Application Monies, should be forwarded to the following address:

By mail

WAM Strategic Value Limited
c/- Automic Pty Limited
GPO Box 5193
Sydney NSW 2001

Hand delivered

WAM Strategic Value Limited
c/- Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

Application Monies

Applications must be accompanied by payment in Australian currency.

Cheques in respect of Applications should be made payable to "WAM Strategic Value Limited" and crossed "Not Negotiable". No brokerage, commission or stamp duty is payable to the Company on Applications under the Offer. Applicants to the Broker Firm Offer may pay brokerage or other fees to their Broker in relation to their Application. Any such fees will be on terms agreed between the Applicant and their Broker.

When to apply

Completed Applications and Application Monies under the Offer must be received by 5:00pm (Sydney time) on the Closing Date. The Directors may close the Offer at any time without prior notice or extend the period of the Offer in accordance with the Corporations Act.

Defined terms

Defined terms, abbreviations and interpretations included in the text of this Prospectus are set out in Section 12.

Highlights of the Offer

Important dates

Lodgement of the Original Prospectus with ASIC	7 May 2021
Expiry of the Exposure Period	14 May 2021
Lodgement of this Prospectus with ASIC	17 May 2021
Offer expected to open	24 May 2021
Broker Firm Offer expected to close	5:00pm, 4 June 2021
Priority Allocation to the Wilson Asset Management Family expected to close	5:00pm, 10 June 2021
General Offer expected to close	5:00pm, 10 June 2021
Expected date of allotment / date of dispatch of holding statements	22 June 2021
Shares expected to commence trading on the ASX	25 June 2021

The above dates are subject to change and are indicative only and times are references to Sydney, Australia time. The Company reserves the right to amend this indicative timetable subject to the Corporations Act and the ASX Listing Rules. In particular, the Company reserves the right to close the Offer early, extend the Closing Date or accept late Applications.

Key Offer statistics

Company	WAM Strategic Value Limited ACN 649 096 220
Proposed ASX code	WAR
Shares offered	Fully paid ordinary Shares
Minimum number of Shares available under the Offer	13,200,000 Shares
Minimum proceeds from the Offer	\$16,500,000
Maximum number of Shares available under the Offer	180,000,000 Shares
Maximum proceeds from the Offer	\$225,000,000
Application Price per Share	\$1.25
Pro forma Net Asset Value (NAV) backing per Share (based on the pro forma statement of financial position set out in Section 7.2)	\$1.25

Enquiries

For more information:

Wilson Asset Management
T (02) 9247 6755
info@wilsonassetmanagement.com.au

To obtain a digital copy of the Prospectus and to receive updates on WAM Strategic Value following the Offer, visit:

wilsonassetmanagement.com.au/strategicvalue

For questions about the application process, please contact the Share Registry:

Automic Pty Limited
T (02) 8072 1490 (Australia)
T 1300 408 788 (International)

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Corporate directory

Directors

Geoff Wilson AO
Kate Thorley
Glenn Burge

Company Secretary

Jesse Hamilton

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
T (02) 9247 6755

Share Registry

Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000
T (02) 8072 1490
E wamstrategicvalue@automic.com.au

Investigating Accountant

Pitcher Partners Sydney
Corporate Finance Pty Limited
Level 16, Tower 2
201 Sussex Street
Sydney NSW 2000
T (02) 9221 2099

Solicitors to the Offer

Mont Lawyers Pty Limited
Suite 18, 50 Stanley Street
Darlinghurst NSW 2010
T (02) 9059 8111
E info@montlawyers.com

Joint Lead Managers

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000
T (08) 8217 3900

Morgans Financial Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000
T (07) 3334 4888

Co-Managers

Bell Potter Securities Limited
Shaw and Partners Limited
Canaccord Genuity (Australia) Limited
Ord Minnett Limited

Authorised Intermediary

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000
T (08) 8217 3900

Letter from the Chairman and Lead Portfolio Manager



Dear Investor,

Over four decades in financial markets, one of my greatest passions has centred on identifying, investing in and closing discounted asset opportunities. During this time, I have developed a disciplined investment process focused on my preferred investment vehicles, listed investment companies (LICs). Our eighth LIC, WAM Strategic Value Limited (ASX: WAR) (WAM Strategic Value) will offer investors a dedicated vehicle to execute this Investment Strategy. Essentially, we are focused on identifying and investing in \$1 of assets for 80c.

WAM Strategic Value will take advantage of market mispricing opportunities, including securities trading at discounts to assets or net tangible assets (NTA), corporate transactions and dividend yield arbitrages with franking credit benefits (these opportunities are explained further in Sections 4.6). Our experience and expertise in managing closed-end vehicles provides us with a unique methodology to identify and benefit from LIC and LIT market mispricing opportunities and engage proactively with boards, management teams, investors and other stakeholders. This primary focus will be complemented by other market mispricing opportunities arising within the corporate sector, such as takeovers or capital raisings, where we are able to utilise our position as an institutional investor responsible for more than \$4 billion of shareholder capital.

I am excited to manage the investment portfolio, as Lead Portfolio Manager, with support from the broader Wilson Asset Management investment and management team. Together, the Investment Team and I have over 190 years' collective investing experience gained across Australian and global listed equities and alternative assets. Our Investment Team is supported by 27 high-performing professionals who work across the corporate affairs, finance and operations teams.

They are tasked with delivering shareholders transparency, insights and experiences, adding discipline, depth and reach to Wilson Asset Management's core business and supporting the WAM Strategic Value Investment Strategy.

WAM Strategic Value aims to deliver strong risk-adjusted returns derived from a portfolio primarily composed of discounted asset opportunities selected using the proven market-driven investment process we have developed over more than two decades.

I look forward to you joining me as a Shareholder in WAM Strategic Value. I am planning to invest approximately \$5 million in WAM Strategic Value, through associated entities. If you have any questions, please contact me, our Chief Financial Officer Jesse Hamilton, or our Head of Corporate Affairs James McNamara, on (02) 9247 6755 or at info@wilsonassetmanagement.com.au.

Geoff Wilson AO
Chairman and Lead Portfolio Manager
WAM Strategic Value Limited

Chairman and Chief Investment Officer
Wilson Asset Management

17 May 2021

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IPO Overview

1.1. WAM Strategic Value Limited

The Company aims to provide Shareholders with strong risk-adjusted returns derived from an Investment Strategy focused on identifying and capitalising on buying assets at a discount. The Investment Strategy will primarily focus on Australian LICs and LITs, with which the Investment Manager has significant expertise and experience for more than 20 years. The Company's Investment Strategy will provide Shareholders with exposure to a diversified equities portfolio, predominantly comprised of Australian LICs and LITs, purchased at a discount to their underlying asset values that the Investment Manager believes will close over time (**Discounted Assets**).

The Investment Strategy's focus on LICs and LITs is expected to enhance diversification, providing direct exposure to a wide pool of underlying assets for investors (see Section 4.5 for further details).

1.1.1 Discounted Assets

A discount occurs when a security (e.g. a share or unit) trades at a price below the value for which its underlying assets could be sold individually. A discount will narrow as the security trades closer to its underlying asset value over time. As a discount narrows, the initial value differential (between the purchase price and the underlying asset value) can be realised as the Investment Strategy is executed.

This value differential is realised when the investment in a security is exited (e.g. the security is sold) at a price which reflects (or more closely reflects) the value of that security's underlying assets. The Investment Manager aims to realise some or all of this value differential as part of the Investment Strategy and in doing so provides an alternative source of market outperformance compared to other common stock-selection strategies.

The value presented by the Discounted Assets can be realised through a variety of techniques. These include, but are not limited to: the use of existing catalysts¹; regular and meaningful engagement with boards, management teams and other investors; and shareholder activism where necessary.

1.1.2 Investment Manager's expertise and experience

Successfully implementing the Investment Strategy involves the Investment Manager identifying the opportunities in the investment universe where there is potential for a prevailing security (e.g. a share or unit) price discount to be narrowed. This is a specialist skillset the Investment Manager has been refining for more than 20 years – realising discounts and taking advantage of other mispricing opportunities within its market-driven investment process (see Section 4.6 and Section 5.5 for details of the process and the Investment Team's experience).

The Investment Strategy employs the Investment Manager's proven market-driven investment process and leverages the Investment Manager's, particularly Geoff Wilson's, significant experience in identifying and investing in Discounted Assets, as well as its expertise and reputation within the LIC and LIT sector.

1.2. The Offer

The Company is seeking to raise up to \$225,000,000 under the Offer. No oversubscriptions will be accepted. The Company will be listed on the ASX under the code WAR. The Application Price under the Offer is \$1.25 per Share.

The Offer is made up of the Priority Allocation of \$125 million to the Wilson Asset Management Family (detailed in Section 3.2), the Broker Firm Offer (detailed in Section 3.3) and the General Offer (detailed in Section 3.4). The Offer is expected to open on 24 May 2021 and close at 5:00pm (Sydney time) on 10 June 2021.

1.3. Investment objectives

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 while providing Shareholders with exposure to a diversified equities portfolio.

The Company aims to maximise total Shareholder returns with a combination of capital growth and income, allowing fully franked dividends to be paid to Shareholders, provided the Company has sufficient profits reserves and franking credits available and it is within prudent business practices to do so.

This statement is not intended to be a forecast, rather it is an investment objective of the Company. The Company may not be successful in meeting this objective.

1.4. Investment principles

The Company will invest in line with three broad principles:

- Focus on Discounted Asset opportunities;
- Invest in LICs and LITs trading at a discount to their underlying asset values; and
- Utilise a portfolio-based and index unaware investment methodology.

¹ A catalyst is an event or information that in the Investment Manager's view, is likely to change the market's valuation (i.e. the trading price relative to the value of its assets) of a particular share or unit.

1. IPO Overview

1.5. Key risks

You are encouraged to read the Prospectus carefully as it contains detailed information about the Company and the Offer. Like all investments, an investment in the Company carries risk. The performance of the Company will be dependent on the Investment Manager's ability to deliver on the investment objectives.

The key risk within the Company's Investment Strategy lies with poor security selection by the Investment Manager and/or an inability to successfully execute techniques and strategies that aim to realise value within the Company's Discounted Assets. If the Investment Manager is unable to successfully execute techniques/strategies to realise value, the Discounted Assets within the Company's Portfolio may continue to trade at a discount to their underlying asset values. It also may be difficult for the Investment Manager to exit its investment positions in Discounted Assets which could become illiquid. The Company has no right to terminate the Investment Management Agreement during the initial fixed term, which is expected to be 10 years. Even if the Company does not perform well, it may be difficult to remove the Investment Manager.

The Company's Shares may also trade at a discount to its NTA per share. Shareholders should regard any investment in the Company as a medium-to-long term proposition (more than five years) and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond. As the Company will predominantly invest in listed securities, the Company will always be subject to market risk as the market price of these listed securities can fluctuate.

The Company's Investment Strategy has been developed by Wilson Asset Management, and leverages the Investment Manager's, specifically Geoff Wilson's, significant experience in identifying, investing in and realising Discounted Asset opportunities. If Geoff Wilson ceases his role with the Investment Manager, there is a risk to the successful execution of the Company's Investment Strategy going forward. The Company has no right to terminate the Investment Management Agreement in the event of a change of control of the Investment Manager or in the event of a material change to the composition of the Wilson Asset Management Investment Team, including if Geoff Wilson ceases his role with the Investment Manager.

The risks associated with Geoff Wilson leaving the Investment Manager are mitigated by the depth of experience across both the Wilson Asset Management Investment Team and the broader management team. Notably, excluding Geoff Wilson, the Wilson Asset Management Investment Team still has over 150 years' collective investing experience. The risk of Geoff Wilson leaving the Investment Manager is further mitigated by the fact that Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue of the Investment Manager (other shares in the Investment Manager are non-voting preference shares). Geoff's commitment to the Company and its Investment Strategy is further evidenced by his intention to invest approximately \$5 million in the Offer.

It is important for potential investors to review carefully the risks associated with an investment in the Company. These are detailed further in Section 6.

1.6. Investing with Wilson Asset Management

The Wilson Asset Management Group has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, the Wilson Asset Management Group invests over \$4 billion on behalf of more than 100,000 investors.

Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia and Future Generation Global. 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 Wilson Asset Management and not the company.

The Company has an Investment Management Agreement with Wilson Asset Management. Investing with Wilson Asset Management provides investors with the following:

- **Risk-adjusted returns.** Wilson Asset Management is focused on delivering strong returns while taking the least risk possible to protect shareholders' capital.
- **Diversification.** LICs managed by the Wilson Asset Management Group hold small positions in many companies, providing shareholders with access to highly diversified portfolios.

- **Experience.** Wilson Asset Management's Investment Team is comprised of 14 professionals with a total focus on protecting and growing shareholder capital and is informed by more than 190 years' of combined investment experience across Australian and global listed equities and alternative assets.
- **Market access.** Wilson Asset Management's Investment Team holds thousands of company meetings each year, that coupled with their extensive network in the market, provide insights and opportunities.
- **Engagement and transparency.** Wilson Asset Management values shareholder engagement and its LICs adhere to strict corporate governance requirements.
- **Shareholder advocacy.** Wilson Asset Management regularly and actively engages in public debate on behalf of self-managed superfunds and retail investors.
- **A positive impact.** Wilson Asset Management is passionate about making a difference to the broader community.

1.7. Experienced investment and management team

Wilson Asset Management's 14 investment professionals have more than 190 years' collective investing experience. In addition, the Wilson Asset Management Investment Team has:

- a proprietary investment approach and experience delivering strong risk-adjusted returns for more than 20 years;
- an intensive investee company meeting schedule;
- a total focus on managing money, unaffected by fund inflows and outflows;
- an Australian and global network of corporate and financial market connections that provide insights, intelligence and opportunities; and
- a flexible investment mandate, including the ability to hold cash, use Derivatives and Short Sell.

The Wilson Asset Management Investment Team, led by Geoff Wilson, will implement the Company's Investment Strategy utilising Wilson Asset Management's proven market-driven investment process, which takes advantage of a broad range of mispricing opportunities. The Company's Investment Strategy will focus on a particular subset of mispricing opportunities, being Discounted Assets, primarily on LICs and LITs. See Section 4.3 for further details.

The Company can also invest across all short-term mispricing opportunities identified by the market-driven investment process of the Investment Manager. These opportunities can be 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, Short Selling and trading market themes and trends. See Section 4.6 for further details.

1.8. Benefits of the LIC structure

Wilson Asset Management's preferred 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. As a listed entity, a LIC must comply with rigorous corporate governance requirements and strict regulations, safeguarding shareholders' interests and providing transparency.

1.9. Engagement with Shareholders

Wilson Asset Management takes an active approach to engaging and communicating with shareholders. We provide:

- updates from our Lead Portfolio Managers;
- investment team insights at WAM Vault: wilsonassetmanagement.com.au/vault;
- roundtables with our shareholders and planners, advisers and their clients;
- NTA reports and investment updates;
- shareholder Q&A webinars;
- presentations and lunches across Australia; and
- annual and interim results announcements.

Following the Offer, access to all relevant information about WAM Strategic Value will be available at wilsonassetmanagement.com.au/strategicvalue.

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Offer Summary



This is a summary only. This Prospectus should be read in full before making any decision to apply for Shares in the Company.

A. Key investment highlights

Question	Answer	More information
What are the key highlights of the Offer?	<p>The Company aims to provide Shareholders with strong risk-adjusted returns derived from an Investment Strategy focused on identifying and capitalising on buying assets at a discount. The Investment Strategy will primarily focus on Australian LICs and LITs, with which the Investment Manager has significant expertise and experience for more than 20 years. The Company's Investment Strategy will provide Shareholders with exposure to a diversified equities portfolio, predominantly comprised of LICs and LITs, purchased at a discount to their underlying asset values that the Investment Manager believes will close over time. Taking up this Offer will provide Shareholders with access to:</p> <ul style="list-style-type: none"> • a highly experienced and active Investment Manager with Australian and global listed equities and alternative assets expertise; • exposure to an actively managed diversified equities Portfolio, primarily comprised of Australian LICs and LITs, purchased at a discount to their underlying asset values that the Investment Manager believes in the future will trade at or near their underlying asset value (Discounted Assets). The Investment Strategy's focus on LICs and LITs is expected to enhance diversification, providing indirect exposure to a wide pool of underlying assets for investors (see Section 4.5 for further details); • exposure to Wilson Asset Management's proven market-driven investment process applied within an Investment Strategy focused on capitalising on Discounted Assets, leveraging the Investment Manager's significant experience and expertise acquired over more than 20 years managing its own LICs as well as its reputation within the LIC and LIT sector, to realise the value inherent in the Company's investments; • the benefits of the LIC structure, which provides investors with a closed pool of capital, strong corporate governance and the ability to pay fully franked dividends; and • access to a Board of Directors and an Investment Manager with significant experience in funds management, Australian and global listed equities, alternative assets and corporate governance. 	See Section 4
What is the business model of the Company?	<p>The Company is a newly incorporated company that has not conducted business to date. Upon completion of the Offer, the Company will be listed on the ASX.</p> <p>The Company's Investment Strategy will provide Shareholders with exposure to a diversified equities Portfolio, predominantly comprised of Discounted Assets, specifically LICs and LITs purchased at a discount to their underlying asset values that the Investment Manager believes will close over time.</p> <p>A discount occurs when a security (e.g. a share or unit) trades at a price below the value for which its underlying assets could be sold individually. A discount will narrow as the security trades closer to its underlying asset value over time. As a discount narrows, the initial value differential (between the purchase price and the underlying asset value) is able to be realised as part of the Investment Strategy.</p>	See Sections 4, 5 and 10.1

2. Offer Summary

Question	Answer	More information
<i>(continued)</i>	<p>The Investment Manager aims to realise some or all of this value differential as part of the Investment Strategy and in doing so provides an alternative source of market outperformance compared to common stock-selection strategies.</p> <p>The Investment Strategy leverages the Investment Manager's proven market-driven investment process, significant experience, expertise, reputation within the LIC and LIT sector.</p> <p>Successfully implementing the Investment Strategy involves the Investment Manager identifying the opportunities in the investment universe where there is potential for a prevailing discount to be narrowed. This is a specialist skillset the Investment Manager has been refining over more than 20 years' experience, capturing discounts and taking advantage of mispricing opportunities within its market-driven investment process.</p> <p>The Investment Manager's significant experience and expertise in managing and investing in LICs means that it is uniquely placed to identify and execute this Investment Strategy. The Investment Manager will employ techniques which it has developed and refined over more than 20 years managing its own LICs and as an investor in LICs and LITs in Australia and globally.</p>	See Sections 4, 5 and 10.1
What are the investment objectives?	<p>The Company's investment objectives are to:</p> <ul style="list-style-type: none"> • provide capital growth over the medium-to-long term; • deliver a stream of fully franked dividends; and • preserve capital. <p>The Company aims to maximise total Shareholder returns with a combination of capital growth and income, allowing fully franked dividends to be paid to Shareholders, provided the Company has sufficient profits reserves and franking credits available and it is within prudent business practices to do so.</p> <p>This statement is not intended to be a forecast, rather it is an investment objective of the Company. The Company may not be successful in meeting this objective.</p>	See Section 4.1
Will the Company pay dividends?	<p>One of the Company's stated investment objectives is to deliver a stream of fully franked dividends to Shareholders provided the Company has sufficient profits reserves and franking credits available and it is within prudent business practices to do so.</p> <p>This is not intended to be a forecast, it is merely an investment objective of the Company. The Company may not be successful in meeting this objective.</p> <p>The Company has established a dividend reinvestment plan for Shareholders. The terms of this dividend reinvestment plan are summarised at Section 11.4.</p>	See Sections 4.11 and 11.4
What are the key risks associated with the business model and the Offer?	<p>An investment in the Company is subject to a variety of risks. The key risks identified by the Company include:</p> <p>(a) Investment Strategy risk: The success and profitability of the Company will largely depend on the Investment Manager's continued ability to manage the Portfolio in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments. If the Investment Manager fails to do so, the Company may not perform well. There are risks inherent in the Investment Strategy that the Investment Manager will employ for the Company.</p>	<i>Investors should read these risks together with the other risks described in Section 6</i>

Question	Answer	More information
(continued)	<p>(b) Investment Manager's performance risk: The past performance of portfolios managed by the Investment Manager, and persons associated with the Investment Manager, are not necessarily a guide to future performance of the Company. The success and profitability of the Company depends almost entirely on the ability of the Investment Manager to construct a Portfolio of investments that has the ability to increase in value over time and to successfully execute techniques and strategies that aim to realise value within the Company's Portfolio of Discounted Assets. The Company has no right to terminate the Investment Management Agreement during the initial fixed term, which is expected to be 10 years. Even if the Company does not perform well, it may be difficult to remove the Investment Manager.</p> <p>(c) Key person risk: The Company's Investment Strategy has been developed by Wilson Asset Management, and leverages the Investment Manager's, specifically Geoff Wilson's, significant experience in identifying, investing in and realising Discounted Asset opportunities. If Geoff Wilson ceases his role with the Investment Manager, there is a risk to the successful execution of the Investment Strategy going forward. The Company has no right to terminate the Investment Management Agreement in the event of a change of control of the Investment Manager or in the event of a material change to the composition of the Wilson Asset Management Investment Team, including if Geoff Wilson ceases his role with the Investment Manager. The risks associated with Geoff Wilson leaving the Investment Manager are mitigated by the depth of experience across both the Wilson Asset Management Investment Team, and the broader management team. Notably, excluding Geoff Wilson, the Wilson Asset Management Investment Team still has over 150 years' collective investing experience which the Company's Investment Strategy will leverage. The risk of Geoff Wilson leaving the Investment Manager is further mitigated by the fact that Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the Investment Manager. Geoff's commitment to the Company and its Investment Strategy is further evidenced by his intention to invest approximately \$5 million in the Offer, through associated entities.</p> <p>(d) Market risk: Share markets tend to move in cycles, and individual security prices may fluctuate and underperform other asset classes over extended periods of time. The value of listed securities may rise or fall depending on a range of factors beyond the control of the Company. Although the Investment Manager will seek to manage market risk, unexpected market conditions that could have a negative impact on the Value of the Portfolio or the return of the Company's investments. Shareholders in the Company are exposed to this risk both through their holding in the Company's Shares as well as through the Company's Portfolio.</p> <p>(e) Concentration risk: There may be more volatility in the Portfolio as compared to the broader market because the Portfolio will be comprised of a smaller number of securities than the broader market.</p> <p>(f) Discount to NTA risk: The Company will be listed on the ASX. The Share price may trade at a premium or a discount to its NTA. Whether a LIC trades at a premium or discount to its NTA can be influenced by a number of factors</p>	<p><i>Investors should read these risks together with the other risks described in Section 6</i></p>

2. Offer Summary

Question	Answer	More information
<i>(continued)</i>	<p>including, but not limited to, falls in domestic or global equity markets, the performance of its portfolio, its history of dividend payments, its marketing and communication strategy, and overall experience of its investment management team.</p> <p>(g) Compensation fee structure risk: The Investment Manager may receive compensation based on the Portfolio's performance. The Performance Fee may create an incentive for the Investment Manager to make investments that are more speculative or higher risk than would be the case. There is no 'hurdle' or benchmark in relation to the Performance Fee for the Investment Manager. The Performance Fee is subject to a High Water Mark which is the greater of the highest Value of the Portfolio as at the last day of any Performance Calculation Period and the gross proceeds raised under the Offer. See Section 10.1 for further details.</p> <p>(h) Leverage risk: Leverage occurs when the Portfolio exposure to investments exceeds the NAV of the Company, and can magnify both the gains and losses. The Investment Manager can use debt to increase the scale of the Portfolio of the Company. Leverage risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing. The Investment Manager is also able to use Derivatives and Short Selling which can have an effect similar to debt, creating leverage in the Portfolio that can magnify the gains and losses achieved.</p> <p>(i) Financial market volatility: A fall in domestic or global equity markets, bond markets or the rate of change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the Value of the Portfolio (for example if the price of securities within the Portfolio decreases and the Investment Manager is required to sell investments at a loss). This may also have a negative effect on the price at which the Company's Shares trade.</p> <p>(j) Economic risk: The Company's Portfolio will be exposed to economic risks that may have a negative impact on the Value of the Portfolio or the return of the Company's investments. The Value of the Portfolio may be impacted by numerous economic factors. These factors include changes in economic conditions (e.g. changes in interest rates or economic growth), legislative and political environments, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters, acts of terrorism and turmoil in financial markets (such as a global financial crisis or pandemic) can, and sometimes do, add to equity markets volatility as well as impact directly on the Company or securities within the Company's Portfolio. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's Portfolio or appreciation of the price of the Company's Share price.</p> <p>A more detailed list and explanation of risks associated with an investment in the Company is set out in Section 6. Investors should consider all risks before investing in the Company.</p>	<p><i>Investors should read these risks together with the other risks described in Section 6</i></p>

B. Key information about the Company's Portfolio and the Investment Strategy

Question	Answer	More information
What is the Company's investment strategy?	<p>The Investment Strategy will employ Wilson Asset Management's proven market-driven investment process and leverage the Investment Manager's significant experience managing LICs and investing in Australian and global equity markets and alternative assets.</p> <p>The market-driven investment process developed by the Investment Manager takes advantage of mispricing opportunities in the equity market. The Investment Strategy will focus on a subset of mispricing opportunities, being Discounted Assets, primarily Australian LICs and LITs trading at discounts to underlying asset values.</p> <p>The Investment Manager believes that the value presented by the Company's Discounted Assets, including LICs or LITs, can be realised through a variety of techniques. These include, but are not limited to, the use of existing catalysts and through regular and meaningful engagement with boards, management teams, shareholders and other investors and through shareholder activism where necessary.</p> <p>The Investment Manager will utilise its significant experience and expertise in managing and investing in LICs to identify opportunities to realise value and engaging proactively with boards, management teams, investors, and other stakeholders will be an essential element of the process.</p> <p>See Section 4.3 for further details about the Investment Strategy, Section 4.6 for details of the market-driven investment process and Section 4.6.1 for worked examples of the Investment Strategy.</p>	See Section 4.3
How will the Portfolio be constructed?	<p>The Portfolio will be constructed by the Investment Manager in accordance with the Investment Strategy, permitted investments, investment guidelines and parameters as agreed with the Company from time-to-time (initially being more summarised in this Prospectus).</p> <p>Whilst the Company's investment guidelines and permitted investments provide the Investment Manager with a broad mandate, the Investment Manager's initial focus will be on investments in Discounted Assets.</p> <p>Further, notwithstanding the broad mandate, the Company's Portfolio is expected to be predominantly comprised of listed Australian securities, specifically investments in LICs and LITs (see Sections 4.3, 4.7 and 5.4 for further details). However, as explained below, there is no limitation to the level of cash which can be held in the Portfolio.</p> <p>With a view to managing risks, gross exposure within the Portfolio (i.e. the sum of the value of Long Positions, Short Positions and Derivatives) will not exceed 150% of the Value of the Portfolio without prior Board approval.</p>	See Sections 4.3, 4.7, 5.4, and 10.3
Can the Company hold cash?	<p>Yes, the Portfolio can hold cash at any given time.</p> <p>The Company will invest only when the Investment Manager can identify appropriate investment opportunities and the Company will hold cash when opportunities are not identified by the Investment Manager. There is no limitation to the level of cash which can be held in the Portfolio.</p>	See Section 4.7

2. Offer Summary

Question	Answer	More information
Will the Portfolio be leveraged?	<p>The Investment Manager can use debt (through convertible notes and similar investments, or through debt facilities with financial institutions) to increase the scale of the Portfolio of the Company.</p> <p>The Investment Manager may also become leveraged through the use of Short Selling and Derivatives. Short Selling and Derivatives may also have the effect of magnifying gains and losses in a similar manner to financial leverage.</p> <p>The gross exposure of the Portfolio via leverage (i.e. the value of Long Positions, plus Short Positions, plus gross Derivative exposures within the Portfolio) must not exceed 150% of the Value of the Portfolio without prior Board approval.</p>	<i>See Sections 4.8</i>
Will the Company participate in Short Selling?	<p>Short Selling may be undertaken by the Company, as part of the Investment Strategy, to benefit from falling security prices. The Company is expected to engage in Short Selling by borrowing Securities and providing stock or cash collateral.</p> <p>Short Selling can magnify gains in the Portfolio, but can also magnify losses. To manage this risk, the Company has adopted the Short Selling policy in Section 4.10.</p> <p>The Portfolio's exposure to Short Positions will not exceed 50% of the Value of the Portfolio, without Board approval. However, in line with the historical implementation of the Investment Manager's strategy, the exposure to Short Positions within the Portfolio at any given time is expected to be less than 5% to 10% of the Value of the Portfolio.</p> <p>An example of Short Selling can be found in Section 4.10.</p>	<i>See Sections 4.10 and 6.3</i>
What is the Company's Derivative policy?	<p>The Investment Manager may use Exchange-traded Derivatives and over-the-counter Derivatives including options, participatory notes, futures and swaps, fixed income, currency commodities and credit default exposures, currency forwards/contracts and related instruments.</p> <p>While Derivatives are permitted investments, they are not central to the Investment Strategy and are not expected to be a core part of the Portfolio. Further, the Investment Manager currently intends to limit Derivative exposures within the Portfolio to relatively simple Derivatives (e.g. Exchange-traded Derivatives). The effective exposure via Derivatives will not exceed 100% of the Value of the Portfolio without prior Board approval.</p> <p>Derivatives can magnify gains in the Portfolio, but can also magnify losses. To manage this risk, the Company has adopted the Derivative policy in Section 4.9.</p>	<i>See Sections 4.9 and 6.3</i>
What is the investment term?	<p>The Company's investment objectives are to provide capital growth over the medium-to-long term, to deliver a stream of fully franked dividends and to preserve capital.</p> <p>For this reason, investors are strongly advised to regard any investment in the Company as a medium-to-long term proposition (more than five years) and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond.</p> <p>Investors are encouraged to contact their stockbroker, financial adviser, accountant, lawyer or other professional adviser before deciding whether to apply for Shares, after investing and before making any investment decisions in relation to the Company.</p>	<i>See Section 6.6</i>

C. Key information about the Company and Investment Manager

Question	Answer	More information
Who are the Company's Directors?	<p>The Directors of the Company are:</p> <ul style="list-style-type: none"> • Geoff Wilson (Non-independent, Chairman); • Kate Thorley (Non-independent, non-executive Director); and • Glenn Burge (Independent, non-executive Director). <p>See Section 5.7 and Section 9.2 for further details regarding the background of the Directors.</p>	See Sections 5.7 and 9.2
What is the financial position of the Company?	<p>The Company has net assets of \$1 as at the date of the Prospectus.</p> <p>The Company has no performance history as it is yet to commence trading.</p> <p>The unaudited pro forma statements of financial position in relation to the Offer are set out in Section 7.2.</p>	See Section 7.2
Who will manage the Portfolio?	<p>The Investment Manager is Wilson Asset Management (International) Pty Limited (ACN 081 047 118) (Wilson Asset Management), a boutique fund manager established in 1997. The Investment Manager holds an Australian Financial Services Licence (AFSL no. 247 333). Wilson Asset Management employs 41 staff and is led by the Company's two non-independent directors: Chairman and Chief Investment Officer, Geoff Wilson and Chief Executive Officer, Kate Thorley.</p> <p>Wilson Asset Management is responsible for investing over \$4 billion in shareholder capital (as at 31 March 2021) on behalf of more than 100,000 investors across seven LICs and one wholesale unit trust.</p> <p>Geoff Wilson will lead the Investment Team responsible for the Company's Portfolio, with support from the broader Wilson Asset Management team. The Investment Team comprises 14 professionals with over 190 years' collective investing experience gained across equities and alternative assets. Geoff Wilson and the Investment Team work as a close unit dedicated to the management of all WAM Entities (including, after the Offer, the Company) and are solely focused on growing and protecting shareholders' capital in each of those entities.</p> <p>The Investment Manager will ensure that Geoff Wilson and the other members of the Wilson Asset Management Investment Team will dedicate such time as required to the Company (see Section 5.7 for further details of the Investment Team's experience and expertise). The Wilson Asset Management Investment Team is supported by a team of 27 high-performing professionals who work across corporate affairs, finance and operations teams. They are tasked with delivering shareholders transparency, insights and experiences. Their work adds discipline, depth and reach to Wilson Asset Management's core business and supports the Investment Strategy and the market-driven investment process of the Company. The Investment Manager will ensure the broader management team is able to dedicate such time as required to the Company. See Section 5.7 for the key members of the management team.</p>	See Section 5

2. Offer Summary

Question	Answer	More information
Does the Board approve investments?	Board approval is not required for investments undertaken by the Investment Manager that are in accordance with the Company's investment objectives, Investment Strategy, guidelines and permitted investments agreed from time-to-time (initially being those summarised in this Prospectus). Any investments that the Investment Manager proposes outside of these parameters must be approved by the Board.	See Section 10.1
Will any related party have a significant interest in the Company or in connection with the Offer?	<p>All Directors will be remunerated for their services. The annual salary of each Director (inclusive of superannuation) is summarised in Section 9.8. In addition to their annual salary, Directors are entitled to be reimbursed for certain costs and expenses.</p> <p>Currently, Chairman Geoff Wilson holds the sole Share on issue in the Company. Geoff Wilson is also the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the Investment Manager. As the indirect owner of the ordinary shares in the Investment Manager, Geoff Wilson will benefit from any fees paid to Wilson Asset Management by the Company, including in accordance with the Investment Management Agreement (see Sections 9.11 and 10.1 for further details).</p> <p>Kate Thorley is the Chief Executive Officer, Company Secretary and indirect owner of non-voting preference shares in the Investment Manager. As the indirect owner of non-voting preference shares, Kate Thorley may also benefit from any management, performance and service fees paid to the Investment Manager by the Company.</p> <p>Directors or entities related to them may apply for Shares under this Offer. The Chairman, Geoff Wilson, is planning to invest approximately \$5 million in the Offer, through associated entities.</p> <p>At completion of the Offer, the Directors are expected to have a relevant interest in the following numbers of Shares respectively:</p> <ul style="list-style-type: none"> • Geoff Wilson: 4,000,001 • Kate Thorley: 100,000 • Glenn Burge: 50,000 <p>Other than as set out above, in Section 9.11 and elsewhere in this Prospectus there are no other existing agreements or arrangements nor any currently proposed transactions in which the Company was, or is to be, a participant and in which any related party of the Company had or will have a direct or indirect interest in the Company or the Offer.</p>	See Sections 9.8 and 9.11
What are the key terms of the Investment Management Agreement?	<p>The Investment Management Agreement currently has an initial term of five years (followed by rolling automatic five year extensions, unless and until terminated).</p> <p>The Company will apply to the ASX for a waiver to allow an initial term period of 10 years. If the ASX refuses the waiver application, the initial term of the Investment Management Agreement will be five years.</p> <p>The Investment Manager will be responsible for managing the Portfolio in accordance with the strategy, guidelines and parameters set out in Section 4 (as amended from time-to-time by the Company).</p>	See Section 10.1

Question	Answer	More information
What fees will the Investment Manager receive?	<p>In return for the performance of its duties managing the Portfolio, the Investment Manager would be entitled to be paid a monthly Management Fee equal to approximately 1.0% (plus GST) per annum (or 0.083333% per month) of the Value of the Portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).</p> <p>As a worked example, assuming an initial Portfolio value of \$225,000,000 at 1 July 2021, and nil performance return on the Portfolio each month, the aggregate Management Fee payable on the Portfolio value for the period 1 July 2021 to 30 June 2022 would be approximately \$2,250,000 (plus GST) or 1.0% of the initial Value of the Portfolio for the period.</p> <p>The Management Fee is to be paid to the Investment Manager regardless of the performance of the Company. Management Fees would increase if the Value of the Portfolio increases, and decrease if the Value of the Portfolio decreases, over the period.</p> <p>In addition to the monthly Management Fee, the Investment Manager is entitled to be paid a Performance Fee equal to 20.0% of the increase in the Value of the Portfolio above the High Water Mark in each Performance Calculation Period (typically every 12 month period ending 30 June).</p> <p>Example 1: Performance above the High Water Mark</p> <p>Assuming a Performance Calculation Period ending 30 June 2022, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$225,000,000 (which also represents the High Water Mark) and a Value of the Portfolio at the end of the Performance Calculation Period of \$247,500,000 (representing a 10% higher value than at the beginning of the Performance Calculation Period):</p> <p>(a) As the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$247,500,000, there would be an aggregate positive performance of \$22,500,000;</p> <p>(b) In this instance:</p> <ul style="list-style-type: none"> • there would be a Performance Fee payable at 20.0% of this amount equating to \$4,500,000 (plus GST) for the Performance Calculation Period as the Value of the Portfolio is above the High Water Mark; and • the High Water Mark would become \$243,000,000 (being the Value of the Portfolio, less the Performance Fee payable at the Performance Calculation Date). <p>Example 2: Performance below the High Water Mark</p> <p>Assuming a Performance Calculation Period ending 30 June 2022, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$225,000,000 (which also represents the High Water Mark) and a Value of the Portfolio at the end of the Performance Calculation Period of \$202,500,000 (representing a 10% lower value than at the beginning of the Performance Calculation Period):</p> <p>(a) As the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$202,500,000, there would be an aggregate negative performance of \$22,500,000.</p> <p>(b) In this instance:</p> <ul style="list-style-type: none"> • there would be no Performance Fee payable for the Performance Calculation Period as the Value of the Portfolio is less than the High Water Mark; and • the High Water Mark remains at \$225,000,000. 	See Section 10.1

2. Offer Summary

Question	Answer	More information
<i>(continued)</i>	<p>Example 3: Recouping past underperformance against the High Water Mark</p> <p>Following on from Example 2 above, assuming a Performance Calculation Period ending 30 June 2023, the High Water Mark of \$225,000,000, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$202,500,000, and a Value of the Portfolio at the end of the current Performance Calculation Period that is 15% higher than at the beginning of \$232,875,000:</p> <p>(a) The aggregate positive performance above the High Water Mark is only \$7,875,000 (as the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$232,875,000).</p> <p>(b) In this instance:</p> <ul style="list-style-type: none"> there would be a Performance Fee payable at 20.0% of \$7,875,000 equating to \$1,575,000 (plus GST) for the Performance Calculation Period, as the Value of the Portfolio is above the High Water Mark; and the High Water Mark would become \$231,300,000 (being the Value of the Portfolio, less the Performance Fee payable at the last Performance Calculation Date). <p>The calculation of both the Management and Performance Fees are explained in full in Section 10.1.</p>	<i>See Section 10.1</i>
What is the Manager Loan?	<p>The Company has entered into a Manager Loan with the Investment Manager dated 7 May 2021. The Investment Manager has agreed to be responsible for the payment of the Offer Costs that the Company would normally be liable for. These costs will be paid upfront by the Company; however, the Investment Manager will repay the Offer Costs to the Company in accordance with the Manager Loan. This Manager Loan permits the Investment Manager to draw a maximum amount of 1.5% of the Maximum Subscription proceeds under the Offer, however the Manager has confirmed it will only draw an amount equal to the Offer Costs (see Section 7.7 for further details) which will be determined at the close of the Offer.</p> <p>The term of the Manager Loan is 30 months from the date of allotment and must be repaid in full regardless of whether the Manager is the investment manager of the Company. The Investment Manager is required to repay the Manager Loan in monthly instalments over the 30-month term of the Manager Loan, but retains the discretion to repay the Manager Loan early. Each monthly instalment should be equal to at least 1/30th of the total loan amount.</p> <p>The Investment Manager may repay the Manager Loan early at its absolute discretion. See Section 10.2 for a summary of the Manager Loan key terms.</p>	<i>Section 10.2</i>
What other arrangements are in place with related parties to the Company and the WAM Entities?	<p>In addition to providing investment management services, Wilson Asset Management will provide accounting and company secretarial services to the Company. The terms of these arrangements are detailed in Section 9.11.</p> <p>The Company has entered into a deed pursuant to which it may acquire Discounted Assets on arm's length terms from certain WAM Entities (see Section 10.3 for further details).</p>	<i>See Section 9.11 and 10.3</i>

D. About the Offer

Question	Answer	More information
Who is the issuer of the Shares under this Prospectus?	The issuer is WAM Strategic Value Limited (ACN 649 096 220).	See Section 3
What is the Offer?	The Company is offering for subscription fully paid Shares at an Application Price of \$1.25 to raise a minimum of \$16,500,000 (Minimum Subscription) and up to \$225,000,000 (Maximum Subscription). The Offer is made up of the Priority Allocation to the Wilson Asset Management Family, the Broker Firm Offer and the General Offer.	See Section 3.1
What is the purpose of the Offer?	<p>The money raised under the Offer will be used by the Company for investments consistent with the Investment Strategy and objectives (refer to Section 4 for further details) and invested in the Manager Loan (see Section 10.2 for a summary of the Manager Loan).</p> <p>The initial Portfolio of the Company may include investments acquired on arm's length terms from certain WAM Entities (see Section 3.4 and 10.3 for further details). The size of these investments and the composition of the initial Portfolio, while not determined at the date of the Prospectus, is not expected to exceed (in aggregate) 80% to 90% of the Value of the Portfolio at completion of the Offer, assuming the Maximum Subscription proceeds from the Offer are received.</p>	See Sections 4, 5.4, 10.2, and 10.3
Is there a Minimum Subscription?	Yes. For the Offer to proceed, valid Applications for no less than 13,200,000 Shares must be received by the Company.	See Section 3.5
Is the Offer underwritten?	No. The Offer is not underwritten.	See Section 3.6
Is there a cooling off period?	There is no cooling off period.	
Who can participate in the Priority Allocation to the Wilson Asset Management Family?	<p>The Priority Allocation to the Wilson Asset Management Family consists of:</p> <ul style="list-style-type: none"> a \$115 million priority allocation to shareholders of one or more of WAM Capital Limited (WAM Capital), WAM Leaders Limited (WAM Leaders), WAM Global Limited (WAM Global), WAM Microcap Limited (WAM Microcap), WAM Alternative Assets Limited (WAM Alternative Assets), WAM Research Limited (WAM Research) and WAM Active Limited (WAM Active) and their associated entities with registered addresses in Australia or New Zealand; and a \$10 million priority allocation to past shareholders of the companies listed above, shareholders' family and friends, subscribers to Wilson Asset Management's updates and their associated entities with a registered address in Australia or New Zealand. 	See Section 3.2

2. Offer Summary

Question	Answer	More information
Who can participate in the Broker Firm Offer?	The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia.	See Section 3.3
Who can participate in the General Offer?	The General Offer is open to all persons with a registered address in Australia or New Zealand.	See Section 3.4
How do I apply for Shares?	The procedures for making an investment in the Company are described in Section 3.	See Section 3
Is there a minimum number of Shares Applicants must apply for?	Yes. Each Applicant must subscribe for a minimum of 1,800 Shares for a total of \$2,250. A larger number of Shares may be subscribed for in multiples of 100 Shares.	See Section 3.7
What is the Application Price under the Offer?	Under the Offer, Applicants will pay an Application Price of \$1.25 per Share. The procedures for making an investment in the Company are described in Section 3.	See Section 3
What are the fees and costs of the Offer?	<p>In consideration for management services provided to the Company in relation to the Offer, the Company will pay Taylor Collison Limited \$500,000 (plus GST) and Morgans Financial Limited \$250,000 (plus GST).</p> <p>In addition, each Joint Lead Manager will be paid an Application Fee of 1.25% (including GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager and their associated Brokers from participating Wholesale and Sophisticated Clients and Retail Clients.</p> <p>Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee paid in respect of their allocation by their Broker. To find out more about this rebate, including whether you are eligible contact your Broker.</p> <p>No Application Fees will be paid (or rebated) in respect of proceeds raised via the Priority Allocation or the General Offer.</p> <p>The costs of the Offer, net of tax and GST, include legal, accounting, marketing and other costs associated with the preparation of the Prospectus and the issue of Shares. These costs are estimated to be:</p> <ul style="list-style-type: none"> • \$823,986 assuming the Minimum Subscription; and • \$1,742,135 assuming the Maximum Subscription. <p>See Section 7.7 for further details.</p> <p>The Investment Manager has agreed to be responsible for the payment of the Offer Costs that the Company would normally be liable for. These costs will be paid upfront by the Company; however, the Investment Manager will reimburse the Company for the Offer Costs using the proceeds of the Manager Loan, a working capital loan made by the Company to the Manager. The terms of the Manager Loan are summarised in Section 10.2.</p>	See Sections 3.13, 7.7, and 10.2

Question	Answer	More information
Will I be entitled to a rebate of the Broker Firm Application Fee?	<p>Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee by their relevant Broker.</p> <p>To find out more about this rebate, including whether you are eligible contact your Broker.</p>	<i>See Section 3.13</i>
Who are the Joint Lead Managers?	Taylor Collison Limited and Morgans Financial Limited are Joint Lead Managers to the Offer.	<i>See Section 10.4</i>
Who are the Co-Managers?	Bell Potter Securities Limited, Shaw and Partners Limited, Ord Minnett Limited and Canaccord Genuity (Australia) Limited are the Co-Managers to the Offer.	<i>See Section 10.4</i>
Who is the Authorised Intermediary?	Taylor Collison Limited is the Authorised Intermediary.	<i>See Section 10.4</i>
How can I obtain further information?	<p>For further information or if you have any questions relating to the Offer, you can contact:</p> <p>Wilson Asset Management T: (02) 9247 6755 E: info@wilsonassetmanagement.com.au W: wilsonassetmanagement.com.au/strategicvalue</p> <p>For questions about the application process, please contact the Share Registry:</p> <p>Automic Pty Limited (02) 8072 1490 (Australia) 1300 408 788 (International) E: wamstrategicvalue@automic.com.au</p> <p>If you are uncertain as to whether an investment in the Company is suitable for you, please contact your stockbroker, financial adviser, accountant, lawyer or other professional adviser.</p>	

The above table is a summary only. This Prospectus should be read in full before making any decisions to apply for Shares in the Company.

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Details of the Offer

This Prospectus should be read in full before making any decision to apply for Shares.

3.1 The Offer

The Company is offering for subscription a minimum of 13,200,000 and up to 180,000,000 fully paid ordinary Shares to raise a minimum of \$16,500,000 (**Minimum Subscription**) and a maximum of \$225,000,000 (**Maximum Subscription**).

The Application Price is \$1.25 per Share. The rights attaching to the Shares are set out in Section 11.3.

The Offer is made up of the Priority Allocation to the Wilson Asset Management Family (detailed in Section 3.2), the Broker Firm Offer (detailed in Section 3.3) and the General Offer (detailed in Section 3.4).

To participate in the Priority Allocation to the Wilson Asset Management Family and the General Offer, the Registry must receive your Application Form by 5:00pm (Sydney time) on the Closing Date (expected to be 10 June 2021). If you intend on participating through the Broker Firm Offer, the closing date for your application is expected to be 5:00pm (Sydney time) on 4 June 2021.

The Offer will be made to investors who have a registered address in Australia or New Zealand only.

Early lodgement of your Application is recommended as the Directors may close the Offer at any time after the expiry of the Exposure Period. The Directors may extend the Offer in accordance with the Corporations Act.

The Directors reserve the right to withdraw the Offer at any time.

3.2. Priority Allocation to the Wilson Asset Management Family

Up to \$125 million of the \$225,000,000 Maximum Subscription proceeds from the Offer has been set aside for the Priority Allocation to the Wilson Asset Management Family, consisting of:

- a \$115 million priority allocation to shareholders of one or more of WAM Capital Limited (**WAM Capital**), WAM Leaders Limited (**WAM Leaders**), WAM Global Limited (**WAM Global**), WAM Microcap Limited (**WAM Microcap**), WAM Alternative Assets Limited (**WAM Alternative Assets**), WAM Research Limited (**WAM Research**) and WAM Active Limited (**WAM Active**) and their associated entities with registered addresses in Australia or New Zealand; and

- a \$10 million priority allocation to past shareholders of the companies listed above, shareholders' family and friends, subscribers to Wilson Asset Management updates and their associated entities with a registered address in Australia or New Zealand.

Shares will be allocated under the Priority Allocation to the Wilson Asset Management Family at the Directors' discretion. To participate in the Priority Allocation to the Wilson Asset Management Family, investors should use the Priority Application Form.

Early lodgement of your application is recommended as the Offer may be closed early at the Directors' discretion. If the Company receives Applications under the Priority Allocation to the Wilson Asset Management Family for more than \$125 million, it intends to treat such additional Applications as being made under the General Offer on a General Offer Application Form. The Directors reserve the right to allocate such applications at their discretion.

Shares offered under the Priority Allocation to the Wilson Asset Management Family that are not taken up will be allocated by the Company under the Broker Firm Offer or the General Offer (at the Directors' discretion).

3.3. Broker Firm Offer

The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and who have a registered address in Australia. Applicants should contact their Broker to determine whether they may be allocated Shares under the Broker Firm Offer.

Applicants who have been offered a firm allocation by a Broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation.

To participate in the Broker Firm Offer, your Application Form must be received by your Broker by 5:00pm (Sydney time) on the Broker Firm Offer closing date, expected to be 4 June 2021.

The allocation of Shares to Brokers will be determined by the Company in consultation with the Joint Lead Managers. Shares that are allocated to Brokers for allocation to their clients with an Australian registered address will be issued or transferred to the Applicants who have received a valid allocation of Shares from those Brokers.

3. Details of the Offer

3.4. General Offer

The General Offer is open to all persons with a registered address in Australia or New Zealand. The Application Form marked “General Offer Application Form” must be completed by Applicants that are not eligible for the Priority Allocation to the Wilson Asset Management Family and who are not participating in the Broker Firm Offer.

To participate in the General Offer, your Application Form and Application Monies must be received by the Registry by 5:00pm (Sydney time) on the Closing Date (expected to be 10 June 2021).

Applications will be processed, and Shares allocated under the General Offer will be determined by the Company in consultation with the Joint Lead Managers.

3.5. Minimum Subscription

The Minimum Subscription required for the Offer to proceed is \$16,500,000, being receipt of valid Applications for not less than 13,200,000 Shares.

If Applications for the minimum subscription are not received by the Company before the end of 3 months after the date of the Original Prospectus (or such longer period permitted by the Corporations Act with the consent of ASIC), all Application Monies received pursuant to the Prospectus will be refunded in full to Applicants, without interest, within the time prescribed by the Corporations Act.

3.6. Offer not underwritten

The Offer is not underwritten.

3.7. Applications under the General Offer and Priority Allocation

Application Forms

Applications under the Offer must be made and will only be accepted on the applicable Application Form that accompanies this Prospectus.

Application Forms will be accepted at any time after the Opening Date and until 5:00pm (Sydney time) on the Closing Date.

An Application Form must be completed in accordance with the instructions on the form (if using a paper Application Form, the instructions are on the reverse side of the Application Form, if using an electronic Application Form, follow the prompts).

Applications under the Offer must be for a minimum of 1,800 Shares for a total of \$2,250. Applications may be made for additional Shares in multiples of 100 Shares for \$125 in Application Monies.

Applications under the Priority Allocation and the General Offer must be accompanied by the payment of the Application Price in Australian currency of \$1.25 multiplied by the number of Shares applied for.

Applications and Application Monies for Shares under the Offer received after 5:00pm (Sydney time) on the Closing Date will not be accepted and will be returned to potential investors.

The Directors may extend the Closing Date or close the Offer early. Accordingly, early lodgement of your Application is recommended.

Online application and payment by BPAY

You may apply for Shares online and pay your Application Monies by BPAY.

Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this Prospectus which is available at wilsonassetmanagement.com.au/strategicvalue and follow the instructions on the online Application Form, which includes the Biller Code and your unique Customer Reference Number (CRN). You do not need to complete and return a paper Application Form if you pay by BPAY.

You should be aware that you will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN, your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5:00pm (Sydney time) on the relevant Closing Date. Your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies or payments by BPAY before the relevant Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Payment by cheque or bank draft

Cheque(s) or bank draft(s) must be drawn on an Australian branch of a financial institution and made payable to “WAM Strategic Value Limited” and crossed “Not Negotiable”.

Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s).

If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheque(s) have cleared as at 5:00pm (Sydney time) on the Closing Date) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Completed Application Forms and accompanying cheque(s) or bank draft(s) may be lodged by the following:

By mail

WAM Strategic Value Limited
c/- Automic Pty Limited
GPO Box 5193
Sydney NSW 2001

Hand delivered

WAM Strategic Value Limited
c/- Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

3.8. Applications under the Broker Firm Offer

If you are applying for Shares under the Broker Firm Offer, you should arrange for your Broker Firm Application Form to be lodged with the Broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a copy of this Prospectus.

The allocation of Shares to Brokers will be determined by the Company in consultation with the Joint Lead Managers. Shares that are allocated to Brokers for allocation to their clients with an Australian registered address will be issued or transferred to the Applicants who have received a valid allocation of Shares from those Brokers.

Applicants under the Broker Firm Offer must complete their Broker Firm Application Form and pay their Application Monies to their Broker in accordance with the relevant

Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Company or Registry.

The Broker Firm Offer is expected to close at 5:00pm (Sydney time) on 4 June 2021. Please contact your Broker for instructions.

It will be a matter for the Brokers how they allocate Shares amongst their clients, and they (and not the Company) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Shares.

The Company takes no responsibility for a Broker failing to submit Broker Firm Application Forms by the close of the Broker Firm Offer.

Delivery versus payment (**DvP**) settlement is available for Applicants under the Broker Firm Offer. Please contact your Broker or the Joint Lead Managers for further details.

3.9. Exposure period

The Corporations Act prohibits the Company from processing Applications in the seven-day period after the date of lodgement of the Original Prospectus with ASIC (**Exposure Period**). This period may be extended by ASIC by up to a further seven days. Applications received during the Exposure Period will not be processed until after the expiry of that period.

No preference will be conferred on Applications received during the Exposure Period.

3.10. Allotment

The Company will not allot Shares until the Minimum Subscription has been received and the ASX has granted permission for quotation of the Shares unconditionally or on terms acceptable to the Company.

It is expected that the issue of Shares under the Offer will take place by 22 June 2021. Application Monies will be held on trust until allotment. The Company may retain any interest earned on the Application Monies held on trust pending the issue of Shares to successful Applicants.

An Application constitutes an offer by each Applicant to subscribe for Shares on the terms and subject to the conditions set out in this Prospectus.

A binding contract to issue Shares will only be formed at the time Shares are allotted to Applicants.

The Board reserves the right to accept, reject or scale back any Application, in its absolute discretion.

3. Details of the Offer

Where the number of Shares allotted is less than the number applied for or where no allotment is made, the surplus Application Monies will be returned to Applicants (without interest) as soon as reasonably practicable.

It is the responsibility of each Applicant to confirm their holding before trading in the Company's Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk. The Company, the Share Registry and each Joint Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, whether on the basis of a confirmation of allocation provided by any of them, by a Broker or otherwise.

3.11. ASX and CHESS

The Company will apply within seven days of the date of the Original Prospectus for admission to the official list of the ASX and for the Shares to be quoted on the ASX.

The Company will apply to participate in the ASX's CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in 1 of 2 sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register.

Following completion of the Offer, Shareholders will be sent a statement of holding that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Security Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Registry may charge a fee for these additional issuer sponsored statements.

3.12. Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable to the Company on Applications under the Offer. Applicants to the Broker Firm Offer may pay brokerage or other fees to their Broker in relation to their Application. Any such fees will be on terms agreed between each Applicant and their Broker.

See Sections 3.13 and 10.4 for details of fees that the Company will pay to the Joint Lead Managers.

3.13. Licensed dealers

The Offer under this Prospectus will be made under an arrangement between the Company and Taylor Collison Limited, the holder of an AFSL (**Authorised Intermediary**), under Section 911A(2)(b) of the Corporations Act. The Company will authorise the Authorised Intermediary to make offers to people to arrange for the issue of Shares by the Company under the Prospectus and the Company will issue Shares in accordance with Applications made under such offers if they are accepted.

In consideration for management and Authorised Intermediary services provided to the Company in relation to the Offer, the Company will pay the Joint Lead Managers the following fixed fees: Taylor Collison Limited will be paid a fee (plus GST) of \$500,000 and Morgans Financial Limited will be paid a fee of \$250,000 (plus GST).

In addition, each Joint Lead Manager will be paid an Application Fee equal to 1.25% (including GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager and their associated Brokers from participating Wholesale and Sophisticated and Retail Clients.

Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee paid in respect of their allocation by their Broker. To find out more about this rebate, including whether you are eligible to receive it, please contact your Broker.

The Joint Lead Managers, the Co-Managers and Authorised Intermediary's functions should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. Neither the Authorised Intermediary, the Co-Managers nor any Joint Lead Manager guarantees the success or performance of the Company or the returns (if any) to be received by the Shareholders.

Neither the Joint Lead Managers, the Co-Managers nor the Authorised Intermediary is responsible for or caused the issue of this Prospectus.

3.14. Overseas investors

The Offer is an offer to investors with a registered address in Australia or New Zealand. The Offer does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

United States residents

The Offer is not open to persons in the United States or U.S. Persons.

The Shares being offered pursuant to this Prospectus have not been registered under the U.S. Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these Shares in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In addition, any hedging transactions involving these Shares may not be conducted unless in compliance with the U.S. Securities Act.

Overseas ownership and resale representation

It is your responsibility to ensure compliance with all laws of any country relevant to your Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty made by you to the Company that there has been no breach of such laws and that all necessary consents and approvals have been obtained.

3.15. Privacy

When you apply to invest in the Company, you acknowledge and agree that:

- (a) you are required to provide the Company with certain personal information to:
 - (i) facilitate the assessment of an Application;
 - (ii) enable the Company to assess the needs of Applicants and provide appropriate facilities and services for Applicants; and
 - (iii) carry out appropriate administration;
- (b) the Company may be required to disclose this information to:
 - (i) third parties who carry out functions on behalf of the Company, including marketing and administration functions, on a confidential basis;

- (ii) third parties if that disclosure is required by law; and

- (iii) related bodies corporate (as that term is defined in the Corporations Act) which carry out functions on behalf of the Company.

Under the Privacy Act 1988 (Cth), Applicants may request access to their personal information held by (or on behalf of) the Company. Applicants may request access to personal information by telephoning or writing to the Investment Manager.

3.16. Tax implications of investing in the Company

The taxation consequences of any investment in the Company will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company. Applicants are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

A general overview of the Australian taxation implications of investing in the Company are set out in Section 11.8 and are based on current tax law and Australian Tax Office tax rulings. The information in Section 11.8 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. We recommend you seek independent tax advice.

3.17. Anti-Money Laundering/Counter-Terrorism Financing Act 2006

The Company, Investment Manager or any Joint Lead Manager may be required under the *Anti-Money Laundering/Counter-Terrorism Financing Act 2006 (Cth)* or any other law to obtain identification information from Applicants. The Company reserves the right to reject any Application from an Applicant who fails to provide identification information upon request.

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About the Company

4.1. Overview of WAM Strategic Value Limited

The Company has been established to provide investors with access to:

- (a) a highly experienced and active Investment Manager with Australian and global listed equities and alternative assets expertise;
- (b) exposure to an actively managed diversified equities portfolio, predominantly comprised of Australian LICs and LITs, purchased at a discount to their underlying asset values, which the Investment Manager believes will trade at or near their underlying asset value in the future (**Discounted Assets**). The Investment Strategy's focus on LICs and LITs is expected to enhance diversification, providing indirect exposure to a wide pool of underlying assets for investors (see Section 4.5 for further details);
- (c) exposure to Wilson Asset Management's proven market-driven investment process applied within an Investment Strategy focused on capitalising on Discounted Assets, leveraging the Investment Manager's significant experience and expertise acquired over more than 20 years managing its own LICs as well as its reputation within the LIC and LIT sector, to realise value inherent in the Company's investments;
- (d) the benefits of the LIC structure, which provides investors with a closed pool of capital, strong corporate governance and the ability to pay fully franked dividends; and
- (e) access to a Board of Directors and an Investment Manager with significant experience in funds management, Australian and global listed equities and alternative assets, and corporate governance.

Investment objectives

The Company's investment objectives are to:

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

The Company aims to maximise total Shareholder returns with a combination of capital growth and income, allowing fully franked dividends to be paid to Shareholders provided the Company has sufficient profits reserves and franking credits available and it is within prudent business practices to do so. This statement is not intended to be a forecast, rather it is an investment objective of the Company. The Company may not be successful in meeting this objective.

4.2. Investment principles

The Company will invest in line with three broad principles:

- (a) **Focus on Discounted Asset opportunities:** The Company's Investment Strategy is primarily focused on investment opportunities involving Discounted Assets, specifically Australian LICs and LITs trading at a discount to their underlying asset backing, and other short-term mispricing opportunities identified by Wilson Asset Management's proven market-driven investment process.

The Investment Manager has a broad mandate to achieve the Company's investment objectives and may invest in any Australian or international securities (both listed and unlisted), use Derivatives, hold cash and invest in other permitted investments identified in Section 4.7 (subject to the restrictions set in the investment guidelines from time to time). Notwithstanding this broad mandate, due to the Investment Strategy's focus, the Portfolio is expected to be predominantly comprised of listed Australian securities, specifically investments in LICs and LITs.

- (b) **Preference for LICs and LITs:** The Portfolio will predominantly be comprised of Discounted Assets, specifically investments in Australian LICs and LITs purchased at a discount to their underlying asset value that the Investment Manager believes in the future will trade at or near their underlying asset value. The Investment Manager will utilise its significant experience and expertise in managing LICs and investing in Australian and global equities and alternative assets to identify and execute techniques to realise the discount. The Investment Manager considers engaging proactively and meaningfully with boards, management teams, investors and other stakeholders as an essential element of the process.

- (c) **Portfolio-based and index unaware investing:** The Investment Manager's priority will be to undertake investments on a portfolio basis. The Investment Manager will be both index and benchmark unaware when selecting investments. The Investment Manager will diversify investments within the Portfolio so to reduce the Company's exposure to abnormal falls in the market price of any single investment. In addition, the Portfolio is expected to provide diversification benefits by virtue of the underlying assets held in LICs and LITs in which the Company invests. For example, through an investment in LICs and LITs, the Company may have exposure to a portfolio of listed equities, credit, fixed income, infrastructure, private equity, real estate and cash.

4. About the Company

4.3. Investment Strategy

The Investment Strategy will employ Wilson Asset Management's proven market-driven investment process and leverage the Investment Manager's significant experience managing LICs and investing in Australian and global equity markets and alternative assets.

The market-driven investment process developed by the Investment Manager takes advantage of mispricing opportunities in equity markets. The Investment Strategy will focus on a subset of mispricing opportunities, being Discounted Assets, primarily on Australian LICs and LITs trading at discounts to their underlying asset values that the Investment Manager believes in the future will trade at or near their underlying asset value.

A discount is when a security (e.g. a share or unit) trades at a price that is below the value for which its underlying assets could be sold individually. A discount will narrow as that security trades closer to its underlying asset value. As a discount narrows, the initial value differential (between the purchase price and the underlying asset value) is able to be realised by selling at a price which reflects (more closely) the value of the underlying assets.

The Investment Manager aims to realise some or all of this value differential as part of the Investment Strategy and in doing so provides an alternative source of market outperformance compared to common stock-selection strategies. The Investment Strategy is primarily focused on capitalising on LICs and LITs trading at discounts to underlying asset values. The Investment Manager's significant experience and expertise in managing and investing in LICs provides it with a unique methodology to identify investment opportunities and execute the Investment Strategy within the LIC and LIT sector.

The value presented by the Company's Discounted Assets, including LICs or LITs, can be realised through a variety of techniques. These include, but are not limited to, the use of existing catalysts and through regular and meaningful engagement with boards, management teams, shareholders other investors and through shareholder activism where necessary. The Investment Manager will utilise its significant experience and expertise in managing and investing in LICs and LITs to identify opportunities to realise value, and engaging proactively with boards, management teams and other investors will be an essential element of the process.

The Company's Investment Strategy provides investors with the opportunity to invest in an actively managed portfolio that does not attempt to replicate traditional financial indices but rather the Investment Manager's approach is designed to provide strong risk-adjusted returns compared to more traditional forms of investing in equities.

4.4. About the Company's preferred investment universe: LICs and LITs

The Investment Strategy is focused on Discounted Assets which are investments in listed closed-end investment entities, primarily Australian LICs and LITs. Investment entities have an internal or externally appointed fund manager responsible for selecting and managing a portfolio of investments on behalf of the entity and its shareholders.

As investors acquire or dispose of an investment, a closed-end entity does not issue new or cancel existing shares or units. Instead, the entity issues shares or units in an initial public offering (or through secondary capital raisings) and investors then buy and sell those shares or units on the exchange.

A key benefit of a closed-end structure is that it allows the investment manager to focus on long-term investment objectives, rather than managing daily cashflows generated by investor capital allocations and redemptions. It is possible to change the number of shares or units on issue in a closed-end entity. These entities can issue new shares or units to increase the number on issue, or conversely, they can buy-back and cancel shares or units to reduce the number of shares or units on issue.

The Investment Strategy's primary focus is on Australian LICs and LITs. Both LICs and LITs are closed-end investment vehicles, listed on an exchange such as the ASX. A LIC is incorporated as a company and operates in a similar manner to a managed fund. As a company, an Australian LIC has the ability to pay franked dividends to shareholders.

A LIT is a registered trust in which investors buy and sell units on the exchange. LITs pay out any surplus income to their investors via distributions. Unlike LICs, LITs do not have an ability to frank their own distributions, only distribute franking credits they receive from assets within their investment portfolio. Accordingly, franking credit levels can vary for investors.

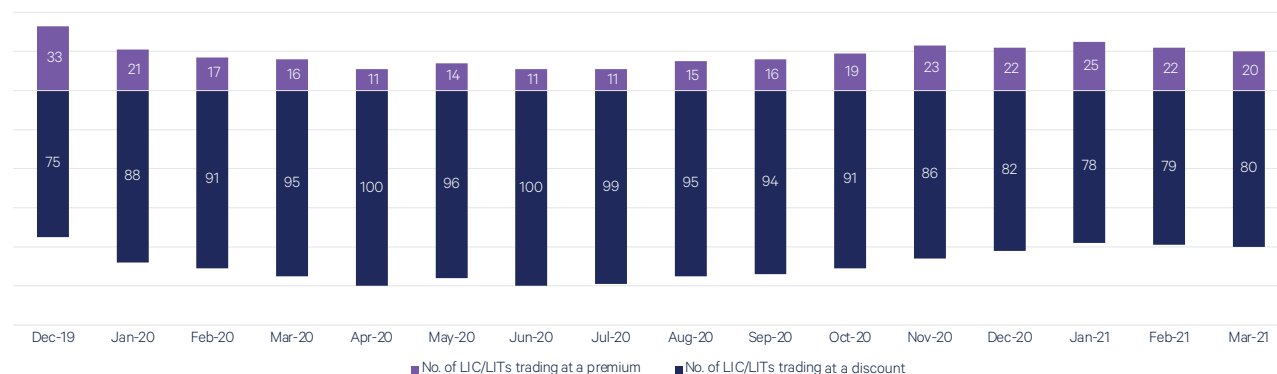
As at 31 March 2021, there were approximately 100 LICs, LITs and close-ended investment funds listed on the ASX. The combined market capitalisation of these entities at 31 March 2021 was approximately \$53 billion³. Over the 12-month period to 31 March 2021, the sector has grown by 26.8%, or \$11.3 billion³. Since 2012, the LIC and LIT sector⁴ has grown considerably with 64 new entities listed on the ASX during this period and with the market capitalisation of the sector growing by \$23.0 billion³.

While the growth in the sector has slowed recently, the significant increase in the sector has presented several new opportunities for the Company and the Investment Manager in the application and execution of the Investment Strategy across the investment universe.

³ Source: 'ASX Investment Products Monthly Report: March 2021' published by Australian Securities Exchange Operations Pty Limited (ABN 42 004 523) (ASX). The ASX has not consented to the use of this data in this Prospectus.

⁴ Defined as investment entities listed on the ASX, including LICs and LITs.

Australian opportunities in the investment universe



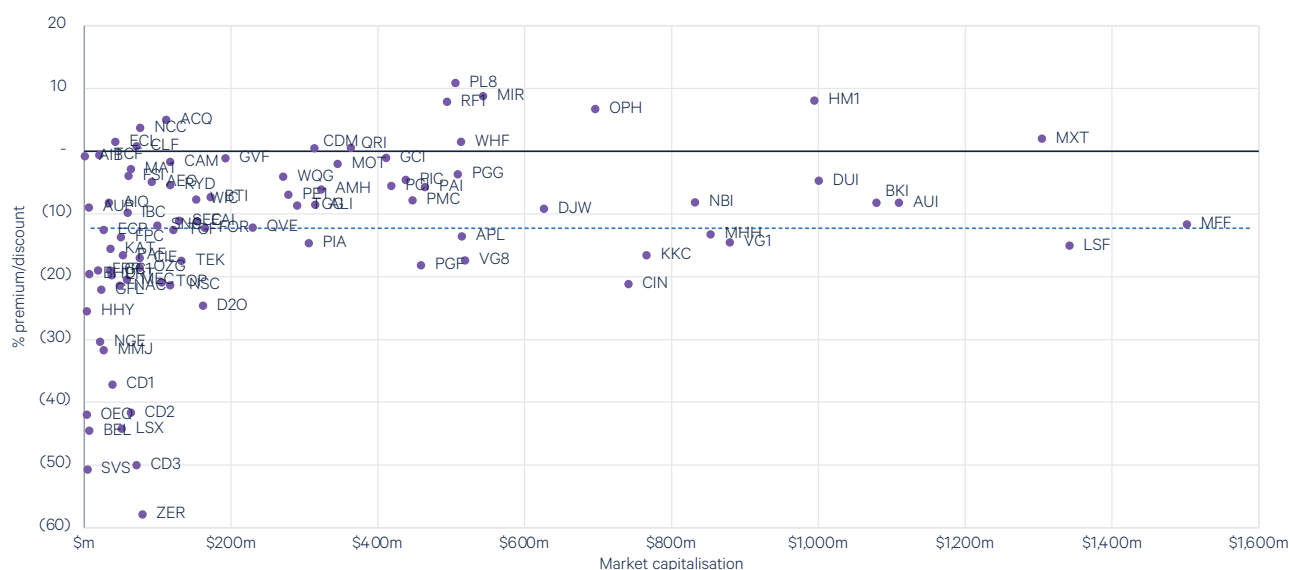
Notes:

- Share price premium and discount is determined by reference to the closing price for each LIC or LIT listed on the ASX on the last trading day of the month and the NTA value published by the relevant LIC for that month, in respect of each month commencing December 2019 and ending on 31 March 2021.
- Source: 'ASX Investment Products Monthly Report: March 2021' published by Australian Securities Exchange Operations Pty Limited (ABN 42 004 523) (ASX). The ASX has not consented to the use of this data in this Prospectus.

The average discount to NTA of the LIC and LIT sector on the ASX was 10.4% as at 31 March 2021. There are currently 80 entities trading at a security price discount to their underlying NTA within the sector.

In the below chart, the dots represent LICs and LITs listed on the ASX (identifiable by their respective tickers). The entities below the solid line are trading at a discount to their published NTA as at 31 March 2021. The placement of the entities along the 'x' axis provides an indication of the size of their market capitalisations of the respective entities within the investment universe. Entities below the dotted line are trading at a greater discount to the average discount to NTA of the LIC and LIT sector. Entities with a market capitalisation of less than \$250 million traded at an average discount of 17.1% and entities with a market capitalisation of more than \$250 million traded at an average discount of 3.0%.

LIC and LIT investment universe



Notes:

- Share price premium and discount is determined by reference to the closing price for each LIC or LIT listed on the ASX on the last trading day of 31 March 2021 and the net tangible asset value published by the relevant LIC for that month.
- Source: 'ASX Investment Products Monthly Report: March 2021' published by Australian Securities Exchange Operations Pty Limited (ABN 42 004 523) (ASX). The ASX has not consented to the use of this data in this Prospectus.

Internationally, there are a broad range of opportunities for the Company and the investment strategy with the close-ended funds globally.

4. About the Company

4.5. Premise of an Investment Strategy focused on Discounted LICs and LITs

The introduction of the Investment Strategy focused on Discounted Assets, in particular Australian LICs and LITs, is a logical step for Wilson Asset Management and its Investment Team as:

- it has achieved a long track record of investing in Discounted Assets as part of the market-driven investment process over more than 20 years. The Company will benefit from the same skills and processes employed by Wilson Asset Management since its inception; and
- having successfully managed its own LICs for more than 20 years, it has deep familiarity and knowledge of the LIC and LIT sector as well as extensive contacts within it. The Investment Strategy leverages the Investment Manager's significant experience and expertise as well as its reputation within the LIC and LIT sector.

The listed nature, and enhanced disclosure obligations, of LICs and LITs are features which in the view of Wilson Asset Management create a broad array of opportunities to deploy capital in accordance with the Company's Investment Strategy and investment objectives. The features include:

Feature	Advantage
LICs and LITs are listed investment vehicles that provide exposure to portfolios of investments that can include shares and other asset classes.	<p>The advantage is enhanced diversification. While the Company's investments will primarily consist of Australian LICs and LITs, the types of financial assets which form part of the underlying portfolios within these securities can be considerably broader. LICs and LITs provide investors with the opportunity to diversify their portfolio across asset classes, sectors and geographies. For example, there are LICs and LITs that invest in international securities, emerging markets, specific sectors, corporate bonds, government and semi-government bonds and commodities.</p> <p>The asset classes underlying the Portfolio's investments may include, but are not limited to: listed equities, credit, fixed income, infrastructure, private equity, real estate and cash holdings.</p> <p>As a result, through the Investment Strategy and a Portfolio of Discounted Assets focused on Australian LICs and LITs, investors are expected to achieve broad diversification and asset allocation through an investment in the Company with reduced risks compared to investing directly in the underlying securities.</p>
The listed nature of LICs and LITs means that it is common for LICs or LITs to trade above or below the realisable value of their portfolios.	<p>At various times, the security price (e.g. share or unit) of a LIC or LIT can trade away from its underlying NTA value which may represent buying or selling opportunities.</p> <p>LIC or LIT discounts can be volatile over time and this volatility can provide further investment opportunities for the Company under the Investment Strategy.</p>
As ASX entities, LICs and LITs are subject to enhanced disclosure obligations.	<p>The ASX Listing Rules require LICs and LITs to publish a NTA or NAV which identifies the value of their underlying portfolio each month.</p> <p>LICs and LITs normally also produce a transparent list of their significant portfolio holdings from time-to-time. This enhanced disclosure obligation enables the Investment Manager to independently assess whether the published NTA or NAV is realisable and realistic.</p>
Major Australian and international asset class.	<p>LICs and LITs are a major Australian and international asset class, and this presents a significant opportunity and investable universe for the Investment Manager.</p>

4.6. Market-driven investment process

The market-driven investment process was developed by the Investment Manager to take advantage of a broad range of mispricing opportunities. The Company's Investment Strategy will take advantage of 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.

The investment universe is filtered to identify investment opportunities involving Discounted Assets that the Investment Manager believes in the future will trade at or near their underlying asset value, in addition to other short-term market mispricing opportunities.

The investment process for Discounted Assets is set out below in Section 4.6.1. The investment process for other mispricing opportunities is set out in Section 4.6.2.

4.6.1 Discounted Asset opportunities

The risk-and-return analysis for potential 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.

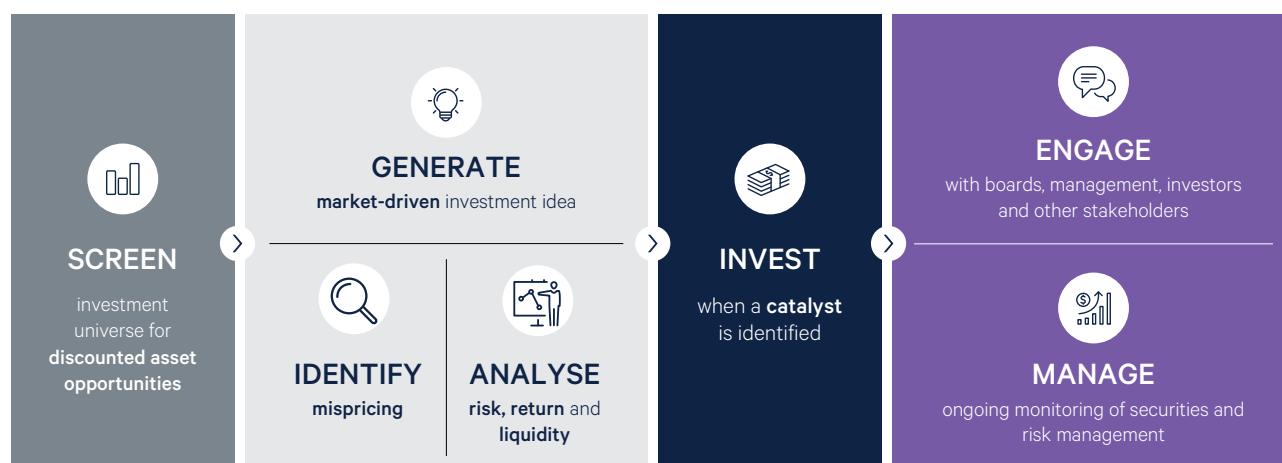
There are many opportunities to realise the value embedded in a security through meaningful engagement with boards and management and through other passive mechanisms. These can include taking advantage of corporate actions such as buybacks, liquidation events or takeover offers as well as general trading opportunities that arise from time-to-time.

The Investment Manager does not consider an activist approach to be a fundamental component of the Investment Strategy in order to address the potential value presented with LIC or LIT discount opportunities. While the Investment Manager has significant experience in taking advantage of Discounted Asset opportunities, activism remains a useful technique for the Investment Manager where it is deemed necessary. When required, shareholder activism can bring about effective change for shareholders and can encourage boards and management to act in a timely manner to address shareholders' concerns.

The Investment Manager utilises a variety of proprietary systems and techniques to implement the Investment Strategy and has an extensive network in the market which provides insights and opportunities in the investment universe for the Company.

The following three worked examples highlight Wilson Asset Management's (as the Investment Manager) application of the market-driven investment process focused on Discounted Assets on behalf of the respective WAM Entities.

These are worked examples only. There can be no certainty the performance of the Company will follow that of the examples provided. The performance of the Company could be significantly different to the example returns and performance. Past performance is not an indicator of future performance.



4. About the Company

Example 1: Wealth Defender Equities Limited

Wilson Asset Management's investment in Wealth Defender Equities (**WDE**) is an example of how Wilson Asset Management has applied its market-driven investment process in the past, identifying a discount and unlocking value for shareholders. Wilson Asset Management first invested in WDE in 2016 at a 10.2% discount to the underlying NTA at the time, and actively traded and increased the position over the subsequent 12-month period. The greatest share price discount to NTA that Wilson Asset Management invested at was 18.0%.

Wilson Asset Management engaged with the board of WDE, which included letters to the independent chairman and meeting with the chairman and WDE's investment manager offering to assist in narrowing the discount to NTA. Wilson Asset Management also developed proposals which were put to the WDE chairman to enable shareholders to realise the value of the underlying NTA of the company.

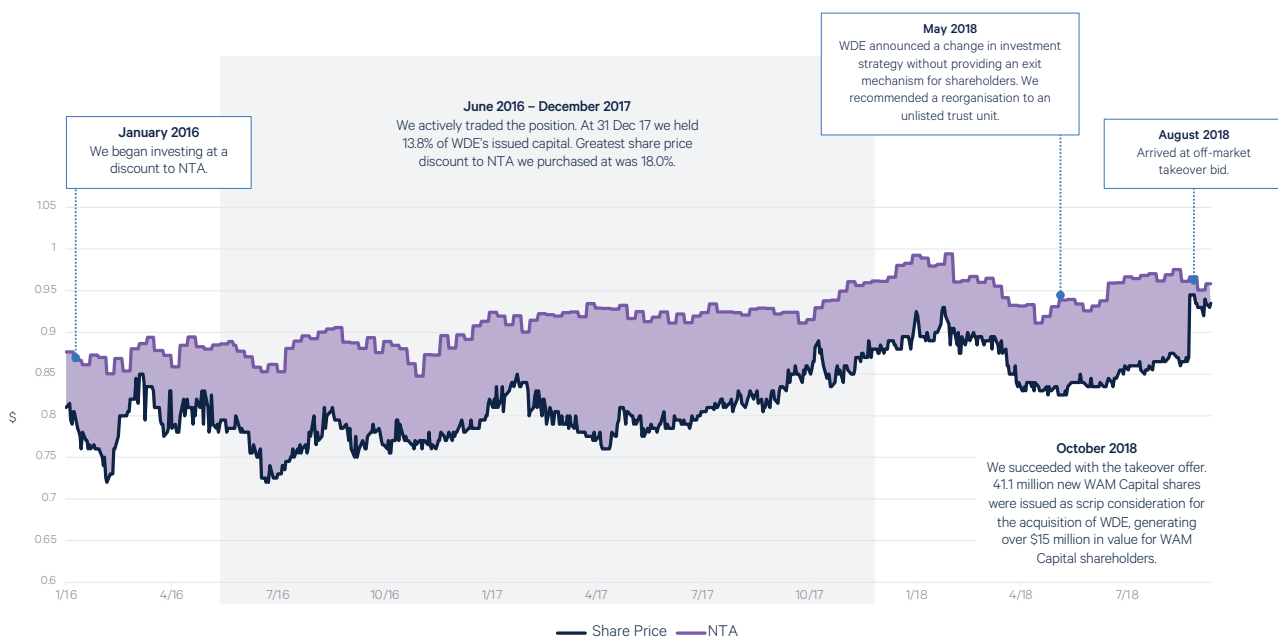
Ultimately, Wilson Asset Management formed the view that WDE's investment manager was no longer a viable steward for WDE shareholders' capital after the WDE board allowed the change to WDE's investment strategy without widely consulting shareholders.

Wilson Asset Management was concerned that the changes were both significant and, in its view, illogical compared to the investment strategy initially disclosed to investors at the time of its IPO.

After making this case to WDE shareholders, Wilson Asset Management made a successful off-market scrip takeover bid of WDE through WAM Capital. The takeover offer was endorsed and recommended by the WDE board's independent directors, by an independent expert and ultimately, WDE shareholders.

WDE shareholders received a premium to WDE's one-month volume weighted average share price through the receipt of WAM Capital shares as part of the takeover offer, and WAM Capital shareholders saw the company realise its 16.3% holding in WDE that was purchased at a discount to the underlying NTA of WDE, through the 100% acquisition of the company.

As a result of the successful takeover, 41.4 million new WAM Capital shares were issued as scrip consideration for the acquisition of WDE at a premium to WAM Capital's underlying assets, generating over \$15 million in value for WAM Capital shareholders.



Notes:

1. The relevant share price information of the company is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Prospectus.
2. The NTA information is sourced from unaudited monthly NTA's published by the fund via the ASX Market Announcements Platform.
3. Certain event information regarding the Company and Investment Manager are based on ASX announcements by the company and the Investment Manager's knowledge.

Example 2: AMP Capital China Growth Fund

The case of the AMP Capital China Growth Fund (AGF) resulted in a substantial return on Wilson Asset Management's investment, after a period of actively investing and investors agitating for change on behalf of all unitholders.

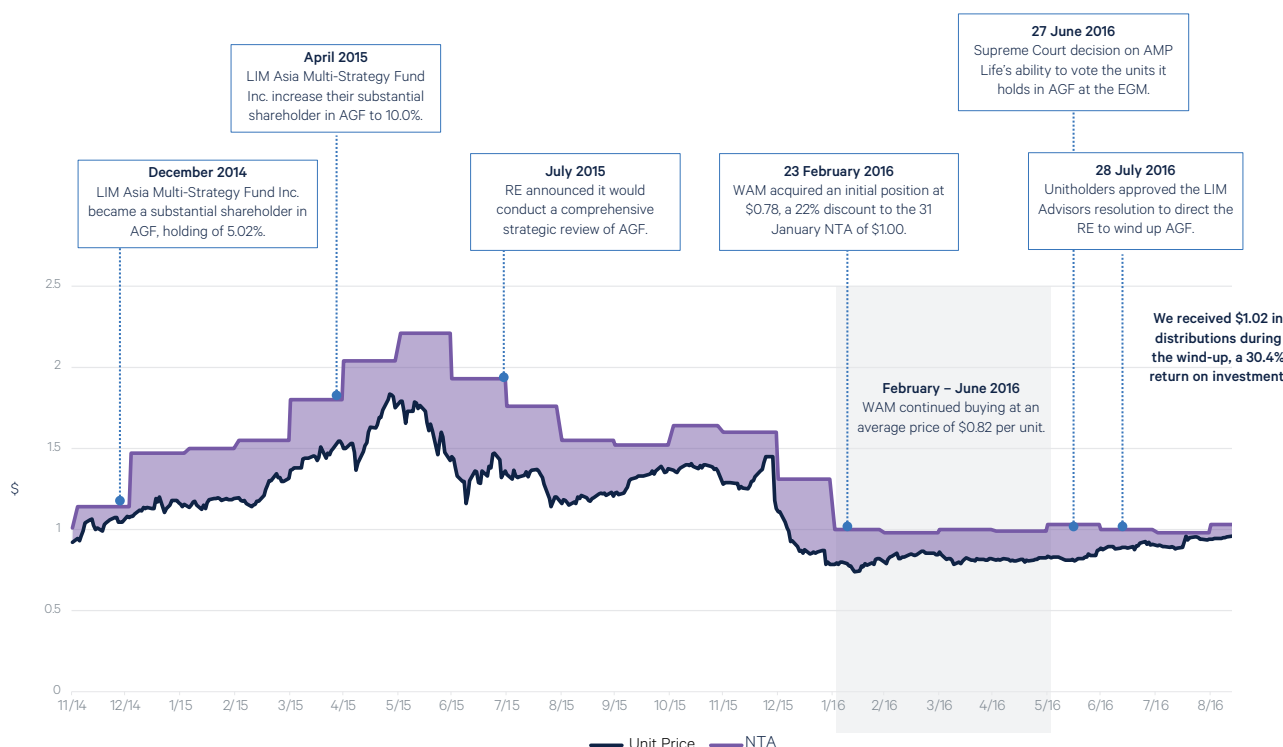
AGF was underperforming relative to its benchmark, which prompted key investors to call for AGF to be wound-up in 2015. This triggered an announcement in July 2015 from AGF's responsible entity (RE), AMP Capital Funds Management Limited (AMP Capital), confirming it would conduct a strategic review of the fund.

In October 2015, AGF announced that it had received a notice of meeting and explanatory memorandum from institutional asset management company LIM Advisors, a substantial shareholder, to call an extraordinary general meeting (EGM) of unitholders regarding the fund's discount to NTA. This meeting was ultimately adjourned to allow the RE to continue its activities and enhancements to the fund under the strategic review, in order to close the discount to NTA.

AGF subsequently announced an EGM would be held in July 2016, with unitholders given the opportunity to put forward resolutions in relation to the fund. As part of this process, LIM Advisors put forward a resolution to wind up the fund.

Wilson Asset Management acquired an initial position in AGF in February 2016 at a 22% discount to the 31 January 2016 NTA of \$1. Between April and June 2016, Wilson Asset Management continued buying at an average discount to the underlying NTA of 18.0%. This was ahead of a Supreme Court decision's ruling in June 2016 that AMP Life, a major investor in the fund and an associated entity of the RE, was not permitted to vote at the EGM, in relation to the LIM Advisors resolution. The inability for AMP Life to vote on the LIM Advisors resolutions at the EGM ultimately resulted in unitholders, excluding AMP Life, voting to wind-up the fund.

At the EGM held in July 2016, AGF's unitholders approved the resolution from LIM Advisors to wind-up the fund. During the wind-up, the Wilson Asset Management received distributions of \$1.02 per AGF unit held. The wind-up of the fund enabled Wilson Asset Management to realise a 30.4% return on the initial investment and all investors were able to realise the true value of the fund as a result.



Notes:

1. The relevant share price information of the fund is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Prospectus.
2. The NTA information is sourced from unaudited monthly NTAs published by the fund via the ASX Market Announcements Platform.
3. Certain event information regarding the fund and Investment Manager are based on ASX announcements by the fund and the Investment Manager's knowledge.

4. About the Company

Example 3: Templeton Global Growth Fund Limited

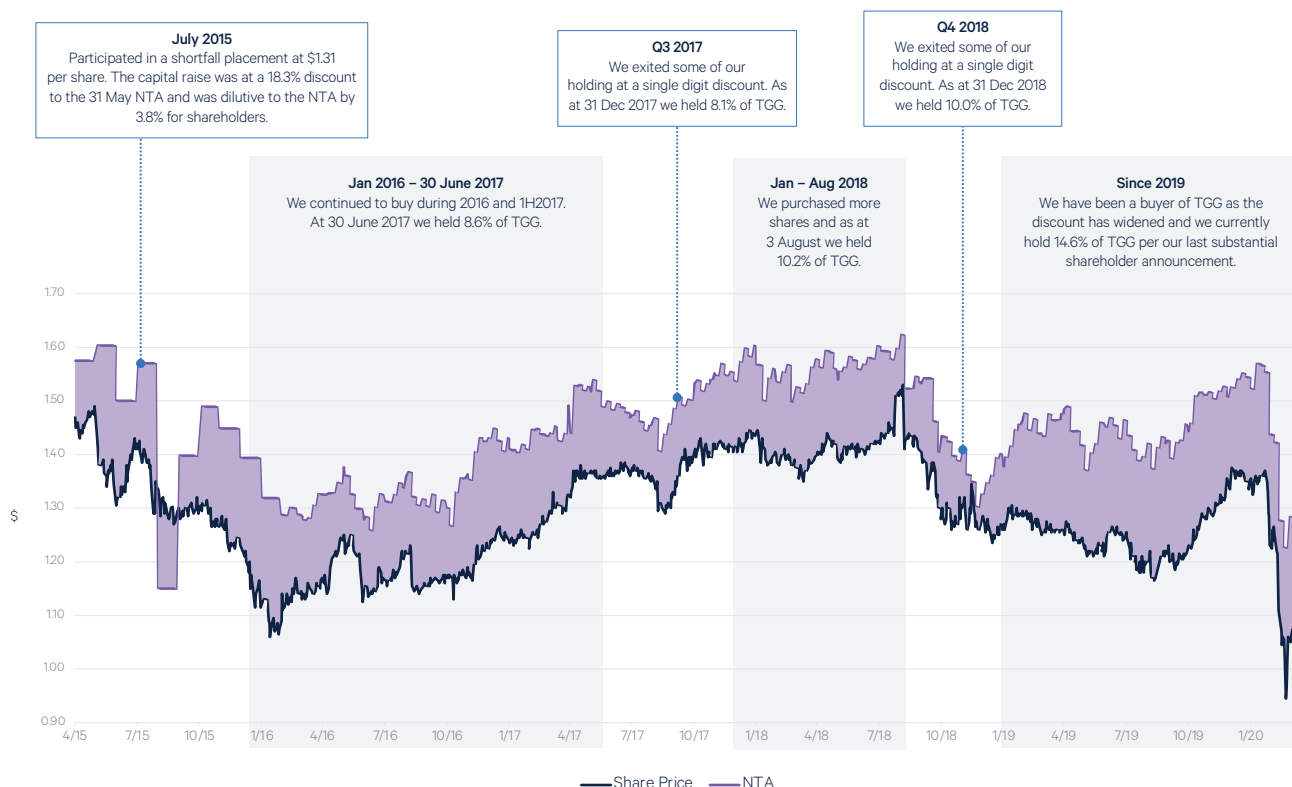
Wilson Asset Management's investment in Templeton Global Growth Fund Limited (TGG) is another example of the Investment Strategy. Wilson Asset Management used its significant experience in managing LICs to invest in a Discounted Asset, followed by meaningful engagement with the board and management of TGG to produce a better outcome for shareholders.

In July 2015, Wilson Asset Management first invested in TGG by participating in a shortfall placement in relation to TGG's one-for-four pro rata renounceable entitlement offer at \$1.31 per share. The offer price was at an 18.3% discount to the underlying NTA, and was dilutive to TGG's NTA by 3.8% which was to the detriment of TGG's existing shareholders.

Wilson Asset Management continued to increase its position in TGG between January 2016 and June 2017, holding 8.6% of the company by the end of this period.

As at 31 December 2017, Wilson Asset Management held 8.1% of TGG, after partially exiting some of its holdings at a single-digit discount to NTA. Between January and August 2018, Wilson Asset Management increased its position to 10.2% of TGG, before exiting a small portion of its holdings, again exiting at a single-digit discount.

Since 2019, Wilson Asset Management has been a buyer of TGG as its discount has continued to widen, and currently holds 14.6% of the company. Wilson Asset Management met with TGG's independent directors and supported a new independent director joining the TGG board during this time. Following this, TGG announced a strategic structural review to shareholders to review TGG's current structure and operations with a view to maximising value for all shareholders. Wilson Asset Management has continued to engage with TGG following this announcement to ensure all shareholders are able to realise the true value of the company.



Notes:

1. The relevant share price information of the company is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Prospectus.
2. The NTA information is sourced from unaudited monthly NTAs published by the fund via the ASX Market Announcements Platform.
3. Certain event information regarding the company and Investment Manager are based on ASX announcements by the company and the Investment Manager's knowledge.

4.6.2 Other mispricing opportunities

Other short-term market mispricing opportunities in the Investment Strategy refers to the full range of opportunities that the market-driven investment process of the Investment Manager has historically taken advantage of. These may be derived from trading market themes and trends including:

- Participation in corporate transactions such as off-market buy-backs priced at a premium, or public offers (IPO, placements, rights issues and block trades) priced at a discount.
- Participation in financial transactions (such as takeovers, mergers, schemes of arrangements, corporate spin-offs and restructuring). By way of example, purchasing and/or Short Selling securities, the market prices of which the Investment Manager believes will likely increase or decrease following the announcement of a financial transaction.

- Participating in hybrid issues (including preference shares and convertible note) or conversions. This may include purchasing hybrids that the Investment Manager believes: (1) will be repaid or converted at a premium to the market price at which they were acquired; (2) are issued at a discount to the price they will ultimately trade at; and/or (3) the yield on the securities more than compensates for the risk involved in investing in the securities.
- Participating in investment opportunities that provide the Company with a yield that is better than the return available on cash.

The market-driven investment process will operate as set out below:



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.

4. About the Company

Wilson Asset Management will, in most cases, only invest in an opportunity identified by its market-driven investment process if it can identify a catalyst that, in the Investment Manager's view, is likely to change the market's valuation (i.e. the trading price) of that security (**Catalyst**).

A Catalyst is an event or information that in the Investment Manager's view, is likely to change the market's valuation (i.e. the trading price relative to the value of its assets) of a particular share or unit.

Catalysts can be passive or pre-existing, such as corporate actions initiated by the entity or third parties (such as sales, capital raises and takeovers) or information that, in the Investment Manager's view, has not yet been factored into the value of that security (such as earnings surprises, management changes, acquisitions or strategy updates).

In other circumstances, the Investment Manager will act as the Catalyst, through meaningful engagement with boards, management teams or where necessary, through activism, including board changes and takeover bids.

The market-driven investment process takes advantage of short-term mispricing opportunities in equity markets, rather than investing in any individual companies or a portfolio of companies for a prolonged period of time.

Investment opportunities may be derived from:

- Taking part in placements, Initial Public Offerings (IPOs), block trades and rights issues.
- Trading securities based on market themes and trends. Themes or trends are used to screen and identify trading opportunities. Once an opportunity has been identified, the Investment Manager will undertake detailed research into the security before taking a position. Research may include meeting with the company, sell-side analysts and industry contacts as well as modelling of the relevant company's earnings drivers, sensitivities and operating leverage.
- Participating in financial transactions (such as takeovers, mergers, schemes of arrangements, corporate spin-offs and restructuring). Once a financial transaction opportunity is identified, detailed research is undertaken to assess the terms and conditions of the announced transaction and the liquidity of the underlying securities,

to determine if the financial transactions presents a favourable risk/reward opportunity. By way of example, company A announces an intention to make a takeover offer of company B. The Investment Manager, following detailed research, forms the view that the proposed offer is likely to cause the target's share price to increase and the bidder's share price to decrease. To take advantage of the transaction in this example, the Investment Manager could buy the company B's securities and short sell company A's securities.

- Taking advantage of other corporate transactions to identify arbitrage opportunities. This may include participation in share buy-backs. For example, if a company announces an off-market share buy-back and the company's share price is trading below the price announced in the buy-back this could generate an arbitrage opportunity. The Investment Manager would make a return by buying shares below the buy-back price and then subsequently selling those shares into the buy-back at a higher price than they were purchased for.
- Taking advantage of arbitrage opportunities involving hybrid securities including preference shares and convertible notes. For example, the Investment Manager may purchase hybrid securities that are approaching their conversion or repayment date. This strategy is utilised if the Investment Manager believes there is a high probability that the securities will be repaid or converted in accordance with their terms and at a premium to the market price at the time of purchase.
- Participating in hybrid issues and convertible notes issues. For example, the Investment Manager may participate in new issues of hybrids or convertible notes if the Investment Manager believes the relevant securities are mispriced and could lead to a profit upon listing, or if the yield on the securities more than compensates for the risk involved in investing in the securities.
- Short Selling. For example, the Investment Manager may participate in Short Selling if the Investment Manager believes a security is mispriced and there is likely to be decline in the company's share price. This strategy would normally be applied with analysis undertaken around a market theme or trend as detailed above.

Once an investment opportunity has been identified, the Investment Manager will undertake a detailed assessment in order to identify any perceived mispricing in the relevant securities. The Investment Manager will then analyse risk and return potential and liquidity. Wilson Asset Management will, in most cases, seek to identify a Catalyst before investing in a security identified by its market-driven investment process.

An example of a market-driven investment opportunity is an investment in a company through a share placement to sophisticated and professional investors undertaken at a discount to the prevailing share price. In this example the placement is not available to retail investors and would allow the Company to purchase shares at a discount to where they are currently trading in the market.

The Investment Manager may become aware of opportunities, like the placement example, through its relationship with stock brokers. It will then undertake a detailed analysis of the relevant company and the proposed placement terms, including assessing the amount of capital being raised compared to the free float, the size of the discount to the current share price, the use of funds and the liquidity of the underlying security.

In this example, the market-driven investment process could generate returns if after the placement shares are allotted, the Investment Manager sells them at a higher price than what they were purchased at under the placement. The example investment would result in a loss if, after the allotment of the placement shares, the company's share price falls, and stays below, the price at which the shares were purchased in the placement.

An example of themes or trends that could be used in the market-driven investment process are companies benefiting from increasing demand from overseas buyers for infant formula, vitamins and cosmetics, companies benefiting from a falling Australian dollar or companies that may benefit from media deregulation. In these examples if the theme or trend continued it would have the potential to lead to increases in company revenues or reduction in cost base leading to profit upgrades, increased sell-side coverage and interest in the stock or sector or increased demand from other investors leading to share price appreciation.

In this example, the market-driven investment process could generate returns if, after taking a stake in the company, the theme identified continued to play out leading to the share price increasing for the reasons specified above. The investment would result in a loss if the market theme or trend stopped occurring, i.e. demand from overseas buyers for infant formula, vitamins and cosmetics decreased, the Australian dollar stopped falling and started appreciating or media de-regulation was delayed or cancelled.

4. About the Company

4.7. Investment guidelines and parameters

The following investment guidelines and parameters apply to the Investment Manager's implementation of the Company's Investment Strategy:

Exposure	Guidelines
Permitted investments	<p>The Investment Manager may invest in: (a) listed and unlisted securities (Australian and international); (b) Derivatives including futures, forwards, warrants and contracts; (c) bills of exchange, negotiable investments and debentures; and (d) cash.</p> <p>Notwithstanding this broad mandate, the Investment Strategy is focused on investments in Discounted Assets and the Portfolio is expected to be predominantly comprised of listed Australian securities, specifically investments in LICs and LITs (see Section 4.5).</p> <p>There is no limitation to the level of cash which can be held in the Portfolio. The Company may also use funds raised under the Offer to fund the Offer Costs which will be reimbursed via the Manager Loan.</p>
Number of securities	<p>When fully invested, the Portfolio is expected to comprise an average of between 10 to 30 securities. The Company's Portfolio is expected to predominantly comprise of Australian LICs and LITs. The Company will invest in securities outside the Investment Strategy's focus based on the Investment Manager's level of conviction in a particular security.</p>
Average size of Long Positions	<p>The Investment Manager expects that the average position weighting within the Portfolio for any one security will be 1% to 15% of the Value of the Portfolio. Actual weightings may be higher or lower and will be based on the Investment Manager's level of conviction in each security as well as market movements from time-to-time.</p> <p>An investment within the Portfolio will be reviewed if it obtains a position weighting of greater than 20% of the Value of the Portfolio.</p>
Industry/sector limits	<p>None. There are no limits based on industry/sectors. However, the Investment Manager will primarily invest in Australian LICs and LITs.</p>
Geographic exposure limits	<p>None. While the Investment Manager will primarily invest in Australian listed securities, no geographic limitations apply to the Company's Investment Strategy.</p>
Debt leverage	<p>Permitted (see Section 4.8).</p> <p>The Investment Manager can use debt (through convertible notes and similar investments), or through debt facilities with financial institutions to increase the scale of the Portfolio of the Company. The Investment Manager may also become leveraged through the use of Short Selling and Derivatives.</p> <p>The gross exposure of the Portfolio via leverage (i.e. the value of Long Positions, plus Short Positions, plus gross Derivative exposures within the Portfolio) must not exceed 150% of the Value of the Portfolio without prior Board approval.</p>
Derivatives	<p>Permitted (see Section 4.9).</p> <p>The effective exposure via Derivatives will not exceed 100% of the Value of the Portfolio without prior Board approval. The Investment Manager currently intends to limit Derivative exposures within the Portfolio to relatively simple Derivatives (i.e. Exchange-traded Derivatives).</p>
Short Selling	<p>Permitted (see Section 4.10).</p> <p>In line with the historical implementation of the Investment Manager's strategy, the exposure to Short Positions within the Portfolio at any given time is expected to be less than 5% to 10% of the Value of the Portfolio.</p> <p>Short Positions will not exceed 50% of the Value of the Portfolio without prior Board approval.</p>

4.8. Leverage policy

Financial leverage increases an investor's exposure to an asset by applying borrowed funds in addition to the investor's capital when making an investment. The Investment Manager can use financial leverage (through convertible notes and similar investments, or through debt facilities with financial institutions) to increase the scale of the Portfolio of the Company. In addition, the use of Derivatives and Short Selling may have an effect similar to financial leverage (in that it can magnify the gains and losses achieved in the Portfolio in a manner similar to a financially leveraged portfolio). These risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

The maximum gross exposure permitted, which would have the greatest impact on the Company's returns, is a gross exposure of 150% of the Value of the Portfolio without prior Board approval.

If such a case were to arise, if the value of the Company's Long Position (or the underlying securities of Derivatives) increased in value by 10% (or, in the case of Short Positions, decreased in value by 10%), the increase in the Portfolio's Net Asset Value would be 15%. Conversely, a fall of 10% (rise of 10% in the case of Short Positions) in the value of the securities within the Portfolio (or the value of the assets underlying Derivatives within the Portfolio) would result in the Value of the Portfolio's Net Asset Value falling by 15%.

It should be noted that while the Portfolio may have gross exposure of up to 150% of the Value of the Portfolio, investors in the Company would not have an exposure in excess of 100% of their investment in the Company's Shares.

4.9. Derivative policy

The Company may use Derivatives for risk management purposes and to take opportunities to increase returns, including, for example:

- for the purposes of risk management in order to either increase or decrease the Company's market exposure and establish currency positions; and
- with a view to reducing transaction and administrative costs (for example, the use of an equity swap to establish a Short Position in a security).

While Exchange-traded and over-the-counter Derivatives (including options, participatory notes, futures and swaps, fixed income, currency commodities and credit default exposures, currency forwards/contracts and related instruments) are permitted investments, they are not central to the Investment Strategy and are not expected to be a core part of the Portfolio. The Investment Manager currently intends to limit Derivative exposures within the Portfolio to relatively simple Derivatives (e.g. Exchange-traded Derivatives).

To mitigate against the risks associated with Derivatives, the Company has set the following restrictions:

- the effective exposure via the Derivatives may not exceed 100% of the Value of the Portfolio without prior Board approval. If the Portfolio has a 100% Value of the Portfolio exposure to Derivative positions, it is theoretically possible that the Company could lose its entire Portfolio from losses on its Derivative positions; and
- the Portfolio's gross exposure (i.e. the value of Long Positions, plus Short Positions, plus gross Derivative exposures within the Portfolio) must not exceed 150% of the Value of the Portfolio.

4. About the Company

4.10. Short Selling policy

The Company may use Short Selling as a strategy to try to improve returns and to manage risk in the Portfolio. The short sale of a security can involve much greater risk than buying a security, as losses on the securities purchased are restricted at most to the amount invested, whereas losses on a Short Position can be much greater than the initial value of the security.

Additionally, there can be no guarantee that the securities necessary to cover a Short Position will be available for purchase.

Short Selling will also incur interest and other costs on the securities borrowed by the Company. For a Short Position to be profitable, the return from the strategy must exceed these costs and, where losses are incurred on the strategy, these costs will increase the losses.

With a view to managing the risks associated with Short Selling, the Portfolio's exposure to Short Positions will not exceed 50% of the Value of the Portfolio, without Board approval. However, in line with the historical implementation of the Investment Manager's strategy, the exposure to Short Positions within the Portfolio at any given time is expected to be less than 5% to 10% of the Value of the Portfolio.

The following examples illustrate how Short Selling may result in a loss or a profit. Both examples assume the Investment Manager Short Sells 10,000 shares of ABC Limited (**ABC Shares**) at \$100 per ABC Share and later closes the position by entering into an equal and opposite trade. We have assumed that the costs associated with the short sales in each example are also the same (i.e. borrowing costs and commissions totalling \$300 and \$250 in interest receivable).

Example 1: Potential loss

The Company Short Sells 10,000 shares of ABC at \$100 and closes the position when the share price rises to \$125 by entering into an equal and opposite trade.

Trade	Number of shares	Share price (\$)	Total income/(loss) (\$)
Opening sell	10,000	\$100	\$1,000,000
Borrowing cost and commission			(\$300)
Interest receivable			\$250
Closing buy	10,000	\$125	(\$1,250,000)
Loss			(\$250,050)

Example 2: Potential gain

The Company Short Sells 10,000 shares of ABC at \$100 and closes the position when the share price falls to \$80 by entering into an equal and opposite trade.

Trade	Number of shares	Share price (\$)	Total income/(loss) (\$)
Opening sell	10,000	\$100	\$1,000,000
Borrowing cost and commission			(\$300)
Interest receivable			\$250
Closing buy	10,000	\$80	(\$800,000)
Profit			\$199,950

4.11. Dividend policy

The Board's intention is to pay fully franked dividends to Shareholders, provided the Company has sufficient profits reserves and franking credits and it is within prudent business practices to do so. The current intention of the Board is that all dividends paid to Shareholders will be franked to the maximum extent permitted by law. The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the receipt of franked dividends from investments.

This is not intended to be a forecast. It is merely an indication of what the Company aims to achieve over the medium-to-long term. The Company may not be successful in meeting its objective. Any financial market turmoil, or an inability by the Investment Manager to find and make profitable investments, will likely have an adverse impact on achieving this objective. Returns are not guaranteed.

The Company has established a dividend reinvestment plan, the terms of which are summarised in Section 11.4.

4.12. Capital management policy

The Company may undertake active capital management initiatives that may involve:

- (a) the issue of Shares or other securities (for example, through bonus option issues, placements, share purchase plans, pro-rata issues); and/or
- (b) the buy-back of its Shares.

4.13. Allocation policy

The Wilson Asset Management Investment Team currently manages seven LICs and one wholesale managed unit trust (see Section 5 for further details).

The Wilson Asset Management Investment Team applies similar investment principles and processes in managing the WAM Entities which employ the market-driven investment process that it intends to apply to the Portfolio, the primary difference being that the Company's Investment Strategy will focus primarily on Discounted Assets, in particular Australian LICs and LITs (see Sections 4.2, 4.3, 4.5, 5.3 and 5.4 for further details).

This focus is unique to the Company's Investment Strategy and accordingly, following the Offer, the Investment Manager expects that investment opportunities involving Discounted Assets, in particular Australian LICs and LITs, will primarily be allocated to the Company's Portfolio.

The Investment Manager has an allocation policy that has been designed to pre-allocate trades on a fair and equitable basis between WAM Entities and the Company. Under this policy, trades will generally be allocated across the Investment Manager's portfolios on a pro-rata basis (where applicable). The allocation across portfolios will depend on the targeted weighting or desired investment level indicated by the Investment Manager and the relevant WAM Entities, and may take into account a number of factors including the Value of the Portfolio of the relevant entities at the time.

Allocations or transactions may be specific to a particular portfolio (e.g. LIC and LIT investments for the Company), in which case they will not be allocated on a pro-rata basis.

4.14. Changes to the Investment Strategy

The Investment Strategy outlined in the Prospectus will be implemented by the Investment Manager upon allotment of Shares to Shareholders.

No material changes to the Investment Strategy are presently contemplated. Any material changes would be made with the approval of the Board, after consultation with the Investment Manager. The Company will notify Shareholders of any material changes to the Company's Investment Strategy through the ASX and on the website.

4.15. Reports to Shareholders

Within 14 days after the end of each month, the Company will release to the ASX a statement of the NTA backing per Share as at the end of the month. The calculation of the NTA will be made in accordance with the Listing Rules.

The Company will provide to Shareholders, on request and free of charge, a copy of statements released to the ASX of the NTA backing of Shares.

The Company will also release reports to the ASX on the activities of the Company, the performance of the Company's Portfolio and the Investment Manager's investment outlook. These reports will also be available on the website.

4. About the Company

4.16. Valuation, location and custody of assets

The Value of the Portfolio will be calculated at least monthly using a framework for the valuation of financial instruments that is consistent with current industry practice and regulatory requirements. The assets of the Company will be valued using market accepted practices to accurately and independently price all securities and other assets within the Portfolio from time-to-time. The Company intends to delegate custody of its investments to an external custodian in accordance with the terms of a custodial services arrangement to be entered into.

The Company may also retain some of its assets, including certain investments and cash outside of custody.

4.17. Risk-management philosophy and approach

The Investment Manager will be primarily responsible for managing the risk of the Portfolio. The Investment Manager is committed to robust corporate governance practices and has implemented risk policies and controls which are designed to be relevant to the Company's Investment Strategy and objectives, create value and provide accountability. The Investment Manager will continuously monitor the Portfolio to ensure compliance with the Investment Strategy and investment guidelines. They ensure, among other things, ongoing monitoring of net and gross exposure within the Portfolio.

The Company has adopted a Corporate Governance Charter which sets out the practices that the Company and each Director is committed to. The Board is committed to the Company operating effectively and in the best interests of shareholders. The Board aims to ensure that all Directors and the Investment Manager act with the utmost integrity, objectivity and endeavour to enhance the reputation of the Company. The Board aims to act in a manner designed to create and build sustainable value for shareholders.

5

About the Investment Manager

5. About the Investment Manager

5.1. The Investment Manager

The Investment Manager is Wilson Asset Management, a boutique fund manager established in 1997. The Investment Manager holds an Australian Financial Services Licence (AFSL no. 247 333). Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the Investment Manager. Kate Thorley is the Chief Executive Officer, company secretary and indirect owner of non-voting preference shares in the Investment Manager.

Wilson Asset Management employs 41 staff and is led by the Company's Chairman and Chief Investment Officer Geoff Wilson and Chief Executive Officer Kate Thorley. Wilson Asset Management is responsible for investing over \$4 billion in shareholder capital (as at 31 March 2021) on behalf of more than 100,000 investors across seven LICs and one wholesale unit trust. The Investment Team is comprised of 14 experienced investment professionals to manage their respective portfolios (see Section 5.7 for further details of the Investment Team's experience). The Investment Team is supported by 27 high-performing professionals who work across the corporate affairs, finance and operations teams tasked with delivering shareholders transparency, insights and experiences. Their work adds discipline, depth and reach to Wilson Asset Management's core business and support the Investment Strategy and the market-driven investment process of the Company.

5.2. Role of the Investment Manager

The Investment Manager will manage the Portfolio of the Company in accordance with the Investment Management Agreement.

The Investment Manager will:

- (a) implement the Investment Strategy, including actively managing the Portfolio;
- (b) manage the Portfolio's exposure to markets;
- (c) calculate the Value of the Portfolio at least monthly;
- (d) regularly update the Company regarding the Portfolio and provide all information necessary for the maintenance of the Company's financial accounts to be completed; and
- (e) provide administrative support to assist and ensure the maintenance of the Company's corporate and statutory records, compliance with the ASX Listing Rules and the Corporations Act.

See Section 10.1 for details of the Investment Management Agreement.

The Wilson Asset Management Investment Team is responsible for the Company's Portfolio and will be led by Geoff Wilson as Lead Portfolio Manager. Geoff Wilson and the Investment Team will also be supported by 27 high-performing professionals who work across the corporate affairs, finance and operations teams.

See Section 5.7 for detailed information regarding the experience and expertise of each of the Investment Team members and the key management team members.

5.3. Other WAM Entities

The Wilson Asset Management Group provides investment management services to the WAM Entities described below:



WAM Capital (ASX: WAM) is a LIC managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital. As at 31 March 2021, the total value of the WAM Capital portfolio of investments was \$1,651.2 million.



WAM Leaders (ASX: WLE) is a LIC managed by the Wilson Asset Management Group. Listed in May 2016, WAM Leaders provides investors with exposure to an active investment process focused on identifying large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst. As at 31 March 2021, the total value of the WAM Leaders portfolio of investments was \$1,189.1 million.



WAM Global (ASX: WGB) is a LIC managed by Wilson Asset Management. Listed in June 2018, WAM Global provides investors with exposure to an actively managed diversified portfolio of undervalued international growth companies. WAM Global's investment objectives are to deliver investors a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. As at 31 March 2021, the total value of the WAM Global portfolio of investments was \$569.4 million.

W | A | M *Microcap*

The most exciting undervalued growth opportunities in the Australian micro-cap market.

WAM Microcap (ASX: WMI) is a LIC managed by the Wilson Asset Management Group. Listed in June 2017, WAM Microcap provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than \$300 million at the time of acquisition. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital. As at 31 March 2021, the total value of the WAM Microcap portfolio of investments was \$352.0 million.

W | A | M *Alternative Assets*

Access to unique opportunities beyond traditional assets.

WAM Alternative Assets (ASX: WMA) is a LIC managed by Wilson Asset Management. WAM Alternative Assets provides retail investors with exposure to a portfolio of real assets, private equity, real estate, private debt and infrastructure. The Company's investment objectives are to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits. As at 31 March 2021, the total value of the WAM Alternative Assets portfolio of investments was \$215.1 million.

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market.

WAM Research (ASX: WAX) is a LIC managed by the Wilson Asset Management Group. Listed in August 2003, WAM Research provides investors with exposure to a diversified portfolio of undervalued growth companies, which are generally small-to-medium sized industrial companies listed on the ASX. WAM Research's investment objectives are to provide a stream of fully franked dividends and achieve a high real rate of return, comprising both income and capital growth, within acceptable risk parameters. As at 31 March 2021, the total value of the WAM Research portfolio of investments was \$241.7 million.

W | A | M *Active*

Market mispricing opportunities in the Australian market.

WAM Active (ASX: WAA) is a LIC managed by the Wilson Asset Management Group. Listed in January 2008, WAM Active provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. WAM Active's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital. As at 31 March 2021, the total value of the WAM Active portfolio of investments was \$74.2 million.

W | A | M *Equity*

The Wilson Asset Management Equity Fund is a wholesale unit trust established in December 1997. WAMEF provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAMEF units are not listed on the ASX. As at 31 March 2021, the total value of the WAMEF's portfolio of investments was \$66.0 million.

5.4. Snapshot of current Discounted Asset exposure within the WAM Entity portfolios

The Investment Manager has used the market-driven investment process to take advantage of mispricing opportunities in equity markets for more than 20 years. The Investment Strategy will focus on a subset of mispricing opportunities, being Discounted Assets, and in particular, LICs and LITs trading at discounts to their underlying asset values.

WAM Capital, WAM Active, WAM Global and the Wilson Asset Management Equity Fund each use the market-driven investment process and have exposure to investments in LICs and LITs purchased at discounts to their underlying asset values.

The below table contains a snapshot of Discounted Assets which are LICs and LITs held across the entities as at 31 March 2021 and provides examples of the types of Portfolio positions that the Investment Strategy's focused application of the market-driven investment process could establish for the Company.

The WAM Entities have each continued to actively trade in securities since 31 March 2021 and will continue to do so during the Offer period.

5. About the Investment Manager

The snapshot does not reflect the WAM Entities actual exposure to Discounted Assets as at the date of this Prospectus nor does it reflect the likely positions, value or weightings that will form part of the Company's Portfolio. It is provided as an example only – it is not to be taken as an example of the optimal portfolio allocation, now or in the future for the Company.

ASX Code	Company Name	Value (\$) ¹	Voting Power (%) ²	Share Price Discount to NTA ³	Dividend Yield (%) ⁴
TGG	Templeton Global Growth Fund Limited	\$42,604,094	14.7%	-8.6%	3.1%
AUI	Australian United Investment Company Limited	\$38,268,902	3.4%	-8.2%	4.1%
PIA	Pengana International Equities Limited	\$24,813,089	8.1%	-14.6%	5.2%
WIC	Westoz Investment Company Limited	\$11,346,091	7.4%	-7.7%	5.3%
NSC	NAOS Small Cap Opportunities Company Limited	\$8,124,687	7.0%	-21.4%	6.0%
LSF	L1 Long Short Fund Limited	\$3,195,637	0.2%	-15.0%	0.7%
APL	Antipodes Global Investment Company Limited	\$2,696,484	0.5%	-13.5%	4.2%
SEC	Spheria Emerging Companies Limited	\$2,148,318	1.7%	-11.1%	2.8%
IBC	Ironbark Capital Limited	\$1,497,468	2.5%	-9.1%	4.2%
PGF	PM Capital Global Opportunities Fund Limited	\$1,300,000	0.3%	-18.2%	3.8%
OZG	Ozgrowth Limited	\$1,264,521	1.7%	-18.6%	2.8%
QVE	QV Equities Limited	\$1,136,673	0.5%	-12.1%	4.7%
TOP	Thorney Opportunities Limited	\$541,032	0.5%	-20.9%	3.9%
Total		138,936,996			

Notes:

1. The aggregate value of the shares held by the WAM Entities based on the closing price on 31 March 2021 as published by IRESS. The value of each position has changed since 31 March 2021 and will continue to after the date of this Prospectus based on movements in trading prices and changes in the aggregate number of securities held by the WAM Entities.
2. Voting power is calculated as the percentage of each entity's total votes held by the WAM Entities (based on the issued capital of the LIC and LITs and the number of securities held by the WAM Entities as at 31 March 2021). The table does not reflect the voting power as at the date of this Prospectus (as each WAM Entity has continued to actively trade in securities since 31 March 2021).
3. Share price discount to NTA is the amount by which the closing price for a share or unit at 31 March 2021 was lower than the relevant issuing entity's published pre-tax net tangible asset value as at 31 March 2021, expressed as a percentage. The table does not reflect the discount as at the date of this Prospectus as both the trading prices and pre-tax net tangible asset values for each entity are subject to change since 31 March 2021.
4. The dividend yield shows how much each entity has paid in dividends in the 12 months ending 31 March 2021 relative to the closing price of its shares on 31 March 2021. The dividend yield is not indicative of returns that have been achieved by the WAM Entities over the 12 month period and does not include the benefit of franking credits.

The average discount to underlying net assets of the securities in the above table as at 31 March 2021 is approximately 13.8% and the average dividend yield (excluding any benefit of franking credits) is approximately 3.9%.

The Company has entered into a deed with WAM Capital, WAM Active, WAM Global and Botanical Nominees Pty Limited ATF the Wilson Asset Management Equity Fund (each a **WAM Entity**) dated 7 May 2021 (**Deed**).

Under the Deed, subject to certain conditions precedent being satisfied or waived, the Company will have an ability to purchase from each WAM Entity any LIC or LIT securities that they hold immediately prior to settlement of the Offer which are trading at a discount to their most recent net tangible asset value published on ASX and fall within the focus of the Company's Investment Strategy.

Each LIC or LIT security purchased by the Company pursuant to a call option granted by a WAM Entity will be purchased prior to the Company's admission to the Official List of the ASX and on arm's length terms. The Company has the power to determine which securities, if any, it acquires under any call option granted by the WAM Entities. The Company will pay the market price for all securities purchased from the WAM Entity, calculated by reference to the volume weighted average price over a 10 day period. The Company will use funds raised under the Offer to fund the purchase price. See Sections 9.11 and 10.3 for further details in relation to the Deed with the WAM Entities.

The nature of the Discounted Assets the WAM Entities are exposed to is subject to change based on trading in the securities within the investment portfolios of the relevant WAM Entities, including the addition to or new investments and the disposal of existing investments held. As explained above, each WAM Entity has actively traded in securities since 31 March 2021 and will continue to do so after the date of the Prospectus.

Accordingly, the size and nature of the WAM Entities' investments in Discounted Assets which may be available for purchase by the Company under the Deed is not known at the date of the Prospectus. Despite this, the Company does not expect the investments acquired from WAM Entities to exceed (in aggregate) 80% to 90% of the Value of the Portfolio after the Offer (assuming the Maximum Subscription proceeds are raised).

5.5. Historical performance of the market-driven investment process

Wilson Asset Management has managed WAM Capital since its inception in 1999 and WAM Active since its inception in 2008. Both WAM Capital and WAM Active are LICs with a broad Australian equities mandate and employ the same market-driven investment process as the Company.

The Company considers the performance of WAM Capital and WAM Active to be relevant to the Offer for the following reasons:

- (a) each of WAM Capital and WAM Active is a listed investment company, which will be the structure of the Company under the Offer;
- (b) WAM Capital and WAM Active employ the market-driven investment process, and have actively invested in LICs and LITs trading at a discount, which the Company will utilise on completion of the Offer; and
- (c) WAM Capital's performance history measures more than 20 years of the implementation of the market-driven investment process which the Company will utilise. The Company believes that this is an appropriate time horizon when considering the performance history of the investment strategy being implemented. The performance history of WAM Capital has been generated over an extended period and across market cycles.

The performance of WAM Leaders, WAM Global, WAM Alternative Assets, WAM Microcap, WAM Research and the Wilson Asset Management Equity Fund are not directly relevant to the Company because of the following key differences:

- Differences in investment strategies and processes compared with the Company's.
- Differences in investment focus and short performance history: WAM Leaders was only established in 2016 and has primarily invested in entities within the S&P/ASX 200 Index, WAM Microcap was only established in 2017 and has primarily invested in entities with a market capitalisation of less than \$300 million at the time of acquisition. Similarly, WAM Global was only established in 2018 and has primarily invested in international securities.
- Wilson Asset Management was only appointed the Investment Manager of WAM Alternative Assets in October 2020 and the company primarily invests in a portfolio of real assets, private equity, real estate, private debt and infrastructure.
- Differences in legal structure: as a trust, the Wilson Asset Management Equity Fund has a different tax and cost structure compared to the Company.

Performance of WAM Capital and WAM Active

For the reasons set out above, the Company believes that the performance histories of WAM Capital and WAM Active are most relevant to investors in the Company. The investment returns of WAM Capital and WAM Active described in this Section are historical and do not represent the expected or actual future performance of the Company or its Investment Strategy. Past performance is not indicative of future performance. The performance of the Company could be significantly different to WAM Capital's and WAM Active's historical performance. Importantly:

- (a) the Investment Manager has not previously managed a LIC with the Company's focused Investment Strategy, predominantly invested in Discounted Assets (in particular, LICs and LITs); and
- (b) although WAM Capital, WAM Active and the Company will all use Wilson Asset Management's proven market-driven investment process, for the Company this process will be focused on Discounted Asset opportunities (primarily Australian LICs and LITs trading at a discount to their underlying asset values). As a result, the composition of each portfolio (including the percentage of cash or the number of securities held from time-to-time) will vary.

As a result, the Company's Portfolio and the Company's performance will not be the same as WAM Capital or WAM Active.

5. About the Investment Manager

Comparative performance of WAM Capital

The following table illustrates the historical performance of WAM Capital, compared against the S&P/ASX All Ordinaries Accumulation Index. The S&P/ASX All Ordinaries Accumulation Index has been used as a comparison because it is the benchmark that WAM Capital has historically used. WAM Capital's broad investment mandate allows investments across all Australian equities. WAM Capital has chosen the S&P/ASX All Ordinaries Accumulation Index as the benchmark as it is a commonly used measure of Australian equities performance.

The below table shows that WAM Capital delivered a gross return of 16.4% per annum since its inception in August 1999 compared against the S&P/ASX All Ordinaries Accumulation Index which delivered a return of 8.4% per annum over the same period.

Performance at 31 March 2021	Funds under management	1 year	3 years %pa	5 years %pa	7 years %pa	10 years %pa	Since inception %pa
WAM Capital (ASX: WAM)	\$1,651.2m	52.1%	9.9%	11.7%	12.5%	13.0%	16.4%
S&P/ASX All Ordinaries Accumulation Index	N/A	41.1%	10.1%	10.6%	8.1%	8.0%	8.4%

Notes:

- The performance periods of 1 year, 3 years, 5 years, 7 years, 10 years and since inception are calculated over the relevant period ending 31 March 2021. The performance of WAM Capital is based on the unaudited monthly returns and are calculated before expenses, fees and taxes. The inception date of WAM Capital is August 1999.
- WAM Capital provides investors with exposure to an actively managed diversified portfolio of undervalued growth companies with a bias to small-to-medium sized companies, listed on the ASX.
- The performance of the S&P/ASX All Ordinaries Accumulation Index is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Prospectus. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The above table is not intended to be an indication of future performance of any asset class, index or the Company.
- The returns identified above are provided for information purposes only, as an example of the proven investment process implemented by the Investment Manager, over an appropriate investment term.

Comparative performance of WAM Active

The following table illustrates the historical performance of WAM Active, compared against the Bloomberg AusBond Bank Bill Index. The Bloomberg AusBond Bank Bill Index has been used as a comparison because it is the benchmark that WAM Active has historically used, representing the return on cash for investors. WAM Active's broad investment mandate allows investments across all Australian equities.

The below table shows that WAM Active delivered a gross return of 12.1% per annum since its inception in January 2008 compared against Bloomberg AusBond Bank Bill Index which delivered a return of 3.0% per annum over the same period.

Performance at 31 March 2021	Funds under management	1 year	3 years %pa	5 years %pa	7 years %pa	10 years %pa	Since inception %pa
WAM Active (ASX: WAA)	\$74.2m	45.8%	9.7%	11.4%	10.9%	11.4%	12.1%
Bloomberg AusBond Bank Bill Index	N/A	0.1%	1.1%	1.4%	1.7%	2.3%	3.0%

Notes:

- The performance periods of 1 year, 3 years, 5 years, 7 years, 10 years and since inception are calculated over the relevant period ending 31 March 2021. The performance of WAM Active is based on the unaudited monthly returns and are calculated before expenses, fees and taxes. The inception date of WAM Active is January 2008.
- WAM Active provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.
- The performance of the Bloomberg AusBond Bank Bill Index is based on trading data prepared using Bloomberg. Bloomberg has not consented to the use of this data in this Prospectus. The Bloomberg AusBond Bank Bill Index has been chosen for comparison purposes only. The above table is not intended to be an indication of future performance of any asset class, index or the Company.
- The returns identified above are provided for information purposes only, as an example of the proven investment process implemented by the Investment Manager, over an appropriate investment term.

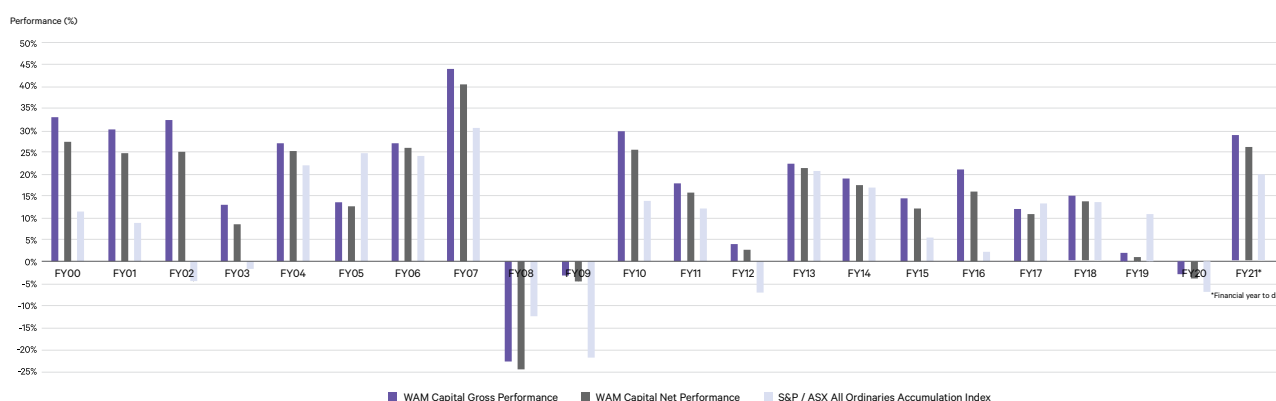


Annual historical performance since inception for WAM Capital

The graph below illustrates the annual historical performance of WAM Capital, compared against the S&P/ASX All Ordinaries Accumulation Index.

The graph illustrates WAM Capital's annual net performance (calculated after fees and expenses but before taxes) since inception in August 1999.

For the purposes of comparing performance against the S&P/ASX All Ordinaries Accumulation Index, the graph also illustrates WAM Capital's annual gross performance (calculated before expenses, fees and taxes).



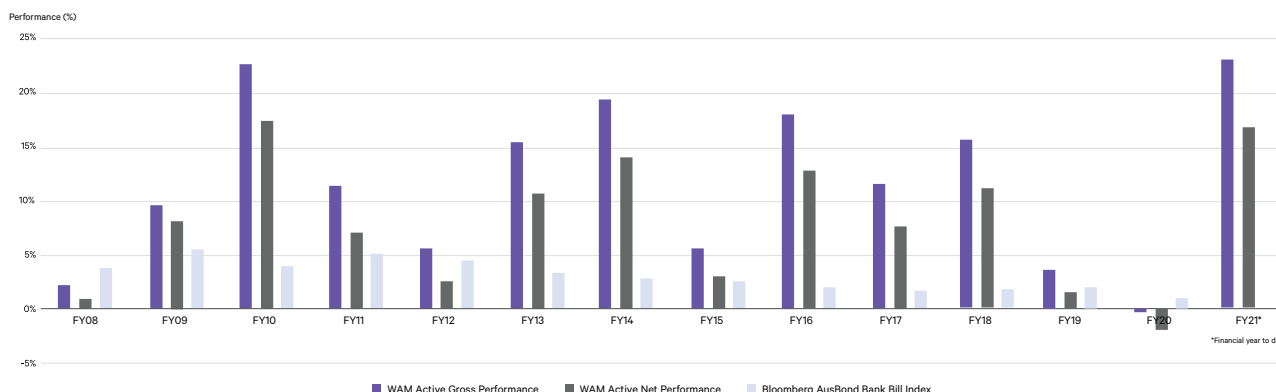
Notes:

1. WAM Capital's gross performance is calculated before expenses, fees and taxes.
2. WAM Capital's net performance is calculated after fees and expenses, but before taxes.
3. The performance of the S&P/ASX All Ordinaries Accumulation Index is based on trading data prepared using IRESS. IRESS has not consented to the use of this data in this Prospectus. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the Company.

Annual historical performance since inception for WAM Active

The graph below illustrates the annual historical performance of WAM Active, compared against the Bloomberg AusBond Bank Bill Index, representing the return on cash for investors.

The graph illustrates WAM Active's annual net performance (calculated after fees and expenses but before taxes) since inception in January 2008 and WAM Active's annual gross performance (calculated before expenses, fees and taxes).



Notes:

1. WAM Active's gross performance is calculated before expenses, fees and taxes.
2. WAM Active's net performance is calculated after fees and expenses, but before taxes.
3. The performance of the Bloomberg Bank Bill Index is based on trading data prepared using Bloomberg. Bloomberg has not consented to the use of this data in this Prospectus. The Bloomberg Bank Bill Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the Company.

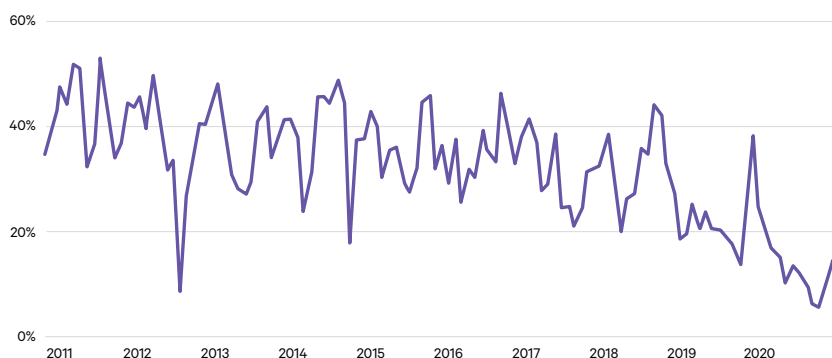
5. About the Investment Manager

5.6. Historical cash and equity weightings

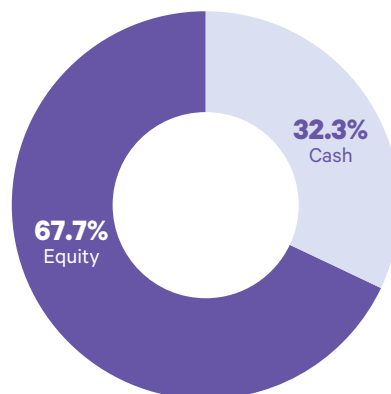
As capital preservation is a key investment objective for the Company, it may revert to holding cash once an investment has matured and if other opportunities cannot be identified. This could potentially lead to the Company holding up to 100% of the Portfolio in cash from time-to-time.

The graph below presents the historical cash and equity weightings of WAM Capital for the last 10 years. The historical cash weightings have been included to provide some context to the investment environment that the historical investment performance returns have been generated in. The information is not intended to provide an indication of the cash holdings that the Company will hold from time-to-time in the future. Over the past 10 years, and since inception, the average cash weighting for WAM Capital was 32.3%.

10-year historical cash exposure

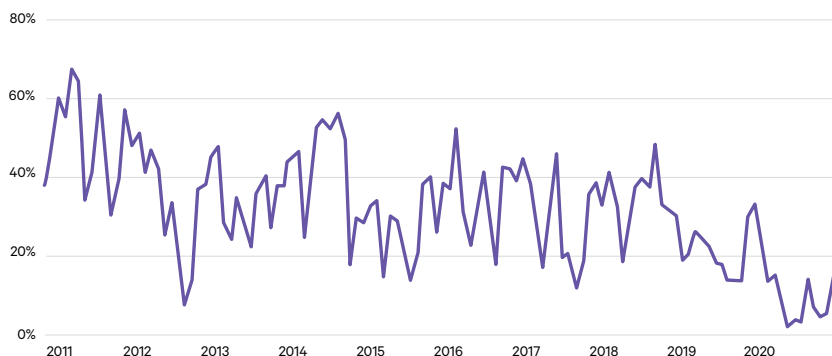


10-year historical average cash & equity weightings

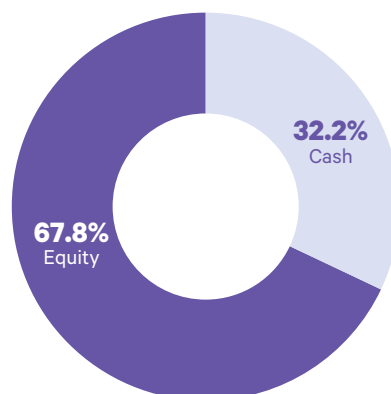


The graph below presents the historical cash and equity weightings of WAM Active for the last 10 years. The historical cash weightings have been included to provide some context to the investment environment that the historical investment performance returns have been generated in. The information is not intended to provide an indication of the cash holdings that the Company will hold from time-to-time in the future. Over the past 10 years, the average cash weighting for WAM Active was 32.2%. Since inception, the average cash weighting for WAM Active has been 37.7%.

10-year historical cash exposure



10-year historical average cash & equity weightings



5.7. Investment and management personnel

The Investment Manager will utilise the skills and experience of the 14-person strong Investment Team (with over 190 years' collective investing experience gained across equities and alternative assets), supported by the broader management team in managing the Company's Portfolio.

Geoff Wilson will lead the Investment Team responsible for the Company's Portfolio.

The Investment Team works as a close unit dedicated to the management of all WAM Entities (including, after the Offer, the Company), solely focused on growing and protecting shareholders' capital in each of those entities.

The Investment Manager will ensure that Geoff Wilson and the other members of the Wilson Asset Management Investment Team will dedicate such time as required to the Company.

The Investment Team is supported by a team of 27 high-performing professionals who work across the corporate affairs, finance and operations teams. They are tasked with delivering shareholders transparency, insights and experiences. Their work adds discipline, depth and reach to Wilson Asset Management's core business, supporting the Investment Strategy and the market-driven investment process of the Company.

Wilson Asset Management – Investment Team



Geoff Wilson AO

Chairman and Chief Investment Officer
BSc GMQ FFINSIA FAICD

Geoff has over 41 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 and Future Generation Global.

Geoff is Chairman and Chief Investment Officer of WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Research and WAM Active and is a Director of WAM Alternative Assets.

Geoff holds a number of additional directorships with investment companies and not-for-profit organisations. See Section 9.2 for further details.



Catriona Burns

Lead Portfolio Manager of WAM Global
BCom (Lib Studies) MApp Fin CFA

Catriona has more than 17 years' global and Australian investment experience. Catriona began her career with Wilson Asset Management in 2003 before relocating to London to work with Hunter Hall Investment Management as a Portfolio Manager responsible for global equities with a bias to small-to-mid cap companies. In 2012, Catriona joined John Sevier and David Cooper at the inception of Airlie Funds Management.

Catriona is the Lead Portfolio Manager responsible for WAM Global.



Matthew Haupt

Lead Portfolio Manager of WAM Leaders
BCom GradDipAppFin CFA

Matthew has more than 15 years' experience in the investment industry working as both a portfolio manager and analyst. Prior to joining Wilson Asset Management, Matthew gained extensive large-cap experience in his previous role within Australian Executor Trustees (now part of IOOF).

Matthew is the Lead Portfolio Manager responsible for WAM Leaders.

5. About the Investment Manager

(continued)

Wilson Asset Management – Investment Team



Oscar Oberg

Lead Portfolio Manager of WAM Capital, WAM Microcap, WAM Research and WAM Active

LLB BBus CFA

Oscar has more than 14 years' experience in financial markets. Before joining Wilson Asset Management, Oscar worked as a sell-side analyst at CLSA and three years at Grant Thornton working in transaction advisory services.

Oscar is the Lead Portfolio Manager responsible for WAM Capital, WAM Microcap, WAM Research and WAM Active.



Dania Zinurova

Portfolio Manager of WAM Alternative Assets

MSc (Real Estate Investment) MEB State Dip Banking & Finance

Dania has held senior roles in Australia, the US, Europe and the UK throughout her 23-year career.

Dania most recently held the position of Director of Manager Research in Australia, Head of Real Assets Australia at Willis Towers Watson. Prior to this, Dania held various real assets investment roles with Willis Towers Watson in London and New York.



John Ayoub

Portfolio Manager of WAM Leaders

LLB BA Grad Cert App Fin

John joined Wilson Asset Management in 2016 at the inception of WAM Leaders. John has 12 years' industry experience, working at Credit Suisse as a director in equity sales and trading, focusing on both large and small-cap companies.

Prior to this, John worked as a research analyst and in corporate finance at Ord Minnett and was previously a corporate lawyer.



Tobias Yao

Portfolio Manager of WAM Capital, WAM Microcap, WAM Research and WAM Active

BCom CFA

Tobias joined Wilson Asset Management in 2014 and works within WAM Capital, WAM Microcap, WAM Research and WAM Active. Tobias has 13 years' experience in the investment industry. Prior to this he spent five years as an investment analyst at Pengana Capital, and previously worked in Ernst & Young's transaction advisory services division.



Nick Healy

Portfolio Manager of WAM Global

BEng (Hons) MBA

Nick has more than 5 years' global investment experience. Nick joined Wilson Asset Management at the inception of WAM Global in 2018, after three years in London covering US industrials companies for Fidelity International. In 2015, Nick received his MBA from INSEAD, where he received the Henry Ford II prize for graduating first in class. Prior to his MBA, Nick spent six years as a mechanical engineer.



Shaun Weick

Equity Analyst

BBus (Fin) CA

Shaun joined Wilson Asset Management in 2020 and works within WAM Capital, WAM Microcap, WAM Research and WAM Active. Shaun has more than 10 years' experience in financial markets. Prior to joining Wilson Asset Management, he worked as a sell-side analyst at Macquarie Group and CLSA. Prior to that, he spent five years at KPMG in the M&A Advisory division.



Sam Koch
Equity Analyst
BBus CFA

Sam joined Wilson Asset Management in 2018 and works within WAM Capital, WAM Microcap, WAM Research and WAM Active. Sam has more than 3 years' experience in financial markets and has worked in the financial industry for more than 6 years. Prior to joining Wilson Asset Management, Sam was an equity analyst and dealer at IFM Investors and was previously an accountant at Colonial First State.



Anna Milne
Equity Analyst
BCom CFA

Anna joined Wilson Asset Management in 2020 and works with the WAM Leaders team. Anna has more than 4 years' experience in financial markets. Prior to joining Wilson Asset Management in 2020, Anna was a sell-side equity research analyst at UBS, Credit Suisse and Jarden.



William Liu
Equity Analyst
BCom MFin

William joined Wilson Asset Management in 2020 and works within the WAM Global team. William has more than 7 years' experience in the investment industry. Prior to joining Wilson Asset Management, William was global equity portfolio manager at Wilsons Advisory and was previously a credit research analyst at UBS Asset Management.



Cooper Rogers
Senior Equities Dealer
BCom GradDipAppFin

Cooper joined Wilson Asset Management in 2017. Previously, Cooper spent 4 years in the investment industry, most recently working as the designated trading representative for the Institutional Sales division at Hartleys Limited.



Will Thompson
Equities Dealer
BCom

Will joined Wilson Asset Management in 2021 and has worked in financial markets for over 4 years. Prior to joining Wilson Asset Management, Will most recently worked as an equities dealer at Terra Capital.

5. About the Investment Manager

Wilson Asset Management – Management Team



Kate Thorley

Chief Executive Officer

BCom CA GAICD

Kate has more than 16 years' experience in the funds management industry and more than 21 years' financial accounting and corporate governance experience.

Kate is the Chief Executive Officer of Wilson Asset Management, Director of WAM Capital, WAM Leaders, WAM Global, WAM Research, WAM Active, WAM Microcap.

Kate is a Director and the Acting CEO of Future Generation Australian and Future Generation Global.



Martyn McCathie

Head of Operations and Key Account Manager

Martyn joined Wilson Asset Management in 2014 and has more than 20 years' experience within financial services, both domestic and overseas. Previously, Martyn spent several years as senior operations manager at RARE Infrastructure and spend 3 years RBC Dexia Investor & Treasury Services in a number of senior operations roles. Martyn oversees the Group's investment operations function and manages relationships with research houses, rating agencies, platforms and key service providers.



Jesse Hamilton

Chief Financial Officer

BCom (Acc) CA

Jesse is a Chartered Accountant with more than 13 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer of Wilson Asset Management, Jesse oversees the finance, accounting and company secretary representative for the WAM Entities.

Jesse previously worked as an advisor specialising in assurance services, valuations, merges and acquisitions, financial due diligence and capital raising activities for LICs.



James McNamara

Head of Corporate Affairs

BJourn GradDip Com MComm

James is a Corporate Affairs Advisor with more than 12 years' experience. James joined Wilson Asset Management in 2014 and leads the Group's shareholder engagement, communications, marketing and public affairs functions. Prior to joining Wilson Asset Management, James was a manager at a leading Australian consultancy, advising clients in the mining, oil and gas, construction, agribusiness and government sectors throughout the Asia Pacific region.

Additional support

The duties that Wilson Asset Management performs in addition to managing the investment portfolio can include the provision of financial and administrative support to ensure the maintenance of the corporate and statutory records, liaison with the ASX with respect to compliance with the Listing Rules, liaison with ASIC with respect to compliance with the Corporations Act, liaison with the share registrar, shareholder engagement, marketing and the provision of information necessary for the maintenance of financial accounts. See Section 9.11 for further details.

6

Risk Factors



6. Risk Factors

6.1. Introduction

Intending investors should be aware that subscribing for Shares involves various risks. There are general risks associated with owning securities in publicly listed companies. The price of securities can go down as well as up due to factors outside the control of the Company.

These factors include Australian and worldwide economic and political stability, natural disasters, pandemics, performance of the domestic and global share markets, interest rates, foreign exchange, taxation and labour relations environments internationally.

Investors have choices that can reduce the impact of risk. Firstly, get professional advice suited to your investment objectives, financial situation and particular needs. Nothing in this Prospectus can replace or offer that. Secondly, invest for at least the time frame recommended by your professional adviser.

The Company should not be seen as a predictable, low-risk investment. The Company's investments will be primarily focused on Discounted Assets, primarily Australian LICs and LITs and the Company therefore is considered to have a higher risk profile than cash assets.

It is not possible to identify every risk associated with investing in the Company. However, the following provides a list of significant risks associated with the Company. There may be other risks associated with the Company.

6.2. Key Investment Strategy risk

The Company's investment activities will expose it to a variety of risks. The Company has identified some as being particularly relevant to its Investment Strategy, these include the risks in this Section 6.

Investment Strategy risk

The success and profitability of the Company will largely depend on the Investment Manager's continued ability to manage the Portfolio in a manner that complies with the Company's objectives, strategies, policies, guidelines and permitted investments. A failure to do so may negatively impact the Company and its Shares. In addition, there are risks inherent in the Investment Strategy that the Investment Manager will employ for the Company.

While the Portfolio is expected to be predominantly comprised of listed Australian securities, specifically investments in LICs and LITs, the Investment Manager has a broad mandate and is able to invest in any Australian or international securities (both listed and unlisted), use Derivatives, hold cash and invest in other permitted investments identified in Section 4.7

(subject to the restrictions set in the investment guidelines from time to time). With a view to managing risks:

- (a) the Investment Manager has adopted the risk management philosophy and approach outlined in Section 4.17;
- (b) the gross exposure within the Portfolio (i.e. the sum of the value of Long Positions, Short Positions and Derivatives within the Portfolio) will not exceed 150% of the Value of the Portfolio without prior Board approval.

Other risks inherent in the Investment Strategy are identified elsewhere in this Section 6.

Investment Manager's performance risk

The past performance of portfolios managed by the Investment Manager, and persons associated with the Investment Manager, are not necessarily a guide to future performance of the Company. The success and profitability of the Company depends almost entirely on the ability of the Investment Manager to construct a Portfolio of investments that has the ability to increase in value over time and to successfully execute techniques and strategies that aim to realise value within the Company's Portfolio of Discounted Assets.

If the Investment Manager is unable to successfully execute techniques and strategies to realise value, the Discounted Assets within the Company's Portfolio may continue to trade at a discount to their underlying asset values. It also may be difficult for the Investment Manager to exit its investment positions in Discounted Assets which could become illiquid.

The Company has no right to terminate the Investment Management Agreement during the initial fixed term, which is expected to be 10 years. Even if the Company does not perform well, it may be difficult to remove the Investment Manager.

Key person risk

The Company's Investment Strategy has been developed by Wilson Asset Management, and leverages the Investment Manager's, specifically Geoff Wilson's, significant experience in identifying, investing in and realising Discounted Asset opportunities. If Geoff Wilson ceases his role with the Investment Manager, there is a risk to the successful execution of the Investment Strategy going forward. The Company has no right to terminate the Investment Management Agreement in the event of a change of control of the Investment Manager or in the event of a material change to the composition of the Wilson Asset Management Investment Team, including if Geoff Wilson ceases his role with the Investment Manager.

The risks associated with Geoff Wilson leaving the Investment Manager are mitigated by the depth of experience across both the Wilson Asset Management Investment Team and the broader management team. Notably, excluding Geoff Wilson, the Wilson Asset Management Investment Team still has over 150 years' collective investing experience. The risk of Geoff Wilson leaving the Investment Manager is further mitigated by the fact that Geoff Wilson is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the Investment Manager. Geoff's commitment to the Company and its Investment Strategy is further evidenced by his intention to invest approximately \$5 million in the Offer, through associated entities.

6.3. Significant risks of investing in the Company

The Company's Portfolio is expected to be predominantly comprised of listed Australian securities, specifically investments in LICs and LITs (see Sections 4.3, 4.7 and 5.4 for further details).

There is a risk that securities will fall in value over short or extended periods of time. Historically, shares have outperformed other traditional assets classes over the long term. Share markets tend to move in cycles and individual share prices may fluctuate and underperform other asset classes over extended periods of times. Shareholders in the Company are exposed to this risk both through their holding in Shares in the Company as well as through the Company's Portfolio.

Market risk

Broad market risks include movements in domestic and international securities markets, movements in foreign exchange rates and interest rates, changes in taxation laws and other laws affecting investments and their value.

The Company's Portfolio will be constructed so as to minimise market risks. Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment. The Investment Manager will seek to minimise market and economic risks but cannot eliminate them entirely.

Equity risk

There is a risk that Shares will fall in value over short or extended periods of time. Historically, shares have outperformed other traditional assets classes over the long-term. Share markets tend to move in cycles and individual share prices may fluctuate and underperform other asset classes over extended periods of times.

Shareholders in the Company are exposed to this risk both through their holding in Shares in the Company as well as through the Company's Portfolio.

Concentration risk

There may be more volatility in the Portfolio as compared to the broader market because the Portfolio will be comprised of a smaller number of securities than the broader market.

Discount to NTA

The Company will be listed on the ASX. The Share price may trade at a premium or a discount to its NTA. Whether a LIC trades at a premium or discount to its NTA can be influenced by a number of factors including, but not limited to, falls in domestic or global equity markets, the performance of its portfolio, its history of dividend payments, its marketing and communication strategy and overall experience of its investment management team.

Compensation fee structure risk

The Investment Manager may receive compensation based on the Portfolio's performance. Performance Fee arrangements may create an incentive for the Investment Manager to make more speculative or higher risk investments than might otherwise be the case. There is no 'hurdle' or benchmark in relation to the Performance Fee for the Investment Manager. The Performance Fee is subject to a High Water Mark which is the greater of the highest Value of the Portfolio as at the last day of any Performance Period and the gross proceeds raised under the Offer.

Leverage risk

The Investment Manager can use debt (through convertible notes and similar investments, or through debt facilities with financial institutions) to increase the scale of the Portfolio of the Company. The Investment Manager is also able to use Derivatives and Short Selling which can have an effect similar to debt, creating leverage in the Portfolio that can magnify the gains and losses achieved. Leverage risks give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

Short Selling risk

Short Selling involves borrowing securities and then selling those borrowed securities. Short Selling is subject to the theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate. Additionally, there is a risk that the securities lender may request the return of the securities. These risks may give rise to the possibility that positions may have to be liquidated at a loss and not at a time of the Investment Manager's choosing.

6. Risk Factors

Derivative risk

The Company may invest in Exchange-traded and over-the-counter Derivatives including options, futures and swaps, currency commodities and credit default exposures, currency forwards/contracts and related instruments. The Company may use Derivative instruments (both exchange traded and over-the-counter) for risk management purposes and to take opportunities to increase returns. Investments in Derivatives may cause losses associated with the value of the Derivative failing to move in line with the underlying security or as expected. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Company to lose more than the amount of assets initially contributed to the investment.

It is the intention of the Investment Manager to only employ relatively simple Derivatives and that the notional exposures of any open Derivative positions would be included in overall exposure limits. The Investment Manager expects that the use of Derivatives would be primarily limited to Exchange-traded Derivatives.

Industry risk

There are a number of industry risk factors that may affect the future operation or performance of the Company. These factors are outside the control of the Company. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.

Interest rate risk

Interest rate movements may adversely affect the value of the Company through their effect on the price of a security and the cost of borrowing.

Default risk

Investment in securities and financial instruments generally involves third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody that could adversely affect the value of the Company.

The Company will outsource key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Company or provide services below standards that are expected by the Company, causing loss to the Company. The Company will provide the Manager Loan to the Manager. The Company has a right of recourse against the Manager for the amounts owed under the Manager Loan.

Regulatory risk

All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Company holds investments.

Company risk

The Company is a new entity with no operating history and no proven track record.

Related party risks

The Chairman is not an independent Director. Currently, Chairman Geoff Wilson holds the sole Share on issue in the Company. Geoff Wilson is also the sole director and indirect owner of 100% of the ordinary (i.e. voting) shares on issue in the Investment Manager. The Company believes that an independent Chairman does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business, as is the case with this Company, it adds value to the Company and all Shareholders benefit.

The majority of the Company's Directors are not independent (per ASX Corporate Governance Council's criteria for independence). Non-independent director Kate Thorley is also the Investment Manager's Chief Executive Officer and company secretary and an indirect owner of non-voting preference shares in the Investment Manager. Despite this, the Board believes that it can better achieve the results of the Company with the current Board's level of expertise and experience.

The Company has entered into several agreements with the Investment Manager (see Section 9.11 for further details). The terms of these arrangements were approved by the Company's Directors (without Geoff Wilson present) on the basis they are consistent with market practice and are on terms customary if the parties were dealing on arm's length terms. Material risks associated with these arrangements are disclosed in this Section 6.

The Company has also entered a Deed with certain WAM Entities, pursuant to which the Company may acquire a right to purchase LIC or LIT securities (of the Company's choosing) on arm's length terms (see Section 10.3 for details). This arrangement is designed to allow the Company to deploy capital quickly and does not expose the Company to any additional risks.

6.4. Risks associated with investments in Shares

The prices at which Shares will trade on the ASX are subject to a number of risks, including:

Market risk

Share markets tend to move in cycles and individual securities prices may fluctuate and underperform other asset classes over extended periods of time. The value of securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company. Shareholders in the Company are exposed to this risk both through their holding in the Company's Shares as well as through the Company's Portfolio.

Financial market volatility

A fall in domestic or global equity markets, bond markets or the rate of change in the value of the Australian dollar against other major currencies may discourage investors from moving money into or out of equity markets. This may have a negative effect on the Value of the Portfolio (for example if the price of securities within the Portfolio decreases and the Investment Manager is required to sell investments at a loss). This may also have a negative effect on the price at which the Company's Shares trade.

Economic risk

Investment returns are influenced by numerous economic factors. These factors include changes in economic conditions (e.g. changes in interest rates or economic growth), changes in the legislative and political environment, as well as changes in investor sentiment.

In addition, exogenous shocks, natural disasters and acts of terrorism, and turmoil in financial markets (such as a global financial crisis or pandemic) can, and sometimes do, add to equity market volatility as well as impact directly on individual securities within the Company's Portfolio. As a result, no guarantee can be given in respect of the future earnings of the Company or the earnings and capital appreciation of the Company's Portfolio or appreciation of the Company's Share price.

Liquidity risk

The Company will be a listed entity and the ability to sell Shares will be a function of the turnover of the Shares at the time of sale. Turnover itself is a function of the size of the Company and also the cumulative investment intentions of all current and possible Shareholders in the Company at any one point in time.

6.5. Other risk factors

Before deciding to subscribe for Shares, Applicants should consider whether Shares are a suitable investment.

There may be tax implications arising from the application for Shares, the receipt of dividends (both franked and unfranked) from the Company, participation in any dividend reinvestment plan of the Company and on the disposal of Shares. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

Investors are strongly advised to regard any investment in the Company as a medium-to-long-term proposition and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur.

If you are in doubt as to whether you should subscribe for Shares, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

6.6. Time frame for investment

The Company's investment objectives are to provide capital growth over the medium-to-long term, to deliver a stream of fully franked dividends and to preserve capital.

For this reason, investors are strongly advised to regard any investment in the Company as a medium-to-long term proposition (more than five years) and to be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period and beyond.

Investors are encouraged to contact their stockbroker, financial adviser, accountant, lawyer or other professional adviser before deciding whether to apply for Shares, after investing and before making any investment decisions in relation to the Company.

7

Financial Information

7.1. Proceeds of the Offer

The Company has net assets of \$1 as at the date of the Prospectus.

The Board intends to use the funds raised from the Offer to fund the Offer Costs (which will be reimbursed via the Manager Loan) and otherwise for investments consistent with the investment objectives and Investment Strategy set out in Section 4.

7.2. Unaudited pro forma statements of financial position

The unaudited pro forma statements of financial position set out below have been prepared to illustrate the effects of the pro forma adjustments described below for the different subscription amounts as if they had occurred on 30 March 2021, being the incorporation date of the Company, including:

- completion of the Offer based on each of the amounts indicated being raised; and
- Offer Costs set out in Section 7.7 being paid upfront by the Company and being repayable in full by the Investment Manager (see Section 10.2 Manager Loan).

It is intended to be illustrative only and it neither reflects the actual position of the Company as at the date of this Prospectus nor at the conclusion of the Offer.

The unaudited pro forma statements of financial position have been prepared on the basis of the assumptions set out in Section 7.6.

WAM Strategic Value Limited

Unaudited pro forma statements of financial position

Assumes completion of the Offer

The unaudited pro forma statements of financial position are presented in summary form only and do not comply with the presentation and disclosure requirements of Australian Accounting Standards.

The information in this Section should also be read in conjunction with the Risk Factors set out in Section 6 and other information contained in this Prospectus.

	Minimum Subscription \$16,500,000 (\$)	Subscription \$112,500,000 (\$)	Maximum Subscription \$225,000,000 (\$)
Assets			
Cash	15,266,629	110,708,746	222,369,760
Receivables	1,233,372	1,791,255	2,630,241
Total assets	16,500,001	112,500,001	225,000,001
Total liabilities	-	-	-
Net assets	16,500,001	112,500,001	225,000,001
Equity			
Contributed equity	16,500,001	112,500,001	225,000,001
Capitalised costs of the Offer	(822,936)	(1,191,081)	(1,741,085)
Costs not eligible to be capitalised	(1,050)	(1,050)	(1,050)
Costs to be repaid	823,986	1,192,131	1,742,135
Total equity	16,500,001	112,500,001	225,000,001
NAV backing per share (\$)	\$1.25	\$1.25	\$1.25

7. Financial Information

The money raised under the Offer will be used by the Company for investments consistent with the Investment Strategy and objectives (refer to Section 4 for details) and for the Manager Loan (see Section 10.2 for a summary of the Manager Loan).

The initial Portfolio of the Company may include investments acquired on arm's length terms from certain WAM Entities. The size of these investments and the composition of the investment Portfolio, while not determined at the date of the Prospectus, is not expected to exceed (in aggregate) 80% to 90% of the Value of the Portfolio at completion of the Offer, assuming the Maximum Subscription proceeds from the Offer are received. See Section 5.4 for further details.

7.3. Capital structure

The anticipated capital structure of the Company on completion of the Offer is set out below:

	Minimum Subscription \$16,500,000	Subscription \$112,500,000	Maximum Subscription \$225,000,000
Shares on issue	13,200,001 Shares	90,000,001 Shares	180,000,001 Shares

As at the date of this Prospectus, Geoff Wilson (Chairman) holds the sole Share on issue in the Company.

7.4. Cash

A reconciliation of the pro forma statements of financial position for cash is as below:

	Minimum Subscription \$16,500,000 (\$)	Subscription \$112,500,000 (\$)	Maximum Subscription \$225,000,000 (\$)
Initial subscriber Share	1	1	1
Proceeds of Prospectus Offer – at the Application Price of \$1.25 per Share	16,500,000	112,500,000	225,000,000
(Expenses of the Offer (net of tax))	(823,986)	(1,192,131)	(1,742,135)
(Deferred tax asset)	(353,136)	(510,914)	(746,629)
(GST receivable)	(56,250)	(88,210)	(141,477)
Estimated net cash position	15,266,629	110,708,746	222,369,760

7.5. Receivable

The Company has entered into a Manager Loan with the Investment Manager dated 3 May 2021. The Investment Manager has agreed to be responsible for the payment of the Offer Costs that the Company would normally be liable for. These costs will be paid upfront by the Company; however, the Investment Manager will repay the Offer Costs to the Company in accordance with the Manager Loan. This Manager Loan permits the Investment Manager to draw a maximum amount of \$3,375,000, however the Manager has confirmed it will only draw an amount equal to the Offer Costs which will be determined at the close of the Offer.

The term of the Manager Loan is 30 months from the date of allotment and must be repaid in full regardless of whether the Investment Manager is the investment manager of the Company.

The receivable balances are based on the estimated Offer Costs in Section 7.7 below.

	Minimum Subscription \$16,500,000 (\$)	Subscription \$112,500,000 (\$)	Maximum Subscription \$225,000,000 (\$)
Receivable for repayment of Offer Costs	1,177,122	1,703,045	2,488,764
GST receivable	56,250	88,210	141,477
Total estimated receivable	1,233,372	1,791,255	2,630,241

7.6. Assumptions

These unaudited pro forma statements of financial position and the information in Sections 7.2, 7.3, 7.4, 7.5 and 7.7 have been prepared on the basis of the following assumptions:

- Application of the proposed accounting policies and notes to the accounts set out in Section 7.8.
- In the unaudited pro forma statement of financial position entitled "Minimum Subscription \$16,500,000", the reference is to issuing 13,200,000 Shares to Applicants under this Prospectus.
- In the unaudited pro forma statement of financial position entitled "Subscription \$112,500,000", the reference is to issuing 90,000,000 Shares to Applicants under this Prospectus.
- In the unaudited pro forma statement of financial position entitled "Maximum Subscription \$225,000,000", the reference is to issuing 180,000,000 Shares to Applicants under this Prospectus.
- The Company will derive income of a sufficient nature and amount to enable recognition of a deferred tax asset for the costs incurred by the Company in respect of the Offer.
- The costs incurred by the Company in respect to the Offer referred to in this Section are net of deferred tax assets, in accordance with accounting standards and the accounting policy note in Section 7.8. This means that the tax benefit (a 30% tax deduction) is applied to these costs to reduce them by 30%. The cash outlay of an expense is gross of this tax benefit. For example, an outlay described in this Section as \$70 (net of tax) is a cash outlay of \$100 less the tax benefit of a \$30 income tax deduction.
- Offer Costs have been paid by the Company and will be repaid in full by the Investment Manager (refer to Section 7.5 and 7.7).
- The Company will pay an Application Fee equal to 1.25% (including GST) of the Application Amounts provided with valid Application Forms in respect of Applications under the Broker Firm Offer and the Applications or commitments to lodge Application Forms (with respect to the Broker Firm Offer) are received before the Broker Firm Offer Closing Date from participating Wholesale and Sophisticated Clients and Retail Clients. Retail Clients who participate in the Broker Firm Offer will be rebated by their Broker in full the Application Fee paid to a Joint Lead Manager in respect of the Retail Client's Application. No Application Fee will be payable on Priority Allocation Applications or General Offer Applications.

For the purpose of the unaudited pro forma statement of financial position, it has been assumed that the Broker Firm Application Fee of 1.25% (including GST) will be paid on:

- 0% of Applications in respect of the Minimum Subscription of \$16,500,000;
 - 33% of Applications in respect of the Subscription of \$112,500,000; and
 - 44% of Applications in respect of the Maximum Subscription of \$225,000,000.
- The Company will pay a fee of \$750,000 (plus GST) to the Joint Lead Managers in return for providing the services under the Offer Management Agreement (refer to Section 10.4).

7. Financial Information

7.7. Offer Costs

Under the Manager Loan, the Investment Manager has agreed to be responsible for the payment of the Offer Costs that the Company would normally be liable for. See Section 7.5 for further details.

The Offer Costs have been estimated at \$823,986 (net of tax) assuming the Minimum Subscription is achieved and \$1,742,135 (net of tax) assuming the Maximum Subscription is achieved.

Below is a breakdown of these expenses (including GST), assuming the Minimum Subscription of Applications for \$16,500,000, Subscription of Applications for \$112,500,000 and Maximum Subscription of Applications for \$225,000,000:

	Minimum Subscription \$16,500,000 (\$)	Subscription \$112,500,000 (\$)	Maximum Subscription \$225,000,000 (\$)
Joint Lead Managers' fees	825,000	1,293,750	2,075,000
Legal fees	139,200	139,200	139,200
Investigating accountant and tax adviser fees	22,000	22,000	22,000
ASX fees	92,377	181,510	239,246
ASIC lodgement fees	2,795	2,795	2,795
Other expenses	152,000	152,000	152,000
Total estimated gross Offer Costs	1,233,372	1,791,255	2,630,241
Less: Deferred tax asset	(353,136)	(510,914)	(746,629)
Less: GST receivable	(56,250)	(88,210)	(141,477)
Total estimated Offer Costs	823,986	1,192,131	1,742,135

7.8. Proposed significant accounting policies and notes to accounts

A summary of significant accounting policies that have been adopted in the preparation of the unaudited pro forma statements of financial position set out in Section 7.2 or that will be adopted and applied in preparation of the financial statements of the Company for the period ended 30 June 2022 and subsequent periods is set out as follows:

(a) Basis of preparation

The pro forma statement of financial position has been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board (AASB), and the Corporations Act, as appropriate for for-profit oriented entities (as modified for inclusion in the Prospectus).

Australian Accounting Standards and Interpretations, set out accounting policies that the AASB 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 financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial information presented in the Prospectus is presented in an abbreviated form and does not contain all of the disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act. The unaudited pro forma statements of financial position have been prepared on the basis of assumptions outlined in Section 7.6.

The unaudited pro forma statements of financial position have been prepared on an accrual basis and are based on historical costs.

(b) Investments

(i) Classification

The category of financial assets and financial liabilities comprises:

Financial instruments held for trading

These include futures, forward contracts, options and interest rate swaps. Should the Company trade in these Derivative financial instruments entered into, it is not expected that they would meet hedge accounting requirements as defined by the accounting standards. Consequently, hedge accounting is not applied by the Company.

Financial instruments designated at fair value through profit or loss

These include financial assets and liabilities that are not held for trading purposes and which may be sold. The fair value through profit or loss classification is available for the majority of the financial assets and liabilities held by the Company.

Loans and receivables

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.

(ii) Recognition/derecognition

Financial assets and liabilities at fair value through profit or loss

Financial assets are recognised initially on the trade date at which the Company becomes party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial asset and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(iii) Measurement

Financial instruments designated at fair value through profit or loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value, with transaction costs that are directly attributable to its acquisition recognised in the statement of comprehensive income. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss.

Listed equities

Shares that are listed or traded on an exchange are fair valued using last sale prices, as at the close of business on the day the shares are being valued. If a quoted market price is not available on a recognised stock exchange, the fair value of the instruments are estimated using valuation techniques, which include the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Derivative financial instruments

Derivative financial instruments are classified as held for trading, as the Company does not designate any Derivatives as hedges in a hedging relationship. Derivatives are recognised at cost on the date on which a Derivative contract is entered into and are subsequently remeasured at their fair value. Fair values for financial assets and liabilities are obtained from quoted market prices in active markets. All Derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Income and expenditure

Interest income and expenses, including interest income and expenses from non-derivative financial assets, are recognised in the statement of comprehensive income as they accrue, using the effective interest method of the instrument calculated at the acquisition date. Interest income

includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. Interest income is recognised on a gross basis, including withholding tax, if any.

Dividend income relating to exchange-traded equity instruments is recognised in the statement of profit or loss on the ex-dividend date with any related foreign withholding tax recorded as an expense (where applicable).

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlements basis and recognised in the statement of comprehensive income on the day the distributions are announced.

All expenses, including Management Fees and Performance Fees are recognised in the statement of profit or loss on an accrual basis.

(c) Fair value measurement

When a financial asset is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset, assuming they act in their economic best interests. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

(d) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The Company may incur withholding tax imposed by certain countries on investment income. Such income will be recorded net of withholding tax in the statement of comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless GST incurred is not recoverable from the ATO. In this case it 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 the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Share capital

Ordinary shares will be classified as equity. Costs directly attributable to the issue of ordinary shares will be recognised as a deduction from equity, net of any tax effects.

8

Investigating Accountant's Report



PITCHER PARTNERS

SYDNEY CORPORATE FINANCE PTY LTD

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201 Sussex Street
Sydney NSW 2000
T: 02 9221 2099
E: sydneypartners@pitcher.com.au

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

17 May 2021

The Directors
WAM Strategic Value Limited
Level 26, 1 Farrer Place
SYDNEY NSW 2000

Dear Directors

Part 1: Independent limited assurance report on WAM Strategic Value Limited pro forma historical financial information

8.1 Introduction

The Directors of WAM Strategic Value Limited (the “Company”) have engaged Pitcher Partners Sydney Corporate Finance Pty Ltd (“Pitcher Partners”) to report on the pro forma historical financial information of the Company as at 30 March 2021.

We have prepared this Independent Limited Assurance Report (“Report”) to be included in a Prospectus dated on or about 17 May 2021 and relating to the Offer of up to 180,000,000 fully paid ordinary Shares at an offer price of \$1.25 per share to raise up to \$225,000,000 should the Maximum Subscription be raised.

The Minimum Subscription is 13,200,000 fully paid ordinary Shares to raise a minimum of \$16,500,000. The Offer is not underwritten.

Unless stated otherwise, expressions defined in the Prospectus have the same meaning in this Report and section references are to sections of the Prospectus.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (“AFSL”) under the Corporations Act. Pitcher Partners holds the appropriate AFSL authority under the Corporations Act. Refer to our Financial Services Guide included as Part 2 of this Report.

8.2 Background

The Company was incorporated on 30 March 2021 and has not traded. As at the date of this Report, the Company has 1 Share on issue and has net assets of \$1.

8.3 Scope

This Report deals with the pro forma financial information included in Section 7 of the Prospectus (“Financial Information”). The Financial Information consists of the pro forma statements of financial position as at 30 March 2021 and related notes as set out in Sections 7.3 to 7.8 of the Prospectus.

The unaudited pro forma statements of financial position in Section 7.2 have been prepared to illustrate the financial position of the Company on completion of the Offer and have been prepared on the basis of the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events to which the pro forma assumptions relate, as described in Section 7.6 of the Prospectus, as if those events had occurred as at 30 March 2021. Due to its nature, the pro forma historical financial information does not represent the Company’s actual or prospective financial position.

The pro forma statements of financial position are presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports.

Pitcher Partners disclaims any responsibility for any reliance on this Report or the financial information to which it relates for any purpose other than that for which it was prepared. This Report should be read in conjunction with the full Prospectus and has been prepared for inclusion in the Prospectus.

8.4 Director’s Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the pro forma statements of financial position including the selection and determination of pro forma assumptions, accounting policies and the notes included in the pro forma historical financial information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of the pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

8.5 Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the pro forma historical financial information included in Section 7 of the Prospectus based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

Pitcher Partners is an association of independent firms.
Pitcher Partners Sydney Corporate Finance Pty Ltd, ABN 77 122 561 164, AFSL 516413. Liability limited by a scheme approved under Professional Standards Legislation. Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



pitcher.com.au

8. Investigating Accountant's Report



A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion on the pro forma historical financial information of the Company.

Our engagement did not involve updating or re issuing any previously issued audit or review report on any financial information used as a source of the financial information.

8.6 Conclusion

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma historical financial information (being the pro forma statements of financial position of the Company) are not presented fairly, in all material respects, in accordance with the assumptions described in Section 7.6 of the Prospectus and the stated basis of preparation as described in Section 7.2 of the Prospectus.

8.7 Restriction On Use

Without modifying our conclusions, we draw attention to Section 7 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Investors should consider the statement of investment risks set out in Section 6 of the Prospectus.

8.8 Legal Proceedings

The Company is a newly incorporated company which has not conducted any business to date. The Company is not and has not been, since its incorporation to the date of this Prospectus, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Company.

As far as the Directors are aware, no such proceedings are threatened against the Company.

8.9 Subsequent Events

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief no other material transactions or events outside of the ordinary business of the Company have come to our attention, that would require comment on, or adjustment to the information referred to in our Report, or that would cause such information to be misleading or deceptive.

8.10 Sources Of Information

Pitcher Partners has made enquiries of the Directors, the Manager and other parties as considered necessary during the course of our analysis of the pro forma historical financial information of the Company. We have also referred to the Prospectus and material documents which relate to the proposed operations of the Company.

We have no reason to believe the information supplied is not reliable.

8.11 Independence Or Disclosure Of Interest

Pitcher Partners has no financial or other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion on the matters that are subject of this Report for which normal professional fees will be received.

Neither Pitcher Partners Sydney Corporate Finance Pty Ltd, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of this Offer, other than a fee payable to Pitcher Partners in connection with the preparation of our Report for which normal professional fees will be received.

8.12 Liability

Pitcher Partners has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report, this consent has not been withdrawn.

The liability of Pitcher Partners is limited to the inclusion of this Report in the Prospectus. Pitcher Partners has not authorised the issue of the Prospectus. Accordingly, Pitcher Partners makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from, the Prospectus.

8.13 Financial Services Guide

We have included our Financial Services Guide as Part 2 of this Report. The Financial Services Guide is designed to assist Retail Clients in their use of any general financial product advice in our Report.

Yours faithfully

Pitcher Partners Sydney Corporate Finance Pty Ltd

A handwritten signature in black ink, appearing to read 'S Whiddett'.

Scott Whiddett
Director

Part 2: Financial services guide

1. Pitcher Partners Sydney Corporate Finance Pty Ltd

Pitcher Partners Sydney Corporate Finance Pty Ltd ("Pitcher Partners") is licensed as an Australian Financial Services Licensee, Licence No. 516413.

Pitcher Partners may provide the following financial services to Wholesale and Retail Clients:

- Financial product advice for the following classes of financial products:
 - (i) deposit and payment products including:
 - (a) basic deposit products;
 - (b) deposit products other than basic deposit products; and
 - (c) non-cash payment products;
 - (ii) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (iii) interests in managed investment schemes excluding investor directed portfolio services; and
 - (iv) securities;
 (collectively "Authorised Financial Products") and
- Deal in a financial product by:
 - (i) arranging for another person to issue, acquire, vary or dispose of a financial product in respect of the following classes of financial products:
 - (a) interests in managed investment schemes excluding investor directed portfolio services; and
 - (b) securities; and
 - (ii) applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products:
 - (a) deposit and payment products including:
 - (1) basic deposit products;
 - (2) deposit products other than basic deposit products; and
 - (3) non-cash payment products;
 - (b) debentures, stocks or bonds issued or proposed to be issued by a government;
 - (c) interests in managed investment schemes excluding investor directed portfolio services; and
 - (d) securities.

2. Financial Services Guide

The Corporations Act 2001 (Cth) requires Pitcher Partners to provide this Financial Services Guide ("FSG") in connection with its provision of an Independent Limited Assurance Report ("Report") which is included in the Prospectus issued by the Company (the "Entity").

3. General Financial Product Advice

The financial product advice provided in our Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in our Report is appropriate for you, having regard to your own personal objectives, financial situation or needs. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

4. Remuneration

The fees we charge for preparing reports are usually determined on an hourly basis; however they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services.

Fee arrangements are agreed and confirmed in a letter of engagement with the party or parties who engage us.

Neither Pitcher Partners, nor its directors or officers, nor any related bodies corporate and their directors and officers, receives any other fees, commissions or other benefits in connection with preparing and providing this report.

All of our employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits arising directly as a result of the services provided to you. We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

5. Independence

Pitcher Partners is required to be independent of the Entity.

Neither Pitcher Partners, any related entities, any Director thereof, nor any individual involved in the preparation of the Report have any financial interest in the outcome of the Entity's application for renewal of registration, other than a fee in connection with the preparation of our Report for which professional fees in the order of \$22,000 (excluding GST) will be received and audit fees agreed from time-to-time.

No pecuniary or other benefit, direct or indirect, has been received by Pitcher Partners, any related entities, their Directors or employees, or related bodies corporate for or in connection with the preparation of this Report.

8. Investigating Accountant's Report

6. Complaints Resolution

Pitcher Partners is only responsible for its Report and this FSG. Complaints or questions about the Disclosure Statement should not be directed to Pitcher Partners which is not responsible for that document. Pitcher Partners may be contacted as follows:

- By phone: (02) 9221 2099
- By fax: (02) 9223 1762
- By mail: GPO Box 1615, SYDNEY NSW 2001

If you have a complaint about Pitcher Partners' Report or this FSG you should take the following steps:

1. Call Pitcher Partners on (02) 9221 2099 or send a written complaint to Darling Park, Level 16, Tower 2, 201 Sussex Street, Sydney NSW 2000. We will try to resolve your complaint quickly and fairly.
2. If you still do not get a satisfactory outcome, you have the right to complain to the Australian Financial Complaints Authority at GPO Box 3 Melbourne VIC 3001 or call on 1800 931 678. We are a member of this scheme.
3. The Australian Securities and Investments Commission (ASIC) also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

9

Directors of WAM Strategic Value Limited

9. Directors of WAM Strategic Value Limited

9.1. Introduction

The Company believes that the Investment Manager has the skill, depth of knowledge and history of achieving results through the Investment Strategy to manage this Portfolio.

The Investment Manager will be overseen by the Board of Directors who have a broad range of experience in investment management, combined with financial and commercial expertise.

The following table provides information regarding the Directors, including their positions:

Director	Position
Geoff Wilson AO	Non-independent, Chairman
Kate Thorley	Non-independent, non-executive Director
Glenn Burge	Independent, non-executive Director

9.2. Background of the Directors

Geoff Wilson AO (Non-independent Chairman)

Geoff Wilson has over 41 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. Geoff created Australia's first listed investment companies to deliver both investment and social returns, Future Generation Australia and Future Generation Global. 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 is currently Chairman of WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited, WAM Active Limited and the Australian Stockbrokers Foundation. He is the Founder and Director of Future Generation Global Investment Company Limited and Future Generation Investment Company Limited and a Director of WAM Alternative Assets Limited, Wilson Asset Management Equity Fund, Incubator Capital Limited, Global Value Fund Limited, Century Australia Investments Pty Limited, Hearts and Minds Investments Limited, Wealth Defender Equities Pty Limited, Wollongong 2022 Limited, Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Children's Music Foundation, and he is a Member of the Second Bite NSW Advisory Committee. He is also founder, Director and beneficial owner of the investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Kate Thorley (Non-independent Director)

Kate Thorley has over 16 years' experience in the funds management industry and more than 21 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 Global Limited, WAM Research Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Active Limited, director and acting Chief Executive Office of Future Generation Australia and Future Generation Global. Kate 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).

Glenn Burge (Independent Director)

Glenn is an advisor to Audant Investments and has over 35 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.

9.3. Independent Director

Glenn Burge, being the Independent Director of the Company, is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of his judgement.

9.4. Director disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12-month period after they ceased to be an officer.

9.5. The role of the Directors

The Directors will ensure the Company has Corporate Governance procedures and that those procedures are followed. In addition, the Board will be responsible for reviewing the Investment Manager's performance and ensuring compliance with the Investment Management Agreement terms. Together the members of the Board may implement capital management strategies (in line with the policy set out in Section 4.12) from time-to-time.

It is expected that Board meetings will be held at least quarterly and more frequently as required. The Directors' commitment of time to these activities will depend on a number of factors including the size of the Portfolio.

The Company has outsourced its investment management function to the Investment Manager in accordance with the Investment Management Agreement. The accounting, custody, valuation and share registry functions will be outsourced to various service providers. The Board will oversee the performance of the Investment Manager and other service providers.

Each Director has confirmed that, notwithstanding other commitments, they will be available to spend the required amount of time on the Company's affairs including attending Board meetings of the Company.

9.6. Participation by the Directors

Directors or entities related to them may apply for Shares under this Offer. Geoff Wilson currently holds one Share in the Company, which was issued on incorporation and is planning to invest approximately \$5 million in the Offer, through associated entities.

At completion of the Offer the Directors are expected to have a relevant interest in the following Shares:

Director	Shares
Geoff Wilson AO	4,000,001
Kate Thorley	100,000
Glenn Burge	50,000

9.7. No other interests

Except as set out in this Prospectus, there are no interests that exist at the date of this Prospectus and there were no interests that existed within two years before the date of this Prospectus that are, or were respectively, interests of a Director, a proposed Director of the Company or a promoter

of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion or the Offer.

Further, there have been no amounts paid or agreed to be paid to a Director in cash or securities or otherwise by any persons either to induce him to become or to qualify him as a Director or otherwise, for services rendered by him in connection with the promotion or formation of the Company.

9.8. Directors' remuneration

The Company's non-executive Directors are entitled to receive in aggregate Directors' fees of up to \$110,000 per annum.

Additional remuneration may be paid in accordance with the Company's Constitution. As at the date of the Prospectus, the Company has agreed to pay the Directors the following annual director fees.

Director	Director's fees
Geoff Wilson AO	\$10,000
Kate Thorley	\$10,000
Glenn Burge	\$30,000

For the period to 30 June 2022, Directors will be paid a pro-rata amount calculated by reference to the date the Company is admitted to the Official List.

The remuneration for Directors will be reviewed by the Board on a periodic basis and, subject to the Listing Rules, may be increased.

9.9. Indemnity for Directors

The Company has agreed to provide an indemnity to the Directors in limited circumstances. See Section 10.5 for further details.

9.10. Corporate governance policies

The Board has the responsibility of ensuring the Company is properly managed so as to protect and enhance Shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of activities.

9. Directors of WAM Strategic Value Limited

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. The Board of Directors serve to provide oversight, protect and enhance the interests of all shareholders as a whole. The Board endorses the Corporate Governance Principles and Recommendations with 2019 Amendments (4th Edition) published by the ASX Corporate Governance Council and has adopted corporate governance charters and policies reflecting those ASX Recommendations (to the extent that such principles and recommendations are applicable to an entity of the size and structure of the Company). These will be available on the Company's website at wilsonassetmanagement.com.au/strategicvalue from the date of admission to the Official List.

The Board will review the corporate governance policies and structures that the Company has in place on an ongoing basis to ensure that these are appropriate for the size of the Company and nature of its activities, and that these policies and structures continue to meet the corporate governance standards to which the Board is committed.

9.11. Related-party disclosures

Each Director has entered into a director protection deed with the Company (see Section 10.5).

Non-independent Director, Geoff Wilson, is the sole director and indirect owner of 100% of the ordinary (voting) shares on issue in the Investment Manager and holds the sole Share on issue in the Company. Non-independent Director, Kate Thorley, is also the Investment Manager's Chief Executive Officer and company secretary, and an indirect owner of non-voting preference shares in the Investment Manager.

The Company has entered into several agreements with the Investment Manager, namely the Investment Management Agreement (summarised in Section 10.1), the Manager Loan (summarised in Section 10.2) and agreements to provide accounting and company secretarial services (referenced below). The terms of these arrangements were approved by the Company's Directors (without Geoff Wilson present) on the basis that they would be reasonable in the circumstances if the parties were dealing on arm's length terms. Material risks associated with these arrangements are disclosed in Section 6.

As the indirect owner of the ordinary shares in the Investment Manager, Geoff Wilson will benefit from any management, performance and service fees paid to the Investment Manager in accordance with these agreements. As the indirect owner of preference shares, Kate Thorley may also benefit from

any management, performance and service fees paid to the Investment Manager by the Company.

Details of the financial benefit payable under the Investment Management Agreement are included in Section 10.1.

Wilson Asset Management provides accounting and company secretarial services to the Company under service agreements on commercial terms. The accounting services amount to \$60,000 per annum (plus GST) and the company secretarial services amount to \$25,000 per annum (plus GST). In light of the relationship with the Company, Wilson Asset Management has agreed to fix these fees and has excluded from these agreements with the Company standard provisions that allow for the fees to be automatically reviewed and increased overtime.

The Company has entered into the Manager Loan with the Investment Manager (see Section 10.2). While technically this loan is a financial benefit given to the Investment Manager, it is only the Company and its Shareholders that benefit from this arrangement. The Investment Manager will use the Manager Loan to refund the Offer Costs incurred by the Company, which ordinarily the Company would be required to pay. As noted in Section 10.2, the Manager Loan must be repaid in full regardless of whether the Investment Manager is the investment manager of the Company and if the Investment Manager defaults, the Company has a right of recourse against the Manager for the amounts owed under the Manager Loan.

The Company has entered into a Deed with certain WAM Entities (see Section 10.3), one of which, Botanical Nominees Pty Limited as trustee for the Wilson Asset Management Equity Fund, is controlled by Geoff Wilson and is therefore a related party of the Company. The Company has paid no financial benefit to any WAM Entity in respect of the Deed to date.

The Company has the power to determine which securities, if any, it acquires under any call option granted by the WAM Entities and the Deed requires securities are sold/purchased at their market price (calculated by reference to the volume weighted average price over a 10 day period). Accordingly the Board considers that the Deed and any call option granted pursuant to it would be reasonable in the circumstances if the Company and each WAM Entity were dealing on arm's length terms.

Other than as set out above or elsewhere in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which the Company was, or is to be, a participant, and in which any related party had or will have a direct or indirect material.

10

Material Contracts

10. Material Contracts

The Directors consider that the material contracts described below and elsewhere in this Prospectus are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

This Section contains a summary of the material contracts and their substantive terms.

10.1. Investment Management Agreement

The Company has entered into the Investment Management Agreement with the Investment Manager on 5 May 2021 with respect to the investment management of the Company's Portfolio. Set out below is a summary of the material terms of the Investment Management Agreement.

Services

The Investment Manager must manage and supervise the Portfolio and all investments within the Portfolio.

The Investment Manager will also provide or procure the provision of administrative support services reasonably required by the Company to conduct its business.

Permitted investments

The Investment Manager is permitted to undertake investments in accordance with the Investment Strategy on behalf of the Company without Board approval. However, if the proposed investment is not in accordance with the approved Investment Strategy, Board approval for the investment is required. The Board may approve changes to the approved Investment Strategy from time-to-time.

To the extent the Investment Manager's AFSL does not include the authorisations required for the Investment Manager to provide advice or deal in certain investments, the Investment Manager will engage external advisors with the appropriate AFSL authorisations.

Powers of the Investment Manager

Subject to the Corporations Act, the Listing Rules and any written guidelines issued by the Company from time-to-time, the Investment Manager has the powers necessary to, on behalf of the Company, invest money constituted in or available to the Portfolio, and make, hold, realise and dispose of investments within the Portfolio.

Subject to an obligation to liquidate the Portfolio to meet the Company's operating costs, dividend payments, capital returns, buybacks or other distributions, the Investment Manager has absolute and unfettered discretion to manage

the Portfolio and to do all things considered necessary or desirable in relation to the Portfolio, including:

- (a) investigation, negotiation, acquisition or disposal of every investment;
- (b) to sell, realise or deal with all or any of the investments or to vary, convert, exchange or add other investments;
- (c) if any investments are redeemed or the capital paid on it is wholly or partly repaid by the entity by which that investment was created or issued:
 - (i) to convert that investment into some other investment;
 - (ii) to accept repayment of the capital paid or advance on the investment and any other monies payable in connection with that redemption or repayment; and
 - (iii) to re-invest any of those moneys;
- (d) retain or sell any shares, debentures or other property received by the Company by way of bonus, or in satisfaction of a dividend in respect of any investments or from amalgamation or reconstruction of any entity; and
- (e) to sell all or some of the rights to subscribe for new securities in an investment, to use all or part of the proceeds of the sale of such rights for the subscription for securities or to subscribe for securities pursuant to those rights.

Valuations

The Investment Manager must arrange for calculation of the Value of the Portfolio at least monthly or at such more frequent times as may be agreed between the Investment Manager and the Company. All costs incurred by the Investment Manager in arranging this calculation are to be paid by the Company.

Delegation

The Investment Manager may, with the prior approval of the Company (not to be unreasonably withheld), appoint or employ any person, including any related body corporate (as defined under section 50 of the Corporations Act) of the Investment Manager, to be a sub-contractor for the Investment Manager to perform any or all of the duties and obligations imposed on the Investment Manager by the Investment Management Agreement.

Exclusivity

The Investment Manager is appointed by the Company to exclusively manage the Portfolio on the terms set out in the Investment Management Agreement.

The Investment Manager may from time-to-time perform similar investment and management services for itself and other persons similar to the services performed for the Company under the Investment Management Agreement, provided the Investment Manager does not prejudice or otherwise derogate its responsibilities specified in the Investment Management Agreement.

To manage potential conflicts of interest, the Investment Manager must comply with the allocation policy set out in Section 4.13 (as amended by the Company from time-to-time) and will ensure appropriate procedures are in place to protect the Company's confidential information.

Confidentiality

To protect the confidentiality of information related to the Company and its assets under management, the Investment Manager has provided various confidentiality undertakings in the Investment Management Agreement. These undertakings are consistent with market practice. Importantly these undertakings:

- (a) effectively prohibit the Investment Manager from using the Company's information for any purpose other than in its role as the Company's Investment Manager; and
- (b) require the Investment Manager to take all reasonable, proper and effective precautions to maintain the confidential nature of the Company's information.

Related-party protocols

The Investment Manager is not prohibited under the Investment Management Agreement from acquiring assets from, or disposing assets to, a related-party in separate business activities.

The related parties are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms.

Amendment

The Investment Management Agreement may only be altered by the agreement of the Company and the Investment Manager. The Company and the Investment Manager have agreed that they will only make material changes to the Investment Management Agreement if the Company has obtained shareholder approval for these material changes.

Change of control provisions

The Investment Manager has no right to terminate the Investment Management Agreement in the event of a change of control of the Company.

Similarly, the Company has no right to terminate the Investment Management Agreement in the event of a change of control of the Investment Manager.

The Investment Management Agreement does not contain any pre-emptive rights over the Portfolio which are exercisable by either the Company, the Investment Manager or a related entity of the Investment Manager in the event of a change of control of either the Company or the Investment Manager.

Company indemnity

The Company must indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of, or in connection with, and any costs, charges and expenses (including legal expenses) incurred in connection with the Investment Manager or any of its officers, employees or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Investment Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the negligence, default, fraud or dishonesty of the Investment Manager or its officers or employees. This obligation continues after the termination of the Investment Management Agreement.

Investment Manager's liability

Subject to the Corporations Act, the Listing Rules and the Investment Management Agreement, the Investment Manager will, in relation to all the powers, authorities and discretions vested in it, have absolute and uncontrolled discretion as to:

- (a) whether or not to exercise them; and
- (b) the manner or mode of, and time for, their exercise.

In the absence of negligence, default, fraud or dishonesty, the Investment Manager will not be in any way whatsoever responsible for any loss, costs, damages or inconvenience that may result from the exercise or failure to exercise those powers, authorities and discretions.

Investment Manager indemnity

The Investment Manager must indemnify the Company against any losses or liabilities reasonably incurred by the Company arising out of, or in connection with, and any costs, charges and expenses incurred in connection with, any negligence, default, fraud or dishonesty of the Investment Manager or its officers. This obligation continues after the termination of the Investment Management Agreement.

10. Material Contracts

Management Fee

In return for the performance of its duties managing the Portfolio, the Investment Manager would be entitled to be paid a monthly Management Fee equal to approximately 1.0% (plus GST) per annum (or 0.083333% per month) of the Value of the Portfolio (calculated on the last business day of each month and paid at the end of each month in arrears). As a worked example, assuming an initial Portfolio value of \$225,000,000 at 1 July 2021, and nil performance return on the Portfolio each month, the aggregate Management Fee payable on the Portfolio value for the period 1 July 2021 to 30 June 2022 would be approximately \$2,250,000 (plus GST) or 1.0% of the initial Value of the Portfolio for the period.

Management Fees would increase if the Value of the Portfolio increases, and decreases if the Value of the Portfolio decreases, over the period.

Performance Fee

The Investment Manager is entitled to be paid by the Company a fee (**Performance Fee**) equal to 20.0% (plus GST) of the increase in the Value of the Portfolio above the High Water Mark.

The High Water Mark is the greater of:

- (a) the highest Value of the Portfolio as at the last day of the last Performance Calculation Period for which a performance fee was last paid or payable; and
- (b) the gross proceeds raised from the issue of shares pursuant to this Prospectus.

If the Value of the Portfolio at the end of a Performance Calculation Period falls below a previous High Water Mark then no further Performance Fees can be accrued or paid until the loss has been recouped in full.

In calculating the Performance Fee for a Performance Calculation Period, changes in the Value of the Portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by the Company will be disregarded or adjusted for in a manner determined by the Company's auditor at the conclusion of that Performance Calculation Period.

For the purpose of this calculation, the Value of the Portfolio is defined in the Investment Management Agreement as the aggregate sum of the gross Australian dollar values of each investment less any liability directly or indirectly attributable to the acquisition, maintenance or disposal of any investment or the management and administration of the Portfolio incurred or accrued on or before the date of the calculation (including but not limited to any unpaid purchase consideration, accrued legal or other expenses, brokerage,

stamp duty, borrowings or other liabilities).

The auditor of the Company must review the correct calculation of the Performance Fee prior to payment.

Example 1: Performance above the High Water Mark

Assuming a Performance Calculation Period ending 30 June 2022, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$225,000,000 (which also represents the High Water Mark) and a Value of the Portfolio at the end of the Performance Calculation Period of \$247,500,000 (representing a 10% higher value than at the beginning of the Performance Calculation Period):

- As the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$247,500,000, there would be an aggregate positive performance of \$22,500,000;
- In this instance:
 - there would be a Performance Fee payable at 20.0% of this amount equating to \$4,500,000 (plus GST) for the Performance Calculation Period as the Value of the Portfolio is above the High Water Mark; and
 - the High Water Mark would become \$243,000,000 (being the Value of the Portfolio, less the Performance Fee payable at the Performance Calculation Date).

Example 2: Performance below the High Water Mark

Assuming a Performance Calculation Period ending 30 June 2022, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$225,000,000 (which also represents the High Water Mark) and a Value of the Portfolio at the end of the Performance Calculation Period of \$202,500,000 (representing a 10% lower value than at the beginning of the Performance Calculation Period):

- As the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$202,500,000, there would be an aggregate negative performance of \$22,500,000.
- In this instance:
 - there would be no Performance Fee payable for the Performance Calculation Period as the Value of the Portfolio is less than the High Water Mark; and
 - the High Water Mark remains at \$225,000,000.

Example 3: Recouping past underperformance against the High Water Mark

Following on from Example 2 above, assuming a Performance Calculation Period ending 30 June 2023, the High Water Mark of \$225,000,000, a Value of the Portfolio at the beginning of the Performance Calculation Period of \$202,500,000, and a Value of the Portfolio at the end of the current Performance Calculation Period that is 15% higher than at the beginning of \$232,875,000:

- The aggregate positive performance above the High Water Mark is only \$7,875,000 (as the High Water Mark is \$225,000,000 and the closing Value of the Portfolio is \$232,875,000).
- In this instance:
 - there would be a Performance Fee payable at 20.0% of \$7,875,000 equating to \$1,575,000 (plus GST) for the Performance Calculation Period, as the Value of the Portfolio is above the High Water Mark; and
 - the High Water Mark would become \$231,300,000 (being the Value of the Portfolio, less the Performance Fee payable at the last Performance Calculation Date).

No Review of Management and Performance fees

There is no provision in the Investment Management Agreement allowing the Management Fee or Performance Fee to be reviewed or varied over the term of the Investment Management Agreement.

Expenses

The Company is liable for and must pay out of the Portfolio or reimburse the Investment Manager for the fees, costs and expenses approved by the Board provided they were properly incurred in connection with the investment and management of the Portfolio of the Company or the research, acquisition, disposal or maintenance of any investment, including:

- (a) fees payable to any securities exchange, ASIC or other regulatory body;
- (b) all costs, custody fees, stamp duties, financial institutions duties, bank account debits tax, legal fees and other duties, taxes, fees, disbursements and expenses, research costs, travel costs, commissions and brokerage incurred by the Company or the Investment Manager in connection with:
 - (i) the research, acquisition and negotiation of any investment or proposed investment;

- (ii) any sale or proposed sale, transfer, exchange, replacement or other dealing or proposed dealing with or disposal or proposed disposal of any investment;

- (iii) any costs incurred in managing foreign currencies;

- (iv) any costs incurred in utilising research and information management systems;

- (v) the receipt of income or other entitlements from the investments within the Portfolio;

- (vi) the engagement of a custodian to hold an investment on behalf of the Company;

- (c) outgoings in relation to the Portfolio such as rates, levies, duties, taxes and insurance premiums;

- (d) marketing expenses including website and research reports; and

- (e) all accounting, tax and audit costs of the Company whether or not in relation to the Portfolio.

Notwithstanding the above, the Investment Manager is solely responsible for payment of the fees of any investment manager engaged by the Investment Manager to assist it in undertaking its duties under the Investment Management Agreement.

No issue of securities

The Investment Manager has no right to be issued securities to the Company under the Investment Management Agreement (whether in satisfaction of amounts due under the Investment Management Agreement or otherwise).

Assignment

The Investment Manager may assign the Investment Management Agreement to a third party with the prior consent in writing of the Company, which must not be unreasonably withheld or delayed. The Company may not withhold consent if the Investment Manager is not in default or breach of its obligations under the Investment Management Agreement in a material respect and the replacement manager holds a licence with all the necessary authorisations and either utilises the Investment Strategy or engages Geoff Wilson as a responsible manager or authorised representative.

The Company may not assign all or any of its rights under the Investment Management Agreement except with the prior consent in writing of the Investment Manager, which must not be reasonably withheld or delayed.

10. Material Contracts

Term of Agreement

The term of the Investment Management Agreement is currently five years, with automatic five year extensions (without shareholder approval) unless terminated earlier in accordance with the Investment Management Agreement. However, the Company will apply to the ASX for a waiver to extend this initial term to 10 years with automatic extensions of five year periods unless terminated earlier in accordance with the Investment Management Agreement. If the waiver application is refused, the initial term of the Investment Management Agreement will remain five years.

The Investment Management Agreement gives the Company certain termination rights including the right to immediately terminate if the Investment Manager becomes insolvent or breaches its obligations under the Investment Management Agreement in a material respect and such a breach cannot be rectified or is not remedied within 30 days after receiving notice of that breach.

The Company may also terminate the Investment Management Agreement following the initial term on three months' notice if Shareholders pass an ordinary resolution directing the Company to terminate the Investment Manager's appointment.

If the Company terminates the Investment Management Agreement in accordance with the above, it must pay to the Investment Manager all accrued but unpaid Management Fees and Performance Fees plus a termination fee equal to the sum of all paid and accrued but unpaid Management Fees and Performance Fees in respect of the 12-month period up to the date of termination.

The Investment Manager may terminate the Investment Management Agreement at any time after the initial term by giving the Company at least six months' written notice.

After termination

The Company requires an investment manager to manage the Portfolio and implement its Investment Strategy and objectives. If the Investment Management Agreement is terminated whilst the Company remains a LIC, the Portfolio would need to be assigned to a replacement manager and a new management agreement would need to be put in place.

Under the Investment Management Agreement, the Manager must assign all its rights, title and interest in the Portfolio to the replacement manager within 30 business days of termination. The Company would seek all necessary Shareholder approvals if this were to occur.

Removal of Investment Manager

The Company may remove the Investment Manager by not less than six months' notice on the occurrence of any one of the following events:

- (a) the Investment Manager persistently fails to ensure that investments made on behalf of the Company are consistent with the Investment Strategy applicable at the time the investment is made;
- (b) the Investment Manager is in default or breach of its obligations under the Investment Management Agreement in a material respect, and such default or breach is rectifiable and is not rectified within 30 days after the Company has notified the Investment Manager in writing to rectify the default or breach; or
- (c) the Investment Manager's AFSL is suspended for a period of no less than three months or cancelled at any time in accordance with Subdivision C, Division 4 of Part 7.6 of the Corporations Act.

If the Investment Manager is removed, the Investment Manager may appoint a replacement investment manager provided such appointment takes place within the six-month notice period referred to above. The Company believes it is appropriate for the Investment Manager to appoint a replacement manager as the Investment Manager is in the best position to assess the ability of an incoming investment manager to properly implement and execute the investment strategy to achieve the objectives of the Company.

The Investment Manager must assign all of its rights, title and interest in and to the Investment Management Agreement to the replacement investment manager provided the replacement investment manager:

- (a) holds a valid and current AFSL;
- (b) undertakes to the Company to comply with all the obligations imposed on the Investment Manager under the Investment Management Agreement; and
- (c) if appointed as a result of a breach by the Investment Manager, rectifies the breach or default within the 30 day notice period.

The effect of the assignment of this Agreement is the novation of the Investment Management Agreement for the benefit of the replacement investment manager and the Company is deemed to have consented to that assignment.

The Company may terminate the Investment Management Agreement if a replacement manager has not been appointed within the six-month notice period referred to above.

If the replacement investment manager, having been so appointed is itself removed in the circumstances outlined above:

- (a) it has no right to in turn appoint a replacement investment manager; and
- (b) the Company may terminate the Investment Management Agreement at the expiry of the 6 months' notice period referred to above.

If the Investment Management Agreement is terminated by the Company, it will be required to call a general meeting to change the Company's name by removing "WAM". If the Company's name has not been changed within 3 months of the date of termination, the Investment Manager will grant the Company a personal, non-transferable licence to use the "WAM" name for so long as the Company's name includes the word "WAM". In consideration for this licence, the Company must pay the Manager an annual licence fee (in advance) equal to 1.5% per annum of the Value of the Portfolio (plus GST) calculated on the date of termination.

10.2. Manager Loan

The Company has entered into a manager loan with the Investment Manager dated 7 May 2021 (**Manager Loan**). The Investment Manager has agreed to be responsible for the payment of the Offer Costs that the Company would normally be liable for (set out in Section 7.7). These costs will be paid upfront by the Company; however, the Investment Manager will repay the Offer Costs to the Company in accordance with the Manager Loan. This Manager Loan permits the Investment Manager to draw a maximum amount of 1.5% of the Maximum Subscription proceeds under the Offer, however the Investment Manager has confirmed it will only draw an amount equal to the Offer Costs which will be determined at the close of the Offer.

The Manager Loan is an unsecured loan that the Investment Manager may use for working capital purposes. The Investment Manager will use the Manager Loan to reimburse the Company for the costs of the Offer.

The term of the Manager Loan is 30 months from the date of allotment and must be repaid in full regardless of whether the Investment Manager is the investment manager of the Company.

The Investment Manager is required to repay the Manager Loan in monthly instalments over 30-months of the Manager Loan. Each instalment should be equal to at least 1/30th of the total loan amount. The Investment Manager may repay the Manager Loan early at its absolute discretion.

The Company has a right of recourse against the Investment Manager for the amounts owed under the Manager Loan.

10.3 Deed with the WAM Entities

The Company has entered into a deed with WAM Capital, WAM Active, WAM Global and Botanical Nominees Pty Limited ATF the Wilson Asset Management Equity Fund (each a **WAM Entity**) dated 7 May 2021 (**Deed**). Botanical Nominees Pty Limited, the trustee of the Wilson Asset Management Equity Fund, is controlled by entities associated with the Company's sole Shareholder and Chairman, Geoff Wilson. Each WAM Entity is managed by the Wilson Asset Management Group, which is also controlled by Geoff Wilson.

Under the Deed, subject to certain conditions precedent being satisfied or waived, the Company will have an ability to purchase from each WAM Entity any LIC or LIT securities that they hold immediately prior to settlement of the Offer which are trading at a discount to their most recent NTA value published on ASX.

No rights or obligations arise under the Deed until all conditions precedent, including ASX granting permission for quotation of the Company's Shares unconditionally or on terms acceptable to the Company, have been satisfied or waived. As disclosed in Section 5.4, each WAM Entity will continue to actively trade in LIC and LIT securities. The Deed does not restrict the disposal of any LIC or LIT securities held by any WAM Entity now or in the future, nor does it give the Company control over, or power to influence, the exercise of a voting right in respect of those securities.

Under the Deed, 5 days prior to Shares being issued under the Offer (**Issue Date**), each WAM Entity will notify the Company of the LIC and LIT securities it beneficially holds at that time which (1) are trading at a discount to their respective NTA values and (2) can be freely transferred without restriction under applicable laws (including but not limited to Chapter 6 of the Corporations Act and the Listing Rules).

If all conditions precedent have been satisfied or waived when this notice is given, the WAM Entities will also grant the Company a call option over any LIC and LIT securities (which satisfy points (1) and (2) above) they hold between the date of the notice and the option expiry date (being the business day before the Issue Date or 31 July 2021, whichever occurs first).

The Company will have the power to determine what LIC and LIT securities, if any, it acquires via any call option that is granted by the WAM Entities. The Company can elect to exercise the call options before they expire on the business day before the Issue Date (or 31 July 2021, whichever occurs first).

10. Material Contracts

Each LIC or LIT security purchased by the Company pursuant to a call option granted by a WAM Entity will be purchased at a price equal to the volume weighted average price over the 10 day period ending two days prior to the Issue Date. The Company will use funds raised under the Offer to fund the purchase price.

The Company will complete all purchases pursuant to any call options which it elects to exercise on the Issue Date, prior to its being admitted to the Official List of ASX.

The Company considers the Deed, and any call options that may be granted in accordance with its terms, would be reasonable in the circumstances if the Company and each WAM Entity were dealing at arm's length.

10.4. Offer Management Agreement

The Company and the Investment Manager have entered into an offer management agreement dated 7 May 2021 (**Offer Management Agreement**) with the Joint Lead Managers pursuant to which the Joint Lead Managers will manage the Offer. Under the Offer Management Agreement, the Company also appoints the Authorised Intermediary as its authorised intermediary to make offers to arrange for the issue of the Shares under the Offer and distribute the Prospectus.

In return for providing the services under the Offer Management Agreement, the Company will pay the Joint Lead Managers a management fee of \$750,000 (plus GST) as follows:

- (a) \$500,000 (plus GST) paid to Taylor Collison Limited; and
- (b) \$250,000 (plus GST) paid to Morgans Financial Limited.

In addition, each Joint Lead Manager will be paid an Application Fee equal to 1.25% (including of GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager, Co-Manager and their associated Brokers from participating Wholesale and Sophisticated Clients and Retail Clients.

Retail Clients who participate in the Broker Firm Offer will be rebated the Application Fee paid in respect of their allocation by their Broker. The Joint Lead Managers have given undertakings to the Company that they will each rebate, and ensure that their associated Brokers rebate, the Application Fees paid in respect of Retail Clients within 3 months of receipt.

The Company has agreed to pay or reimburse the Joint Lead Managers for all reasonable legal costs and expenses incurred by them in connection with the Offer, of up to \$25,000 (plus GST and disbursements), as well as other additional out-of-pocket expenses.

The Offer Management Agreement is conditional on a number of things including the Company obtaining any ASX Waivers in-principle form and any ASIC modifications (in a form and substance acceptable to the Joint Lead Managers) to enable the Offer to proceed in accordance with the timetable in the Offer Management Agreement and Prospectus.

In accordance with the Offer Management Agreement and as is customary with these types of arrangements:

- (a) the Company and the Investment Manager have (subject to certain usual limitations) agreed to indemnify the Authorised Intermediary, the Joint Lead Managers, their related bodies corporate, their directors, officers, advisers and employees against any losses arising directly or indirectly in connection with the Offer (including for publicity, regulatory reviews or non-compliance of the Prospectus), or a breach by the Company and the Investment Manager of any provision of, including representation or warranty given by the Company and the Investment Manager, the Offer Management Agreement;
- (b) the Company, the Investment Manager and the Joint Lead Managers have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer and content of the Prospectus;
- (c) the Joint Lead Managers are entitled to appoint co-lead managers, Co-Managers and Brokers to the Offer; and
- (d) the Joint Lead Managers may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from their obligations under it on the occurrence of certain events on or prior to the final settlement date of the Offer, including (but not limited to) where:
 - (i) in a material respect, a statement contained in the Offer materials is or becomes misleading or deceptive or likely to mislead or deceive, or the Offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
 - (ii) the ASX does not approve the listing of the Company;
 - (iii) Geoff Wilson is removed from the Investment Manager or replaced;

- (iv) material adverse changes (subject to a materiality threshold) to the financial markets, political or economic conditions of key countries, trading halts on all stock listed on certain stock exchanges, banking moratoriums, hostilities commence or escalate in key countries or a major terrorist act is perpetrated in key countries;
- (v) subject to a materiality threshold, the Company or the Investment Manager breach the Corporations Act, the Competition and Consumer Act, the ASIC Act or the Listing Rules;
- (vi) there is a material adverse change, or event involving a prospective material adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company or its corporate group;
- (vii) there is a material change arising out of a regulatory investigation or legal actions are commenced against the Company or members of its corporate group;
- (viii) a breach of the representations, warranties and undertakings or default of the Offer Management Agreement; or
- (ix) either the S&P/ASX All Ordinaries Index falls to a level that is 85% or less of the level as at the close of trading on 7 May 2021, and remains at or below that 85% level for at least two consecutive business days, or closes at that 85% level on the business day immediately prior to the settlement of the Offer.

Please note that the above is not an exhaustive list of the termination events in the Offer Management Agreement.

10.5. Director protection deeds

The Company has entered into director protection deeds with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of the Company.

The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are Directors and for seven years after they cease to act as Directors.

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Additional Information

11.1. Incorporation

The Company was incorporated in New South Wales on 30 March 2021.

11.2. Balance date and tax status

The accounts for the Company's first financial year will be for the period ending 30 June 2022. Thereafter, the accounts for the Company will be prepared up to 30 June annually, with six-monthly accounts for the half-year ended 31 December.

The Company will be taxed as a public company.

11.3. Rights attaching to the Shares

The following information is a summary of the Company Constitution. Investors have the right to acquire a copy of the Company Constitution, free of charge, from the Company until the expiry of this Prospectus.

Each Share confers on its holder:

- (a) the right to vote at a general meeting of Shareholders (whether present in person or by any representative, proxy or attorney) on a show of hands (1 vote per Shareholder) and on a poll (1 vote per Share on which there is no money due and payable) subject to the rights and restrictions on voting which may attach to or be imposed on Shares (at present there are none);
- (b) the right to receive dividends, according to the amount paid up on the Share;
- (c) the right to receive, in kind, the whole or any part of the Company's property in a wind up, subject to priority given to holders of Shares that have not been classified by the ASX as "restricted securities" and the rights of a liquidator to distribute surplus assets of the Company with the consent of members by a special resolution; and
- (d) subject to the Corporations Act and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in a general meeting by a special resolution.

11.4. Dividend reinvestment plan

The Company has adopted a dividend reinvestment plan (**Plan**) which will offer eligible Shareholders the opportunity to acquire additional Shares in the Company by reinvesting part or all of their periodic dividends.

Eligible Members

Unless otherwise determined by the Board, Shareholders whose registered address is in Australia or New Zealand are eligible to participate in the Plan (Eligible Members).

Application

Eligible Members may elect to participate in the Plan in respect of all or part of their Shares, which will comprise that member's Plan Shares. The Directors may in their absolute discretion accept or refuse any application to participate.

Investment of dividends

Under the Plan, the Board will determine whether participating Shareholders are to be issued with new Shares or transferred existing Shares purchased on-market (via a broker engaged by the Company on behalf of Participants).

New Shares issued to participants under the Plan will be allotted at a price per Share determined in accordance with the Corporations Act and Listing Rules equal to the volume weighted average market price of Shares sold on the ASX over the four trading days commencing on the ex-dividend date for the relevant dividend, less any discount determined by the Directors (at their discretion).

Existing Shares purchased on-market and allocated under the Plan will be allocated to participants at a price determined in accordance with the Corporations Act and the Listing Rules equal to the aggregate purchase price paid for Shares on-market, less brokerage and other costs divided by the number of Shares purchased.

The Company will have until 3 days prior to the payment date for the relevant dividend in which to procure any Shares required for the Plan on-market. 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 participant in cash.

In respect of each cash dividend from time-to-time due and payable to a Shareholder in respect of the member's Plan Shares, the Directors will on behalf of and in the name of the Shareholder subscribe for Shares being the maximum number of Shares which could be acquired by that participant's dividend entitlement and the subscription price (for new Shares under the Plan) or the pro-rata purchase price (for existing Shares purchased on-market under the Plan).

11. Additional Information

Ranking of Shares

All Shares issued only under the Plan will rank equally in all respects with existing Shares.

ASX listing

Shares to be allotted or transferred under the Plan must be allotted or transferred within the time required by the Listing Rules.

The Company will make application promptly after each allotment of new Shares issued under the Plan for quotation of such Shares on the official list of the ASX.

Variation or termination of participation

A participant may apply to increase or decrease the number of Plan Shares which the Company may in its absolute discretion approve or refuse. A participant may at any time terminate participation in the Plan by notice in writing to the Company.

11.5. ASIC relief

The Company's first financial year will end on 30 June 2022. The Corporations Act requires that the half year be the first 6 months of each financial year and normally imposes certain reporting requirements with respect to that period.

The Company's first half year therefore commences on incorporation (i.e. 30 March 2021) and will end around 30 September 2021. Without relief, the Company would be required to prepare and lodge half yearly accounts for the first half year ending 30 September 2021. Once the Company is listed, ASX may also require the Company to provide half yearly accounts for the period from incorporation to 31 December 2021.

The Company has sought ASIC relief to extend the reporting period with respect to its first half year to align the reporting requirement imposed by the Corporations Act with any ASX requirements and general market practice.

11.6. ASX waiver

Listing Rule 15.16 sets a maximum term of five years for an Investment Management Agreement. The Company will apply to the ASX for a waiver of Listing Rule 15.16 to allow an initial term of 10 years under the Investment Management Agreement. The waiver is expected to be granted prior to the inclusion of the Company in the ASX's Official List.

11.7. Investor considerations

Before deciding to participate in this Offer, you should consider whether the Shares to be issued are a suitable investment for you. There are general risks associated with any investment in the share market. The value of shares listed on the ASX may rise or fall depending on a range of factors beyond the control of the Company.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser immediately.

The potential tax effects relating to the Offer will vary between individuals. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

11.8. Australian taxation implications of investing under the Offer

Introduction

The tax implications provided below only relate to Australian Shareholders who hold their Shares on capital account. Different tax implications apply to non-resident Shareholders or Shareholders whose Shares are held on revenue account.

The comments in this Section 11.8 are general in nature on the basis that the tax implications for each Shareholder may vary depending on their particular circumstances.

Accordingly, it is recommended that each Shareholder seek their own professional advice regarding the taxation implications associated with the Offer.

The comments in this Section 11.8 are based on the Income Tax Assessment Act 1936, and the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999 and the relevant stamp duties legislation as at the date of this Prospectus. If you are in doubt as to the course you should follow, you should seek independent tax advice.

Income tax position of the Company

The Company will be taxed as a company at the prevailing company tax rate (currently 30% for businesses with an aggregate turnover of more than \$50,000,000).

The Company will be required to maintain a franking account and may declare franked dividends to Shareholders. The Directors intend to frank dividends at 100%, or to the maximum extent possible.

Income tax position of Australian resident Shareholders

A general outline of the tax implications associated with the Offer for Australian resident Shareholders who hold their Shares on capital account are set out below.

Issue of Shares

The Offer comprises the issue of Shares.

The issue of Shares involves the acquisition of a Capital Gains Tax (CGT) asset but should not give rise to a taxing event at the time of issue for Shareholders.

Fees incurred for broker service, and other incidental acquisition costs borne by investors, will be included in the tax cost base of the relevant Shares issued. Accordingly, these expenses will be included in the tax cost base of those Shares and will decrease (or increase) any subsequent gain (or loss) realised for capital gains tax purposes upon the event of any disposal of those Shares at a later date.

Disposal of Shares

The disposal of Shares will be a taxing event for Shareholders. Shareholders should derive a taxable capital gain where the capital proceeds that are received as a result of the disposal exceed the cost base of the Shares.

Likewise, Shareholders should generally incur a capital loss where the reduced cost base of the Shares exceeds the capital proceeds.

Generally, the capital proceeds that are received as a result of the disposal of the Shares will be equal to the consideration received on disposal. The cost base of the Shares will generally be equal to the amount paid in respect of the acquisition of the Shares plus any incidental costs of acquisition or disposal.

Provided Shareholders (other than corporate Shareholders) have held their Shares for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal.

Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following percentages:

- (a) 50% for an individual or trust; or
- (b) 33.33% for a complying superannuation fund.

Dividends

Dividends received by Shareholders should be included in the assessable income of Shareholders. Generally, Shareholders will be taxed on the dividends at their relevant marginal rate.

If the Shareholder is a company, the Shareholder will be taxed at the prevailing company tax rate (currently 30% for companies with an annual turnover of \$50,000,000 or more and 26% for companies with an annual turnover of less than \$50,000,000).

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Shareholder. Further, Shareholders will generally be entitled to a tax offset equal to the amount of the franking credits on the dividend (i.e. Shareholders will effectively get a tax credit for the corporate tax paid in respect of the dividends).

Certain Shareholders (including individuals and complying superannuation funds) may be entitled to a refund of 'excess franking credits' where their tax offset in respect of the franked dividends exceeds their tax liability. The income tax rate for complying superannuation funds is 15%. Complying superannuation funds generally obtain a tax offset from franked dividends against the fund's income tax liability, and any excess franking credits may be fully refunded.

A complying superannuation fund in pension phase would be entitled to a full refund of franking credits, as all income of the fund would be attributable to the fund's liability to pay current pensions, and are therefore exempt from income tax.

Status as a Listed Investment Company (LIC)

It is intended that the Company will qualify as a LIC under Australian taxation laws.

The major requirements the Company must meet to be a LIC are:

- (a) the Company must be listed; and
- (b) 90% of the Portfolio value must comprise certain permitted investments as defined in section 115-290(4) of the Income Tax Assessment Act 1997 (Cth).

Permitted investments include shares, options, units (provided the Company does not own more than 10% of the entity in which it holds the permitted investment), financial instruments, derivatives and assets that generate passive income such as interest, rent and royalties.

It is expected that the Company will generally be considered to hold its investments on revenue account. Consequently, it is likely that the Company will generally not make capital gains and therefore, Shareholders may not be able to obtain a deduction in relation to dividends attributable to LIC capital gains under the LIC regime.

11. Additional Information

Goods and Services Tax (GST)

Shareholders should not be liable to GST in Australia in respect of the acquisition of Shares under the Offer. Shareholders may not be entitled to input tax credits (GST credits) for GST incurred on costs associated with the acquisition of Shares under the Offer.

Stamp duty

Shareholders should not be liable to stamp duty in Australia in respect of the acquisition of Shares under the Offer.

11.9. Legal proceedings

The Company is not and has not been, in the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings that have had a significant effect on the financial position of the Company. As far as the Directors are aware, no such proceedings are threatened against the Company.

11.10. Consents and responsibility statements

Each of the following parties has given and, before lodgement of the paper Prospectus with ASIC and the issue of the Electronic Prospectus, has not withdrawn its written consent to be named as performing the below role in the form and context in which it is so named. Each of the following parties has also consented to the inclusion, in the form and context in which it is included, of any information described below.

Name	Role / responsible
Wilson Asset Management (International) Pty Limited	Investment Manager. Accounting and Company Secretarial services. All information about Wilson Asset Management including information in Sections 4 and 5 and elsewhere in this Prospectus.
Mont Lawyers Pty Limited	Solicitors to the Offer.
Webb Henderson	New Zealand Solicitor to the Company in respect of the Offer.
Pitcher Partners Sydney Corporate Finance Pty Limited	Investigating Accountant for the Company. The Investigating Accountant's Report on Pro Forma Historical Financial Information in Section 8.
Automic Pty Limited	Share Registrar for the Company.
Each of Taylor Collison Limited and Morgans Financial Limited	Joint Lead Managers to the Offer.
Taylor Collison Limited	Authorised Intermediary to the Offer.
Each of Bell Potter Securities Limited, Canaccord Genuity (Australia) Limited, Ord Minnett Limited and Shaw and Partners Limited	Co-Managers to the Offer.
WAM Capital Limited, WAM Active Limited	All information about it, including its performance history in Section 5 and elsewhere in this Prospectus.

Each of the above parties has only been involved in the preparation of that part of the Prospectus where they are named. Except to the extent indicated, none of the above parties has authorised or caused the issue of the Prospectus and takes no responsibility for its content.

11.11. Offer Costs

The Investment Manager has agreed to be responsible for the payment of the Offer Costs (set out in Section 7.7) using the proceeds of the Manager Loan, being a loan made by the Company to the Investment Manager. The terms of the Manager Loan are summarised in Section 10.2. Please refer to Section 7.7 for more details on the Offer Costs.

Interest of experts

Other than as set out below, no expert nor any firm in which such expert is a partner or employee has any interest in the promotion of or any property proposed to be acquired by the Company.

Mont Lawyers has acted as solicitors to the Offer and have performed work in relation to preparing the due diligence program and performing due diligence enquiries on legal matters. In respect of this Prospectus, the Company estimates that it will pay amounts totalling approximately \$100,000 (plus GST and disbursements) to Mont Lawyers.

Webb Henderson has provided New Zealand legal advice to the Company in relation to the Offer and provided the Company with an address for service in New Zealand. In respect of this Offer, the Company estimates that it will pay amounts totalling approximately NZD10,000 (plus GST and disbursements) to Webb Henderson.

Pitcher Partners Sydney Corporate Finance Pty Limited has prepared the investigating accountant's report included in this Prospectus and have also performed work in relation to the due diligence enquiries on financial matters. In respect of this work, the Company estimates that it will pay amounts totalling approximately \$22,000 (plus GST and disbursements) to Pitcher Partners Sydney Corporate Finance Pty Limited.

Joint Lead Managers will be paid the following fixed management fees: Taylor Collison Limited will be paid a fee of \$500,000 (plus GST) and Morgans Financial Limited will be paid a fee of \$250,000 (plus GST). In addition, each Joint Lead Manager will be paid an Application Fee equal to 1.25% (including GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager, Co-Managers and their associated Brokers from participating Wholesale and Sophisticated Clients and Retail Clients. The Joint Lead Manager and Brokers may charge additional fees, such as brokerage fees, in relation to the Offer on terms agreed, and consented to, by their clients.

Certain partners and employees of the above firms may subscribe for Shares in the context of the Offer.

12

Definitions and Interpretation

12.1. Defined terms

In this Prospectus:

AFSL means Australian Financial Services License.

Applicants means applicants for Shares under this Prospectus.

Applications means applications for Shares under this Prospectus.

Application Amount means the amount of funds received under an Application under a Broker Firm Offer which results in an allotment of Shares.

Application Fee means the application fee paid by the Company to each Joint Lead Manager, being 1.25% (including GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager and the Co-Managers and Brokers appointed by it.

Application Form means the Priority Application Form, General Offer Application Form or Broker Firm Application Form (as applicable) each in the form attached to this Prospectus.

Application Monies means the Application Price of \$1.25 multiplied by the number of Shares applied for.

Application Price means \$1.25 per Share.

ASIC means the Australian Securities and Investments Commission.

ASX or Australian Securities Exchange means the ASX Limited or the securities exchange operated by ASX Limited.

ASX Recommendations means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (fourth edition, February 2019).

Authorised Intermediary means Taylor Collison Limited (ABN 53 008 172 450 (AFSL no. 247 083)).

Bloomberg AusBond Bank Bill Index means the index comprised of 13 synthetic instruments defined by rates interpolated from the Reserve Bank of Australia's 24-hour cash rate, 1-month bank bill swap rate and 3-month bank bill swap rate.

Broker means any AFSL holder participating as a broker to the Broker Firm Offer.

Broker Firm Offer means the broker firm offer referred to in Section 3.3.

Catalyst(s) are events or information that in the Investment Manager's view, is likely to change the market's valuation (i.e. the trading price relative to the value of its assets) of a particular share or unit. See Section 4.6.

Co-Manager means each of Bell Potter Securities Limited, Shaw and Partners Limited, Ord Minnett Limited and Canaccord Genuity (Australia) Limited.

Closing Date means the date by which valid Application Forms must be received under each Offer. The Priority Allocation closes on 10 June 2021, the Broker Firm Offer closes on 4 June 2021 and the General Offer closes on 10 June 2021.

Company means WAM Strategic Value Limited (ACN 649 096 220).

Corporations Act means Corporations Act 2001 (Cth).

Derivatives means a security, such as an option or futures contract whose value depends on the performance of an underlying asset and includes Exchange-traded and over-the-counter Derivatives.

Discounted Assets means a security (e.g. share or unit) which can be purchased at a discount to its underlying asset values that the Investment Manager believes will close over time.

Directors or Board means the Board of Directors of the Company.

Electronic Prospectus means the electronic copy of the Prospectus, a copy of which can be downloaded at wilsonassetmanagement.com.au/strategicvalue

Exchange-traded Derivative means a Derivative that is quoted and may be traded on a regulated exchange.

Exposure Period means the period of seven days after the date of lodgement of the Original Prospectus with ASIC, which period may be extended by ASIC by not more than seven days pursuant to Section 727(3) of the Corporations Act.

General Offer means the offer referred to in Section 3.4.

GST means Goods and Services Tax and has the same meaning as contained in A New Tax System (Goods and Services Tax) Act 1999 (Cth).

12. Definitions and Interpretations

High Water Mark means the amount which is the greater of:

- (a) 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
- (b) the gross proceeds raised from the issue of shares pursuant to this Prospectus.

Holding Identification Number or HIN means the unique identifier of holders of shares on the CHESS subregister issued by ASX Settlement.

Index (or benchmark) unaware describes an investment strategy based only on the investment manager's conviction without reference to a particular index or benchmark.

Investment Manager means the investment manager of the Portfolio appointed under the terms of the Investment Management Agreement, being Wilson Asset Management (International) Pty Limited (AFSL no. 247 333) (ACN 081 047 118).

Investment Management Agreement means the investment management agreement between the Investment Manager and the Company, the terms of which are summarised in Section 10.1.

Investment Strategy means the strategy to be used by the Investment Manager in relation to the Portfolio, involving actively managing the Portfolio in accordance with the guidelines set out in Section 4 (as amended from time-to-time).

Joint Lead Managers means the joint lead managers to the Offer, being Taylor Collison Limited and Morgans Financial Limited.

Listing Rules means the listing rules of the ASX.

LIC means a listed investment company.

LIC and LIT sector means investment entities listed on the ASX, including LICs, LITs and other closed-end funds.

LIT means a listed investment trust.

Long Position means holding either physically or via a Derivative a position amount of an asset in the expectation that the value of that asset will appreciate.

Management Fee means the monthly management fee payable to the Investment Manager in accordance with the Investment Management Agreement.

Manager Loan means the manager loan between the Investment Manager and the Company, the terms of which are summarised in Section 10.2.

Maximum Subscription means the maximum subscription being sought by the Company under the Offer, being \$225,000,000.

Minimum Subscription means the minimum subscription being sought by the Company under the Offer, being \$16,500,000.

Morgans Financial Limited means Morgans Financial Limited (ABN 49 010 669 726 (AFSL no. 235 410)).

NAV or Net Asset Value means the value of the Company's total assets less the value of any liabilities.

NTA or Net Tangible Assets means the value of an entity's total assets less the value of the intangible assets and less the value of the liabilities, in respect of ASX listed entities, calculated and published in accordance with the Listing Rules.

Offer means the offer of up to 180,000,000 Shares (at an Application Price of \$1.25 per Share) to raise up to \$225,000,000.

Offer Costs means costs and expenses incurred by the Company in relation to the Offer.

Offer Management Agreement means the offer management agreement between the Company, Investment Manager and Joint Lead Managers, the terms of which are summarised in Section 10.4.

Official List means the official list of the ASX.

Opening Date means the date the Offer opens, expected to be 24 May 2021.

Original Prospectus means the prospectus issued by the Company and dated 7 May 2021, which is replaced in full by this replacement Prospectus.

over-the-counter Derivative means a Derivative that is not quoted on a regulated exchange and so may only be traded in an unregulated or over-the-counter fashion.

Performance Calculation Period means:

- (a) for the first Performance Calculation Period, the period commencing on the date of issue of Shares ending on 30 June 2022;
- (b) in all other circumstances, the 12-month period ending on 30 June each year.

Performance Fee means the performance fee payable to the Investment Manager in accordance with the Investment Management Agreement.

Plan means the Company's dividend reinvestment plan summarised in Section 11.4.

Portfolio means the portfolio of investments of the Company.

Priority Application Form means the Application Form to be used to participate in the Priority Allocation to the Wilson Asset Management Family.

Priority Allocation to the Wilson Asset Management Family means the allocation of up to \$125,000,000 of the \$225,000,000 Maximum Subscription proceeds from the Offer to participants on the terms set out in Section 3.2.

Prospectus means the replacement prospectus issued by the Company and dated 17 May 2021 (which replaced in full the Original Prospectus) as modified or varied by any supplementary document issued by the Company and lodged with the ASIC from time-to-time.

Retail Client has the meaning given to that term under section 761G of the Corporations Act.

S&P/ASX All Ordinaries Accumulation Index means the index comprised of the 500 largest ASX listed companies by market capitalisation, assuming dividends reinvested.

Securities has the meaning given in section 92 of the Corporations Act.

Share means a fully paid ordinary Share in the Company.

Shareholder means a registered holder of a Share.

Shareholder Reference Number or **SRN** is the unique identifier of holders of shares on the issuer sponsored sub-register.

Share Registrar or **Registry** means Automic Pty Limited (ACN 152 260 814).

Short Position means holding, either physically or via a Derivative, a negative amount of an asset in the expectation that the value of that asset will decrease.

Short Selling means borrowing an asset (security) and then immediately selling it in the expectation that the value of the relevant security will depreciate. The Short Position is covered by buying back the asset, theoretically at a lower price thereby locking in a profit. The borrowed relevant security is then returned.

Taylor Collison Limited means Taylor Collison Limited (ABN 53 008 172 450 (AFSL no. 247 083).

Value of the Portfolio means the aggregate sum of the gross Australian dollar value of each investment less any liability directly or indirectly attributable to the acquisition, maintenance or disposal of any investment or the management and administration of the Portfolio incurred or accrued on or before the date of the calculation (including but not limited to any unpaid purchase consideration, accrued legal or other expenses, brokerage, stamp duty, borrowings or other liabilities).

WAM Entities means each of WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Alternative Assets, WAM Research Limited, WAM Active Limited and the Wilson Asset Management Equity Fund.

Wilson Asset Management means Wilson Asset Management (International) Pty Limited (ACN 081 047 118) (AFSL no. 247 333)

Wilson Asset Management Equity Fund means Botanical Nominees Pty Limited (ACN 081 032 000) as the trustee of the Wilson Asset Management Equity Fund.

Wilson Asset Management Family means the shareholders in the WAM Entities and their associated entities with registered addresses in Australia or New Zealand, and past shareholders of the WAM Entities, shareholders' family and friends, subscribers to Wilson Asset Management email updates and their associated entities with a registered address in Australia or New Zealand.

Wilson Asset Management Group means Wilson Asset Management and its controlled entities.

Wilson Asset Management Investment Team (or Investment Team) means the investment personnel detailed in Section 5.7.

Wholesale Client has the meaning given to that term under section 761G of the Corporations Act.

12. Definitions and Interpretations

12.2 Interpretation

In this Prospectus the following rules of interpretation apply unless the context otherwise requires:

- (a) Words and phrases not specifically defined in this Prospectus have the same meaning that is given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified;
- (b) The singular includes the plural and vice versa;
- (c) A reference to an individual or person includes a corporation, partnership, joint venture, association, authority, company, state or government and vice versa;
- (d) A reference to any gender includes both genders;
- (e) A reference to clause, section, annexure or paragraph is to a clause, section, annexure or paragraph of or to this Prospectus, unless the context otherwise requires;
- (f) A reference to “dollars” or “\$” is to Australian currency;
- (g) In this document, headings are for ease of reference only and do not affect its interpretation; and
- (h) Except where specifically defined in the Prospectus, terms defined in the Corporations Act have the same meaning in this Prospectus.

12.3. Governing law

This Prospectus is governed by the laws of New South Wales.

12.4. Approval

This Prospectus has been approved by a resolution of the Directors of the Company.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line extending to the right.

Geoff Wilson AO
Chairman and Lead Portfolio Manager

Date: 17 May 2021



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