

# WAM ALTERNATIVE ASSETS LIMITED

ABN 47 168 941 704

## Appendix 4E Preliminary Final Report for the year ended 30 June 2022

### Results for Announcement to the Market

All comparisons to the year ended 30 June 2021

	\$	up/down	% mvmt
Revenue from ordinary activities	26,812,111	up	1.0%
Profit from ordinary activities before income tax expense	23,221,165	up	2.6%
Net profit from ordinary activities after income tax expense	18,054,728	up	0.2%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2022 Final dividend cents per share	2.0c	2.0c	25%
2022 Interim dividend cents per share	2.0c	2.0c	25%

### Final dividend dates

Ex dividend date	17 October 2022
Record date	18 October 2022
Last election date for the DRP	20 October 2022
Payment date	28 October 2022

### Dividend Reinvestment Plan

The DRP is in operation and the recommended fully franked final dividend of 2.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the VWAP (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. The DRP will operate without a discount for the final dividend.

	30 Jun 22	30 Jun 21
Net tangible asset backing (after tax) per share	\$1.19	\$1.14

This report is based on the Annual Report which has been audited by Pitcher Partners. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

W | A | M *Alternative Assets*

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A N N U A L  
R E P O R T

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 **Wilson**  
Asset Management

OVER **20** Making a  
YEARS difference

## WAM Alternative Assets Limited

WAM Alternative Assets Limited (WAM Alternative Assets or the Company) is a listed investment company and is a reporting entity. The principle activity of the Company is to provide retail investors with exposure to a portfolio of real assets, private equity and real estate. The Company's investment portfolio includes commitments to infrastructure strategies and aims to expand into new asset classes such as private debt.

### WAM Alternative Assets

#### Directors

Michael Cottier (Chairman)  
Geoff Wilson AO  
Adrian Siew  
John Baillie  
Kym Evans

#### Company Secretary

Jesse Hamilton

#### Investment Committee

Geoff Wilson AO (Chairman)  
Adrian Siew  
Sally Box  
John Roberts

#### Investment Manager

Wilson Asset Management  
(International) Pty Limited  
Level 26, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

#### Country of Incorporation

Australia

#### Registered Office

Level 26, Governor Phillip Tower  
1 Farrer Place Sydney NSW 2000

#### Contact Details

Postal Address: GPO Box 4658  
Sydney NSW 2001

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**W** [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

Wilson Asset Management was  
appointed as the Investment  
Manager on 14 October 2020.

### Share Registry

Automatic Pty Limited  
Level 5, 126 Phillip Street  
Sydney NSW 2000

**T** 1300 408 788 (in Australia)

**T** +61 2 8072 1490 (International)

For enquiries relating to  
shareholdings, dividends (including  
participation in the dividend  
reinvestment plan) and related  
matters, please contact the share  
registry.

### Australian Securities Exchange

WAM Alternative Assets Limited  
Ordinary Shares (WMA)

### Auditor

Pitcher Partners



Watch WAM Vault in November 2022 for insights from the investment team.

Visit [wilsonassetmanagement.com.au/vault](http://wilsonassetmanagement.com.au/vault).

Join our hybrid AGM on Tuesday 29 November 2022. Further details will be provided closer to the date.

Deadline for Director nominations, including the deadline for signed consent, is 5:00pm (AEST) on Tuesday 11 October 2022.

## FY2022 highlights

**\$23.2m**

operating profit before tax

**+12.2%**

investment portfolio performance

**+9.0%**

total shareholder return

**4.0c**

fully franked full year dividend

### 30 June 2022 snapshot

Announcement of new Investment Manager	28 February 2020
Appointment of new Investment Manager	14 October 2020
Gross assets	\$240.7m
Market capitalisation	\$201.3m
Shares on issue	194,507,975
Share price	\$1.035
Net tangible assets (pre-tax)*	\$1.24
Net tangible assets (post-tax)*	\$1.19
FY2022 fully franked full year dividend 4.0 cents	

\*Following the announcement of the WAM Alternative Assets June 2022 Investment Update and NTA, an adjustment was made to certain venture capital valuations within the investment portfolio as part of the preparation of the Company's financial statements. As a result, the final 30 June 2022 pre-tax net tangible assets (NTA) of \$1.24 and post-tax NTA of \$1.19 differ slightly to the NTA announced by the Company on 14 July 2022. The adjustment will be also be reflected in the Company's August 2022 Investment Update and NTA to be announced to shareholders on or before 14 September 2022.

### Share price since the announcement of Wilson Asset Management as the Investment Manager



The appointment of Wilson Asset Management as Investment Manager was first announced on 28 February 2020.

### FY2022 results

WAM Alternative Assets reported an operating profit before tax of \$23.2 million for the year (FY2021: \$22.6 million) and an operating profit after tax of \$18.1 million (FY2021: \$18.0 million), reflective of the strong investment portfolio performance during the year.

The investment portfolio increased 12.2% in the 12 months to 30 June 2022 and 14.6% per annum since the appointment of Wilson Asset Management as Investment Manager in October 2020. Real assets (primarily water assets) and private equity were the key contributors to the investment portfolio performance during the financial year.

The strong investment portfolio performance resulted in a total shareholder return of 9.0% for the period to 30 June 2022. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

The Board of Directors is pleased to deliver a fully franked final dividend of 2.0 cents per share, bringing the fully franked dividends for the full year to 4.0 cents per share. As at 31 July 2022, the Company's profits reserve was 17.3 cents per share and forms part of the net tangible assets (NTA), representing 4.3 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 2.0 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

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# Letter from the Chairman

Michael Cottier



## Dear Fellow Shareholders

The WAM Alternative Assets investment portfolio has continued to deliver strong returns for shareholders during the 2022 financial year. On behalf of the WAM Alternative Assets Board of Directors, I would like to thank all shareholders for their support and welcome all new shareholders who have joined us. I would also like to thank Dania Zinurova, Deni Hoxha and the dedicated team at Wilson Asset Management for their diligence, rigour and commitment to the Company and its shareholders.

The WAM Alternative Assets investment portfolio aims to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits. Pleasingly, the investment portfolio increased 12.2% during the year, in what was a highly volatile year for traditional equity markets. Since the appointment of Wilson Asset Management as Investment Manager in October 2020 the WAM Alternative Assets investment portfolio has increased 14.6% per annum for shareholders.

The strong investment portfolio performance has been driven by positive revaluations of the underlying investments in the current period, with key contributors being real assets (primarily water assets) and private equity. The portfolio's exposure to private equity investments provides increased potential for capital appreciation and high returns, while also maintaining a focus on value investing, which can be effective in times of high market volatility. WAM Alternative Assets' holding in real assets provides further downside protection and low correlation to equities while its real estate exposure provides an attractive risk-return profile including yield through rental income.

Our investment in the Adamantem Capital Fund II managed by Adamantem Capital was a significant contributor during the year as Adamantem Capital achieved a successful partial exit of the fund's investment in Climate Friendly, a leading developer of land-based carbon offset projects in Australia. We have received sale proceeds from the partial exit and the Adamantem Capital Fund II continues to maintain a majority holding in Climate Friendly.

**+12.2%**

investment portfolio performance in FY2022

**+9.0%**

Total shareholder return in FY2022

**4.0 cents per share**

FY2022 fully franked full year dividend

## Chairman's letter

Another contributor to the investment portfolio performance during the year was the Argyle Water Fund, which invests in the long-term ownership of Australian Water Entitlements. Throughout the year, the value of Australian Water Entitlements have appreciated, driven by strong demand and limited supply given a buoyant agricultural outlook, positive cash flows across most irrigated industries and limited offers for sale by entitlement holders.

WAM Alternative Assets reported an operating profit before tax of \$23.2 million (FY2021: \$22.6 million) and an operating profit after tax of \$18.1 million (FY2021: \$18.0 million), reflective of the strong performance of the investment portfolio during the year.

As part of the revitalisation approach and long-term investment outlook, Wilson Asset Management has continued to review and rebalance the investment portfolio following a holistic portfolio construction approach, where it has a mandate to invest in a broad opportunity set. The investment philosophy is driven by thematic investing, where the strategies are selected within megatrends with strong tailwinds, such as growing ageing population, digitalisation, climate change and growing demand for food.

WAM Alternative Assets has committed to new investment partners Allegro Funds (through the Allegro Fund IV) and Centennial Property Group (through CEN [I&L] Partnership Fund), and will look to gradually re-position its exposure to the Argyle Water Fund as announced during the financial year. This re-positioning will further facilitate a combination of high-quality assets within the portfolio and enable the Company to enter into new investment opportunities in other asset classes such as private debt and infrastructure.

The Board of Directors is pleased to deliver a fully franked final dividend of 2.0 cents per share, bringing the fully franked dividends for the full year to 4.0 cents per share. As at 31 July 2022, the Company's profits reserve was 17.3 cents per share and forms part of the net tangible assets (NTA), representing 4.3 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 2.0 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

Dania and the investment team continue to identify significant opportunities within alternative assets and are enthusiastic about existing and new investment partnerships. We look forward to continuing to deliver on our commitments and providing retail investors with exposure to a high-quality portfolio of alternative assets.

## Company performance

There are three key measures crucial to the evaluation of a listed investment company's performance: investment portfolio performance, net tangible asset growth and total shareholder return.

### 1) Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio and cash before expenses, fees and taxes, but after fees of the underlying investment fund managers. A key objective of WAM Alternative Assets is to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits to shareholders.

FY2022 Investment  
portfolio performance

+12.2%

## Chairman's letter

Performance at 30 June 2022	6 mths	1 yr	Since appointment of Wilson Asset Management (Oct-20) % pa
WAM Alternative Assets Investment Portfolio	4.3%	12.2%	14.6%

Investment portfolio performance is before expenses, fees and taxes.

The WAM Alternative Assets investment portfolio increased 12.2% in the 12 months to 30 June 2022, while holding on average 25.6% of the investment portfolio in cash. As at 30 June 2022, 24.9% has been committed to our investment partners. The investment portfolio has increased 14.6% per annum since the appointment of Wilson Asset Management as Investment Manager in October 2020. This measure is before expenses, fees and taxes, but after fees of the underlying investment fund managers.

## 2) Net tangible asset (NTA) growth

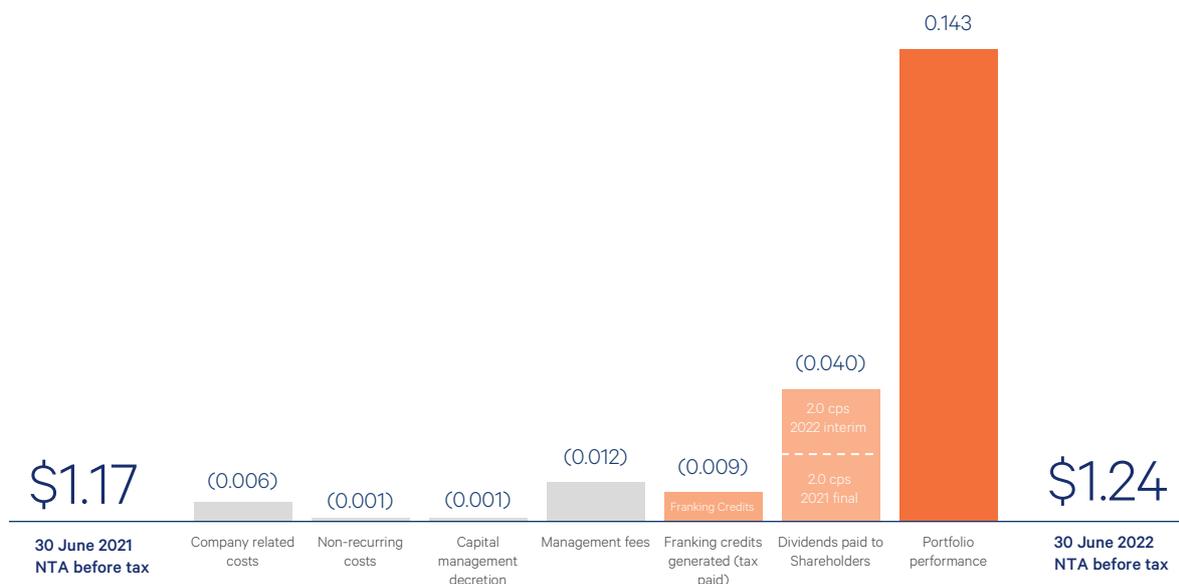
NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax and management fees). The NTA represents the realisable value of the Company and is provided to shareholders and announced on the ASX each month.

FY2022 NTA growth

+9.7%

WAM Alternative Assets' pre-tax NTA increased 9.7% in the 12 months to 30 June 2022, including the 4.0 cents per share of fully franked dividends paid to shareholders during the year. This increase is after corporate tax paid of 0.9 cents per share or 0.8% during the year. Corporate tax payments made throughout the year and management fees of 1.0% were the major items of difference between the investment portfolio performance of 12.2% and the NTA performance of 9.7%. The franking credits attached to corporate tax payments are available for distribution to shareholders through franked dividends. Other items contributing to the change in the value of the assets during the year were other company related expenses of 0.5%, non-recurring expenses of 0.1% and capital management decretion of 0.1%.

## WAM Alternative Assets pre-tax NTA



### 3) Total Shareholder Return (TSR)

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends.

FY2022 TSR

+9.0%

This measure shows the tangible return to shareholders, being the change in the share price together with dividends paid, assuming their reinvestment. Total shareholder return was driven by the strong performance of the investment portfolio, offset by the slight widening in the share price discount to NTA during the year, with total shareholder return of 9.0%. As at 30 June 2022, the share price discount to NTA was 16.4% (FY2021: discount of 15.5%). The S&P/ASX All Ordinaries Accumulation Index fell 18.8% during the year. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

### Dividends

The Board of Directors is pleased to deliver a fully franked final dividend of 2.0 cents per share that will be paid on 28 October 2022. The record date is 18 October 2022 and the shares will trade ex dividend on 17 October 2022. The dividend reinvestment plan (DRP) will be in operation for the final dividend; shareholders can elect to participate up until 20 October 2022 for the final dividend to be eligible for the DRP. The DRP will operate without a discount for the final dividend. For further information regarding the DRP, please visit [wilsonassetmanagement.com.au/lic/alternative-assets](http://wilsonassetmanagement.com.au/lic/alternative-assets).

As at 31 July 2022, the Company's profits reserve was 17.3 cents per share and forms part of the net tangible assets (NTA), representing 4.3 years of dividend coverage for shareholders, before the payment of the fully franked final dividend of 2.0 cents per share. The Board is committed to paying a stream of franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices.

The Company's ability to continue paying franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on upon the payment of tax on profits from the Company's operations and exits from existing investments and the receipt of franked distributions from underlying investments.

I encourage you to visit the Wilson Asset Management website and subscribe to receive updates. If you have any questions or suggestions regarding WAM Alternative Assets or Wilson Asset Management, please contact myself or the Wilson Asset Management team on (02) 9247 6755 or email [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au).

Thank you for your continued support.



**Michael Cottier**  
Chairman

# Portfolio Manager update

Dania Zinurova



Dear Fellow Shareholders,

The 2022 financial year tested the resilience of economies, societies and financial markets globally. In this uncertain geopolitical and macroeconomic environment, the case for investing in alternative assets is stronger than ever due to strong diversification benefits and the potential inflation hedge and interest rate hedge provided by alternative assets.

The investment portfolio increased 12.2% in the 12 months to June 2022 and 14.6% per annum since Wilson Asset Management's appointment as investment manager in October 2020. Contributors to the investment portfolio performance during the financial year were primarily from private equity and real assets exposures. During the period, our investment in the Adamantem Capital Fund II managed by Adamantem Capital was a significant contributor to the private equity performance in the portfolio, as Adamantem Capital achieved a successful partial exit of the fund's investment in Climate Friendly, a leading developer of land-based carbon offset projects in Australia. We have received sale proceeds from the partial exit and the Adamantem Capital Fund II continues to maintain a majority holding in Climate Friendly. Another contributor to the investment portfolio performance during the year was the Argyle Water Fund, which invests in the long-term ownership of Australian Water Entitlements. Throughout the year, the value of Australian Water Entitlements have appreciated, driven by strong demand and limited supply given a buoyant agricultural outlook, positive cash flows across most irrigated industries and limited offers for sale by entitlement holders.

During the year, we successfully exited five investments in the portfolio including the Argyle Solar Fund (a renewable energy infrastructure asset), the Argyle Agriculture Fund II (an agricultural citrus asset), the QFS Fund (a food and beverage distribution business), the Darra Industrial Income Fund (an industrial property asset) and the Cove 441 9th Avenue Fund (a commercial property asset). The capital received from those exits was redeployed as part of the revitalisation strategy to new investments including Centennial Property Group's industrial and logistics strategy, the CEN (I&L) Partnership Fund and Allegro Fund's turnaround and transformation private equity strategy, the Allegro Fund IV. During the year, we have begun deploying our capital commitments to the Barwon Institutional Healthcare Property Fund, the CEN Partnership Fund and the Allegro Fund IV, and expect further capital deployments to Palisade Diversified Infrastructure Fund.

## Portfolio Manager update

At 30 June 2022, the WAM Alternative Assets investment portfolio had a cash weighting of 27.8%, including total capital commitments to new and existing investment partners of 24.9%. The deployment of capital commitments to new investment partners will further diversify the current portfolio of good quality assets across private equity, real estate, real assets and infrastructure. Our pipeline of new investments is robust and we expect to make commitments to new strategies in FY23 as we continue exiting maturing investments in the portfolio.

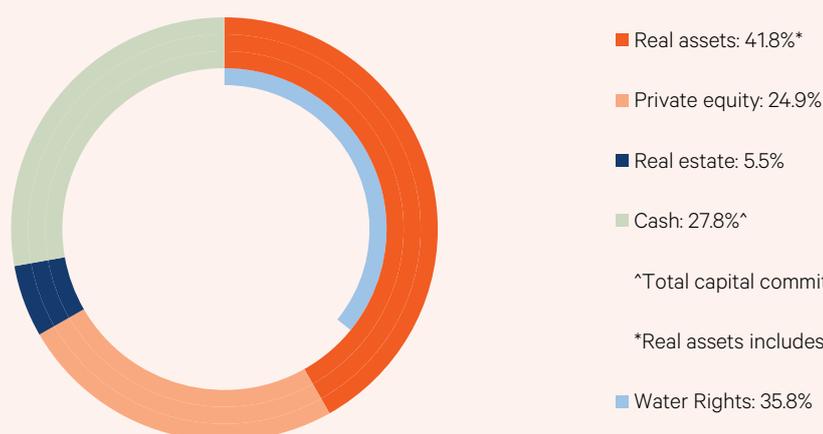
Our aim is to create a portfolio that is well balanced across growth and income producing investments and to achieve diversification across different risk premium. This enables us to continue growing WAM Alternative Assets' profits reserve and ensure sustainable growth of franked dividends to our shareholders.

Thank you for your continued support.



**Dania Zinurova**  
Portfolio Manager

## Asset class exposure at 30 June 2022



Portfolio structure	30 June 2022		30 June 2021		+/- prior year	
	\$m	%	\$m	%	\$m	%
Real assets	100.7	41.8	95.8	42.4	4.9	5.1
Private equity	59.9	24.9	63.1	27.9	(3.2)	(5.1)
Real estate	13.3	5.5	14.3	6.4	(1.0)	(7.0)
Cash <sup>^</sup>	66.8	27.8	52.6	23.3	14.2	27.0
<b>Gross assets</b>	<b>240.7</b>	<b>100.0</b>	<b>225.8</b>	<b>100.0</b>	<b>14.9</b>	<b>6.6</b>

The fair value of individual investments held at the end of the reporting period are disclosed on page 61.

<sup>^</sup>As at 30 June 2022, cash included trade and other receivables (\$1.9m) (2021: \$1.1m), and undrawn capital commitments to the Palisade Diversified Infrastructure Fund (\$20.0m) (2021: \$15.0m); the Barwon Institutional Healthcare Property Fund (\$15.0m) (2021: \$15.0m); the Allegro Fund IV (\$9.9m) (2021: nil); the CEN (I&L) Partnership Fund (\$8.0m) (2021: nil); the Adamantem Capital Fund II (\$5.8m) (2021: \$6.3m) and the Strategic Australian Agriculture Fund (\$1.3m) (2021: \$1.3m).

# Investment Manager update

Wilson Asset Management  
Chief Executive Officer Kate Thorley



## Dear Fellow Shareholders,

As the Chief Executive Officer of Wilson Asset Management, I want to thank our fellow shareholders for their support and loyalty throughout the financial year. WAM Alternative Assets (ASX: WMA) is your company and I am pleased to share some exciting updates and insights from the year with you.

The Wilson Asset Management team and I were excited to travel across Australia in May and meet with shareholders again in-person for WAM Vault Live. It was fantastic to have a cup of tea with you after more than two and a half years. Thank you to all who attended, we look forward to meeting you again soon.

I extend my sincere thanks to Portfolio Manager Dania Zinurova, Junior Investment Analyst Deni Hoxha and the broader Wilson Asset Management investment team who contribute immensely to our team.

Wilson Asset Management prides itself on being a high-performing team, committed to making a difference for our shareholders. During the year, we promoted several team members in recognition of the exceptional quality of their work, including: Sam Koch to Senior Equity Analyst, Martyn McCathie to Investment Specialist and Camilla Cox and Olivia Harris to Senior Corporate Affairs Advisors.

Our team continues to grow and we were pleased to welcome several new additions to the Wilson Asset Management Family, including in our Investment, Corporate Affairs, Finance, People and Culture, Distribution and Operations teams.

## About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As an investment manager, Wilson Asset Management invests almost \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management is proud to be the Investment Manager for WAM Alternative Assets, together with seven other LICs: WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA).

## Philanthropy

Wilson Asset Management created and is the lead supporter of Australia's first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Since listing in 2014 and 2015, the companies have supported young Australians who are at-risk or experiencing mental ill-health.

Wilson Asset Management is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. During the year, Wilson Asset Management and Future Generation team members were proud to support over 50 charities across several cause areas such as cancer research, homelessness and mental health. All philanthropic investments are made by the Investment Manager.

In February 2022, many Australians were affected by the devastating floods in New South Wales and Queensland. Wilson Asset Management donated again to the Foundation for Rural and Regional Renewal (FRRR) to support communities impacted by the floods, with hundreds of shareholders and supporters also generously giving funds to support those affected.

In 2019, we were able to raise over \$1 million for Australians affected by the bushfires and drought for the FRRR Disaster Resilience and Recovery Fund. This is an invested fund that grows with donations over time to generate earnings each year to be used to support communities' long term recovery. Wilson Asset Management's early contribution encouraged others to contribute and the fund now holds over \$5 million.

Our thoughts were also with all those in Ukraine facing the brutality of the fighting and the displacement that has caused a humanitarian disaster. In 2022, along with many of our shareholders, Wilson Asset Management donated to two organisations that we believe are having a significant impact on improving the conditions for those suffering; The Ukraine Crisis Appeal and Voices of Children.

We are honoured to provide continued support to Olympic athletes, through managing over \$7 million for the Australian Olympic Committee (AOC) on a pro bono basis. The AOC provides crucial financial and institutional support to Australian athletes to compete at an Olympic level. All fees are foregone by the Investment Manager.

We were excited to announce a five-year renewal of our partnership with Bondi2Berry. We are a key supporter of the event, which raises awareness of dementia, a disease that is the leading cause of death among Australian women, and the third leading cause of death for Australian men. We are also proud to continue our support of the Sydney Uni Velo Club (SU Velo).

Wilson Asset Management is the main partner of the Wollongong 2022 UCI World Championship Cycling competition, which will take place in September this year. The event runs for a week from 18 September 2022, putting the city of Wollongong on the map for a global television audience of over 300 million viewers. More than 1,000 cyclists from 70 countries will meet to compete in 11 races over eight days. The relationship between Wollongong 2022 and Wilson Asset Management was founded on a mutual objective of supporting people and creating a legacy for the community, demonstrating the long-term value of investing in financial, physical and mental wellbeing through cycling and community engagement.

## Advocacy and Education

Our advocacy work on behalf of retail investors in the Australian equity market continues to be a priority. We firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market.

We also remain committed to education initiatives which advocate for change and progress in corporate Australia. We support the University of New South Wales' School of Mathematics and Statistics' *Girls Do The Maths* program, which aims to inspire girls in high school to consider tertiary studies and careers in mathematics and statistics. We believe in the importance of gender diversity in the financial services industry, in particular funds management, which provide rewarding career paths.

## Shareholder engagement and communication

Shareholders are the owners of WAM Alternative Assets; Wilson Asset Management's responsibility is to manage the Company on your behalf and be available to report to you on a regular basis. After almost two and a half years, in May we were pleased to meet with shareholders across the country for WAM Vault Live. We hope to see you again soon, but in the meantime we encourage all shareholders to engage with us in a way that best suits them, with a variety of options available to keep informed on our investment insights and updates. Our approach includes:

- 
- ✓ Email updates from our Lead Portfolio Managers

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  - ✓ WAM Vault Live

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  - ✓ Investment team insights at WAM Vault: [wilsonassetmanagement.com.au/vault](https://wilsonassetmanagement.com.au/vault)

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  - ✓ Roundtables with planners, advisers and their clients

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  - ✓ NTA reports and investment updates

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  - ✓ Shareholder Q&A calls and webinars

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  - ✓ Social media engagement

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  - ✓ Investor education material

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  - ✓ Presentations and lunches across Australia

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  - ✓ Annual and interim results announcements
- 

As always, contact us by phone on (02) 9247 6755 or by email at [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au) if you ever have any questions or feedback.

Thank you for your continued support.



**Kate Thorley**  
Chief Executive Officer

## Objectives and investment process and investment process

### Investment objectives

The investment objectives of WAM Alternative Assets are to:

- deliver absolute returns through a combination of dividend yield and capital growth; and
- provide diversification benefits.

### Investment process – unique opportunities beyond traditional assets

WAM Alternative Assets provides investors with access to two distinctive processes:

- a partnership model focused on developing close relationships with key strategic partners; and
- a thematic portfolio construction approach that is built around active portfolio construction and review.

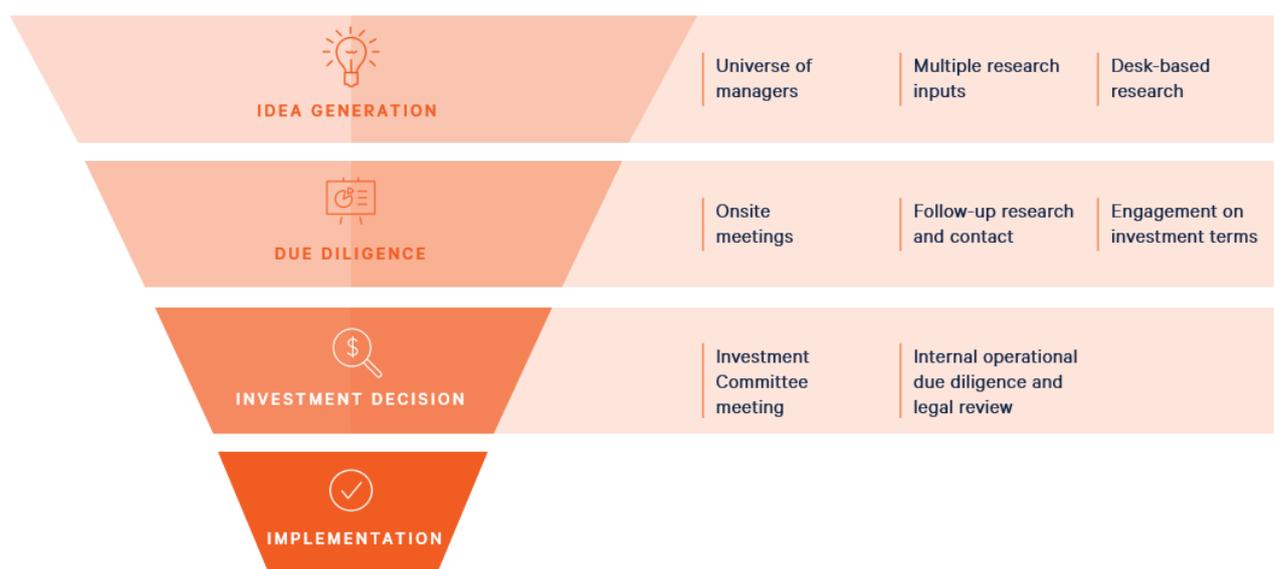
#### Partnership model

Investing alongside high-quality investment teams with an established track record; we follow a partnership model where WAM Alternative Assets seeks to source, maintain and develop close relationships with key strategic partners within the alternative assets space.

#### Thematic portfolio construction

WAM Alternative Assets takes a thematic portfolio construction approach which is built on key macro trends with strong tailwinds such as ageing population, digitalisation, climate change and increasing demand for food. This is built around active portfolio construction and review, a clear focus on themes and sectors, and a well-established and rigorous investment process.

We believe the underlying assets within the alternative asset strategies are built to last and expected to provide value or essential services to society over several decades. We therefore have Environmental, Social, and Corporate Governance (ESG) integrated into our investment process, which ensures our investments and returns are sustainable and resilient over time.



## Directors' Report to shareholders for the year ended 30 June 2022

The Directors present their report together with the financial report of WAM Alternative Assets for the financial year ended 30 June 2022.

### Principal activity

The principal activity of the Company is to provide retail investors with exposure to a portfolio of real assets, private equity and real estate. The Company's investment portfolio includes commitments to infrastructure strategies and aims to expand into new asset classes such as private debt. The Company's investment objectives are to deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits to shareholders. No change in this activity took place during the period or is likely to in the future.

### Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$23,221,165 (2021: \$22,627,672) and an operating profit after tax of \$18,054,728 (2021: \$18,019,312). The operating profit for 2022 is reflective of the strong performance of the investment portfolio during the period. The strong investment portfolio performance has been driven by positive revaluations in the underlying investments in the current period, with key contributors being real assets (primarily water assets) and private equity.

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio during the period. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each period. This treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

The operating profit or loss for each financial period is reflective of the underlying investment portfolio performance. Alternative asset classes traditionally have a low correlation to equity markets, and provide investors with exposure to long-term investment strategies and strong diversification benefits. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

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

### Financial position

The net asset value of the Company as at 30 June 2022 was \$231,917,634 (2021: \$221,004,176). Further information on the financial position of the Company is contained in the Chairman's letter.

### Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2022.

## Dividends paid or recommended

Dividends paid or declared during the year are as follows:

	\$
Fully franked FY2021 final dividend of 2.0 cents per share paid on 22 October 2021	3,878,790
Fully franked FY2022 interim dividend of 2.0 cents per share paid on 14 April 2022	3,883,340

Since the end of the year, the Directors declared a fully franked final dividend of 2.0 cents per share to be paid on 28 October 2022.

## Directors

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

- Michael Cottier
- Geoff Wilson AO
- Adrian Siew
- John Baillie
- Kym Evans

## Information on Directors

### Michael Cottier (Chairman – independent)

#### Experience and expertise

Michael Cottier has over 29 years' experience in financial services roles and is currently an independent non-executive director of two non-listed entities, both of which are in senior financial services roles. Between 2009 and 2014 Michael served as Chief Financial Officer of QSuper Group, where he was responsible for group-wide finance and governance functions. Prior to joining QSuper, Michael spent seven years as CFO of QIC Limited, where he was responsible for group-wide finance and governance functions together with corporate advisory and human resources services.

Michael Cottier has been Chairman of the Company since November 2018 and a Director of the Company since February 2017.

#### Other current directorships

Michael Cottier has no other directorships.

#### Former directorships in the last 3 years

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

#### Special responsibilities

Chairman of the Board and Member of the Audit and Risk Committee.

#### Interests in shares of the Company

Details of Michael Cottier's interests in shares of the Company are included later in this report.

#### Interests in contracts

Michael Cottier has no interests in contracts of the Company.

## **Geoff Wilson AO (Director – non-independent)**

### **Experience and expertise**

Geoff Wilson has over 42 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 Investment Company Limited and Future Generation Global Investment Company Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson has been a Director of the Company since September 2020.

### **Other current directorships**

Geoff Wilson is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014) and Future Generation Global Investment Company Limited (appointed May 2015) and a Director of Global Value Fund Limited (appointed April 2014), Incubator Capital Limited (appointed February 2000), Hearts and Minds Investments Limited (appointed September 2018), Wollongong 2022 Limited (appointed March 2019), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Australian Children's Music Foundation, Australian Stockbrokers Foundation and he is a Member of the Second Bite NSW Advisory Committee. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

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

Geoff Wilson resigned as a director of 8IP Emerging Companies Limited in September 2020 and Australian Leaders Fund Limited in March 2021.

### **Special responsibilities**

Chairman of the Investment Committee.

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

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

### **Interests in contracts**

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

### **Adrian Siew (Director – non-independent)**

#### **Experience and expertise**

Adrian has over 26 years' experience in the financial industry. He started his career with Goldman Sachs European investment banking team in London before moving to Hong Kong and Singapore as part of their mergers and acquisitions and corporate finance advisory teams. He later spent 11 years with The Carlyle Group as a Director of their private equity buyout investment team in Sydney and Singapore. Adrian was the Lead Portfolio Manager responsible for the alternative asset strategy of Wilson Asset Management (International) Pty Limited. He is a Director of WAM Microcap Limited, and a Director and investment committee member of WAM Alternative Assets Limited. He is also an advisor to the Wilson Family Office. Adrian graduated from London School of Economics with a First Class Honours in BSc (Economics) Accounting and Finance.

Adrian Siew has been a Director of the Company since September 2020.

#### **Other current directorships**

Adrian is a Director of WAM Microcap Limited (appointed since November 2020).

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

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

#### **Special responsibilities**

Member of the Investment Committee.

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

Details of Adrian Siew's interests in shares of the Company are included later in this report.

#### **Interests in contracts**

Adrian Siew has no interests in contracts of the Company.

### **John Baillie (Director – independent)**

#### **Experience and expertise**

John Baillie has over 26 years' experience in financial services, including wealth management, corporate advisory, investor relations and private equity capital raisings. John was a Senior Investment Advisor with Shaw and Partners (formally Shaw Stockbroking) for 22 years, with an emphasis on portfolio management, trading and private equity capital raisings. In 2015 John established JB & Partners Corporate Advisory that specialises in strategic advice and succession planning for private companies; particularly family businesses. John has advised in a diverse range of industries, including financial services (particularly AFSL issues), FMCG companies, eCommerce and the funeral industry. John is currently Chairman of Seneca Financial Solutions and non-executive Director of a number of private companies. He is a Graduate Member of the Australian Institute of Company Directors and holds a Graduate Diploma (Securities) from the Securities Institute of Australia.

John Baillie has been a Director of the Company since December 2018.

#### **Other current directorships**

John Baillie is a Director of DXN Limited (appointed May 2019).

### **John Baillie (Director – independent) (cont'd)**

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

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

#### **Special responsibilities**

Member of the Audit and Risk Committee.

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

Details of John Baillie's interests in shares of the Company are included later in this report.

#### **Interests in contracts**

John Baillie has no interests in contracts of the Company.

### **Kym Evans (Director – independent)**

#### **Experience and expertise**

Kym Evans has over 31 years' experience in legal risk and general management roles. Kym was a private practice lawyer for 10 years, including 7 years with Allens. He had a further 10 years' experience as in-house counsel with HBOS Australia, Nortel Networks, Arnott's Biscuits and Flexirent Capital. Kym also performed management roles at BankWest (Head of Customer Projects Commercial and Business Division), Nortel Networks Australia (General Manager - Business Operations) and Flexirent Capital (General Manager - Corporate Services). More recently he held a role as a senior consultant at Control Risk looking after account management and business development for Control Risks' three practice areas of political risk consulting, integrity risk consulting and security risk consulting. Kym holds a Bachelor of Laws and also completed the New York Bar Exam and the Harvard Business School General Management Program.

Kym Evans has been a Director of the Company since December 2018.

#### **Other current directorships**

Kym Evans has no other directorships.

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

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

#### **Special responsibilities**

Chairman of the Audit and Risk Committee.

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

Details of Kym Evans' interests in shares of the Company are included later in this report.

#### **Interests in contracts**

Kym Evans has no interests in contracts of the Company.

### Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

#### Jesse Hamilton

Jesse Hamilton is a Chartered Accountant with more than 14 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. He is Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia and Future Generation Global. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Jesse Hamilton was appointed Company Secretary of WAM Alternative Assets in October 2020.

### Members of the Investment Committee

The experience and qualifications of the members of the Investment Committee during the financial year and up to the date of this report are set out below:

#### Geoff Wilson (Chairman)

Geoff Wilson is also a Director. Please refer to page 17 of the Director's Report for details of Geoff's experience and qualifications.

#### Adrian Siew

Adrian Siew is also a Director. Please refer to page 18 of the Director's Report for details of Adrian's experience and qualifications.

#### Sally Box

Sally has over 18 years' experience in private capital advisory, gained with leading organisations such as Allens, Macquarie Capital, QIC, Greenhill & Co, and is currently Managing Director at Cabot Properties Inc, a private equity real estate investment firm.

#### John Roberts

John has almost three decades investment experience gained in senior alternatives focused roles with Macquarie Group, including Head of Europe, Joint Head of Macquarie Capital Advisers, Global Head of Macquarie Capital Funds and Executive Chairman of Macquarie Funds Group. John is currently a Partner at Alfred Street Investment Partners and Chairman of Macquarie Infrastructure and Real Assets.

### Investment Committee meetings

Director	No. eligible to attend	Attended
Geoff Wilson	5	4
Adrian Siew	5	5
Sally Box	5	4
John Roberts	5	3

## Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Alternative Assets.

### a) Remuneration of Directors

All Directors of WAM Alternative Assets are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration, unless otherwise agreed.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors. The maximum total remuneration of the Directors of the Company has been set at \$195,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees, excluding Investment Committee responsibilities.

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

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Michael Cottier	Chairman	45,000	4,500	49,500
Geoff Wilson	Director	10,000	1,000	11,000
Adrian Siew	Director	40,000	4,000	44,000
John Baillie	Director	40,000	4,000	44,000
Kym Evans	Director	40,000	4,000	44,000
		<b>175,000</b>	<b>17,500</b>	<b>192,500</b>

Adrian Siew also received \$33,000 (\$30,000 short-term employee benefits and \$3,000 post-employment benefits) during the financial year in respect of his Investment Committee duties (2021: \$24,638).

Directors receive a superannuation guarantee contribution required by the government, which was 10.0% of individuals' benefits for FY2022 (FY2021: 9.5%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

Directors' remuneration received for the year ended 30 June 2021:

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Michael Cottier	Chairman	45,000	4,275	49,275
Geoff Wilson (appointed 8 September 2020)	Director	8,106	770	8,876
Adrian Siew (appointed 8 September 2020)	Director	32,424	3,081	35,505
John Baillie	Director	40,000	3,800	43,800
Kym Evans	Director	40,000	3,800	43,800
		<b>165,530</b>	<b>15,726</b>	<b>181,256</b>

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

### a) Remuneration of Directors (cont'd)

The following table reflects the Company's performance and Directors' remuneration over five years:

	2022	2021	2020	2019	2018
Operating profit after tax (\$)	\$18,054,728	\$18,019,312	\$5,132,523	\$6,713,084	\$4,451,294
Dividends (cents per share)	4.0	3.0	4.0	5.0	5.0
Share price (\$)	\$1.035	\$0.985	\$0.72	\$0.76	\$0.80
NTA after tax (\$ per share)	\$1.19	\$1.14	\$1.09	\$1.10	\$1.11
Total Directors' remuneration (\$)	\$192,500	\$181,256	\$136,875	\$136,372	\$114,975
Shareholder's equity (\$)	\$231,917,634	\$221,004,176	\$211,109,380	\$221,199,797	\$233,339,235
Share buybacks (\$)	-	\$473,613	\$5,209,532	\$8,479,826	\$2,800,310

### b) Director related entities remuneration

All transactions with related entities during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited, the entity appointed on 14 October 2020 to manage the investment portfolio of WAM Alternative Assets. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio, amounting to \$2,603,082 inclusive of GST (2021: \$1,764,783). As at 30 June 2022, the balance payable to the Manager was \$220,573 inclusive of GST (2021: \$206,967).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Alternative Assets to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2022, the fee for accounting services amounted to \$71,500 inclusive of GST (2021: \$53,625) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2021: \$12,375). For the year ended 30 June 2021, fees for accounting services and company secretarial services were for the period from 14 October 2020 (the date that the service agreement commenced) to 30 June 2021.

These amounts are in addition to the above Directors' remuneration. Since the end of the financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

### c) Remuneration of executives

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined above.

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

### d) Equity instruments disclosures of Directors and related parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2021	Acquisitions	Disposals	Balance at 30 June 2022
Michael Cottier	30,000	847	-	30,847
Geoff Wilson	7,391,038	112,029	-	7,503,067
Adrian Siew	18,502	-	-	18,502
John Baillie	15,000	-	-	15,000
Kym Evans	37,983	1,433	-	39,416
	<b>7,492,523</b>	<b>114,309</b>	<b>-</b>	<b>7,606,832</b>

Directors and Director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration. There have been no changes in shareholdings disclosed above between 30 June 2022 and the date of the report.

- End of Remuneration Report -

### Directors' meetings

Director	No. eligible to attend	Attended
Michael Cottier	4	4
Geoff Wilson	4	4
Adrian Siew	4	4
John Baillie	4	4
Kym Evans	4	4

### Audit and Risk Committee meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2022 Corporate Governance Statement.

Audit and Risk Committee member	No. eligible to attend	Attended
Michael Cottier	4	4
John Baillie	4	4
Kym Evans	4	4

## After balance date events

Since the end of the year, the Directors declared a fully franked final dividend of 2.0 cents per share to be paid on 28 October 2022.

WAM Alternative Assets' investment partner Fortitude Investment Partners successfully agreed the sale of the underlying asset in its Shopper Media Group Funds, a digital, out-of-home, offline media company in Australia that offers targeted shopper advertising through a national screen network of more than 2000 screens in more than 420 shopping centres. The sale proceeds expected to be received from the exit are estimated to be at a premium to the underlying carrying value of the investment as at 30 June 2022. The transaction is subject to competition regulatory approval and the satisfaction of closing conditions, with completion expected to occur by the end of the calendar year.

WAM Alternative Assets' investment partner RBP Partners successfully completed the sale of the underlying asset in its Energy Storage Fund, a battery storage developer based in the United States that develops, owns and manages advanced utility-scale front-of-meter energy storage systems in California. The first tranche of the capital distribution from the exit was received in July 2022, which was in excess of initial capital invested, with the second tranche expected to be received in due course.

WAM Alternative Assets' investment partner Centennial Property Group successfully completed the sale of the underlying property in its Revesby Industrial Income Fund, an industrial food production and warehouse facility at 17 Milperra Road, Revesby. The sale proceeds expected to be received from the exit are estimated to be at a premium to the underlying carrying value of the investment as at 30 June 2022.

Further detail on the Shopper Media Group Funds, Energy Storage Fund and Revesby Industrial Income Fund exits will be provided in the Company's monthly Investment Update and NTA announcements.

Since the end of the financial year, WAM Alternative Assets began deploying capital to its investment partner, Barwon Investment Partners, in the Barwon Institutional Healthcare Property Fund (BIHPF). BIHPF is a growing portfolio with over \$1 billion of assets under management which includes 22 high-quality healthcare real estate assets with quality tenants, including Health Care Australia, various State Governments and Calvary. WAM Alternative Assets committed \$15 million to BIHPF in FY2021 and looks forward to deploying the residual commitment of \$12.4 million in the fund in FY2023 based on Barwon's robust pipeline of new deals.

No other matter or circumstance has arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

## Future developments

The Company will continue to provide retail investors with exposure to a portfolio of real assets, private equity and real estate, and aims to expand into new asset classes such as private debt and infrastructure to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee fund-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions also impact these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

## Environmental regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory. The Company does not have any material exposure to environmental and social sustainability risk, however, it may have indirect exposure through its underlying investments.

## Indemnification and insurance of officers or Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

## Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

## Non-audit services

During the year Pitcher Partners, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

### **Rounding of amounts to nearest dollar**

In accordance with ASIC Corporations (rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Director's Report have been rounded to the nearest dollar, unless otherwise indicated.

### **Corporate Governance Statement**

The Company's Corporate Governance Statement for the year ended 30 June 2022 is provided on the Company's website at [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au).

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 27 of the Annual Report.

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



**Michael Cottier**

**Chairman**

Dated this 30<sup>th</sup> day of August 2022

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**Auditor's Independence Declaration  
To the Directors of WAM Alternative Assets Limited  
ABN 47 168 941 704**

In relation to the independent audit of WAM Alternative Assets Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett  
Partner

Pitcher Partners  
Sydney

30 August 2022

## Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Net realised and unrealised gains on financial assets		17,532,310	20,282,675
Other revenue from operating activities	2	9,279,801	6,271,497
Management fees		(2,425,599)	(2,294,997)
Directors fees		(192,500)	(181,256)
Investment Committee fees		(99,000)	(72,754)
ASX listing and chess fees		(77,764)	(80,461)
Share registry fees		(49,057)	(61,246)
Disbursements, mailing and printing		(52,197)	(37,826)
Legal and professional fees		(57,957)	(229,327)
Audit fees		(170,894)	(297,162)
Other expenses from ordinary activities		(465,978)	(671,651)
<b>Profit before income tax</b>		<b>23,221,165</b>	<b>22,627,672</b>
Income tax expense	3(a)	(5,166,437)	(4,608,360)
<b>Profit after income tax attributable to members of the Company</b>		<b>18,054,728</b>	<b>18,019,312</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>18,054,728</b>	<b>18,019,312</b>
<b>Basic and diluted earnings per share</b>	15	<b>9.30 cents</b>	<b>9.29 cents</b>

The accompanying notes form part of these financial statements.

## Statement of financial position as at 30 June 2022

		2022	2021
<b>Current assets</b>			
Cash and cash equivalents	13	64,936,568	51,499,996
Trade and other receivables	6	1,873,603	1,101,562
Financial assets	7	233,820,384	210,831,158
Other assets		600,565	772,158
<b>Total current assets</b>		<b>301,231,120</b>	<b>264,204,874</b>
<b>Non-current assets</b>			
Deferred tax assets	3(c)	74,712	115,537
<b>Total non-current assets</b>		<b>74,712</b>	<b>115,537</b>
<b>Total assets</b>		<b>301,305,832</b>	<b>264,320,411</b>
<b>Current liabilities</b>			
Trade and other payables	8	3,121,991	409,092
Uncalled capital commitments	9	57,340,374	37,635,766
Current tax liabilities	3(b)	3,348,828	706,210
<b>Total current liabilities</b>		<b>63,811,193</b>	<b>38,751,068</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3(d)	5,577,005	4,565,167
<b>Total non-current liabilities</b>		<b>5,577,005</b>	<b>4,565,167</b>
<b>Total liabilities</b>		<b>69,388,198</b>	<b>43,316,235</b>
<b>Net assets</b>		<b>231,917,634</b>	<b>221,004,176</b>
<b>Equity</b>			
Issued capital	10	205,117,346	204,496,486
Profits reserve	11	33,042,866	20,867,977
Accumulated losses	12	(6,242,578)	(4,360,287)
<b>Total equity</b>		<b>231,917,634</b>	<b>221,004,176</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2022

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
<b>Balance at 1 July 2020</b>		<b>204,867,813</b>	<b>(4,360,287)</b>	<b>10,601,854</b>	<b>211,109,380</b>
Profit for the year		-	18,019,312	-	18,019,312
Transfer to profits reserve		-	(18,019,312)	18,019,312	-
Other comprehensive income for the year		-	-	-	-
<b>Transaction with owners:</b>					
Share buy-back	10(b)	(473,613)	-	-	(473,613)
Share buy-back costs (net of tax)	10(b)	(898)	-	-	(898)
Share issued via dividend reinvestment plan	10(b)	103,184	-	-	103,184
Dividends paid	4(a)	-	-	(7,753,189)	(7,753,189)
<b>Balance at 30 June 2021</b>		<b>204,496,486</b>	<b>(4,360,287)</b>	<b>20,867,977</b>	<b>221,004,176</b>
Profit for the year		-	18,054,728	-	18,054,728
Transfer to profits reserve		-	(19,937,019)	19,937,019	-
Other comprehensive income for the year		-	-	-	-
<b>Transaction with owners:</b>					
Share issued via dividend reinvestment plan	10(b)	620,860	-	-	620,860
Dividends paid	4(a)	-	-	(7,762,130)	(7,762,130)
<b>Balance at 30 June 2022</b>		<b>205,117,346</b>	<b>(6,242,578)</b>	<b>33,042,866</b>	<b>231,917,634</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the year ended 30 June 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		21,447,572	5,242,716
Payments for purchase of investments		(4,581,879)	(1,676,733)
Rebates of management and performance fees (inclusive of GST)		649,132	3,243,636
Dividends and trust distributions received		7,665,878	4,584,062
Interest received		185,618	142,745
Other investment income		-	13,977
Payments to suppliers (inclusive of GST)		(882,003)	(2,421,267)
Management fees paid		(2,589,476)	(5,157,941)
GST received		154,566	192,675
Income tax (paid)/refunded		(1,471,566)	508,702
<b>Net cash provided by operating activities</b>	<b>14</b>	<b>20,577,842</b>	<b>4,672,572</b>
<b>Cash flows from financing activities</b>			
Dividends paid – net of reinvestment		(7,141,270)	(7,650,005)
Share buy-back		-	(473,613)
Share buy-back costs		-	(1,214)
<b>Net cash used in financing activities</b>		<b>(7,141,270)</b>	<b>(8,124,832)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>13,436,572</b>	<b>(3,452,260)</b>
Cash and cash equivalents at beginning of the year		51,499,996	54,952,256
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>64,936,568</b>	<b>51,499,996</b>
<b>Non-cash transactions:</b>			
Shares issued via dividend reinvestment plan		620,860	103,184

The accompanying notes form part of these financial statements.

# Notes to the financial statements for the year ended 30 June 2022

## 1. Significant accounting policies

### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

WAM Alternative Assets is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 30 August 2022 by the Board of Directors.

WAM Alternative Assets is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Company's financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, except for financial assets and certain other financial assets and liabilities which have been measured at fair value. All amounts are presented in Australian dollars.

In accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Financial Statements have been rounded to the nearest dollar, unless otherwise indicated.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. There was no material impact to the financial statements.

### a) Financial assets and financial liabilities

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits itself to purchase or sell assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

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

### a) Financial assets and financial liabilities (cont'd)

#### Classification and subsequent measurement

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers.

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

Financial assets are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

#### (ii) Financial liabilities at fair value through profit or loss

Financial liabilities are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

The Company manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at 30 June 2022. Further details on how the fair values of financial instruments are determined are disclosed in Note 16.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of comprehensive income.

### b) Income tax

The charge of current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within six months or less.

### d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Distribution income is recognised when the right to receive a distribution has been established. All revenue is stated net of the amount of goods and services tax (GST).

### e) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment. Refer to Note 1(g) for further detail.

### f) Trade and other payables

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

### g) Uncalled capital commitments

Uncalled capital commitments are non-derivative financial liabilities and are stated at amortised cost.

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

### h) Impairment of assets

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition (this has replaced the incurred loss model). All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the Statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 30 June 2022, there are \$88,431 expected credit losses recognised (2021: \$86,134).

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

Revenues, expenses and assets are recognised exclusive of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of financial position. Cash flows are presented in the Statement of cash flows on a gross basis (inclusive of GST), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### j) Comparative figures

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

### k) Profits reserve

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

### l) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### m) Dividends

Dividends are recognised when declared during the financial year.

### n) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

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

### n) Critical accounting estimates and judgments (cont'd)

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers. Refer to Note 16(d) for further information.

There are no other estimates or judgments that have a material impact on the Company's financial results for the year ended 30 June 2022.

### o) New standards and interpretations not yet adopted

There are no new standards or interpretations not yet adopted that would have a material impact for the Company this financial period.

## 2. Other revenue

	2022 \$	2021 \$
Trust distributions	7,665,878	4,584,062
Rebates of management and performance fees	1,428,305	1,530,713
Interest	185,618	142,745
Other income	-	13,977
	<b>9,279,801</b>	<b>6,271,497</b>

### 3. Income tax

#### a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2022 \$	2021 \$
Prima facie tax on profit before income tax at 25.0% (2021: 26.0%)	5,805,291	5,883,195
Imputation credit gross up	273,715	300,515
Franking credit offset	(1,094,858)	(1,155,825)
Other non-assessable items*	182,289	(419,525)
	<b>5,166,437</b>	<b>4,608,360</b>
Effective tax rate	22.2%	20.4%

The effective tax rate reflects the benefit to the Company of franking credits received on trust distributions during the year. The increase in the effective tax rate from the comparative year is reflective of the lower portion of franked distributions received compared to the profit before tax during the year and the unrealised losses on income tax exempt investments, partly offset by the decrease in the Company's corporate tax rate to 25.0% (2021: 26.0%).

\*Other non-assessable items relates to unrealised gains and losses on income tax exempt investments and other timing differences. The prior year also included the effect of deferred tax being charged at the Company's corporate tax rate applicable in the current and future income tax years of 25.0%.

	2022 \$	2021 \$
<b>Total income tax expense results in a:</b>		
Current tax liability	4,113,774	1,115,064
Deferred tax liability	1,011,838	3,287,362
Deferred tax asset	40,825	205,934
	<b>5,166,437</b>	<b>4,608,360</b>

#### b) Current tax liabilities

	2022 \$	2021 \$
Balance at the beginning of the year	706,210	(1,010,620)
Current year income tax on operating profit	4,113,774	1,115,064
Income tax (paid)/refunded	(1,471,566)	508,702
Under provision in prior period	410	93,064
<b>At reporting date</b>	<b>3,348,828</b>	<b>706,210</b>

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

#### c) Deferred tax assets

	2022 \$	2021 \$
Accruals	71,529	61,057
Capitalised share issue costs	3,183	54,480
	<b>74,712</b>	<b>115,537</b>
<b>Movement in deferred tax assets</b>		
Balance at the beginning of the year	115,537	321,156
Charged to the Statement of comprehensive income	(40,825)	(205,934)
Capitalised share buy-back costs	-	315
<b>At reporting date</b>	<b>74,712</b>	<b>115,537</b>

#### d) Deferred tax liabilities

	2022 \$	2021 \$
Accrued rebates	164,844	114,785
Fair value adjustments	5,412,161	4,450,382
	<b>5,577,005</b>	<b>4,565,167</b>
<b>Movement in deferred tax liabilities</b>		
Balance at the beginning of the year	4,565,167	1,277,805
Charged to the Statement of comprehensive income	1,011,838	3,287,362
<b>At reporting date</b>	<b>5,577,005</b>	<b>4,565,167</b>

### 4. Dividends

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

	2022 \$	2021 \$
Final dividend FY2021: 2.0 cents per share fully franked at 26.0% tax rate, paid 22 October 2021 (Final dividend FY2020: 3.0 cents per share franked to 65%)	3,878,790	5,814,892
Interim dividend FY2022: 2.0 cents per share fully franked at 25.0% tax rate, paid 14 April 2022 (Interim dividend FY2021: 1.0 cent per share fully franked)	3,883,340	1,938,297
	<b>7,762,130</b>	<b>7,753,189</b>

## 4. Dividends (cont'd)

### b) Dividends not recognised at year end

	2022 \$	2021 \$
In addition to the above dividends, since the end of the year, the Directors have declared a 2.0 cents per share fully franked dividend (2021: 2.0 cents per share fully franked) which has not been recognised as a liability at the end of the financial year:	<b>3,890,160</b>	<b>3,878,657</b>

### c) Dividend franking account

	2022 \$	2021 \$
Balance of franking account at year end	1,716,471	1,640,198
Adjusted for franking credits arising from: - Estimated income tax payable	3,348,828	706,210
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 4(b):	(1,296,720)	(1,292,886)
	<b>3,768,579</b>	<b>1,053,522</b>

The Company's ability to continue to pay franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on upon the payment of tax on profits from the Company's operations and exits from existing investments and the receipt of franked distributions from the underlying investments.

The balance of the franking account does not include the tax to be paid on unrealised investment gains at the end of the reporting period. As at 30 June 2022, the deferred tax liability in relation to fair value movements on the investment portfolio is \$5,412,161 (2021: \$4,450,382).

## 5. Auditor's remuneration

	2022 \$	2021 \$
Remuneration of the auditor for:		
Auditing and reviewing the financial report	170,894	297,162
Other services provided by a related practice of the auditor:		
Taxation services	10,450	21,340
	<b>181,344</b>	<b>318,502</b>

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

## 6. Trade and other receivables

	2022 \$	2021 \$
Rebate income receivable	1,826,338	1,086,387
GST receivable	47,265	15,175
	<b>1,873,603</b>	<b>1,101,562</b>

The Company derives rebate income in respect of management and performance fees charged by underlying investment fund managers in accordance with existing agreements in place.

## 7. Financial assets

2022	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted infrastructure funds \$	Unlisted real assets funds \$	Total \$
Financial assets	75,563,568	36,266,634	20,000,000	101,990,182	<b>233,820,384</b>
Called capital commitments	-	(2,618,000)	-	-	<b>(2,618,000)</b>
Uncalled capital commitments	(15,645,874)	(20,382,000)	(20,000,000)	(1,312,500)	<b>(57,340,374)</b>
	<b>59,917,694</b>	<b>13,266,634</b>	<b>-</b>	<b>100,677,682</b>	<b>173,862,010</b>

2021	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted infrastructure funds \$	Unlisted real assets funds \$	Total \$
Financial assets	69,378,971	29,354,725	15,000,000	97,097,462	<b>210,831,158</b>
Uncalled capital commitments	(6,323,266)	(15,000,000)	(15,000,000)	(1,312,500)	<b>(37,635,766)</b>
	<b>63,055,705</b>	<b>14,354,725</b>	<b>-</b>	<b>95,784,962</b>	<b>173,195,392</b>

The above financial assets include \$57,340,374 in uncalled capital commitments (2021: \$37,635,766) and \$2,618,000 in called capital commitments (2021: nil). Please refer to Note 8 and 9 for further information.

The Company manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at 30 June 2022.

The fair values of individual investments held at the end of the reporting period are disclosed on page 61 of the Annual Report.

## 8. Trade and other payables

	2022 \$	2021 \$
Management fee payable	220,573	206,967
Sundry payables	283,418	202,125
Called capital commitments	2,618,000	-
	<b>3,121,991</b>	<b>409,092</b>

Trade and other payables are settled within the terms of payment offered. No interest is applicable on these accounts. Called capital commitments relates to capital called before the end of the financial year but not yet deployed. Please refer to Note 9 for further information.

## 9. Uncalled capital commitments

	2022 \$	2021 \$
Palisade Diversified Infrastructure Fund	20,000,000	15,000,000
Barwon Institutional Healthcare Property Fund	12,382,000	15,000,000
Allegro Fund IV	9,888,145	-
CEN (I&L) Partnership Fund	8,000,000	-
Adamantem Capital Fund II	5,757,729	6,323,266
Strategic Australian Agricultural Fund	1,312,500	1,312,500
	<b>57,340,374</b>	<b>37,635,766</b>

Uncalled capital commitments relate to the Company's contractual agreements to purchase units in unlisted funds which have not been drawn down. Uncalled capital commitments are subject to be called pursuant to the Trust Deeds of the respective investee funds.

During the year, \$10,000,000 of capital was committed to the CEN (I&L) Partnership Fund, \$10,000,000 of capital was committed to the Allegro Fund IV, \$1,699,717 of capital was committed to the Hotel Fund II and an additional \$5,000,000 of capital was committed to the Palisade Diversified Infrastructure Fund (PDIF). During the year, WMA received a \$204,770 distribution from its investment in Adamantem Capital Fund II, which can be drawn down by Adamantem Capital Fund II at a later date and is included in the uncalled capital commitments. From these commitments, \$2,000,000 was drawn down to the CEN (I&L) Partnership Fund, \$1,699,717 was drawn down to the Hotel Fund II, \$770,307 was drawn down to the Adamantem Capital Fund II and \$111,855 was drawn down to the Allegro Fund IV.

As at 30 June 2022, \$2,618,000 of WMA's capital commitment to the Barwon Institutional Healthcare Property Fund was called. This has been presented in trade and other payables. Since the end of the financial year, the called capital commitment has been paid.

## 10. Issued capital

### a) Paid-up capital

	2022 \$	2021 \$
194,507,975 ordinary shares fully paid (2021: 193,932,860)	<b>205,117,346</b>	<b>204,496,486</b>

### b) Movement in issued capital

	2022 \$	2021 \$
Balance at the beginning of the year 193,932,860 ordinary shares fully paid (2021: 194,453,047)	204,496,486	204,867,813
234,147 ordinary shares issued on 22 October 2021 under a dividend reinvestment plan	241,090	-
340,968 ordinary shares issued on 14 April 2022 under a dividend reinvestment plan	379,770	-
623,323 ordinary shares bought back during the year	-	(473,613)
103,136 ordinary shares issued on 30 April 2021 under a dividend reinvestment plan	-	103,184
Share buyback costs (net of tax)	-	(898)
At reporting date	<b>205,117,346</b>	<b>204,496,486</b>

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, all substantive resolutions will be decided by a poll. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

### c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share placements, share purchase plans, options issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to manage the capital of the Company during the year. The Company is not subject to any externally imposed capital requirements.

## 11. Profits reserve

	2022 \$	2021 \$
Profits reserve	<b>33,042,866</b>	<b>20,867,977</b>

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

	2022 \$	2021 \$
<b>Movement in profits reserve</b>		
Balance at the beginning of the year	20,867,977	10,601,854
Transfer of profits during the year	19,937,019	18,019,312
Final dividend paid (refer to note 4(a))	(3,878,790)	(5,814,892)
Interim dividend paid (refer to note 4(a))	(3,883,340)	(1,938,297)
At reporting date	<b>33,042,866</b>	<b>20,867,977</b>

## 12. Accumulated losses

	2022 \$	2021 \$
Balance at the beginning of the year	(4,360,287)	(4,360,287)
Profit for the year attributable to members of the Company	18,054,728	18,019,312
Transfer to profits reserve	(19,937,019)	(18,019,312)
At reporting date	<b>(6,242,578)</b>	<b>(4,360,287)</b>

## 13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2022 \$	2021 \$
Cash at bank	64,936,568	51,499,996
	<b>64,936,568</b>	<b>51,499,996</b>

The weighted average interest rate for cash as at 30 June 2022 is 0.91% (2021: 0.26%). There were no term deposits held at 30 June 2022 (2021: nil).

## 14. Cash flow information

	2022 \$	2021 \$
<b>Reconciliation of profit after tax to cash flow from operations:</b>		
Profit after income tax	18,054,728	18,019,312
Fair value gains and movements in financial assets	(666,617)	(16,716,692)
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in receivables	(772,042)	1,744,133
Decrease/(increase) in other assets	171,593	(497,610)
Decrease in current tax assets	-	1,010,620
Decrease in deferred tax assets	40,825	205,934
Increase/(decrease) in payables	94,899	(3,086,697)
Increase in current tax liabilities	2,642,618	706,210
Increase in deferred tax liabilities	1,011,838	3,287,362
<b>Net cash provided by operating activities</b>	<b>20,577,842</b>	<b>4,672,572</b>

## 15. Earnings per share

	2022 Cents per share	2021 Cents per share
Basic and diluted earnings per share	9.30	9.29
	2022 \$	2021 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	18,054,728	18,019,312
	2022 No.	2021 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	194,171,590	193,901,301

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

## 16. Financial risk management

The Company's financial instruments consist of unlisted investments, trade receivables and trade payables. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk, consisting of interest rate risk and price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks during the period.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial risks of the Company. The Manager monitors these risks daily. On a formal basis, the Investment Committee meets quarterly and monitors and manages the below risks as appropriate.

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. Credit risk is not considered to be a major risk to the Company as the majority of cash held by the Company is invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short-term rating of A-1+ and long-term rating of AA-. The majority of all maturities for cash held by the Company are within three months.

The Company has provided for \$88,431 (2021: \$86,134) trade receivables which the Company considers to be impaired. None of the other assets exposed to a credit risk are overdue or considered to be impaired.

### b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities or will be forced to sell financial assets at a value which is less than they are worth. Alternative asset investments typically involve the investors' capital being locked up for a number of years.

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

The Investment Manager monitors the Company's cash flow requirements on an ongoing basis by reference to forecast disposals and purchases of investments, dividends and interest to be paid or received. The Company holds a portion of its portfolio in cash sufficient to ensure that it has cash readily available to meet all payments.

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

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

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

30 June 2022	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Trade and other payables	-	3,121,991	3,121,991
Uncalled capital commitments	-	57,340,374	57,340,374
<b>Total</b>	<b>-</b>	<b>60,462,365</b>	<b>60,462,365</b>

30 June 2021	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Trade and other payables	-	409,092	409,092
Uncalled capital commitments	-	37,635,766	37,635,766
<b>Total</b>	<b>-</b>	<b>38,044,858</b>	<b>38,044,858</b>

### c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments.

By its nature, as a listed investment company that invests in unlisted investments, the Company will always be subject to market risk as it invests its capital in unlisted investments which are not risk free, as the fair value of these unlisted investments can fluctuate.

#### (i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows.

The Company however is not materially exposed to interest rate risk as the majority of its cash and term deposits mature within three months. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

At the end of the reporting period, the Company's exposure to interest rate risk and the effective average weighted interest rate was as follows:

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

### c) Market risk (cont'd)

#### (i) Interest rate risk (cont'd)

30 June 2022	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	0.91%	64,936,568	-	64,936,568
Trade and other receivables		-	1,873,603	1,873,603
Financial assets		-	233,820,384	233,820,384
<b>Total</b>		<b>64,936,568</b>	<b>235,693,987</b>	<b>300,630,555</b>
<b>Liabilities</b>				
Trade and other payables		-	3,121,991	3,121,991
Uncalled capital commitments		-	57,340,374	57,340,374
<b>Total</b>		<b>-</b>	<b>60,462,365</b>	<b>60,462,365</b>
30 June 2021	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	0.26%	51,499,996	-	51,499,996
Trade and other receivables		-	1,101,562	1,101,562
Financial assets		-	210,831,158	210,831,158
<b>Total</b>		<b>51,499,996</b>	<b>211,932,720</b>	<b>263,432,716</b>
<b>Liabilities</b>				
Trade and other payables		-	409,092	409,092
Uncalled capital commitments		-	37,635,766	37,635,766
<b>Total</b>		<b>-</b>	<b>38,044,858</b>	<b>38,044,858</b>

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

### c) Market risk (cont'd)

#### (ii) Price risk

Price risk arises from the Company's investments in unlisted funds, whose valuation is based on the valuation of the underlying companies or assets of those unlisted funds. All investments present a risk of loss of capital. The Investment Manager mitigates this risk through careful selection of investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid in nature.

The Company provides retail investors with exposure to a diversified portfolio of real assets, private equity, real estate, and aims to expand into new asset classes such as private debt and infrastructure. The Company diversifies its portfolio across multiple underlying investment fund managers, underlying industries and investment stages.

The Investment Manager follows a due diligence process prior to making an investment. In making an investment decision, the Investment Manager considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying investment fund managers through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an agreement for a new investment, information is confirmed through reference checks or through the Investment Manager's standing data and experience. The Investment Manager also performs ongoing monitoring procedures primarily through discussions with the underlying investment fund managers and also monitors industry, tax, regulatory and legal developments for all investments.

#### Sensitivity analysis

For the purposes of a sensitivity analysis, the Company considers a 5% adjustment to the reported or latest available unit price, received from the underlying investment fund managers, used to determine fair value of the unlisted funds as reasonable. At reporting date, if these reported or latest available unit prices used to determine fair value of the unlisted funds changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$6,519,825 (2021: \$6,408,229). This would result in the 30 June 2022 net asset backing after tax moving by 3.4 cents per share (2021: 3.3 cents per share).

### d) Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

**Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

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

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

WAM Alternative Assets holds investments in unlisted funds which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. These investments are valued at fair value. The method that the Company uses to determine the fair value of these investments is generally the reported or latest available unit price received from the underlying investment fund managers. The Board has determined that it is appropriate to use these reported or latest available unit prices in valuing the investments in unlisted funds. The Company classifies the fair value of these investments as Level 3 in the fair value hierarchy.

The reported or latest available unit price, received from the underlying investment fund managers of an unlisted fund is calculated by the relevant underlying investment fund manager in accordance with their methodologies and assumptions to determine the fair value of the unlisted fund's investment in any portfolio companies. The methodologies that are used by the underlying investment fund managers to determine the fair value of the unlisted fund's investment in any portfolio companies are as follows:

- market approach (whereby fair value is derived by reference to observable valuation measures for comparable companies or assets including any recent transactions in the unlisted fund);
- income approach (such as the discounted projected cash flow method); or
- cost approach, as the best initial approximation of fair value upon acquisition of an investment.

The Company does not utilise valuation models to calculate the fair value of its investments in unlisted funds. The reported or latest available unit price received from the underlying investment fund managers is considered to be the key input in the determination of fair value. The Company does not have any other key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period, which may have a significant risk of causing a material adjustment to the Company's net asset value within the next financial year. However, the Company has the following control procedures in place to evaluate whether these reported or latest available unit prices of the unlisted funds underlying investment in any portfolio companies is calculated in a manner consistent with Australian Accounting Standard AASB 13: *Fair Value Measurement*.

- Thorough initial due diligence process and ongoing monitoring procedures, primarily discussions with the underlying investment fund managers;
- Comparison of historical realisations to the last reported fair values;
- Review of the financial statements, key assumptions and significant judgements used in determining the fair value of each investment, including those used in independent third party valuations of the respective unlisted funds (where available); and
- The Audit and Risk Committee and Board of Directors' evaluation of detailed valuation assessments provided by the Investment Manager and their external auditors, which include detailed information regarding their separate reviews of the carrying value of each individual investment in the portfolio, the valuation methodology adopted and the relevant external valuation firm used by the underlying investment manager (where available).

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

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

Due to the inherent uncertainty of the valuation of the unlisted funds, the values used and the methodologies and assumptions adopted in the valuation may differ significantly from the values that would have been used had a ready market for the investment existed and the differences could be significant. These values may need to be revised as circumstances change and material adjustments may still arise as a result of revaluation of the unquoted investments fair value within the next financial period.

30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	75,563,568	75,563,568
Unlisted private real estate funds	-	-	36,266,634	36,266,634
Unlisted real assets funds	-	-	101,990,182	101,990,182
Unlisted infrastructure funds	-	-	20,000,000	20,000,000
<b>Total</b>	-	-	<b>233,820,384</b>	<b>233,820,384</b>

30 June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	69,378,971	69,378,971
Unlisted private real estate funds	-	-	29,354,725	29,354,725
Unlisted real assets funds	-	-	97,097,462	97,097,462
Unlisted infrastructure funds	-	-	15,000,000	15,000,000
<b>Total</b>	-	-	<b>210,831,158</b>	<b>210,831,158</b>

The above financial assets include \$57,340,374 in uncalled capital commitments (2021: \$37,635,766) and \$2,618,000 in called capital commitments (2021: nil). Please refer to Note 8 and 9 for further information.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

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

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

	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Total \$
<b>Year ended 30 June 2022</b>					
Balance at the beginning of the period	69,378,971	29,354,725	97,097,462	15,000,000	210,831,158
Capital commitment <sup>†</sup>	11,904,487	10,000,000	-	5,000,000	26,904,487
Capital return	(514,509)	(1,925,000)	-	-	(2,439,509)
Disposal	(7,836,859)	(3,360,472)	(7,810,731)	-	(19,008,062)
Net unrealised gain	999,388	728,690	10,818,981	-	12,547,059
Net realised gain	1,632,090	1,468,691	1,884,470	-	4,985,251
<b>At reporting date</b>	<b>75,563,568</b>	<b>36,266,634</b>	<b>101,990,182</b>	<b>20,000,000</b>	<b>233,820,384</b>

<sup>†</sup>During the year, WAM Alternative Assets invested \$2,000,000 in the CEN (I&L) Partnership Fund, \$1,699,717 in the Hotel Fund II, \$770,307 in the Adamantem Capital Fund II and \$111,855 in the Allegro Fund IV.

	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Total \$
<b>Year ended 30 June 2021</b>					
Balance at the beginning of the period	52,071,806	14,401,183	91,880,709	-	158,353,698
Capital commitment <sup>†</sup>	8,000,000	15,000,000	(562,500)	15,000,000	37,437,500
Capital return	-	-	(76,000)	-	(76,000)
Disposal	(5,166,715)	-	-	-	(5,166,715)
Net unrealised gain/(loss)	12,307,165	(46,458)	5,855,253	-	18,115,960
Net realised gain	2,166,715	-	-	-	2,166,715
<b>At reporting date</b>	<b>69,378,971</b>	<b>29,354,725</b>	<b>97,097,462</b>	<b>15,000,000</b>	<b>210,831,158</b>

<sup>†</sup>The capital commitment to the Strategic Australian Agriculture Fund (SAAF) was reduced in July 2020 following the receipt of the End of Investment Period notice from the manager of the SAAF.

## 17. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and unlisted investments. It has no reportable operating segments. The Company currently categorises its unlisted investments into four categories: private equity, private real estate, real assets and infrastructure.

## 18. Commitments

There were no commitments entered into by the Company before the end of the year which settle after the end of the year (2021: nil), other than already disclosed in the annual report.

## 19. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2022 (2021: nil).

## 20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Michael Cottier     Chairman
- Geoff Wilson AO    Director
- Adrian Siew         Director
- John Baillie        Director
- Kym Evans          Director

### a) Remuneration

There are no executives that are paid by the Company.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on page 21, as required by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2022	175,000	17,500	<b>192,500</b>
Total Directors remuneration paid by the Company for the year ended 30 June 2021	165,530	15,726	<b>181,256</b>

Adrian Siew received \$33,000 (\$30,000 short-term employee benefits and \$3,000 post-employment benefits) during the financial year in respect of his Investment Committee duties (2021: \$24,638).

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

### b) Share holdings

At 30 June 2022, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2021	Acquisitions	Disposals	Balance at 30 June 2022
Michael Cottier	30,000	847	-	30,847
Geoff Wilson	7,391,038	112,029	-	7,503,067
Adrian Siew	18,502	-	-	18,502
John Baillie	15,000	-	-	15,000
Kym Evans	37,983	1,433	-	39,416
	<b>7,492,523</b>	<b>114,309</b>	-	<b>7,606,832</b>

At 30 June 2021, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2020	Acquisitions/balance held on appointment	Disposals	Balance at 30 June 2021
Michael Cottier	-	30,000	-	30,000
Geoff Wilson (appointed 8 September 2020)	-	7,391,038	-	7,391,038
Adrian Siew (appointed 8 September 2020)	-	18,502	-	18,502
John Baillie	15,000	-	-	15,000
Kym Evans	37,983	-	-	37,983
	<b>52,983</b>	<b>7,439,540</b>	-	<b>7,492,523</b>

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

## 21. Related party transactions

All transactions with related parties during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited. Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited, the entity appointed on 14 October 2020 to manage the investment portfolio of WAM Alternative Assets. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited.

In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio, amounting to \$2,603,082 inclusive of GST (2021: \$1,764,783). As at 30 June 2022, the balance payable to the Manager was \$220,573 inclusive of GST (2021: \$206,967).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Alternative Assets to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2022, the fee for accounting services amounted to \$71,500 inclusive of GST (2021: \$53,625) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2021: \$12,375). For the year ended 30 June 2021, fees for accounting services and company secretarial services were for the period from 14 October 2020 (the date that the service agreement commenced) to 30 June 2021.

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

## 22. Events subsequent to reporting date

Since the end of the year, the Directors declared a fully franked final dividend of 2.0 cents per share to be paid on 28 October 2022.

WAM Alternative Assets' investment partner Fortitude Investment Partners successfully agreed the sale of the underlying asset in its Shopper Media Group Funds, a digital, out-of-home, offline media company in Australia that offers targeted shopper advertising through a national screen network of more than 2000 screens in more than 420 shopping centres. The sale proceeds expected to be received from the exit are estimated to be at a premium to the underlying carrying value of the investment as at 30 June 2022. The transaction is subject to competition regulatory approval and the satisfaction of closing conditions, with completion expected to occur by the end of the calendar year.

WAM Alternative Assets' investment partner RBP Partners successfully completed the sale of the underlying asset in its Energy Storage Fund, a battery storage developer based in the United States that develops, owns and manages advanced utility-scale front-of-meter energy storage systems in California. The first tranche of the capital distribution from the exit was received in July 2022, which was in excess of initial capital invested, with the second tranche expected to be received in due course.

## 22. Events subsequent to reporting date (cont'd)

WAM Alternative Assets' investment partner Centennial Property Group successfully completed the sale of the underlying property in its Revesby Industrial Income Fund, an industrial food production and warehouse facility at 17 Milperra Road, Revesby. The sale proceeds expected to be received from the exit are estimated to be at a premium to the underlying carrying value of the investment as at 30 June 2022.

Further detail on the Shopper Media Group Funds, Energy Storage Fund and Revesby Industrial Income Fund exits will be provided in the Company's monthly Investment Update and NTA announcements.

Since the end of the financial year, WAM Alternative Assets began deploying capital to its investment partner, Barwon Investment Partners, in the Barwon Institutional Healthcare Property Fund (BIHPF). BIHPF is a growing portfolio with over \$1 billion of assets under management which includes 22 high-quality healthcare real estate assets with quality tenants, including Health Care Australia, various State Governments and Calvary. WAM Alternative Assets committed \$15 million to BIHPF in FY2021 and looks forward to deploying the residual commitment of \$12.4 million in the fund in FY2023 based on Barwon's robust pipeline of new deals.

No other matter or circumstance has arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

## Directors' Declaration

The Directors of WAM Alternative Assets Limited declare that:

- 1) The financial statements as set out in pages 28 to 55 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 21 to 23, are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the financial position of the Company as at 30 June 2022 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date; and
- 2) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Investment Manager, MAM Pty Limited declaring that:
  - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
  - b) the Company's financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the Company's financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Michael Cottier**  
Chairman

Dated this 30<sup>th</sup> day of August 2022

**Independent Auditor's Report  
To the Members of WAM Alternative Assets Limited  
ABN 47 168 941 704**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of WAM Alternative Assets Limited ("the Company"), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of WAM Alternative Assets Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the matter</b>
<p><b>Existence and Valuation of Financial Assets</b> <b>Refer to Note 7: Financial Assets</b></p>	
<p>We focused our audit effort on the existence and valuation of the Company's financial assets, as they represent the most significant driver of the Company's Net Tangible Assets and Profit.</p> <p>The Company's financial assets consist of a portfolio of investments in unlisted private equity funds, unlisted private real estate funds, unlisted real asset funds and unlisted infrastructure funds. The determination of their fair value is considered to be complex in nature as their valuation is based on significant judgement with limited observable market inputs. Consequently, these investments are classified under Australian Accounting Standards as "Level 3" investments.</p> <p>Whilst the Company uses the reported or latest available unit price to determine the fair value of each investment in the portfolio, the valuation methodologies used by the underlying fund investment managers in determining their unit price require significant assumptions and judgements to be applied and are based on various valuation techniques including discounted cashflow, capitalisation of earnings income and market asset approaches.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>▪ Obtaining an understanding of and evaluating the design of the investment management processes and controls;</li> <li>▪ Obtaining unit certificates and confirming investment holdings directly with the underlying investment fund managers;</li> <li>▪ Obtaining an understanding of valuation methods used and the basis of assumptions and judgements applied;</li> <li>▪ Selecting a sample of investments to review in detail, engaging with our internal valuation specialists to assess the valuation assumptions and methods used including discounted cash flow analysis, capitalisation of earnings income and market asset approaches using trading and transactional comparable data;</li> <li>▪ Assessing significant assumptions and judgements used in determining the fair value of each investment;</li> <li>▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and</li> <li>▪ Assessing the adequacy of disclosures in the financial statements.</li> </ul>

**Independent Auditor's Report  
To the Members of WAM Alternative Assets Limited  
ABN 47 168 941 704**

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 21 to 23 of the Directors' Report for the year ended 30 June 2022. In our opinion, the Remuneration Report WAM Alternative Assets Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Scott Whiddett  
Partner

30 August 2022



Pitcher Partners  
Sydney

## Investments at fair value as at 30 June 2022

Investment name	Fair Value* \$	% of Gross Assets
<b>Real assets</b>		
<b>Argyle Capital</b>		
Argyle Water Fund	69,832,069	29.0%
Strategic Australian Agriculture Fund	30,845,613	12.8%
<b>Total real assets</b>	<b>100,677,682</b>	<b>41.8%</b>
<b>Private equity</b>		
<b>Fortitude Investment Partners</b>		
Shopper Media Group Funds	11,986,295	5.0%
Hotel Funds	8,445,182	3.5%
Birch & Waite Fund	5,683,600	2.4%
IT Consulting Fund	1,986,000	0.8%
Wild Breads and Wild Breads RCPS Funds	1,587,513	0.6%
Tourism Fund	1,461,683	0.6%
Aquila Fund	945,600	0.4%
Origo Education Fund	623,550	0.3%
Sunfresh Fund	507,900	0.2%
	33,227,323	13.8%
<b>January Capital</b>		
aCommerce Funds	12,575,228	5.2%
Vinomofo Fund	2,403,587	1.0%
VC2014 Fund	2,137,993	0.9%
	17,116,808	7.1%
<b>Other</b>		
Energy Storage Infrastructure Fund	6,388,726	2.7%
Adamantem Capital Fund II	3,072,982	1.2%
Allegro Fund IV	111,855	0.1%
	9,573,563	4.0%
<b>Total private equity</b>	<b>59,917,694</b>	<b>24.9%</b>

Investment name	Fair Value* \$	% of Gross Assets
<b>Private real estate</b>		
Cove Property Group 2 Rector Street Fund	6,314,584	2.6%
Revesby Industrial Income Fund	4,522,250	1.9%
CEN (I&L) Partnership Fund	2,000,000	0.8%
Darra Industrial Income Fund	429,800	0.2%
<b>Total private real estate</b>	<b>13,266,634</b>	<b>5.5%</b>
<b>Total portfolio</b>	<b>173,862,010</b>	<b>72.2%</b>
<b>Total cash and cash equivalents, and income receivable</b>	<b>66,810,171</b>	<b>27.8%</b>
<b>Gross assets</b>	<b>240,672,181</b>	

\*Includes undrawn capital commitments to the Palisade Diversified Infrastructure Fund (\$20.0m); the Barwon Institutional Healthcare Property Fund (\$15.0m); the Allegro Fund IV (\$9.9m); the CEN (I&L) Partnership Fund (\$8.0m); the Adamantem Capital Fund II (\$5.8m) and the Strategic Australian Agriculture Fund (\$1.3m). Refer to Note 9 for further information.

The total number of Investments held at the end of the financial year was 21.

## ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

### Shareholdings

**Substantial shareholders (as at 31 July 2022)** – HSBC Custody Nominees (Australia) Limited holds 11,575,421 ordinary shares (6.0% of issued capital) and BNP Paribas Nominees Pty Limited holds 11,234,493 ordinary shares (5.8% of issued capital).

**On-market buy back (as at 31 July 2022)** - there is no current on-market buy back.

### Distribution of shareholders (as at 31 July 2022)

	Number of shareholders	% of issued capital held
1 – 1,000	352	0.1%
1,001 – 5,000	732	1.2%
5,001 – 10,000	685	2.9%
10,001 – 100,000	2,590	45.8%
100,001 and over	268	50.0%
	<b>4,627</b>	<b>100.0%</b>

The number of shareholders holding less than marketable parcels is 161.

### Twenty largest shareholders – Ordinary shares (as at 31 July 2022)

Name	Number of ordinary shares held	% of issued capital held
HSBC Custody Nominees (Australia) Limited	11,575,421	6.0%
BNP Paribas Nominees Pty Limited	11,234,493	5.8%
Entities associated with Mr Geoff Wilson	7,503,067	3.9%
Netwealth Investments Limited	5,766,395	3.0%
JP Morgan Nominees Australia Pty Limited	5,079,872	2.6%
Mr MG Peterson & Ms SA Wake	2,716,000	1.4%
Citicorp Nominees Pty Limited	1,692,211	0.9%
Bahrain Investments Pty Limited	1,041,334	0.5%
R W Kirby Pty Limited	869,040	0.4%
Perpetual Corporate Trust Limited	750,000	0.4%
Old Greenwich Investments Pty Limited	723,000	0.4%
Honnery Cahill Nominees Pty Limited	719,894	0.4%
Keofferam Investments Pty Limited	588,000	0.3%
Jontra Holdings Pty Limited	549,400	0.3%
GK Morgan Investments Pty Limited	504,456	0.3%
Eidsvold Station Holdings Pty Limited	501,668	0.3%
Cellar Stocks Pty Limited	500,000	0.3%
Tendword Pty Limited	500,000	0.3%
Malcolm Holdings Pty Limited	500,000	0.3%
Charmseat Pty Limited	500,000	0.3%
	<b>53,702,222</b>	<b>28.0%</b>

### Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

# Wilson Asset Management

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