

# WAM STRATEGIC VALUE LIMITED

ABN 24 649 096 220

## Appendix 4E Preliminary Final Report for the year ended 30 June 2024

### Results for Announcement to the Market

All comparisons to the year ended 30 June 2023

	\$	up/down	% mvmt
Revenue from ordinary activities	38,343,423	up	72.5%
Profit from ordinary activities before income tax expense	28,670,693	up	44.7%
Net profit from ordinary activities after income tax expense	22,118,775	up	40.1%

Dividend information	Cents per share	Franking %	Tax rate for franking
2024 Final dividend cents per share	3.0c	100%	30%
2024 Special dividend cents per share	1.0c	100%	30%
2024 Interim dividend cents per share	2.25c	100%	30%

#### Final dividend dates

Ex-dividend date	1 October 2024
Record date	2 October 2024
Last election date for the DRP	4 October 2024
Payment date	29 October 2024

#### Special dividend dates

Ex-dividend date	22 November 2024
Record date	25 November 2024
Last election date for the DRP	27 November 2024
Payment date	20 December 2024

#### Dividend Reinvestment Plan

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

	30 Jun 24	30 Jun 23
Net tangible asset backing (before tax) per share	\$1.29	\$1.17
Net tangible asset backing (after tax) per share	\$1.29	\$1.21

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.

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W | A | M Strategic Value

ABN 24 649 096 220

2024

# Annual Report

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**Wilson**  
Asset Management  
*Making a difference*





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

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## Regional Shareholder Presentations

The Wilson Asset Management and Future Generation teams look forward to meeting with our shareholders across the country.

Further details are provided on our website.

## Join our hybrid Annual General Meeting

**Thursday 21 November 2024**

Museum of Sydney (Warrane Theatre)  
Corner Bridge Street and Phillip Street Sydney NSW 2000  
Further details to be provided.

Deadline for Director nominations, including the deadline for signed consent, is 5:00pm (AEST) on Tuesday 24 September 2024.



# FY2024 financial highlights

Record operating profit before tax in FY2024

**\$28.7m**

Investment portfolio performance in FY2024

**+18.6%**

Total shareholder return, including franking credits

**+18.9%**

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

**6.25 cps ↑**

Fully franked dividend yield\*

**5.5%**

Grossed-up dividend yield†:

**7.9%**

Dividends paid since inception, including franking credits

**12.5 cps**

## Look-through NTA before tax

The Australian Accounting Standards and ASX Listing Rules require the Company's pre-tax NTA to be calculated based on the market price (or share price) of the underlying investment portfolio. The Company's look-through pre-tax NTA is an estimation of the Company's pre-tax NTA calculated using the estimated or most recently available pre-tax NTA of the underlying investment portfolio as at the end of the month where available. The look-through pre-tax NTA of the Company is indicative only and provides an estimate for investors of the value of the underlying investment portfolio, assuming the share price discount to NTA of the underlying discounted asset opportunities are closed.

\*Based on the annualised 3.0 cents per share FY2024 fully franked final dividend and 28 June 2024 share price.

Look-through NTA before tax as at 30 June 2024

**\$1.46**

NTA before tax as at 30 June 2024

**\$1.29**

Share price as at 28 June 2024

**\$1.095**

## 30 June 2024 snapshot

<b>Assets</b>	<b>Market capitalisation</b>	<b>Increase in fully franked full year dividend to 5.25 cents per share</b>
<b>\$239.6m</b>	<b>\$197.2m</b>	<b>+50%</b> 
<b>Profits reserve, before the payment of final and special dividends</b>	<b>Dividend coverage</b>	<b>Special fully franked dividend</b>
<b>16.9 cps</b>	<b>2.8 years</b>	<b>1.0 cps</b> 

## Glossary of performance measures

The key measures used to analyse and discuss our results are defined here to guide the reader through FY2024 financial highlights and the Letter from the Chairman and Lead Portfolio Manager. A full glossary of terms is also located on pages 70 to 72.

<b>Dividend yield</b>	The annual dividend amount expressed as a percentage of the share price at a certain point in time. <i>This is calculated as follows: Annual dividend amount per share ÷ share price</i>
<b>Grossed-up dividend yield</b>	Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is fully franked. <i>This is calculated as follows: Annual dividend yield % ÷ (1 – the corporate tax rate of 30.0%)</i>
<b>Net tangible assets (NTA) before tax</b>	The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company, i.e. cash and investments, less any associated liabilities excluding tax and is the most comparable figure for a listed investment company (LIC) to an exchange traded fund (ETF) or managed fund.
<b>Share price premium or discount</b>	LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA. <i>This is calculated as follows: (Share price – NTA before tax) ÷ NTA before tax</i>
<b>Total shareholder return (TSR)</b>	Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders. <i>This is calculated as follows:</i> <i>(Closing share price – starting share price + dividends paid + franking credits) ÷ starting share price</i>  <i>Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.</i>



# Letter from the Chairman and Lead Portfolio Manager

## *Geoff Wilson AO*

Dear Fellow Shareholders,

WAM Strategic Value's investment strategy is centred on identifying, investing in and profiting from companies trading below their true value. We continue to find exciting opportunities and have selectively deployed capital into companies that fit our investment criteria, primarily listed investment companies (LICs) and listed investment trusts (LITs) trading at a discount.

Our investment process delivered strong performance, with the WAM Strategic Value investment portfolio increasing 18.6% in the 2024 financial year. In 2024, we saw reserve banks globally, including the Reserve Bank of Australia, maintaining higher interest rates for longer than the market anticipated in an attempt to curb inflation. In this high-interest-rate environment, investors have maintained an elevated allocation to cash and low risk yielding assets. These asset allocation decisions have led to net selling across other yielding assets, creating compelling opportunities for patient long-term investors.

The team and I have been actively seeking opportunities in managing our investment portfolio as premiums and discounts within the LIC and LIT sector fluctuates. During the 2024 financial year, WAM Strategic Value became substantial shareholders in a number of companies, including Global Data Centre Group (ASX: GDC), Salter Brothers Emerging Companies (ASX: SB2), VGI Partners Global Investments (ASX: VG1) and Australian Unity Office Fund (ASX: AOF).

**Increase in fully franked full year dividend**

**+50% | 5.25 cps**

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

**+18.6%**

**Annualised fully franked dividend yield\***

**5.5%**

**Grossed-up dividend yield\*: 7.9%**

**Special fully franked dividend**

**1.0 cps**



\*Based on the annualised 3.0 cents per share FY2024 fully franked final dividend.



## The 2024 Financial Year

The WAM Strategic Value investment portfolio performed strongly, increasing 18.6% in the financial year to 30 June 2024, achieving a record operating profit before tax of \$28.7 million. This supported the Board of Directors' decision to declare an increased fully franked final dividend of 3.0 cents per share, surpassing previous dividend guidance provided to shareholders, along with a special fully franked dividend of 1.0 cents per share. The fully franked final dividend brings the fully franked full year dividend to 5.25 cents per share, a 50% increase on FY2023.

The investment portfolio demonstrated its defensive characteristics during the year, capturing 100% of monthly market increases and outperforming 75% of monthly market declines. The investment portfolio's performance has been achieved with less volatility than the market, as measured by standard deviation. This reinforces the lower risk profile of the WAM Strategic Value investment portfolio, which can be attributed to its diversified holdings.

The annualised 3.0 cents per share fully franked final dividend represents a fully franked dividend yield of 5.5% and a grossed-up dividend yield of 7.9%, based on the 28 June 2024 share price. Since inception in June 2021, the Company has paid 8.75 cents per share in dividends to shareholders and 12.5 cents per share including the value of franking credits. The Company has 2.9 years of dividend coverage based on the annualised 3.0 cents per share FY2024 fully franked final dividend and 17.6 cents per share in the profits reserve at 31 July 2024, before the payment of the fully franked final dividend and the special fully franked dividend.

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

The investment portfolio performance contributed to a record operating profit before tax of \$28.7 million, a 44.7% increase on the prior year (FY2023: \$19.8 million), and an operating profit after tax of \$22.1 million (FY2023: \$15.8 million).

During the 2024 financial year, the share price discount to NTA narrowed to 14.9% at 30 June 2024, from 16.8% at the start of the year. At 30 June 2024, the Company's pre-tax NTA was \$1.29 and the theoretical 'look-through' NTA was \$1.46 per share, using the estimated or most recently available pre-tax NTA of the underlying investment portfolio. WAM Strategic Value's share price discount to the look-through pre-tax NTA was 25.0% at 30 June 2024, providing a compelling investment opportunity.

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

During the financial year, WAM Strategic Value continued to strategically deploy cash into new investment opportunities that fit our investment process. The cash weighting decreased to 8.1% of the investment portfolio at 30 June 2024, from 27.3% at 30 June 2023.

## WAM Strategic Value top 20 holdings with portfolio weightings

at 30 June 2024

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

The fair values of individual investments held at the end of the reporting period are disclosed on page 68.

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

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

## The LIC and LIT sector

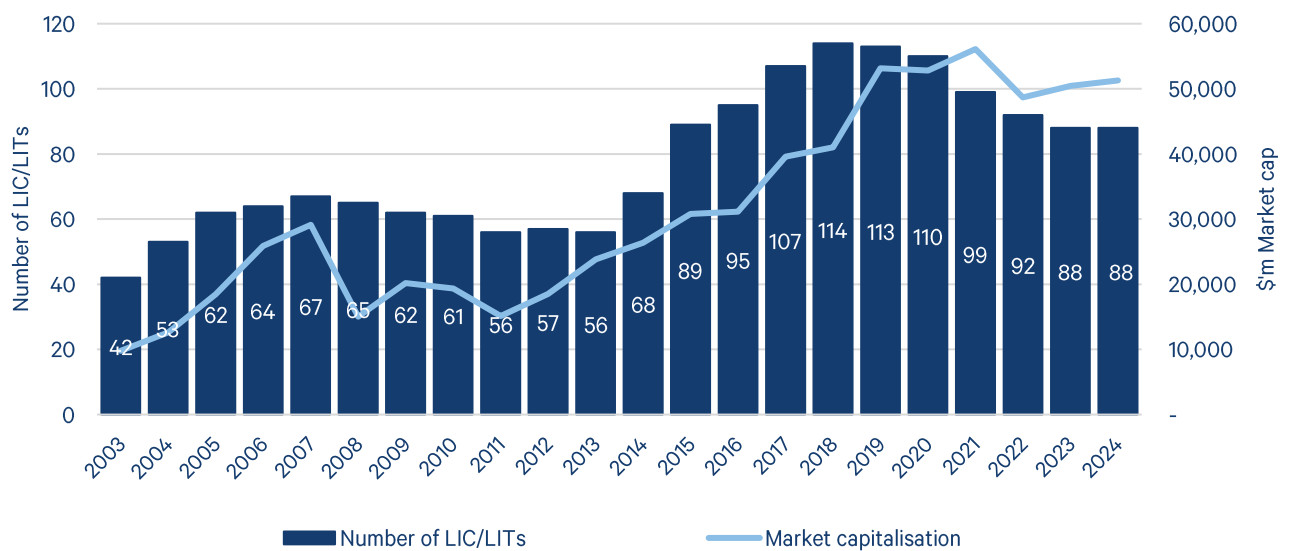
The WAM Strategic Value investment portfolio provides shareholders a diversified portfolio, with 28.2% exposure to domestic LICs and LITs and 49.7% exposure to global LICs and LITs, 13.7% exposure to direct discount assets and 0.3% investment in fixed interest holdings as at 30 June 2024.

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

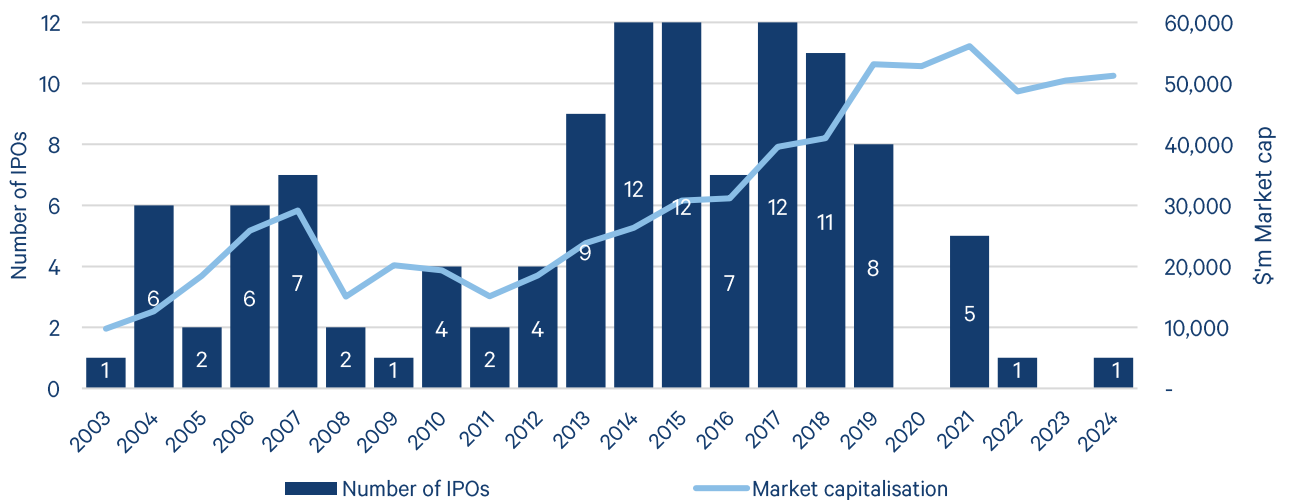
During the period, the LIC and LIT sector experienced a widening of the average share price discount to NTA as investors took advantage of the higher for longer interest rate dynamic, increasing their exposure to term deposits and cash.

The average discount to NTA for LICs and LITs focused on investing in Australian companies increased to 15.4% as at 30 June 2024, from 14.0% as at 30 June 2023. A total of 12 out of 88 LICs and LITs traded at a premium to NTA, which was up from 7 out of 91 as at 30 June 2023. LICs and LITs focused on investing in global companies saw their share price premiums or discounts to NTA improve during the period, with an average share price discount to NTA of 14.7%, compared to 19.9% as at 30 June 2023.

**LIC/LIT sector market capitalisation and size  
from 2003 to 2024**



**LIC/LIT sector market capitalisation and number of IPOs  
from 2003 to 2024**





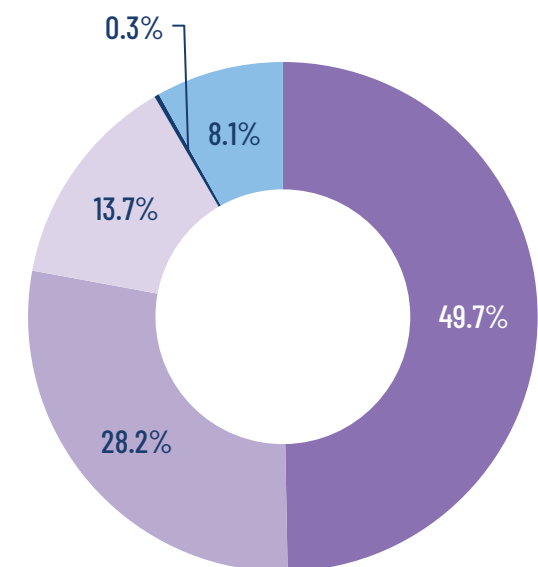
## The WAM Strategic Value investment portfolio

The WAM Strategic Value investment strategy is centred on benefitting from the positive performance of underlying discounted assets and the narrowing of these discounts over time. During the year, we exited Magellan Global Fund (ASX: MGF), Spheria Emerging Companies (ASX: SEC), Qualitas Real Estate Income Fund (ASX: QRI), and AMP (ASX: AMP) as the respective share prices approached their net asset level.

The largest contributor to investment portfolio performance during the 2024 financial year was Global Data Centre Group (ASX: GDC), with the company's share price increasing 92.1% over the 12 months to 30 June 2024, from \$1.65 to \$3.17. GDC represents 7.8% of the WAM Strategic Value investment portfolio. The team initially invested in GDC at a discount to its underlying net assets and significantly increased its investment following the announcement of the company's asset realisation strategy during the year. As part of GDC's value realisation strategy, the company announced the sale of Perth Data Centre for \$39 million in April 2024. In May 2024, it also agreed to sell its co-controlled investment in the European data platform Etix to the French asset management company Infrantry Equity Fund. The net proceeds from this divestment are forecast to be around \$175 million. Following the sale, GDC's share price increased 35.1%.

## Diversified investment portfolio by LIC/LIT sector

at 30 June 2024



- LIC/LIT Global Equities: 49.7%
- LIC/LIT Domestic Equities: 28.2%
- Direct Discount Asset: 13.7%
- LIC/LIT Fixed Interest: 0.3%
- Cash and Cash Equivalents: 8.1%

GDC's last remaining asset is an estimated 1% stake in AirTrunk, which recently attracted interest from private buyers at a valuation between \$15-20 billion. We continue to believe that there is further upside for GDC as it realises the full value of its AirTrunk position and continue to remain a substantial shareholder of the company.

During the financial year, the responsible entity for Magellan Global Fund announced its decision to proceed with Magellan Global Fund's transition from closed class units to open class units, providing shareholders with liquidity at, or near, net asset value (NAV). The conversion was initially communicated to shareholders mid-October 2023 and since the announcement the share price discount to NAV narrowed materially, from 9.0% at 31 October 2023 to 0.5% at 30 June 2024. WAM Strategic Value initiated buying Magellan Global Fund as the discount neared 20.0% and regularly added to the holding as the discount increased above that level. As the share price discount to NAV reduced, WAM Strategic Value sold out of its position in Magellan Global Fund at a 35.1% premium to its average cost price. The return, a combination of investment manager performance and the narrowing of the share price discount to NAV, showcases the investment strategy and risk-adjusted returns that can be generated for shareholders.

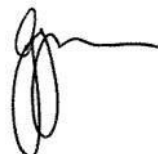
During the period, WAM Leaders (ASX: WLE) and QV Equities (ASX: QVE) finalised a Scheme of Arrangement to merge the two entities. WAM Leaders acquired 100% of the shares in QVE while QVE shareholders received an option to

receive new WAM Leaders shares as consideration for their QVE shares or exit their investment at a 2.5% discount to NTA. WAM Strategic Value exited its substantial holding in QVE following the reporting period, utilising the cash-out option. This exit contributed to the investment portfolio performance, allowing WAM Strategic Value to increase its cash holding in July and deploy the capital into discounted opportunities.

WAM Strategic Value's holding in WAM Global (ASX: WGB) also contributed to the investment portfolio performance during the year. Total return on the holding for the period was 26.2%, or 29.3% when including the value of franking credits, driven by the narrowing of WAM Global's discount to NTA from 18.7% at 30 June 2023 to 7.7% at 30 June 2024.

We encourage you to visit our website, subscribe to receive our updates and to call or email us with any questions or suggestions you have regarding WAM Strategic Value or Wilson Asset Management. Please contact myself or the team on (02) 9247 6755 or email us at [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au).

Thank you for your continued support.



**Geoff Wilson AO**  
Chairman

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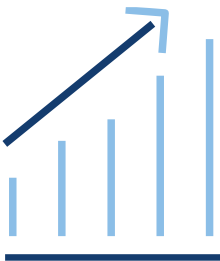
## Company performance

Over four decades of investing, we have found three key measures crucial to the evaluation of a listed investment company's (LIC) performance:

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### Key performance measure 1

#### Investment portfolio performance



Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees and taxes. Each LIC is driven towards outperforming a benchmark index, or increasing the underlying investment portfolio of equities and cash at a faster rate.

### Key performance measure 2

#### Net tangible asset growth



NTA growth is the change in value of the company's assets, less liabilities and costs (after management and performance fees). The NTA growth includes dividends paid to shareholders and tax paid (franking credits), and demonstrates the value of the investment portfolio performance and quantifies the impact of capital management decisions.

### Key performance measure 3

#### Total shareholder return

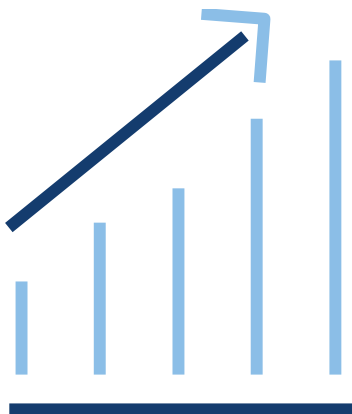


TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before and after the value of any franking credits distributed to shareholders through fully franked dividends.

Key performance measure 1

Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees and taxes.



Investment portfolio performance in the financial year to 30 June 2024

+18.6%

WAM Strategic Value’s investment portfolio increased 18.6% in the year to 30 June 2024 while holding on average 11.4% of the investment portfolio in cash. Since inception, WAM Strategic Value has achieved an investment portfolio return of 6.1% per annum.

Set out below is the performance of WAM Strategic Value investment portfolio since inception. The performance data excludes all expenses, fees and taxes.

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

Investment portfolio performance is before expenses, fees and taxes.



**Key performance measure 2**

## Net tangible asset growth

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

**NTA growth in the financial year to 30 June 2024**

# +14.0%

WAM Strategic Value's pre-tax NTA increased 14.0% in the 12 months to 30 June 2024, including the 4.25 cents per share of fully franked dividends paid to shareholders during the year and corporate tax paid of 0.4 cents per share or 0.3%. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

Performance fee payable of 3.3% was the major item of difference between the investment portfolio performance of 18.6% and the NTA performance of 14.0%. Other items contributing to the change in the value of the assets during the year were management fees of 0.9%\* and other company related expenses of 0.4%.

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



## WAM Strategic Value pre-tax NTA performance

**\$1.17**

**30 June 2023  
NTA before tax**

**\$1.29**

**30 June 2024  
NTA before tax**

**+\$0.218**

### Portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees and taxes. The WAM Strategic Value investment portfolio increased 18.6% for the 12 months to 30 June 2024.

**-\$0.0425**

### Dividends paid to Shareholders

When the Company pays a dividend, it represents income that is returned to shareholders out of the Company's assets and profits reserve. The dividend payment reduces the Company's NTA when paid. This excludes the value of franking credits attached to the dividend payment for shareholders. During the year, 4.25 cents per share of fully franked dividends were paid or 6.1 cents per share, including the value of franking credits, comprising of the FY2023 fully franked final dividend of 2.0 cents per share and the FY2024 fully franked interim dividend of 2.25 cents per share.

**-\$0.004**

### Franking credits generated (tax paid)

Tax paid reduces the pre-tax NTA of the Company, as it represents an outflow of cash from the investment portfolio at the time of payment. Shareholders receive the benefit of tax paid by the Company as franked dividend payments are made. Shareholders receive the cash dividend, plus the value of the attached franking credits. Shareholders can use these credits to help offset additional tax payable on their taxable income, or have it refunded to them if their tax rate is lower than the 30% franking rate (corporate tax rate) attached to the dividend.

**-\$0.011**

### Management fees

In return for its duties as Investment Manager of the portfolio, the Investment Manager is entitled to be paid monthly a management fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).

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

**-\$0.005**

### Company related and other corporate activity costs

Company related expenses include ASX, ASIC, Director, audit, tax, accounting, Company Secretary, registry fees and other expenses incurred that relate to the operation of the Company each year. Other costs include fees associated with corporate activity, where applicable.

**-\$0.039**

### Performance fee

Under the investment management agreement, the Investment Manager is eligible to be paid a performance fee being 20% (plus GST) of the increase in the value of the portfolio above the high-water mark.

The high-water mark is the greater of:

- the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been recouped in full. When calculating the performance fee, changes in the value of the portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by the Company will be adjusted.

Key performance measure 3

# Total shareholder return

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



## TSR in the financial year to 30 June 2024

**+18.9%**

The TSR for WAM Strategic Value was 18.9% for the year to 30 June 2024, including the value of franking credits distributed to shareholders through fully franked dividends. This was driven by the investment portfolio performance of 18.6% and the narrowing of the share price discount to NTA to 14.9% as at 30 June 2024, from 16.8% as at 30 June 2023. Excluding the value of franking credits, TSR was 16.9% for the year.

### NTA growth and TSR calculations

The table below reflects the Company's total return to shareholders calculated on a per share basis by adding back dividends paid (including the value of tax paid or franking credits) to the change in the NTA before tax or share price during the year. The dividends are assumed to have been re-invested at the relevant net asset value or share price, respectively, on the date on which the shares were quoted ex-dividend. The movement in the NTA before tax is driven by the investment portfolio performance, with TSR being added to or offset by the increase or narrowing in the share price premium or discount to NTA.

2024	NTA before tax	Share price	Premium/ (discount) to NTA
As at 30 June 2024	\$1.2870	\$1.095	(14.9%)
As at 30 June 2023	\$1.1725	\$0.975	(16.8%)
Change in the year (capital)	9.8%	12.3%	
Impact of dividend reinvestments (income)	3.9%	4.6%	
Impact of tax paid/value of franking credits income)	0.3%	2.0%	
<b>Total return for the year</b>	<b>14.0%</b>	<b>18.9%</b>	

# Dividends

**Increase in fully franked full year dividend**

**+50%**

**Annualised fully franked dividend yield\***

**5.5%**

**Grossed-up dividend yield<sup>†</sup>: 7.9%**

**Fully franked full year dividend**

**5.25 cps**

**Special fully franked dividend**

**1.0 cps**



The Board declared a fully franked final dividend of 3.0 cents per share and a special fully franked dividend of 1.0 cents per share. The fully franked final dividend brings the fully franked full year dividend to 5.25 cents per share, an increase of 50% on the previous year.

Since inception in June 2021, the Company has paid 12.5 cents per share in dividends to shareholders, including the value of franking credits.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits and it is within prudent business practices. The Company's ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on realised profits.

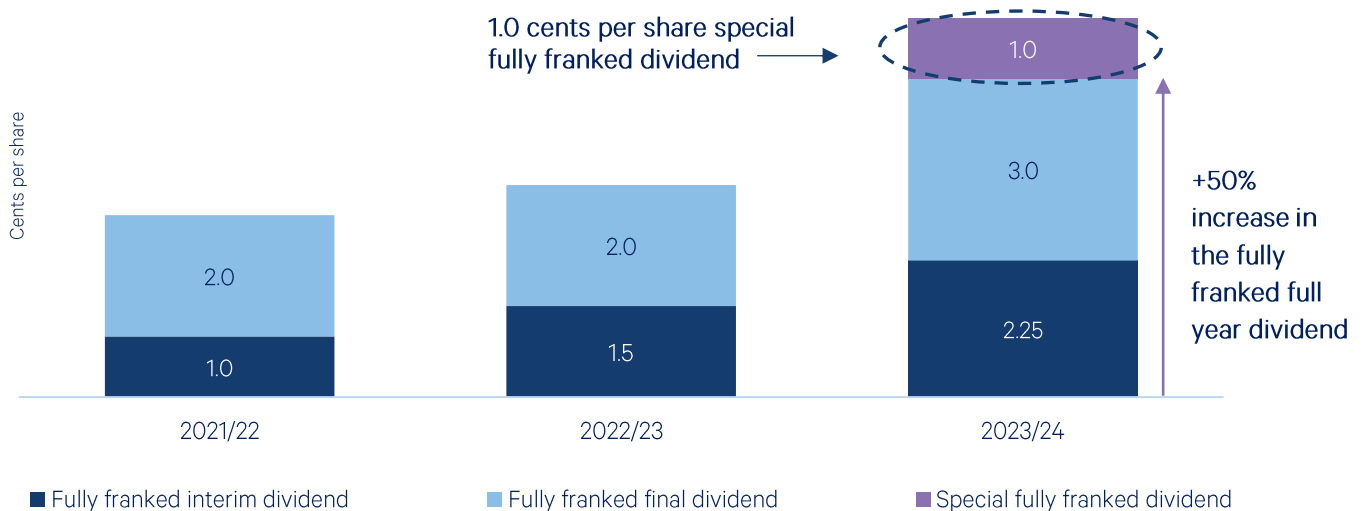
As at 31 July 2024, the Company had 2.9 years of dividend coverage, based on the profits reserve of 17.6 cents per share and the annualised 3.0 cents fully franked final per share, before the payment of the fully franked final dividend of 3.0 cents per share and the special fully franked dividend of 1.0 cents per share.

\*Based on the annualised 3.0 cents per share FY2024 fully franked final dividend.



## Since inception, WAM Strategic Value has returned over \$22.5 million or 12.5 cents per share in dividends and franking credits to shareholders.

### Fully franked dividends since inception in June 2021



### Key dividend dates for the fully franked final dividend of 3.0 cents per share

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

### Key dividend dates for the special fully franked dividend of 1.0 cents per share

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

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

# Investment

## *objectives and process*

### Investment objectives

The investment objectives of WAM Strategic Value are to:

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

### Investment process – focus on discounted assets opportunities

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

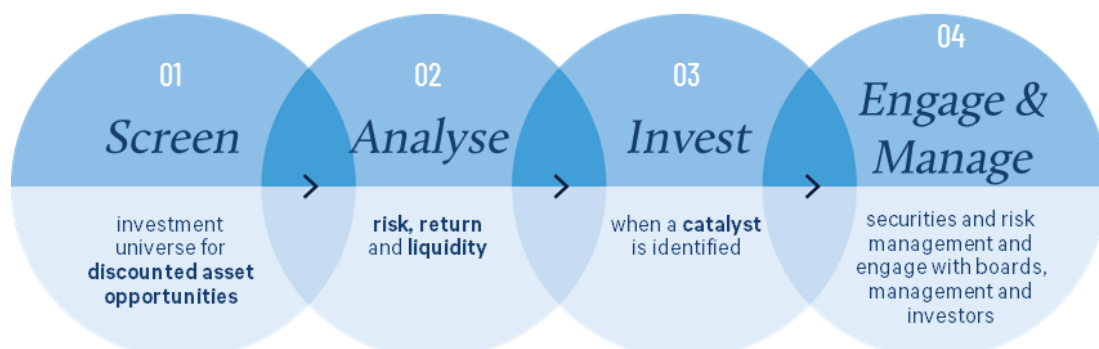
### Discounted Asset opportunities

The risk-and-return analysis for Discounted Assets will involve an assessment of the potential reasons for the discount and techniques and strategies that could enable the Investment Manager to narrow or close the discount.

This assessment will consider various matters identified using the Investment Manager's significant expertise and experience including effective capital management and dividend policies, franking credit management, communication strategies with shareholders, board and management personnel changes, restructuring, returning capital to shareholders or corporate actions such as takeovers, divestitures or mergers.

### Other mispricing opportunities

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



# About

## *Wilson Asset Management*

Wilson Asset Management has been passionate about making a difference for shareholders and the community for more than 25 years. As an investment manager, Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management is proud to be the Investment Manager for eight listed investment companies (LICs), WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) as well as the Wilson Asset Management Leaders Fund. Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG).

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W | A | M Capital

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W | A | M Leaders

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W | A | M Global

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W | A | M Microcap

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W | A | M Alternative Assets

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W | A | M Strategic Value

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W | A | M Research

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W | A | M Active

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>\$5 billion

in funds under management

---

---

>200 years

combined investment experience

---

---

>25 years

making a difference for shareholders

---

---

10

investment products

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## Philanthropy



Geoff Wilson founded Future Generation Australia in 2014 and Future Generation Global in 2015. The Future Generation companies are Australia's first listed investment companies to provide both investment and social returns. The companies seek to deliver a stream of fully franked dividends, preserve shareholder capital and provide medium to long-term capital growth for investors by giving them unprecedented access to prominent Australian and global fund managers. These managers generously waive their performance and management fees, which enables the Future Generation companies to invest 1.0% of average net tangible assets each year in their social impact partners and other not-for-profit organisations. To date, the Future Generation companies have invested \$75.8 million to organisations that support children and youth mental health, making them one of Australia's Top 30 Corporate Philanthropists. The team at Wilson Asset Management continue to be the leading supporter to both companies.

By 2030, Future Generation aims to have donated over \$100 million, with \$75.8 million donated since inception so far. The team at Wilson Asset Management continue to support both companies.

Wilson Asset Management is a member of the global philanthropic Pledge 1% movement, 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 97 charities across several cause areas such as cancer research, homelessness and mental health. All philanthropic investments are made by the Investment Manager.

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

We also support a number of organisations through sponsorships and partnerships across a range of initiatives including The Australian Shareholder's Association, Sporting Chance Cancer Foundation, Women in Super, Team Jefferson's Race Across America (RAAM), Rugby Australia, Alpine Cycling Club, Bondi2Berry, Morgans Big Dry Friday, UTS Indigenous College, and the Go Foundation.

**All sponsorships and partnerships are paid for by the Investment Manager.**

## Advocacy

As part of our focus on making a difference for shareholders and the community, our advocacy work for fair and equitable treatment of retail shareholders continues to be a priority. We firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market.

In the financial year to date we have been focused on four key policies:

### 1. Changes to the franking system

Together we have been publicly fighting for the preservation of Paul Keating's franking system since the Labor party first proposed changes in 2018, a proposal that was going to deny cash refunds of franking credits to certain investors and reintroduce double taxation. In September 2021, the Australian Government announced proposed legislation changes to the Australian franking system, this time limiting the ability of Australian companies to pay fully franked dividends to their shareholders.

In November 2023, the Federal Government debated Treasury Laws Amendment (2023 Measures No.1) Bill 2023 and its proposed amendments. While many amendments that we argued for through various parliamentary submissions, including presenting a Senate inquiry have been accepted, *Schedule 4: Off-market share buy backs* and *Schedule 5: Franked distributions funded by capital raisings* were passed as law. While this is a disappointing outcome, by taking a public stance we secured some important changes to Schedule 5. You can read more on our website under our 'Making a difference' section.

We are grateful for the support our shareholders have given our campaign to raise awareness on the unintended consequences of tinkering with the Australian franking system which has been fundamental to more than three decades of economic stability and growth in Australia.

We will continue to engage with Federal Members of Parliament and Senators to ensure there are no further changes to the system.



## 2. Treasury Laws Amendment (Better targeted superannuation concessions)

In October 2023, Wilson Asset Management provided a response to the consultation that was undertaken into the proposed changes to the “large superannuation balance thresholds” of \$3 million plus, which refers to a 30% concessional tax rate being applied to future superannuation earnings. We objected to the proposed changes based on the significant stress they will place on Australian superannuants, who will be expected to pay tax on unrealised capital gains that may never be realised. We believe this particular issue will place self-managed superannuation funds (SMSFs) at a significant disadvantage to large industry funds due to the practicalities of managing capital flows on taxed unrealised gains.

We also objected to the lack of indexing of the \$3 million threshold which will transfer tax liabilities to younger generations. We believe these changes will distort investment markets, alter the incentive for retirement plans and place financial strain on younger generations.

We presented at the Senate inquiry regarding this matter and will continue to monitor this proposal and engage with federal politicians on the proposed changes.

## 3. Sophisticated investor test (Wholesale investor and wholesale client tests)

In May 2024, we made a submission in response to the Parliamentary Joint Committee on Corporations and Financial Services’ inquiry into the wholesale investor test. The inquiry proposes that it lifts the income and asset test threshold for sophisticated investors to a reported \$4.5 million in assets or \$450,000 in income. We proposed two regulatory changes that could help level the playing field between large and small investors:

- a) Abolish the wholesale investor test completely for listed companies allowing all shareholders to participate in equity raisings by ASX-listed companies, ensuring fairness to small shareholders. This recognises the effectiveness of the ASX continuous disclosure rules and will encourage companies to value equity from all shareholders versus unfairly excluding smaller retail shareholders; and
- b) enhance the sophisticated investor test that currently discriminates between investors according to their wealth by adding a new test of financial literacy to enable those with the relevant experience and qualifications to qualify for the test and not be excluded simply because of their wealth. This is particularly pertinent to companies that are not-listed and therefore pose greater risks for investors. For investors who fall outside of the threshold, there should be recognition of education and experience as an indication of investment sophistication. The latter will capture those who, for example, are in the profession but do not meet the income or asset tests.

We understand the Government is reconsidering the proposed changes and we will continue to advocate on behalf of retail shareholders.

## 4. Virtual Annual General Meetings (AGMs)

In July 2024, we submitted a response to the Treasury’s review into making temporary virtual AGMs permanent. We believe AGMs of publicly listed companies should be held as hybrid meetings (a combination of in-person and virtual meetings), not exclusively online meetings, as virtual-only meetings shift the balance of power away from shareholders by eroding transparency, accountability and access.





## Education

We also remain committed to education initiatives which advocate for change and progress in corporate Australia. We support the University of New South Wales School of Mathematics and Statistics' Do the Maths program, which aims to inspire girls in high school to consider tertiary studies and careers in mathematics and statistics. We believe in the importance of gender diversity in the financial services industry, in particular funds management, which provides rewarding career paths. We regularly host Women's Investor Events which give likeminded women a platform to network and enhance financial literacy, while our Young Investor Events aim to inspire the next generation to begin their investment journey early.

We encourage all shareholders to visit our website and subscribe to receive our updates.

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

## Shareholder engagement and communication



WAM Strategic Value is your company and it is Wilson Asset Management's responsibility to manage the Company on your behalf and be available to report to you on a regular basis. We encourage all shareholders to communicate with us and share their feedback. We have a variety of options to keep you informed, including:

- ✓ Email updates from the Chairman and CIO, the Lead Portfolio Managers and the investment team
- ✓ Shareholder Presentations and events
- ✓ Investment team insights including market and macroeconomic commentary, updates from management teams of ASX listed companies and 'Talking Stocks' videos
- ✓ Shareholder Q&A webinars
- ✓ Monthly net tangible asset reports and investment updates
- ✓ Social media engagement
- ✓ Investor education material
- ✓ Annual and interim results announcements with detailed commentary on the portfolios and markets
- ✓ Media and events coverage from our ongoing media partnerships with Livewire Market, the ASX, Equity Mates, the Australian Shareholders' Association and more.

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# Directors' Report

## *to shareholders*

### For the year ended 30 June 2024

The Directors present their report together with the financial report of WAM Strategic Value for the financial year ended 30 June 2024.

### Principal activity

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

### Operating and financial review

Investment operations over the year resulted in a record operating profit before tax of \$28,670,693 (FY2023: \$19,814,611) and an operating profit after tax of \$22,118,775 (FY2023: \$15,788,826). The operating profit for 2024 is reflective of the strong performance of the investment portfolio over the period. The investment portfolio increased 18.6% in the 12 months to 30 June 2024, while holding on average 11.4% in cash.

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the 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, trust distribution and interest income) in each period. This treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

The operating profit or loss for each financial period is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given period. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

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

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## Financial position

The net asset value of the Company as at 30 June 2024 was \$232,808,097 (2023: \$218,344,675). Further information on the financial position of the Company is contained in the Chairman and Lead Portfolio Manager's Letter.

## Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2024.

## Dividends paid or recommended

Dividends paid or declared during the year are as follows:

	\$
Fully franked FY2023 final dividend of 2.0 cents per share paid on 30 October 2023	3,602,515
Fully franked FY2024 interim dividend of 2.25 cents per share paid on 30 May 2024	4,052,838

Since the end of the year, the Directors declared a fully franked final dividend of 3.0 cents per share to be paid on 29 October 2024 and a special fully franked dividend of 1.0 cents per share to be paid on 20 December 2024. Together with the FY2024 fully franked interim dividend of 2.25 cents per share paid to shareholders on 30 May 2024, the fully franked final dividend brings the fully franked full year dividend to 5.25 cents per share.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investee companies and the payment of tax on realised profits.

As at 31 July 2024, the Company had 2.9 years of dividend coverage, based on the profits reserve of 17.6 cents per share and the annualised 3.0 cents fully franked final dividend, before the payment of the fully franked final dividend of 3.0 cents per share payable on 29 October 2024 and the special fully franked dividend of 1.0 cents per share payable on 20 December 2024.

# Directors of the *Company*

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



**Geoff  
Wilson AO**



**Kate  
Thorley**



**Virginia  
Waterhouse  
(Appointed  
30 October 2023)**



**Glenn  
Burge**

## Information on Directors

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

*Chairman of the Company since March 2021*

#### **Experience and expertise**

Geoff Wilson has more than 44 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Australia Limited and Future Generation Global Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

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

Geoff Wilson is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017) and WAM Global Limited (appointed February 2018). He is the founder and a Director of Future Generation Australia Limited (appointed July 2014) and Future Generation Global Limited (appointed May 2015) and a Director of WAM Alternative Assets Limited (appointed September 2020), Staude Capital Global Value Fund Limited (appointed April 2014) and Hearts and Minds Investments Limited (appointed September 2018).

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

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Geoff Wilson has not resigned as a director from any other listed companies within the last three years.	Chairman of the Board.	Details of Geoff Wilson's interests in shares of the Company are included later in this report.	Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

## Kate Thorley (Director – non-independent)

*Director of the Company since March 2021*

### Experience and expertise

Kate Thorley has over 20 years' experience in the funds management industry and more than 25 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Active Limited, WAM Research Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited, Future Generation Australia Limited and Future Generation Global Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (GAICD).

### Other current listed company directorships

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

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Kate Thorley has not resigned as a director from any other listed companies within the last three years.	Member of the Audit and Risk Committee.	Details of Kate Thorley's interests in shares of the Company are included later in this report.	Kate Thorley has no interests in contracts of the Company.

## Virginia Waterhouse (Director – independent)

*Director of the Company since October 2023*

### Experience and expertise

Virginia Waterhouse has advisory experience across large ASX-listed, government and private corporations having advised a variety of boards, committees and executives through strategic and operational challenges, many of which have involved an acquisition or divestment of a core business unit. Virginia is recognised for her commercial acumen and has a record of delivering commercially driven advice in areas including negotiation of commercial agreements, capital raisings, M&As and project management across a range of complex transactions. Virginia is also highly skilled in cyber security governance and data risk management.

### Other current listed company directorships

Virginia Waterhouse is a director of Sniip Limited (appointed June 2023).

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Virginia Waterhouse has not resigned as a director from any other listed companies within the last three years.	Chair of the Audit and Risk Committee.	Virginia Waterhouse has no interests in shares of the Company.	Virginia Waterhouse has no interests in contracts of the Company.

## Glenn Burge (Director – independent)

*Director of the Company since March 2021*

### Experience and expertise

Glenn Burge is an advisor to Audant Investments and has over 37 years' experience covering financial markets. Glenn's career as a senior media executive included the role as editor of the Australian Financial Review (2002 to 2011). He was also editorial director for Fairfax Media's suite of business and investment titles including BRW and Smart Investor from 2006. Other roles at Fairfax Media included executive editor of Metropolitan Media (2011 to 2014), where he led several print and digital media transformation projects. Glenn began his media career as a business reporter specialising in ASX listed companies and financial markets. He completed a Bachelor of Arts and Law from Macquarie University in 1981 and was admitted as a solicitor of the NSW Supreme Court in 1982.

### Other current listed company directorships

Glenn Burge has no other current listed company directorships.



Glenn Burge (Director – independent) (cont’d)

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Glenn Burge has not resigned as a director from any other listed companies within the last three years.	Member of the Audit and Risk Committee.	Details of Glenn Burge’s interests in shares of the Company are included later in this report.	Glenn Burge has no interests in contracts of the Company.

Company Secretary

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



**Jesse Hamilton**  
*Company Secretary of WAM Strategic Value since March 2021*

Jesse Hamilton is a Chartered Accountant with more than 16 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. Jesse is currently a non-executive director of the Listed Investment Companies & Trusts Association, Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited, and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia Limited and Future Generation Global Limited. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

## Remuneration Report (Audited)

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

### a) Remuneration of Directors

All Directors of WAM Strategic Value are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$110,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

Directors' remuneration received for the year ended 30 June 2024:

Director	Position	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson AO	Chairman	9,009	991	10,000
Kate Thorley	Director	9,009	991	10,000
Virginia Waterhouse (appointed 30 October 2023)	Director	18,166	1,998	20,164
Glenn Burge	Director	27,027	2,973	30,000
		<b>63,211</b>	<b>6,953</b>	<b>70,164</b>

Directors receive a superannuation guarantee contribution required by the government, which was 11.0% of individuals' benefits for FY2024 (FY2023: 10.5%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

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

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

The following table reflects the Company's performance and Directors remunerations since inception:

	2024	2023	2022
Operating profit/(loss) after tax (\$)	\$22,118,775	\$15,788,826	(\$14,487,574)
Dividends (cents per share)	6.25	3.5	3.0
Share price (\$ per share)	\$1.095	\$0.975	\$0.97
NTA after tax (\$ per share)	\$1.29	\$1.21	\$1.16
Total Directors' remuneration (\$)	\$70,164	\$50,000	\$50,411
Shareholder's equity (\$)	\$232,808,097	\$218,344,675	\$208,860,255

As outlined above, Directors' fees are not directly linked to the Company's performance.

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

### b) Director related entities remuneration

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

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Strategic Value. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio amounting to \$2,041,755 inclusive of GST (2023: \$1,902,603). As at 30 June 2024, the balance payable to the Manager was \$181,830 inclusive of GST (2023: \$162,432).

WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. The Manager has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

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

The high-water mark is the greater of:

- the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been recouped in full. When calculating the performance fee, changes in the value of the portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by the Company will be adjusted.

The performance fee for FY2024 was subject to the high-water mark, which was recouped in full during the period. As at 30 June 2024, a performance fee of \$7,517,720 inclusive of GST was payable to Wilson Asset Management (International) Pty Limited (2023: nil).

The Company's high-water mark in relation to the value of the portfolio was the initial public offering (IPO) proceeds of \$225 million. As at 30 June 2024, the value of the portfolio for the performance fee calculation was \$239 million and has been adjusted for dividends and tax paid (franking credits generated) since inception of \$18.4 million, as well as other company related items not related to the management of the investment portfolio, in determining the performance fee calculation for the year.

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Strategic Value to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2024, the fee for accounting services amounted to \$71,500 inclusive of GST (2023: \$66,000) and the fee for company secretarial services amounted to \$27,500 inclusive of GST (2023: \$27,500).

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

### b) Director related entities remuneration (cont'd)

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

### c) Remuneration of executives

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

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

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

Ordinary shares held Directors	Balance at 30 June 2023/ on appointment	Acquisitions	Disposals	Balance at 30 June 2024
Geoff Wilson	5,638,071	219,006	-	5,857,077
Kate Thorley	100,892	-	-	100,892
Glenn Burge	113,500	-	-	113,500
Virginia Waterhouse (appointed 30 October 2023)	-	-	-	-
	<b>5,852,463</b>	<b>219,006</b>	<b>-</b>	<b>6,071,469</b>

There have been no changes in shareholdings disclosed above between 30 June 2024 and the date of the report.

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 of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

**- End of Remuneration Report -**

## Directors' meetings

Director	No. eligible to attend	Attended
Geoff Wilson	4	4
Kate Thorley	4	4
Virginia Waterhouse (appointed 30 October 2023)	3	3
Glenn Burge	4	4

## Audit and Risk Committee meetings

The Company's Audit and Risk Committee was established in November 2023. The main responsibilities of the Audit and Risk Committee are set out in the Company's 2024 Corporate Governance Statement.

Audit and Risk Committee member	No. eligible to attend	Attended
Virginia Waterhouse (appointed 30 October 2023)	2	2
Kate Thorley	2	2
Glenn Burge	2	2

## After balance date events

Since the end of the year, the Directors declared a fully franked final dividend of 3.0 cents per share to be paid on 29 October 2024 and a special fully franked dividend of 1.0 cents per share to be paid on 20 December 2024.

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

## Future developments

The Company will continue to pursue investment activities – primarily investing in discounted assets – to achieve the Company's stated objectives.

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

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

## Environmental regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

## Indemnification and insurance of Officers or Auditors

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

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

## Proceedings on behalf of the Company

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

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

## Non-audit services

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

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

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

## Rounding of amounts to nearest dollar

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

## Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2024 is provided on the Company's website at [wilsonassetmanagement.com.au/wam-strategic-value/](https://wilsonassetmanagement.com.au/wam-strategic-value/).

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## 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 39 of the Annual Report.

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

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

Dated this 28<sup>th</sup> day of August 2024



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

In relation to the independent audit of WAM Strategic Value Limited for the year ended 30 June 2024, 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

28 August 2024

# W | A | M Strategic Value

# Financial Report

**For the year ended 30 June 2024**

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This financial report is for WAM Strategic Value Limited (WAM Strategic Value or the Company) for the year ended 30 June 2024.

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

WAM Strategic Value is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 28 August 2024 by the Board of Directors.

In addition to the relevant financial information, the notes to the financial statements include a description of the accounting policies applied, and where applicable key judgements and estimates used by management in applying these policies.

## **Consolidated entity disclosure statement**

WAM Strategic Value is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001*, no further information is required to be disclosed in the consolidated entity disclosure statement.

# Statement of *Comprehensive Income ('Profit or Loss')*

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Net realised and unrealised gains on financial assets		26,310,656	11,758,308
Other revenue from operating activities	2	12,032,767	10,474,607
Management fees		(1,902,544)	(1,772,880)
Performance fees		(7,005,148)	-
Directors fees		(70,164)	(50,000)
Brokerage expense on share purchases		(127,544)	(67,181)
Custody fees		(17,030)	(12,736)
ASX listing and CHESS fees		(83,193)	(89,353)
Share registry fees		(75,345)	(56,804)
Disbursements, mailing and printing		(48,677)	(23,114)
ASIC industry funding levy		(8,016)	(8,611)
Accounting fees		(71,500)	(66,000)
Audit fees		(56,681)	(54,862)
Company secretary fees		(27,500)	(27,500)
Other expenses from ordinary activities		(179,388)	(189,263)
<b>Profit before income tax</b>		<b>28,670,693</b>	<b>19,814,611</b>
Income tax expense	3(a)	(6,551,918)	(4,025,785)
<b>Profit after income tax attributable to members of the Company</b>		<b>22,118,775</b>	<b>15,788,826</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>22,118,775</b>	<b>15,788,826</b>
<b>Basic and diluted earnings per share</b>			
	14	<b>12.28 cents</b>	<b>8.77 cents</b>

The accompanying notes form part of these financial statements.

# Statement of *Financial Position ('Balance Sheet')*

**As at 30 June 2024**

	Note	2024 \$	2023 \$
<b>Current assets</b>			
Cash and cash equivalents	12	17,885,002	57,637,839
Trade and other receivables	6	1,488,003	640,384
Financial assets	7	220,222,812	153,608,132
<b>Total current assets</b>		<b>239,595,817</b>	<b>211,886,355</b>
<b>Non-current assets</b>			
Deferred tax assets	3(b)	4,751,627	7,134,006
<b>Total non-current assets</b>		<b>4,751,627</b>	<b>7,134,006</b>
<b>Total assets</b>		<b>244,347,444</b>	<b>219,020,361</b>
<b>Current liabilities</b>			
Trade and other payables	8	7,773,912	375,164
Current tax liabilities	3(c)	3,765,435	300,522
<b>Total current liabilities</b>		<b>11,539,347</b>	<b>675,686</b>
<b>Total liabilities</b>		<b>11,539,347</b>	<b>675,686</b>
<b>Net assets</b>		<b>232,808,097</b>	<b>218,344,675</b>
<b>Equity</b>			
Issued capital	9	225,147,829	225,147,829
Profits reserve	10	30,488,270	16,024,848
Accumulated losses	11	(22,828,002)	(22,828,002)
<b>Total equity</b>		<b>232,808,097</b>	<b>218,344,675</b>

The accompanying notes form part of these financial statements.

# Statement of *Changes in Equity*

For the year ended 30 June 2024

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
<b>Balance at 30 June 2022</b>		<b>225,147,829</b>	<b>(22,828,002)</b>	<b>6,540,428</b>	<b>208,860,255</b>
Profit for the year		-	15,788,826	-	15,788,826
Transfer to profits reserve		-	(15,788,826)	15,788,826	-
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners:</b>					
Dividends paid	4(a)	-	-	(6,304,406)	(6,304,406)
<b>Balance at 30 June 2023</b>		<b>225,147,829</b>	<b>(22,828,002)</b>	<b>16,024,848</b>	<b>218,344,675</b>
Profit for the year		-	22,118,775	-	22,118,775
Transfer to profits reserve		-	(22,118,775)	22,118,775	-
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners:</b>					
Dividends paid	4(a)	-	-	(7,655,353)	(7,655,353)
<b>Balance at 30 June 2024</b>		<b>225,147,829</b>	<b>(22,828,002)</b>	<b>30,488,270</b>	<b>232,808,097</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		42,929,554	25,663,373
Payments for purchase of investments		(83,273,311)	(48,149,802)
Dividends received		8,610,516	7,268,457
Trust distributions and other income received		1,337,819	789,416
Interest received		1,290,444	2,339,838
Management fee (GST inclusive)		(2,022,357)	(1,894,033)
Payments for administration expenses (GST inclusive)		(748,194)	(592,472)
Income tax paid		(704,626)	(2,079,601)
Brokerage expense on share purchases (GST inclusive)		(136,877)	(72,087)
GST on brokerage expense on share sales		(10,054)	(1,922)
Net GST received from ATO		163,480	147,528
<b>Net cash used in operating activities</b>	13	<b>(32,563,606)</b>	<b>(16,581,305)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(7,655,353)	(6,304,406)
Repayment of offer costs		466,122	932,244
<b>Net cash used in financing activities</b>		<b>(7,189,231)</b>	<b>(5,372,162)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(39,752,837)</b>	<b>(21,953,467)</b>
Cash and cash equivalents at beginning of the year		57,637,839	79,591,306
<b>Cash and cash equivalents at the end of the year</b>	12	<b>17,885,002</b>	<b>57,637,839</b>

The accompanying notes form part of these financial statements.

# Notes to the *financial statements*

**For the year ended 30 June 2024**

## **1. Basis of preparation**

The financial statements are general purpose financial statements, which:

- have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*;
- has been prepared on a for-profit entity basis;
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on an accruals basis (except for cash flow information) and are based on historical costs, with the exception of certain financial assets which have been measured at fair value;
- is presented in Australian dollars with all amounts in the Financial Report rounded to the nearest dollar, unless otherwise indicated, in accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191;
- adopts all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There was no material impact to the financial statements; and
- does not adopt any new standards or interpretations issued but not yet effective. The impact of these standards or interpretations has been assessed and the impact has been identified as not being material.

Material and other accounting policy information adopted in the preparation of these financial statements have been included with the relevant notes to the financial statements, and where applicable key judgements and estimates used by management in applying these policies.



## 2. Other revenue

Dividend and trust distribution revenue is recognised when the right to receive a dividend or distribution has been established (i.e. the ex-dividend or ex-distribution date).

All revenue is stated net of the amount of goods and services tax (GST) where applicable.

	2024 \$	2023 \$
Australian sourced dividends	8,610,516	7,268,457
Trust distributions	2,235,439	780,954
Interest income from cash and cash equivalents	1,186,812	2,390,661
Other income	-	34,535
	<b>12,032,767</b>	<b>10,474,607</b>

## 3. Income tax

### Current income tax expense

The current income tax expense is based on profit for the period adjusted for non-assessable or disallowed items as well as franking credits (or imputation credits) received on franked dividend income from investee companies. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date (i.e. 30% corporate tax rate). Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority in the next 12 months.

### Deferred tax assets and liabilities

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled (i.e. 30% corporate tax rate). 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 and liabilities relating to temporary differences on financial assets or liabilities 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

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

#### Deferred tax assets and liabilities (cont'd)

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.

#### Key estimates and judgements

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. The assumptions about future taxable profits require the use of judgment. Future taxable profits are determined based on the historical performance of the Company and the ability of the Company to generate positive performance even when market conditions are uncertain. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

#### a) Income tax expense

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

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 30% (2023: 30%)	8,601,208	5,944,383
Franking credit gross up	1,051,455	822,301
Franking credit offset	(3,504,850)	(2,741,002)
Other assessable items*	404,105	103
	<b>6,551,918</b>	<b>4,025,785</b>

\*Other assessable items primarily relate to timing differences on investments.

Effective tax rate	2024 \$	2023 \$
The effective tax rate reflects the benefit to the Company of franking credits received on dividend income during the period. The increase in the effective tax rate from the comparative year is reflective of the lower proportion of franked dividends compared to the operating profit before tax received for the year.	22.9%	20.3%

Total income tax expense results in a change to the following:	2024 \$	2023 \$
Current tax liability	4,169,539	304,665
Deferred tax asset	2,382,379	3,721,120
	<b>6,551,918</b>	<b>4,025,785</b>

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

#### b) Deferred tax assets

	2024 \$	2023 \$
Fair value adjustments and timing differences on receivable	4,434,974	6,677,683
Capitalised share issue costs	140,793	281,320
Tax losses	162,463	162,463
Accruals	13,397	12,540
	<b>4,751,627</b>	<b>7,134,006</b>

#### Movement in deferred tax assets

Balance at the beginning of the period	7,134,006	10,855,126
Charged to the Statement of comprehensive income	(2,382,379)	(3,721,120)
<b>At reporting date</b>	<b>4,751,627</b>	<b>7,134,006</b>

The Directors continue to consider it probable that future taxable profits will be available against which the \$162,463 (2023: \$162,463) of income tax losses can be recovered and therefore, the deferred tax asset recognised will be able to be utilised against future income tax payable.

#### c) Current tax liabilities

	2024 \$	2023 \$
Balance at the beginning of the period	300,522	2,075,458
Current period income tax on operating profit	4,169,539	304,665
Net income tax paid	(704,626)	(2,079,601)
<b>At reporting date</b>	<b>3,765,435</b>	<b>300,522</b>

### 4. Dividends

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

	2024 \$	2023 \$
Final dividend FY2023: 2.0 cents per share fully franked at 30% tax rate, paid 30 October 2023 (Final dividend FY2022: 2.0 cents per share fully franked)	3,602,515	3,602,515
Interim dividend FY2024: 2.25 cents per share fully franked at 30% tax rate, paid 30 May 2024 (Interim dividend FY2023: 1.5 cents per share fully franked)	4,052,838	2,701,891
	<b>7,655,353</b>	<b>6,304,406</b>

#### b) Dividends not recognised at year end

	2024 \$	2023 \$
In addition to the above dividends, since the end of the year, the Directors have declared a 3.0 cents per share fully franked final dividend and a 1.0 cents per share special fully franked dividend (2023: 2.0 cents per share fully franked final dividend) which have not been recognised as a liability at the end of the financial year	<b>7,205,030</b>	<b>3,602,515</b>

#### 4. Dividends (cont'd)

##### c) Dividend franking account

	2024 \$	2023 \$
Balance of franking account at year end	4,846,613	3,918,000
Adjusted for franking credits arising from: - Estimated income tax payable	3,765,435	300,522
Subsequent to the reporting period, the franking account would be reduced by the proposed dividends disclosed in Note 4(b):	(3,087,870)	(1,543,935)
	<b>5,524,178</b>	<b>2,674,587</b>

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

The balance of the franking account does not include tax to be paid on unrealised investment gains (i.e. fair value movements) at the end of the reporting period. As at 30 June 2024, the deferred tax in relation to fair value movements on the investment portfolio is in a debit balance of \$4,434,974 and this amount has been presented as a deferred tax asset (2023: debit balance of \$6,817,519 presented as a deferred tax asset).

##### 5. Auditor's remuneration

	2024 \$	2023 \$
Remuneration of the auditor for:		
Auditing and reviewing the financial report	56,681	54,862
Other services provided by a related practice of the auditor:		
Taxation services	10,780	9,185
	<b>67,461</b>	<b>64,047</b>

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditor. 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

Trade and other receivables are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment (where applicable).

As at reporting date, trade and other receivables primarily relates to investment income receivable. Investment income receivable includes trust distributions and dividends from securities where settlement has not occurred at the end of the reporting period.

Receivables also include GST recoverable from the Australian Taxation Office due to claimable items on expenses incurred by the Company.

**6. Trade and other receivables (cont'd)**

	<b>2024</b> \$	<b>2023</b> \$
Investment income receivable	930,251	136,263
GST receivable	557,752	37,999
Repayment of offer costs receivable	-	466,122
	<b>1,488,003</b>	<b>640,384</b>

Under the investment management agreement, Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager) has agreed to be responsible for the payment of the offer costs relating to the initial public offering that the Company would normally be liable for. These costs were paid upfront by the Company, however, the Investment Manager repaid the offer costs to the Company in 30 equal monthly repayments. The total offer costs in relation to the initial public offering were \$2,342,122 (\$1,639,485 net of tax) with \$466,122 being repaid over the 12 months to 30 June 2024 by the Investment Manager. At the end of the year, the offer costs have been repaid in full.

**7. Financial assets****Initial recognition and measurement**

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

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

**Classification and subsequent measurement**

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise and form part of the Company's net profit as a result.

Financial instruments are subsequently measured at fair value. The fair values of financial instruments traded in active markets are based on the closing quoted last sale prices at the end of the reporting date. For all unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments. Refer to Note 15 for further details of these valuation techniques.

**Financial risk management**

Information regarding the Company's exposure to financial risk management is set out in Note 15.

**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.

	<b>2024</b> \$	<b>2023</b> \$
Listed investments at fair value	<b>220,222,812</b>	<b>153,608,132</b>

The fair values of individual investments held at the end of the reporting period are disclosed on page 68 of the Annual Report.

## 8. Trade and other payables

Trade and other payables are stated at amortised cost.

As at reporting date, trade and other payables primarily relates to the performance fee payable.

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

	2024 \$	2023 \$
Performance fee payable	7,517,720	-
Management fees payable	181,830	162,432
Sundry payables	74,362	172,999
Outstanding settlements	-	39,733
	<b>7,773,912</b>	<b>375,164</b>

## 9. Issued capital

Ordinary shares are classified as equity. Incremental costs (i.e. share issue costs) directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds raised by the Company.

### a) Paid-up capital

	2024 \$	2023 \$
180,125,761 ordinary shares fully paid (2023: 180,125,761)	<b>225,147,829</b>	<b>225,147,829</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, with all substantive resolutions conducted by a poll. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

### b) Capital management

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

## 10. Profits reserve

The profits reserve is made up of amounts transferred from current period and prior year earnings ('retained earnings') that are preserved for future dividend payments to shareholders. The profits reserve is made up of both realised and unrealised amounts from the performance of the investment portfolio in each period. The profits reserve represents the ability of the Company to frank future dividend payments for shareholders, subject to the availability of franking credits.

There can be situations where the franking account balance including franking credits generated from the receipt of franked dividends from investee companies and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).

	2024 \$	2023 \$
Profits reserve	30,488,270	16,024,848

### Movement in profits reserve

Balance at the beginning of the year	16,024,848	6,540,428
Transfer of profits during the year	22,118,775	15,788,826
Final dividend paid (refer to Note 4(a))	(3,602,515)	(3,602,515)
Interim dividend paid (refer to Note 4(a))	(4,052,838)	(2,701,891)
<b>At reporting date</b>	<b>30,488,270</b>	<b>16,024,848</b>

## 11. Accumulated losses

	2024 \$	2023 \$
Balance at the beginning of the year	(22,828,002)	(22,828,002)
Profit for the year attributable to members of the Company	22,118,775	15,788,826
Transfer to profits reserve	(22,118,775)	(15,788,826)
<b>At reporting date</b>	<b>(22,828,002)</b>	<b>(22,828,002)</b>



## 12. 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 three months or less.

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:

	2024 \$	2023 \$
Cash at bank and on hand	17,885,002	10,637,839
Term deposits	-	47,000,000
	<b>17,885,002</b>	<b>57,637,839</b>

The weighted average interest rate for cash and term deposits as at 30 June 2024 is 4.50% (2023: 4.88%). There were no term deposits held at 30 June 2024. The term deposits held in the prior period had an average maturity of 62 days from the end of the period.

## 13. Cash flow information

	2024 \$	2023 \$
<b>Reconciliation of profit after tax to cash flows from operating activities:</b>		
Profit after income tax	22,118,775	15,788,826
Fair value gains and movements in financial assets	(66,654,413)	(34,244,737)
<b>Changes in assets and liabilities:</b>		
Increase in receivables	(1,313,741)	(75,218)
Decrease in deferred tax assets	2,382,379	3,721,120
Increase in payables	7,438,481	3,640
Increase/(decrease) in current tax liabilities	3,464,913	(1,774,936)
<b>Net cash used in operating activities</b>	<b>(32,563,606)</b>	<b>(16,581,305)</b>

## 14. Earnings per share

	2024 Cents per share	2023 Cents per share
Basic and diluted earnings per share	12.28	8.77
	2024 \$	2023 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	22,118,775	15,788,826
	2024 No.	2023 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	180,125,761	180,125,761

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

## 15. Financial risk management

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

Under delegation from the Board, Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager) has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks daily. On a formal basis, the investment team meet weekly to monitor and manage the below risks as appropriate.

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging with them. The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of financial position, is the carrying amount net of any expected credit losses of those assets.

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

Credit risk is not considered to be a major risk to the Company as the cash held by the Company or in its portfolios are invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short-term rating of A-1+ and long-term rating of AA-. The Company also holds cash with its custodian that has a Standard and Poor's short-term rating of A-1 and long-term rating of A+. There were no term deposits held at 30 June 2024.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

### b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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

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

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

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

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

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

30 June 2024	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Trade and other payables	-	7,773,912	7,773,912
<b>Total</b>	<b>-</b>	<b>7,773,912</b>	<b>7,773,912</b>

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

### c) Market risk

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

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

#### (i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company however is not materially exposed to interest rate risk as it did not hold any term deposits at the end of the period. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

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

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

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

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

30 June 2024	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	4.50%	17,885,002	-	17,885,002
Trade and other receivables		-	1,488,003	1,488,003
Financial assets		-	220,222,812	220,222,812
<b>Total</b>		<b>17,885,002</b>	<b>221,710,815</b>	<b>239,595,817</b>
<b>Liabilities</b>				
Trade and other payables		-	7,773,912	7,773,912
<b>Total</b>		<b>-</b>	<b>7,773,912</b>	<b>7,773,912</b>

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

#### (ii) Other price risk

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

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

The Manager seeks to manage and reduce the other price risk of the Company by diversification of the investment portfolio across numerous stocks and multiple sectors. The relative weightings of the individual securities and market sectors are reviewed daily in order to manage risk. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

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

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

#### (ii) Other price risk (cont'd)

The Company's industry sector weighting of gross assets as at 30 June 2024 is as below:

Sector	2024 %	2023 %
LIC/LIT Global Equities	49.7	47.5
LIC/LIT Domestic Equities	28.2	17.1
Direct Discount Asset	13.7	7.2
LIC/LIT Fixed Interest	0.3	0.9
<b>Total</b>	<b>91.9</b>	<b>72.7</b>

Securities representing over 5% of gross assets of the Company as at 30 June 2024 are set out below:

Company name	2024 %
WAM Global Limited*	17.0
QV Equities Limited**	14.1
VGI Partners Global Investments Limited	13.6
Pengana International Equities Limited	9.0
Global Data Centre Group	7.8
Perpetual Equity Investment Company Limited	7.1
Regal Asian Investments Limited	5.5
Australian Unity Office Fund	5.1

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

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

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

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

#### Sensitivity analysis

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

Investments represent 91.9% (2023: 72.7%) of gross assets at year end. At reporting date, if the fair value of each of the investments within the portfolio changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$7,707,798 (2023: \$5,376,285). This would result in the 30 June 2024 net asset backing after tax moving by 4.3 cents per share (2023: 3.0 cents per share).

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

### 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).

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

Included within Level 2 of the hierarchy is WAM Strategic Value's investment in Keybridge Capital Limited. The fair value of the investment has been based on the last closing price. During the year, Keybridge Capital Limited was transferred from Level 1 to Level 2 in the fair value hierarchy following the security's suspension from the ASX (June 2023: nil).

The following table presents the Company's financial assets measured and recognised at fair value at 30 June 2024:

30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	220,199,193	23,619	-	220,222,812
<b>Total</b>	<b>220,199,193</b>	<b>23,619</b>	<b>-</b>	<b>220,222,812</b>

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

## 16. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial period was 501 (2023: 515). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$284,333 (2023: \$100,279).

## 17. Segment reporting

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

## 18. Capital commitments

There were no capital commitments for the Company as at 30 June 2024 (2023: nil).

## 19. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2024 (2023: nil).

## 20. Key management personnel compensation

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

- Geoff Wilson AO Chairman
- Kate Thorley Director
- Virginia Waterhouse Director (appointed 30 October 2023)
- Glenn Burge Director

### a) Remuneration

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined in Note 21.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on pages 33 to 35, 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 2024	63,211	6,953	<b>70,164</b>
Total Directors remuneration paid by the Company for the year ended 30 June 2023	45,249	4,751	<b>50,000</b>

### b) Shareholdings

At 30 June 2024, 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 2023 /on appointment	Acquisitions	Disposals	Balance at 30 June 2024
Geoff Wilson	5,638,071	219,006	-	5,857,077
Kate Thorley	100,892	-	-	100,892
Glenn Burge	113,500	-	-	113,500
Virginia Waterhouse (appointed 30 October 2023)	-	-	-	-
	<b>5,852,463</b>	<b>219,006</b>	<b>-</b>	<b>6,071,469</b>



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

### b) Shareholdings (cont'd)

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

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

## 21. Related party transactions

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

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Strategic Value. 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 \$2,041,755 inclusive of GST (2023: \$1,902,603). As at 30 June 2024, the balance payable to the Manager was \$181,830 inclusive of GST (2023: \$162,432).

WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. The Manager has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

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

The high-water mark is the greater of:

- the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been recouped in full. When calculating the performance fee, changes in the value of the portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by the Company will be adjusted.

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

The performance fee for FY2024 was subject to the high-water mark, which was recouped in full during the period. As at 30 June 2024, a performance fee of \$7,517,720 inclusive of GST was payable to Wilson Asset Management (International) Pty Limited (2023: nil).

The Company's high-water mark in relation to the value of the portfolio was the initial public offering (IPO) proceeds of \$225 million. As at 30 June 2024, the value of the portfolio for the performance fee calculation was \$239 million and has been adjusted for dividends and tax paid (franking credits generated) since inception of \$18.4 million, as well as other company related items not related to the management of the investment portfolio, in determining the performance fee calculation for the year.

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Strategic Value Limited to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2024, the fee for accounting services amounted to \$71,500 inclusive of GST (2023: \$66,000) and the fee for company secretarial services amounted to \$27,500 inclusive of GST (2023: \$27,500).

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 3.0 cents per share to be paid on 29 October 2024 and a special fully franked dividend of 1.0 cents per share to be paid on 20 December 2024.

No other matters or circumstances have 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.

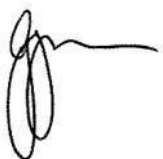
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# Directors' Declaration

The Directors of WAM Strategic Value Limited declare that:

- 1) The financial statements as set out in pages 40 to 61 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 33 to 35, 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 2024 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date.
- 2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Manager, Wilson Asset Management (International) Pty Limited.
- 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.
- 4) The consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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



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

Dated this 28<sup>th</sup> day of August 2024

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

We have audited the financial report of WAM Strategic Value Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' declaration.

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

- i. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the period then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

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

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

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

### *Key Audit Matters*

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

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

*Key Audit Matters (Continued)*

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

*Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2024, 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:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal controls as the Directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

- 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 33 to 35 of the Directors' Report for the period ended 30 June 2024. In our opinion, the Remuneration Report of WAM Strategic Value Limited, for the period ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

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



**S M Whiddett**  
Partner



**Pitcher Partners**  
Sydney

28 August 2024

## Investments at fair value as at 30 June 2024

Company name	Code	Fair value \$	% of Gross assets
<b>LIC/LIT Global Equities</b>			
WAM Global Limited*	WGB	40,678,438	17.0%
VGI Partners Global Investments Limited	VG1	32,495,465	13.6%
Pengana International Equities Limited	PIA	21,534,716	9.0%
Regal Asian Investments Limited	RG8	13,066,889	5.5%
Platinum Asia Investments Limited	PAI	3,769,269	1.6%
US Masters Residential Property Fund	URF	2,642,516	1.0%
Platinum Capital Limited	PMC	1,927,243	0.7%
CD Private Equity Fund III	CD3	1,429,644	0.6%
CD Private Equity Fund II	CD2	1,152,828	0.5%
CD Private Equity Fund I	CD1	419,109	0.2%
		<b>119,116,117</b>	<b>49.7%</b>
<b>LIC/LIT Domestic Equities</b>			
QV Equities Limited**	QVE	33,680,124	14.1%
Perpetual Equity Investment Company Limited	PIC	17,123,061	7.1%
NAOS Small Cap Opportunities Company Limited	NSC	5,030,347	2.1%
Carlton Investments Limited	CIN	4,320,628	1.8%
Salter Brothers Emerging Companies Limited	SB2	3,393,832	1.4%
NGE Capital Limited	NGE	1,430,712	0.6%
Thorney Technologies Limited	TEK	828,125	0.4%
Thorney Opportunities Limited	TOP	694,155	0.3%
Ryder Capital Limited	RYD	498,923	0.2%
Excelsior Capital Limited	ECL	307,000	0.1%
H&G High Conviction Limited	HCF	230,000	0.1%

Company name	Code	Fair value \$	% of Gross assets
<b>LIC/LIT Domestic Equities (cont'd)</b>			
Keybridge Capital Limited	KBC	23,619	0.0%
		<b>67,560,526</b>	<b>28.2%</b>
<b>Direct Discount Asset</b>			
Global Data Centre Group	GDC	18,762,713	7.8%
Australian Unity Office Fund	AOF	12,264,826	5.1%
Lark Distilling Company Limited	LRK	1,089,078	0.5%
dusk Group Limited	DSK	362,500	0.2%
SIV Capital Limited	SIV	322,080	0.1%
Karoon Energy Limited	KAR	73,200	0.0%
		<b>32,874,397</b>	<b>13.7%</b>
<b>LIC/LIT Fixed Interest</b>			
360 Capital Mortgage REIT	TCF	671,772	0.3%
		<b>671,772</b>	<b>0.3%</b>
<b>Total long portfolio</b>		<b>220,222,812</b>	<b>91.9%</b>
<b>Total cash and cash equivalents and income receivable</b>		<b>19,373,005</b>	<b>8.1%</b>
<b>Gross assets</b>		<b>239,595,817</b>	<b>100.0%</b>

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

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

The total number of stocks held at the end of the financial year was 29.

# 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 2024) – there are currently no substantial shareholders.
- On-market buy back (as at 31 July 2024) – there is no current on-market buy back.

## Distribution of shareholders (as at 31 July 2024)

Category	Number of shareholders	% of issued capital held
1 – 1,000	259	0.1%
1,001 – 5,000	2,058	3.3%
5,001 – 10,000	1,416	6.0%
10,001 – 100,000	3,101	51.1%
100,001 and over	218	39.5%
	<b>7,052</b>	<b>100.0%</b>

The number of shareholders holding a less than marketable parcel is 105.

## Twenty largest shareholders – Ordinary shares (as at 31 July 2024)

Name	Number of ordinary shares held	% of issued capital held
Entities associated with Mr Geoff Wilson	5,857,077	3.3%
Netwealth Investments Limited	5,591,701	3.1%
HSBC Custody Nominees (Australia) Limited	4,009,811	2.2%
BNP Paribas Nominees Pty Limited	3,509,512	1.9%
Citicorp Nominees Pty Limited	3,283,050	1.8%
TRGP Investments Pty Limited	1,773,000	1.0%
IOOF Investment Services Limited	1,375,866	0.8%
Morgcam Pty Limited	1,125,000	0.6%
Perpetual Corporate Trust Limited	1,050,000	0.6%
Norman Chan Pty Limited	1,000,000	0.6%
Mr R H Bartlett	980,994	0.5%
Guwarra Pty Limited	767,886	0.4%
Southern Steel Investments Pty Limited	725,390	0.4%
Jontra Holdings Pty Limited	720,000	0.4%
Securities and Estates Pty Limited	720,000	0.4%
GA Pease Nominees Pty Limited	702,234	0.4%
Boksborg Nominees Pty Limited	695,000	0.4%
ADC (Investing) Pty Limited	650,793	0.4%
Cellar Stocks Pty Limited	650,000	0.4%
Dolk Family Superannuation Fund Pty Limited	596,906	0.3%
	<b>35,784,220</b>	<b>19.9%</b>

## Stock exchange listing

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

# Glossary

Term	Definition
<b>Benchmark</b>	A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market.
<b>Dividend coverage</b>	<p>Dividend coverage represents the number of years the Company can maintain the current full year dividend payment paid semi-annually from the current level of profits reserve.</p> <p><i>This is calculated as follows: Profits reserve ÷ annual dividend amount</i></p>
<b>Dividend yield</b>	<p>The annual dividend amount expressed as a percentage of the share price at a certain point in time.</p> <p><i>This is calculated as follows: Annual dividend amount per share ÷ share price</i></p>
<b>Franking credits</b>	Franking credits (also known as imputation credits) are tax credits attached to franked dividends that companies distribute to their shareholders. These credits represent the tax the company has already paid on its profits, which helps to avoid double taxation of those profits once distributed to shareholders. Shareholders can use franking credits to offset their income tax liabilities.
<b>Grossed-up dividend yield</b>	<p>Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is fully franked.</p> <p><i>This is calculated as follows:</i>  <i>Annual dividend yield % ÷ (1 – the corporate tax rate of 30.0%)</i></p>
<b>Investment portfolio performance</b>	Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees and taxes.
<b>Listed investment company (LIC)</b>	LICs are corporate entities in a ‘company’ structure providing a permanent and stable closed-end pool of capital, established for the purpose of investing in a portfolio of securities or investments on behalf of shareholders. LICs are listed on an exchange, which in Australia is primarily the Australian Securities Exchange (ASX). Each company on the ASX has an ASX code, also known as a ‘ticker’.
<b>Listed investment trust (LIT)</b>	LITs are investment vehicles incorporated in a ‘trust’ structure established for the purpose of investing in a portfolio of securities or investments on behalf of unitholders. LITs are listed on an exchange, which in Australia is primarily the ASX. Each trust on the ASX has an ASX code, also known as a ‘ticker’. Similar to LICs, LITs are also closed-end funds.
<b>Management fee</b>	Management fee means the fee payable to the Investment Manager in return for its duties as Investment Manager of the portfolio. The Investment Manager is entitled to be paid monthly a management fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the portfolio (calculated on the last business day of each month and paid at the end of each month in arrears) in accordance with the Investment Management Agreement (IMA).

Term	Definition
<b>Net tangible assets (NTA)</b>	The aggregate of a company's assets (i.e. cash and investments) less its liabilities and current and deferred income tax. The NTA represents the value of the company and is announced on the ASX to shareholders each month.
<b>NTA before tax</b>	The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company, i.e. cash and investments, less any associated liabilities excluding tax and is the most comparable figure for a LIC to an exchange traded fund (ETF) or managed fund.
<b>NTA after tax</b>	The NTA of a company, inclusive of current and deferred income tax assets or liabilities.
<b>Performance fee</b>	<p>Performance fee means the fee payable to the Investment Manager under the IMA. The Investment Manager is eligible to be paid a performance fee, being 20% (plus GST), in the circumstance where the increase in the value of the portfolio above the high-water mark.</p> <p>The high-water mark is the greater of:</p> <ul style="list-style-type: none"> <li>the highest value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and</li> <li>the gross proceeds raised from the issue of shares pursuant to the original prospectus.</li> </ul> <p>If the value of the portfolio falls below a previous high-water mark then no further performance fees can be accrued or paid until the loss has been recouped in full. When calculating the performance fee, changes in the value of the portfolio as a result of the issue of securities, capital reductions or share buybacks undertaken, payment of tax and dividend distributions made by the Company will be adjusted.</p>
<b>Profits reserve</b>	<p>The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments. The profits reserve forms part of the NTA of the company and is invested in the market. The profits reserve is an accounting entry only that quarantines the profits of the LIC for future dividend payments. We convert the profits reserve amount into dividend years coverage for ease of seeing how sustainable the current dividend amount is. The ability to frank a dividend is dependent on the availability of franking credits which are generated from the receipt of franked dividends from investee companies and the payment of tax on realised profits.</p> <p>There can be situations where the franking account balance including franking credits generated from the receipt of franked dividends from investee companies and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).</p>
<b>Share price premium or discount</b>	<p>LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA.</p> <p><i>This is calculated as follows: <math>(\text{Share price} - \text{NTA before tax}) \div \text{NTA before tax}</math></i></p>

Term	Definition
<b>Three key measures of a LIC's performance</b>	The three key measures crucial to the evaluation of a LIC's performance are: investment portfolio performance, NTA growth and total shareholder return.
<b>Total shareholder return (TSR)</b>	<p>Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders.</p> <p><i>This is calculated as follows:</i></p> $\frac{(\text{Closing share price} - \text{starting share price} + \text{dividends paid} + \text{franking credits})}{\text{starting share price}}$ <p><i>Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.</i></p>

# Corporate *Directory*

## **WAM Strategic Value Directors**

Geoff Wilson AO (Chairman)  
Kate Thorley  
Virginia Waterhouse  
Glenn Burge

## **Company Secretary**

Jesse Hamilton

## **Investment Manager**

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

## **Country of Incorporation**

Australia

## **Australian Securities Exchange**

WAM Strategic Value Limited  
Ordinary Shares (WAR)

## **Registered Office**

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

## **Contact Details**

GPO Box 4658, Sydney NSW 2001  
T (02) 9247 6755  
E [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)  
W [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

## **Share Registry**

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000

T 1300 420 372 (in Australia)  
+61 2 8023 5472 (International)

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

## **Auditor**

Pitcher Partners

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## Wilson Asset Management

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Level 26, Governor Phillip Tower  
1 Farrer Place, Sydney NSW 2000  
+ 61 2 9247 6755  
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[wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

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