



23 August 2021

# Strong outperformance drives increased fully franked final dividend, special dividend and record profit

**+58.7%**

record total  
shareholder return

**+53.2%**

record investment  
portfolio  
performance\*

**\$107.0m**

record operating  
profit before tax

**12.0c**

FY2021 total fully  
franked full year  
dividend including a  
4.0 cps special dividend

## Fully franked final dividend of 4.0 cents per share

The WAM Microcap Board of Directors has declared a fully franked final dividend of 4.0 cents per share, representing a 33.3% increase on the FY2020 fully franked final dividend. The Board also declared an additional fully franked special dividend of 4.0 cents per share to be paid to shareholders.

The final dividend and special dividend bring the total fully franked full year dividend to 12.0 cents per share.

## Strong performance

The increased fully franked dividend has been achieved through the strong performance of the investment portfolio since inception and the profits reserve available, and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

WAM Microcap Limited (ASX: WMI) achieved a record operating profit before tax of \$107.0 million (FY2020: \$14.8 million) and a record operating profit after tax of \$76.1 million (FY2020: \$11.3 million) in its FY2021 full year result.

The total fully franked full year dividend of 12.0 cents per share provides shareholders with a fully franked dividend yield of 6.6% and a grossed-up yield of 9.4%<sup>†</sup> on the 20 August 2021 closing share price of \$1.825 per share.

Chairman Geoff Wilson AO said: "WAM Microcap had a vintage year, delivering a record investment portfolio performance and a record operating profit during the Company's fourth year in existence. Due to the strong performance of the investment portfolio since inception, the Board was able to declare a total annual fully franked dividend of 12.0 cents per share, including a special fully franked dividend of 4.0 cents per share. As a WAM Microcap shareholder, I thank Oscar and the team for their diligence, rigour and commitment."

During the year, the WAM Microcap investment portfolio increased by a record 53.2%\*, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 20.0%. WAM Microcap's investment approach, which focuses on providing access to a portfolio of undervalued micro-cap growth companies, has led to strong investment portfolio outperformance throughout the Company's history. Since inception in June 2017, the WAM Microcap investment portfolio has increased 24.1%\* per annum, outperforming the Index by 12.1% per annum.

The strong investment portfolio outperformance drove a growth in assets which, combined with the fully franked dividends paid during the period and the closing of the share price discount to net tangible assets, resulted in a record 58.7% total shareholder return for shareholders during the 12-month period to 30 June 2021.

Lead Portfolio Manager Oscar Oberg said: "We were pleased to deliver strong, risk-adjusted returns for shareholders in FY2021. We saw significant opportunities in the micro-cap market through the period, investing in 215 different companies."

As at 31 July 2021, the Company had 48.6 cents per share available in the profits reserve, before the payment of the fully franked final dividend of 4.0 cents per share and fully franked special dividend of 4.0 cents per share. Since inception in June 2017, WAM Microcap has paid 25.75 cents per share in fully franked dividends to shareholders. The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies.

### Key dividend dates

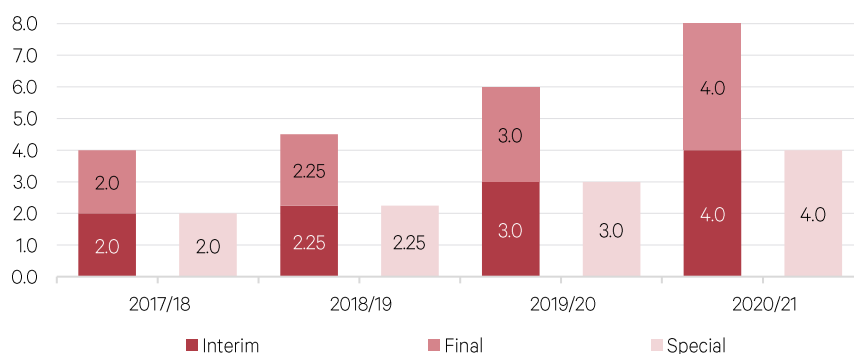
Ex dividend date	11 October 2021
Dividend record date (Sydney time 7:00pm)	12 October 2021
Last election date for DRP	14 October 2021
Fully franked final and special dividend payment date	22 October 2021

\*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

†Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

**Strong  
investment  
portfolio  
outperformance  
since inception**

**Increasing fully franked dividends (cents per share)**



**Performance at 30 June 2021**

	1 yr	3yrs % pa	Since inception % pa (Jun-17)
WAM Microcap Investment Portfolio*	53.2%	22.5%	24.1%
S&P/ASX Small Ordinaries Accumulation Index	33.2%	8.6%	12.0%
Outperformance	+20.0%	+13.9%	+12.1%

\*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

**Top 20 holdings with portfolio weightings  
as at 30 June 2021**

Code	Name	%	Code	Name	%
SLA	SILK Laser Australia Limited	2.9%	WGN	Wagners Holding Company Limited	1.8%
AVG	Australian Vintage Limited	2.8%	BFC	Beston Global Food Company Limited	1.8%
DSK	Dusk Group Limited	2.4%	PPE	People Infrastructure Limited	1.7%
VGL	Vista Group International Limited	2.4%	ALG	Ardent Leisure Group Limited	1.6%
SWM	Seven West Media Limited	2.2%	CHN	Chalice Mining Limited	1.6%
EGG	Enero Group Limited	2.1%	SRG	SRG Global Limited	1.6%
REG	Regis Healthcare Limited	2.1%	UNI	Universal Store Holdings Limited	1.6%
AMS	Atomos Limited	2.0%	TRS	The Reject Shop Limited	1.6%
CAJ	Capitol Health Limited	1.8%	AHX	Apiam Animal Health Limited	1.5%
VRT	Virtus Health Limited	1.8%	TUA	Tuas Limited	1.5%

## About WAM Microcap

WAM Microcap Limited (ASX: WMI) has an investment management agreement with Wilson Asset Management. Listed in June 2017, WAM Microcap provides investors access to a portfolio of undervalued micro-cap growth companies with a market capitalisation of less than \$300 million at the time of acquisition. WAM Microcap also provides exposure to relative value arbitrage and market mispricing opportunities. WAM Microcap's investment objectives are to deliver a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

All major platforms provide access to WAM Microcap, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Microcap receives coverage from the following independent investment research providers:



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

For further information, visit  
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WAM Microcap  
4 Years Listed



### About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – Wilson Asset Management invests over \$5 billion on behalf of more than 110,000 retail investors.

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