

Strong investment portfolio performance, high fully franked full year dividend maintained

27 August 2024
ASX announcement
and media release

+29.4%

Total shareholder return in
FY2024

+25.8%

Investment portfolio
performance in FY2024*

7.3%

Fully franked dividend yield[^]

10.4%

Grossed-up
dividend yield^{^^}

6.0 cps

Fully franked full year
dividend FY2024

95.7 cps

Fully franked dividends
paid since inception in 2008,
136.7 cps when including the
value of franking credits

11.8 cps

Profits reserve at
30 June 2024, before
the payment of the 3.0 cps
fully franked final dividend

2.0 years

Dividend coverage

Q&A Webinar

Friday 6 September
2024 at 12:00pm
(Sydney time)

Register to join the
investment team for our
WAM Capital, WAM
Microcap, WAM
Research and WAM
Active FY2024 Full Year
Results Q&A Webinar

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The WAM Active Limited (ASX: WAA) investment portfolio increased 25.8%* in the financial year to 30 June 2024, outperforming the Bloomberg AusBond Bank Bill Index (Cash) by 21.4% and the S&P/ASX All Ordinaries Accumulation Index by 13.3%.

The investment portfolio performance contributed to a 47.2% increase in the Company's operating profit before tax of \$11.6 million (FY2023: \$7.9 million) and an operating profit after tax of \$8.3 million (FY2023: \$5.8 million) for the financial year to 30 June 2024. Since inception, the investment portfolio has increased 10.8%[†] per annum, outperforming the Bloomberg AusBond Bank Bill Index (Cash) by 7.9% per annum and the S&P/ASX All Ordinaries Accumulation Index by 5.2% per annum.

Chairman Geoff Wilson AO said: "The WAM Active investment team's nimble approach to identifying compelling market-driven opportunities has led to strong absolute performance, despite notably subdued capital transaction activity in the 2024 financial year. The investment team are confident that we will see increased corporate activity in a lower interest rate environment."

The total shareholder return for WAM Active was 29.4%, or 33.7% when including the value of franking credits for the financial year to 30 June 2024. This was driven by WAM Active's share price increasing from \$0.665 to \$0.795, together with the payment of the 6.0 cents per share in fully franked dividends during the period. WAM Active's share price discount to net tangible assets (NTA) narrowed and the Company ended the year trading at a small share price discount to NTA of 1.7%, an improvement from a 10.2% discount at the start of the financial year.

The WAM Active Board of Directors declared a fully franked final dividend of 3.0 cents per share, bringing the FY2024 fully franked full year dividend to 6.0 cents per share, representing a dividend yield of 7.3%[^] and a grossed-up dividend yield of 10.4%^{^^}. Since inception, WAM Active has paid 95.7 cents per share in fully franked dividends to shareholders and 136.7 cents per share including the value of franking credits.

The Board's decision to maintain the fully franked full year dividend of 6.0 cents per share was informed by the high grossed-up dividend yield (including franking credits) of 10.6%^{^^} on the Company's net assets at 30 June 2024 and the focus on providing shareholders a combination of capital growth (i.e. movement in the Company's share price) and income (i.e. through franked or unfranked dividends paid to shareholders on a semi-annual basis) returns. To maintain the high grossed-up dividend yield of 10.6% per annum, the investment portfolio would need to increase more than 12% per annum to ensure that the NTA of the Company does not decline and shareholders receive a combination of capital and income returns.

[†]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

[^]Based on the 26 August 2024 share price of \$0.82 per share.

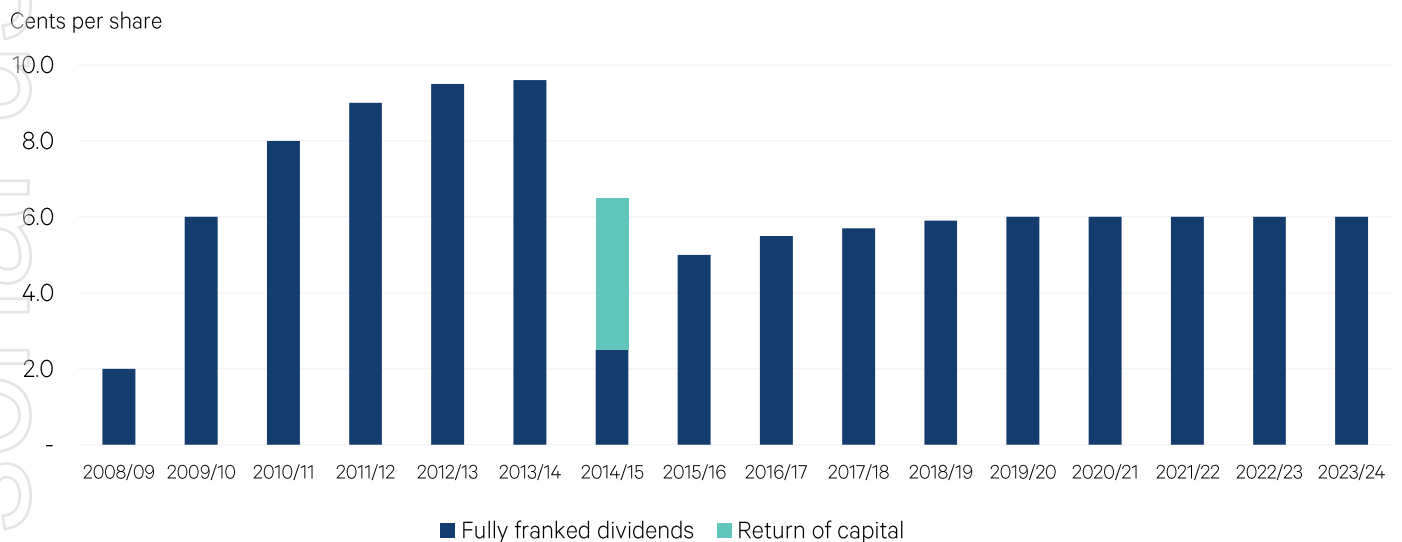
^{^^}Grossed-up dividend yield includes the benefit of franking credits and is based on a tax rate of 30.0%.

The Company's ability to continue paying fully franked dividends at the current level is dependent on generating additional profits reserve, through positive investment portfolio performance, 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.

Lead Portfolio Manager Oscar Oberg said: "The strong absolute investment portfolio performance demonstrates the strength of our market-driven process. Our investment strategy and flexible cash mandate allows the team to be nimble in all types of markets. Favourable conditions in the 2024 financial year, along with key macroeconomic events, allowed the WAM Active investment team to take advantage of trading opportunities and increase our strategic weights in certain holdings ahead of key catalysts we identified in the short term.

"The portfolio benefitted from a number of mispricing opportunities or catalysts, such as earnings upgrades during the period from Life360 Inc. (ASX: 360), Zip Co (ASX: ZIP) and The a2 Milk Company (ASX: A2M); quarterly funds under management updates from HUB24 (ASX: HUB) and GQG Partners Inc. (ASX: GQG); and strategic review announcements from Premier Investments (ASX: PMV) and News Corporation (ASX: NWS)," he said.

Dividends since inception



Key dividend dates

Ex-dividend date	10 October 2024
Dividend record date (7:00pm Sydney time)	11 October 2024
Last election date for DRP	15 October 2024
Payment date	25 October 2024

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked final dividend of 3.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the volume weighted average market price (VWAP) of shares sold on the ASX over the four trading days commencing on the ex-dividend date for the relevant dividend. The DRP will operate without a discount for the fully franked final dividend.

WAM Active investment portfolio performance since inception

Investment portfolio performance at 30 June 2024	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Jan-08)
WAM Active Investment Portfolio	25.8%	4.7%	7.8%	9.2%	10.8%
Bloomberg AusBond Bank Bill Index (Cash)	4.4%	2.4%	1.6%	1.9%	2.9%
Outperformance	+21.4%	+2.3%	+6.2%	+7.3%	+7.9%
S&P/ASX All Ordinaries Accumulation Index	12.5%	6.1%	7.6%	8.3%	5.6%
Outperformance	+13.3%	-1.4%	+0.2%	+0.9%	+5.2%

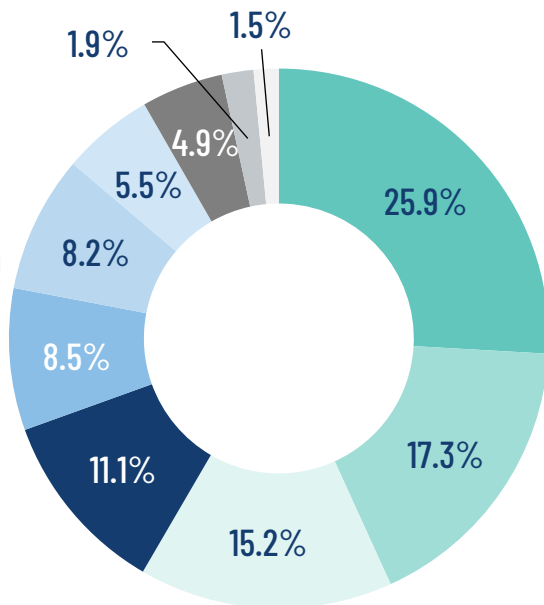
Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

Top 20 holdings with portfolio weightings
at 30 June 2024

Code	Company name	%
A2M	The a2 Milk Company Limited	8.2%
KBC	Keybridge Capital Limited	6.3%
LNW	Light & Wonder Inc.	5.8%
360	Life360 Inc.	5.7%
SVW	Seven Group Holdings Limited	5.2%
HUB	HUB24 Limited	4.5%
INA	Ingenia Communities Group Limited	4.0%
IRE	Iress Limited	4.0%
NXT	NEXTDC Limited	3.7%
GQG	GQG Partners Inc.	3.4%

Code	Company name	%
PMV	Premier Investments Limited	3.2%
SMP	Smartpay Holdings Limited	3.1%
PWR	PWR Holdings Limited	3.0%
MGH	Maas Group Holdings Limited	2.8%
PNI	Pinnacle Investment Management Group Limited	2.8%
NWS	News Corporation	2.5%
CAR	CAR Group Limited	2.4%
EML	EML Payments Limited	2.0%
BOT	Botanix Pharmaceuticals Limited	1.9%
n/a	Xpansiv Limited	1.7%

Diversified investment portfolio by sector
at 30 June 2024



- Financials: 25.9%
- Information technology: 17.3%
- Consumer discretionary: 15.2%
- Industrials: 11.1%
- Health care: 8.5%
- Consumer staples: 8.2%
- Real estate: 5.5%
- Communication services: 4.9%
- Materials: 1.9%
- Cash: 1.5%

About WAM Active

WAM Active Limited (ASX: WAA) provides investors with exposure to an active trading style with the aim of achieving a sound return with low correlation to traditional markets. The Company's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital.

All major platforms provide access to WAM Active, including Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment.

Listed
January 2008



WAM Active receives coverage from the following independent investment research providers:



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

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 25 years and is the Investment Manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – and the Wilson Asset Management Leaders Fund. Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

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



>\$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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