

WAM ALTERNATIVE ASSETS LIMITED

ABN 47 168 941 704

Appendix 4D Half Year Report

for the half year ended 31 December 2021

Results for Announcement to the Market

All comparisons to the half year ended 31 December 2020

	\$	up/down	% mvmt
Revenue from ordinary activities	16,810,934	up	128.6%
Profit from ordinary activities before income tax expense	15,076,142	up	191.5%
Net profit from ordinary activities after income tax expense	11,425,491	up	170.7%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2022 Interim dividend cents per share	2.0c	2.0c	25.0%
2021 Final dividend cents per share	2.0c	2.0c	25.0%

Interim dividend dates

Ex dividend date	4 April 2022
Record date	5 April 2022
Last election date for the DRP	7 April 2022
Payment date	14 April 2022

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked interim dividend of 2.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the VWAP (volume weighted average market price) of shares sold on the ASX over the four trading days commencing on the ex dividend date for the relevant dividend. The DRP will operate without a discount for the interim dividend.

	31 Dec 21	31 Dec 20
Net tangible asset backing (after tax) per share	\$1.18	\$1.08

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2021 Annual Financial Report.

W | A | M *Alternative Assets*

Financial Report

For the half year ended 31 December 2021

W Wilson
Asset Management

OVER **20** Making a
YEARS difference

ABN 47 168 941 704

WAM Alternative Assets Limited

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

Directors

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

Company Secretary

Jesse Hamilton

Investment Manager

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

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

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

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001
T: (02) 9247 6755
F: (02) 9247 6855
E: info@wilsonassetmanagement.com.au
W: wilsonassetmanagement.com.au

Share Registry

Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000
T: 1300 408 788 (in Australia)
+61 2 8072 1490 (International)
E: wilsonam@automic.com.au

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

Australian Securities Exchange

WAM Alternative Assets Limited
Ordinary Shares (WMA)

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Directors' Report to shareholders for the half year ended 31 December 2021

The Directors present their report together with the financial report of WAM Alternative Assets Limited for the half year ended 31 December 2021.

Directors

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

Michael Cottier (Chairman – Independent)

Geoff Wilson AO (Director – Non-Independent)

John Baillie (Director – Independent)

Kym Evans (Director – Independent)

Adrian Siew (Director – Non-Independent)

Principal activity

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

Operating and financial review

Investment operations during the half year resulted in an operating profit before tax of \$15,076,142 (2020: \$5,171,718) and an operating profit after tax of \$11,425,491 (2020: \$4,221,376). The profit for the period is reflective of the solid performance of the investment portfolio over the six months to 31 December 2021. The investment portfolio increased 7.6% in the six months to 31 December 2021, with an average cash holding of 24.2%, and increased 17.6% in the 12 months to 31 December 2021, with an average cash holding of 24.7%.

During the period, our investment partner Fortitude Investment Partners successfully completed the sale of the underlying asset in its QFS fund. The asset was a food service and distribution business based in Queensland. Also during the period, our investment partner Argyle Capital successfully completed the sale of the underlying assets in its Agriculture Fund II and Solar Fund. Agriculture Fund II's asset was an irrigated citrus orchard near Hillston in New South Wales that had been owned and redeveloped since late 2015, and Solar Fund's asset was a solar farm located in Queensland that reached full production in early 2018. The exit proceeds, received during the period, have provided additional capital to deploy as we continue to implement our revitalisation strategy for the investment portfolio.

The operating profit for the period includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio during the period. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each period. This

treatment under the Accounting Standards can cause large variations in reported operating profits between periods.

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

WAM Alternative Assets' NTA before tax increased 6.3% for the six months to 31 December 2021, including the 2.0 cents per share fully franked final dividend paid to shareholders during the period. This increase is after corporate tax paid of 0.5 cents per share or 0.5% of the Company's pre-tax NTA during the period. Corporate tax payments made throughout the period and management fees of 0.5% were the major items of difference between the investment portfolio performance increase of 7.6% and the NTA performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other company related expenses of 0.3% also contributed to the change in value of the assets during the period.

The NTA before tax as at 31 December 2021 amounted to \$1.22 per share (June 2021: \$1.17). The NTA after tax was \$1.18 per share (June 2021: \$1.14). These figures are after the 2.0 cents per share fully franked final dividend paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2021 was 7.1%. This was reflective of the solid investment portfolio performance and the slight reduction in the share price discount to NTA. As at 31 December 2021, the share price discount to NTA was 15.1% (June 2021: discount of 15.5%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Dividends

The Board declared a fully franked interim dividend of 2.0 cents per share, representing a 100.0% increase on the FY2021 fully franked interim dividend, to be paid on 14 April 2022. A fully franked final dividend of 2.0 cents per share was paid during the period.

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.

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.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 7 of this Financial Report.

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



Michael Cottier
Chairman

Dated this 23rd day of February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

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

In relation to the independent auditor's review of WAM Alternative Assets Limited for the half year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor 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

23 February 2022

Statement of comprehensive income for the half year ended 31 December 2021

	Note	December 2021 \$	December 2020 \$
Net realised and unrealised gains on financial investments		13,660,558	4,106,314
Other revenue from operating activities	2	3,150,376	3,247,060
Management fees		(1,182,268)	(1,179,899)
Directors fees		(96,250)	(85,443)
Investment Committee fees		(49,500)	-
ASX listing and CHESSE fees		(41,928)	(46,671)
Share registry fees		(32,537)	(49,181)
Disbursements, mailing and printing		(20,159)	(6,499)
Legal and professional fees		(845)	(215,804)
Audit fees		(107,615)	(239,383)
Accounting fees		(35,750)	(17,875)
Company Secretary fees		(8,250)	(4,125)
Other expenses from ordinary activities		(159,690)	(336,776)
Profit before income tax		15,076,142	5,171,718
Income tax expense		(3,650,651)	(950,342)
Profit after income tax attributable to members of the Company	6	11,425,491	4,221,376
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		11,425,491	4,221,376
Basic and diluted earnings per share		5.89 cents	2.18 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2021

	Note	December 2021 \$	June 2021 \$
Current assets			
Cash and cash equivalents		54,512,051	51,499,996
Trade and other receivables		1,726,271	1,101,562
Financial assets	7	217,608,393	210,831,158
Other assets		758,354	772,158
Total current assets		274,605,069	264,204,874
Non-current assets			
Deferred tax assets		102,558	115,537
Total non-current assets		102,558	115,537
Total assets		274,707,627	264,320,411
Current liabilities			
Trade and other payables		443,897	409,092
Uncalled capital commitments	8	37,533,866	37,635,766
Current tax liabilities		1,814,769	706,210
Total current liabilities		39,792,532	38,751,068
Non-current liabilities			
Deferred tax liabilities		6,123,128	4,565,167
Total non-current liabilities		6,123,128	4,565,167
Total liabilities		45,915,660	43,316,235
Net assets		228,791,967	221,004,176
Equity			
Issued capital	4	204,737,576	204,496,486
Profits reserve	5	28,414,678	20,867,977
Accumulated losses	6	(4,360,287)	(4,360,287)
Total equity		228,791,967	221,004,176

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2021

	Note	Issued Capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2020		204,867,813	(4,360,287)	10,601,854	211,109,380
Profit for the half year		-	4,221,376	-	4,221,376
Transfer to profits reserve		-	(4,221,376)	4,221,376	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Share buy-back	4(b)	(473,613)	-	-	(473,613)
Share buy-back costs (net of tax)	4(b)	(898)	-	-	(898)
Dividends paid	3(a)	-	-	(5,814,892)	(5,814,892)
Balance at 31 December 2020		204,393,302	(4,360,287)	9,008,338	209,041,353
Balance at 1 July 2021		204,496,486	(4,360,287)	20,867,977	221,004,176
Profit for the half year		-	11,425,491	-	11,425,491
Transfer to profits reserve	5	-	(11,425,491)	11,425,491	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	241,090	-	-	241,090
Dividends paid	3(a)	-	-	(3,878,790)	(3,878,790)
Balance at 31 December 2021		204,737,576	(4,360,287)	28,414,678	228,791,967

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2021

	December 2021 \$	December 2020 \$
Cash flows from operating activities		
Proceeds from sale of investments	8,583,040	-
Payments for purchase of investments	(1,801,616)	-
Dividends and trust distributions received	2,160,278	2,032,389
Rebates of management and performance fees received (GST inclusive)	343,603	2,886,593
Interest received	53,214	72,728
Other investment income received	-	13,977
Management fees (GST inclusive)	(1,259,165)	(4,181,065)
Payments for administration expenses (GST inclusive)	(518,507)	(1,810,767)
Income tax (paid)/refunded	(971,562)	508,702
Net GST received from the ATO	60,470	108,160
Net cash provided by/(used in) operating activities	6,649,755	(369,283)
Cash flows from financing activities		
Dividends paid – net of reinvestment	(3,637,700)	(5,814,892)
Share buy-back	-	(473,613)
Share buy-back costs	-	(1,214)
Net cash used in financing activities	(3,637,700)	(6,289,719)
Net increase/(decrease) in cash and cash equivalents held	3,012,055	(6,659,002)
Cash and cash equivalents at the beginning of the half year	51,499,996	54,952,256
Cash and cash equivalents at the end of the half year	54,512,051	48,293,254
Non-cash transactions:		
Shares issued via dividend reinvestment plan	241,090	-

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2021

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of WAM Alternative Assets Limited.

The half year financial report was authorised for issue on 23 February 2022 by the Board of Directors.

Basis of preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2021 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

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

The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2021 Annual Financial Report.

2. Other revenue

	December 2021 \$	December 2020 \$
Trust distributions	2,160,278	2,314,579
Rebates of management and performance fees	936,884	845,776
Interest	53,214	72,728
Other income	-	13,977
	3,150,376	3,247,060

3. Dividends

a) Ordinary dividends paid during the period

	December 2021 \$	December 2020 \$
Final dividend FY2021: 2.0 cents per share fully franked at the 25.0% tax rate, paid 22 October 2021 (Final dividend FY2020: 3.0 cents per share fully franked at the 26.0% tax rate)	3,878,790	5,814,892

b) Dividends not recognised at period end

	December 2021 \$	December 2020 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 2.0 cents per share franked at the 25.0% tax rate, payable on 14 April 2022 (Interim dividend FY2021: 1.0 cents per share fully franked at the 26.0% tax rate)	3,883,340	1,938,297

4. Issued capital

a) Paid-up capital

	December 2021 \$	June 2021 \$
194,167,007 ordinary shares fully paid (June 2021: 193,932,860)	204,737,576	204,496,486

b) Ordinary shares

	December 2021 \$	June 2021 \$
Balance at the beginning of the period 193,932,860 ordinary shares fully paid (June 2020: 194,453,047)	204,496,486	204,867,813
234,147 ordinary shares issued on 22 October 2021 under a dividend reinvestment plan	241,090	-
103,136 ordinary shares issued on 30 April 2021 under a dividend reinvestment plan	-	103,184
623,323 ordinary shares bought back during the year	-	(473,613)
Share buyback costs (net of tax)	-	(898)
At reporting date	204,737,576	204,496,486

5. Profits reserve

	December 2021 \$	June 2021 \$
Profits reserve	28,414,678	20,867,977

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

	December 2021 \$	June 2021 \$
Movement in profits reserve		
Balance at the beginning of the period	20,867,977	10,601,854
Transfer of profits during the period	11,425,491	18,019,312
Final dividend paid (refer to note 3(a))	(3,878,790)	(5,814,892)
Interim dividend paid (refer to note 3(b))	-	(1,938,297)
At reporting date	28,414,678	20,867,977

6. Accumulated losses

	December 2021 \$	June 2021 \$
Balance at the beginning of the period	(4,360,287)	(4,360,287)
Profit for the period attributable to members of the Company	11,425,491	18,019,312
Transfer to profits reserve	(11,425,491)	(18,019,312)
At reporting date	(4,360,287)	(4,360,287)

7. 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).

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

7. Financial instruments measured at fair value (cont'd)

The Board has determined that it is appropriate to use these reported or latest available unit prices in valuing the investments in unlisted funds. The Company classifies the fair value of these investments as Level 3 in the fair value hierarchy.

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

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

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

- Thorough initial due diligence process and ongoing monitoring procedures, primarily discussions with the underlying unlisted fund investment managers;
- Comparison of historical realisations to the last reported fair values; and
- Review of the financial statements and independent third party valuations of the respective unlisted funds (where available).

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

For the purposes of a sensitivity analysis, the Company considers a 5% adjustment to the reported or latest available unit price, received from the underlying unlisted fund investment managers, used to determine fair value of the unlisted funds as reasonable. At reporting date, if these reported or latest available unit prices used to determine fair value of the unlisted funds changed by 5%, the impact on the Company's profit or loss would have been an increase/decrease by \$6,752,795 (June 21: \$6,408,229).

7. Financial instruments measured at fair value (cont'd)

31 December 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Unlisted private equity funds	-	-	75,764,788	75,764,788
Unlisted private real estate funds	-	-	28,763,875	28,763,875
Unlisted real assets funds	-	-	98,079,730	98,079,730
Unlisted infrastructure funds	-	-	15,000,000	15,000,000
Total	-	-	217,608,393	217,608,393

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

The above financial assets include \$37,533,866 in uncalled capital commitments (June 2021: \$37,635,766). Please refer to Note 8 for further information.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Unlisted private equity funds \$	Unlisted private real estate funds \$	Unlisted real assets funds \$	Unlisted infrastructure funds \$	Total \$
Half year ended 31 December 2021					
Balance at the beginning of the period	69,378,971	29,354,725	97,097,462	15,000,000	210,831,158
Capital deployment [*]	1,699,717	-	-	-	1,699,717
Capital return	(514,509)	(310,292)	-	-	(824,801)
Disposal	-	-	(7,758,239)	-	(7,758,239)
Net unrealised gain/(loss)	5,200,609	(280,558)	6,908,528	-	11,828,579
Net realised gain	-	-	1,831,979	-	1,831,979
At reporting date	75,764,788	28,763,875	98,079,730	15,000,000	217,608,393

^{*}WAM Alternative Assets invested \$1,699,717 in the Hotel Fund 2 during the period.

7. Financial instruments measured at fair value (cont'd)

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

The Company's investments in unlisted funds are subject to specific restrictions on transferability and disposal. Consequently, the risk exists that the Company might not be able to readily dispose of its holdings at the time of its choosing, and also that the price attained on a disposal may be below the amount at which such investments were included in the Company's financial statements.

8. Uncalled capital commitments

	December 2021 \$	June 2021 \$
Palisade Diversified Infrastructure Fund	15,000,000	15,000,000
Barwon Institutional Healthcare Property Fund	15,000,000	15,000,000
Adamantem Fund 2	6,221,366	6,323,266
Strategic Australian Agricultural Fund	1,312,500	1,312,500
	37,533,866	37,635,766

Uncalled capital commitments relate to the Company's contractual agreements to purchase units in unlisted funds which have not been drawn down.

Uncalled capital commitments are subject to be called pursuant to the Trust Deeds of the respective investee funds. During the comparative period, \$15,000,000 of capital was committed to the Palisade Diversified Infrastructure Fund (PDIF), \$15,000,000 of capital was committed to the Barwon Institutional Healthcare Property Fund (BIHPF) and \$8,000,000 of capital was committed to the Adamantem Fund 2. From these commitments, \$101,900 was drawn down to Adamantem Fund 2 during the period to 31 December 2021 (June 2021: \$1,676,734).

9. Segment reporting

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

10. Commitments

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

11. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2021 (June 2021: nil).

12. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 2.0 cents per share to be paid on 14 April 2022.

WAM Alternative Assets' investment partner Fortitude Investment Partners successfully completed the sale of the underlying asset in its QFS fund, a food service and distribution business based in Queensland. The sale proceeds received from the exit are at a premium to the underlying carrying value of the investment as at 31 December 2021. The initial exit proceeds were received in January 2022, with further proceeds expected to be received in due course.

In addition, WAM Alternative Assets' investment partner Cove Property Group successfully completed the sale of the underlying asset in its 441 Ninth Avenue Trust, the Hudson Commons building located at 441 Ninth Avenue, New York. The initial exit proceeds were received in February 2022 at a substantial premium to the underlying carrying value of the investment as at 31 December 2021.

Further detail on the QFS Fund and 441 Ninth Avenue Trust exits will be provided in the Company's monthly investment updates.

No other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affects 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 periods.

Directors' Declaration

The Directors of WAM Alternative Assets Limited declare that:

- 1) The financial statements and notes, as set out on pages 8 to 18, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, 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 31 December 2021 and of its performance for the half year ended on that date.
- 2) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael Cottier
Chairman

Dated this 23rd day of February 2022

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of WAM Alternative Assets Limited ("the Company") which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of WAM Alternative Assets Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual 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 review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



Scott Whiddett
Partner



Pitcher Partners
Sydney

23 February 2022

Wilson Asset Management

Level 26, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000
E info@wilsonassetmanagement.com.au
T + 61 2 9247 6755

wilsonassetmanagement.com.au