

# September 2023 Investment Update

	Pre-tax NTA
W A M Capital	\$1.43
W A M Leaders	\$1.35
W A M Global	\$2.24
W A M Microcap	\$1.28
W A M Alternative Assets	\$1.21
W A M Strategic Value	\$1.18
W A M Research	\$0.93
W A M Active	\$0.76

Dear Fellow Shareholders,

Our new fund, the [Wilson Asset Management Leaders Fund](#) will provide investors access to an actively managed investment portfolio comprised of large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst. We launched the [Wilson Asset Management Leaders Fund](#) on 3 October 2023.

#### How to Apply

You can make an investment in the Fund by completing an Application Form online at [www.boardroomlimited.com.au/wamunlisted](http://www.boardroomlimited.com.au/wamunlisted). The cut off time for applications and withdrawals is 2:00pm (Sydney time) on the last business day of each month. We encourage you to read the [product disclosure statement](#) (PDS), [target market determination](#) (TMD) and [fact sheet](#).

[Apply Here](#) >

#### Wilson Asset Management Leaders Fund presentations

I look forward to meeting you at our presentations in [Sydney](#), [Brisbane](#) or [Melbourne](#), where Portfolio Managers Matthew Haupt and John Ayoub and I will discuss our market outlook, the stocks we are buying and the details of the Wilson Asset Management Leaders Fund. We were pleased to answer your questions in Perth and Adelaide earlier this week.

Matthew, John and I also discussed the Wilson Asset Management Leaders Fund during a recent Q&A webinar. You can listen to the recording [here](#) and access the slides [here](#).

#### Join me for an 'In Conversation' session

I will also be discussing my views on the market, franking credits, what I have learnt from over 40 years in the industry and my top stock picks in the current environment during an 'In Conversation' session following the Wilson Asset Management Leaders Fund presentation. If you have any questions on the new Fund or if there are any topics you would like me to cover during the "In Conversation", please email me [here](#). Seating is limited, please register your attendance [here](#).

#### Equity market update

Global equities fell in September as the US Federal Reserve indicated that interest rates will remain higher through 2024. This has in turn pushed up bond yields, with the 10-year US Treasury yield reaching 4.658% during the month, its highest level since October 2007. In Australia, annual inflation increased for the first time in four months due to rising oil prices. The MSCI World Index (AUD) closed down 4.0% while the S&P/ASX All Ordinaries Accumulation Index closed down 2.8% in September.

#### Regional Shareholder Presentations

Our investment team greatly enjoyed meeting with our shareholders in Newcastle to discuss their investment portfolios over a cup of tea. If you have not yet registered for our presentations in the Gold Coast, Noosa, Toowoomba or Launceston, please do so [here](#). We look forward to meeting you.

#### In the media

The [Australian Financial Review](#) covered the Wilson Asset Management Leaders Fund and Matthew and I spoke to [The Australian](#).

Lead Portfolio Manager Oscar Oberg shared the best piece of investing advice he has received in [Livewire](#). Portfolio Manager Tobias Yao shared his top long-term stock pick, Tuas (ASX: TUA) in an article for the [Australian Financial Review](#) alongside a number of Future Generation's pro bono fund managers. Wilson Asset Management is the creator and lead supporter of Future Generation.

Speaking at [Livewire Live](#) on the shocking predictions panel, WAM Alternative Assets (ASX: WMA) Portfolio Manager Dania Zinurova gave her prediction that Australian food prices will rise beyond our expectations. Dania explains that while a growing global population and an increasing demand for food will increase the price of our weekly grocery basket, this presents opportunities that can benefit the WAM Alternative Assets investment portfolio.

Thank you for your support.



Geoff Wilson AO  
Chairman



# LIC snapshot



## W|A|M Capital

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$1.695
NTA before tax	\$1.43
Full year fully franked dividend	15.5cps
Profits reserve#	14.3cps

## W|A|M Leaders

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.49
NTA before tax	\$1.35
Full year fully franked dividend	9.0cps
Profits reserve#	36.1cps

## W|A|M Global

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.92
NTA before tax	\$2.24
Full year fully franked dividend	11.5cps
Profits reserve#	53.3cps

## W|A|M Microcap

The most exciting undervalued growth opportunities in the Australian micro-cap market

ASX: WMI

Share price*	\$1.44
NTA before tax	\$1.28
Full year fully franked dividend	10.5cps
Profits reserve#	52.9cps

## W|A|M Alternative Assets

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.06
NTA before tax	\$1.21
Full year fully franked dividend	5.0cps
Profits reserve#	18.5cps

## W|A|M Strategic Value

Discounted asset opportunities

ASX: WAR

Share price*	\$1.06
NTA before tax	\$1.18
Annualised interim fully franked dividend guidance**	4.0cps
Profits reserve#	11.4cps

## W|A|M Research

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.05
NTA before tax	\$0.93
Full year dividend	10.0cps
Profits reserve#	39.9cps

## W|A|M Active

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.71
NTA before tax	\$0.76
Full year fully franked dividend	6.0cps
Profits reserve#	10.2cps

\*As at 12 October 2023. WAM Microcap, WAM Strategic Value, WAM Research and WAM Active shares traded ex-dividend on 3 October 2023, WAM Alternative Assets shares traded ex-dividend on 5 October 2023 and WAM Global shares traded ex-dividend on 12 October 2023.

#The profits reserve figures are as at 30 September 2023 in cents per share (cps).

\*\*Subject to no material adverse changes in market conditions or to the investment portfolio.

# W | A | M Research

The WAM Research (ASX: WAX) investment portfolio decreased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Leading imaging IT provider Pro Medicus (ASX: PME) and financial services company Generation Development Group (ASX: GDG) were contributors to the investment portfolio outperformance.

Pro Medicus is a leading imaging IT provider supplying a full range of radiology IT software and services to hospitals, imaging centres and health care groups worldwide. During the month, the company announced its wholly-owned US subsidiary Visage Imaging had signed a \$140 million 10-year contract with Baylor Scott & White Health (BSWH), the largest not-for-profit healthcare system in Texas and one of the largest in the US. This is the eighth contract Pro Medicus has signed this year and the largest it has signed since it was founded in 1983. Once implemented, the new systems will be used by nearly 500 radiologists at BSWH. This deal highlights Pro Medicus' growing presence in the global healthcare technology sector and we remain positive on the company's FY2024 outlook.

Generation Development Group focuses on the marketing and management of life insurance and life investment products and services to the retail sector in Australia and the provision of administration services in the financial services industry. Following its positive FY2023 result where the company reported total sales of \$530 million for both investment bonds and annuities, Generation Development Group's funds under management increased 22% to \$2.6 billion and its equity holding in Lonsec also increased from 40.7% to 49.2%. This was reflected in the company's share price, which is up more than 25% over the past three months. We remain positive on Generation Development Group's ability to continue outgrowing overall sales into FY2024 due to the record demand for investment bonds in June 2023 and the likelihood of this continuing in the longer term.

## Market capitalisation (ASX: WAX)

\$231.0m<sup>#</sup>

## Gross assets

\$189.9m

## Listed equities

\$172.6m

## Investment portfolio performance (pa since change in investment strategy July 2010)

13.5%<sup>^</sup>

S&P/ASX All Ordinaries Accumulation Index: 8.4%

## Dividends paid since inception (per share)

139.0c

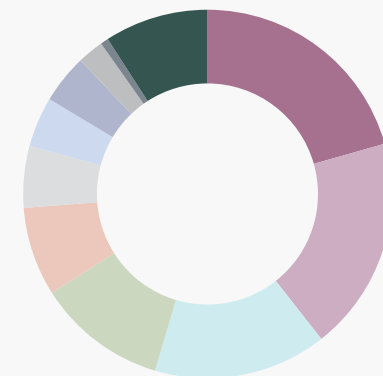
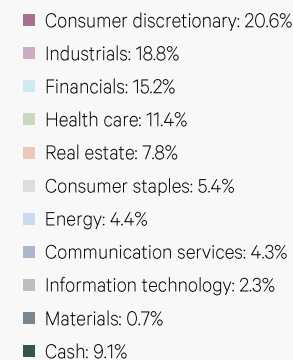
## Full year dividend yield

8.7%<sup>#</sup>

<sup>#</sup>Based on the 29 September 2023 share price of \$1.15 per share and the FY23 full year dividend of 10.0 cents per share, with the final dividend being 5.0 cents per share, partially franked at 60%. WAM Research has 200,885,140 shares on issue.

<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

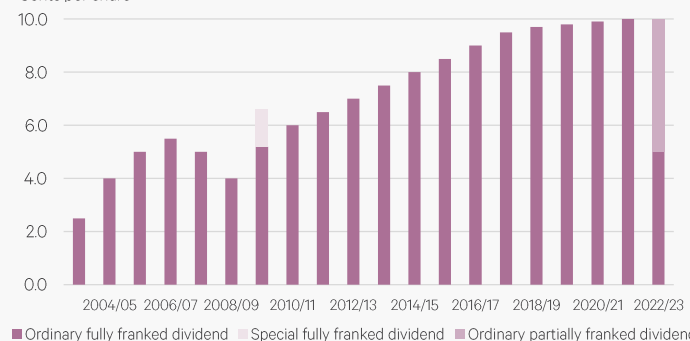
## Diversified investment portfolio by sector



## Dividends since inception

The Board declared a final dividend of 5.0 cents per share, partially franked at 60%, the maximum extent possible with the franking account balance at year end. The Company's ability to continue paying franked dividends in FY2024 is dependent on the future franked dividends received from investee companies held within the WAM Research investment portfolio, and future tax paid on realised profits generated by the investment portfolio. In FY2024, it is anticipated that the franked dividends received from investee companies in the investment portfolio will generate franking to fully frank approximately 2.0 cents per share in a dividend for shareholders and any additional franking would need to be generated through the payment of tax on profits.

Cents per share



## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final dividend of 5.0 cents per share, partially franked at 60%, due to be paid on 16 October 2023. The shares traded ex-dividend on 3 October 2023.

<sup>^</sup>The September 2023 NTA before tax is after the payment of \$460k (0.23 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains <sup>*</sup>	NTA after tax <sup>*</sup>
September 2023	93.09c <sup>^</sup>	99.07c	100.12c
August 2023	95.72c	100.91c	101.66c

<sup>\*</sup>Includes 5.56 cents per share of income tax losses available to the Company in future periods.

## Top 20 holdings (in alphabetical order)

 CCP	 GEM	 GUD	 HMC	 JIN	 KLS	 LIC	 MGH	 PME	 PNI
 REH	 SGF	 SHV	 SIG	 THL	 TNE	 TUA	 TYR	 VEA	 WEB

# W | A | M Capital

The WAM Capital (ASX: WAM) investment portfolio decreased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Leading imaging IT provider Pro Medicus (ASX: PME) and technology company DUG Technology (ASX: DUG) were contributors to the investment portfolio outperformance.

Pro Medicus is a leading imaging IT provider supplying a full range of radiology IT software and services to hospitals, imaging centres and health care groups worldwide. During the month, the company announced its wholly-owned US subsidiary Visage Imaging had signed a \$140 million 10-year contract with Baylor Scott & White Health (BSWH), the largest not-for-profit healthcare system in Texas and one of the largest in the US. This is the eighth contract Pro Medicus has signed this year and the largest it has signed since it was founded in 1983. Once implemented, the new systems will be used by nearly 500 radiologists at BSWH. This deal highlights Pro Medicus' growing presence in the global healthcare technology sector and we remain positive on the company's FY2024 outlook.

DUG Technology is an Australia-based technology company specialising in analytical software development and high-performance computing. The company's share price performed strongly in September following its positive FY2023 result. DUG Technology secured almost USD50 million in new services projects in FY2023 and expanded into new markets. DUG Technology also announced record breaking profitability with a 51% increase in revenue to USD50.9 million and a 153% increase in its net profit after tax to USD4.9 million. We believe the FY2024 outlook for the company is positive with several software evaluations underway with potential customers.

## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 7.75 cents per share due to be paid on 31 October 2023. The shares will trade ex-dividend on 17 October 2023. The September 2023 NTA before tax is after the payment of \$2.5m (0.23 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
September 2023	143.08c <sup>^</sup>	159.57c	159.51c
August 2023	147.26c	163.87c	162.10c

\*Includes 1.65 cents per share of tax assets resulting from the acquisition of investment companies and 15.49 cents per share of income tax losses available to the Company in future periods.

## Market capitalisation (ASX: WAM)

\$1,871.0m<sup>#</sup>

## Gross assets

\$1,604.2m

## Listed equities

\$1,427.3m

## Investment portfolio performance (pa since inception Aug 1999)

14.9%<sup>^</sup>

S&P/ASX All Ordinaries Accumulation Index: 8.1%

## Dividends paid since inception (per share)

292.75c

## Fully franked dividend yield

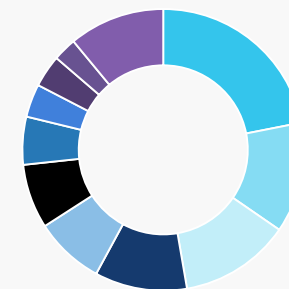
9.1%<sup>#</sup>

<sup>#</sup>Based on the 29 September 2023 share price of \$1.70 per share and the FY23 full year fully franked dividend of 15.5 cents per share. WAM Capital has 1,100,603,773 shares on issue.

<sup>^</sup>Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

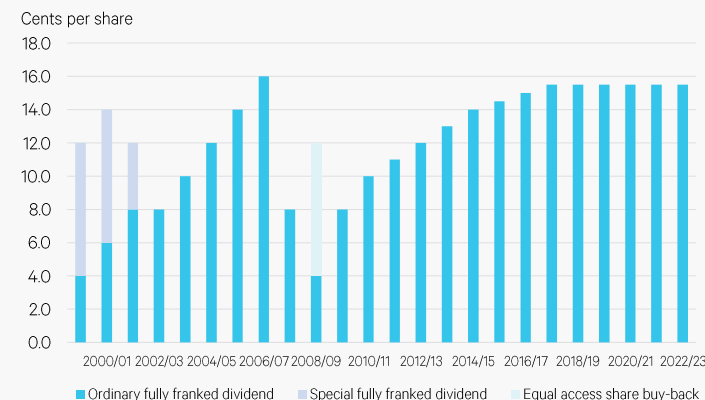
## Diversified investment portfolio by sector

- Consumer discretionary: 21.9%
- Industrials: 12.7%
- Financials: 12.7%
- Information technology: 10.6%
- Health care: 8.0%
- Communication services: 7.4%
- Real estate: 5.5%
- Materials: 3.8%
- Energy: 3.7%
- Consumer staples: 2.7%
- Cash: 11.0%



## Fully franked dividends since inception

The Board declared a final fully franked dividend of 7.75 cents per share payable on 31 October 2023. The Company's ability to continue paying fully franked dividends at the current level is dependent on generating additional profits reserves, through positive investment portfolio performance in FY2024, and franking credits. The ability to generate additional franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.



## Top 20 holdings (in alphabetical order)

Life360	Bapcor	Credit Corp Group	FLIGHT CENTRE TRAVEL GROUP	GB Education™	HM Capital	JUMBO	KELSIAN CONNECTING PEOPLE & PLACES	Lifestyle COMMUNITIES	LIGHT & WONDER
360	BAP	CCP	FLT	GEM	HMC	JIN	KLS	LIC	LNW
MAAS	Megaport	NEXT DC	Pinnacle	SELECT HARVESTS	Sigma Healthcare	TUAS Building Better Connections	tyro	VIVA Energy Australia	Webjet Limited
MGH	MP1	NXT	PNI	SHV	SIG	TUA	TYR	VEA	WEB

# W | A | M Leaders

The WAM Leaders (ASX: WLE) investment portfolio decreased during the month. The S&P/ASX 200 Accumulation Index fell alongside global markets, as US bond yields reached their highest levels in over a decade and the US Federal Reserve remains steadfast to its “higher for longer” interest rate rhetoric. A contributor to the investment portfolio performance was Treasury Wine Estates (ASX: TWE) while Orora (ASX: ORA) was a detractor.

Treasury Wine Estates is the largest listed premium wine company globally and has been a long-term holding in the WAM Leaders investment portfolio. There has been positive news flow on the China and Australia trade relationship, including the Chinese Ministry of Commerce releasing a statement around its willingness to work with Australia to resolve the current wine tariff matters, recent removals of tariffs on Australian barley and hay, as well as Australia being added as a preferred tourist destination. Treasury Wine Estates continues to be a key holding in the investment portfolio, as we see the eventual removal of China’s wine tariff to drive a share price re-rating, along with a potential earnings upgrade cycle. We also believe the company is well placed to capitalise on the strong luxury and premium wine industry trends, which have proven resilient against a softening macroeconomic backdrop. The company’s strong balance sheet position also provides further optionality for capital returns or acquisitions.

Orora provides beverage cans and glass packaging in Australia and New Zealand, and total packaging solutions including corrugated sheet manufacturing and packaging material distribution in the US, Canada and Mexico. The company announced the acquisition of Saverglass SAS, a global leader in high-end bottle manufacturing for premium spirits and wines, based in France. The deal was valued at \$2.16 billion, funded primarily through a combination of equity and debt. This strategic move came as a surprise to the market, given the size, geography and product diversification, impacting Orora’s share price. While the market may need time to digest this transformation given its scale, we see significant potential in this acquisition, and hence utilised the equity raise to substantially increase our investment portfolio weighting in Orora. We believe the acquisition provides Orora with a global footprint in the premium spirits and wines market, which is one of the most resilient and fastest growing categories in liquor, supported by the strong market niche with high barriers to entry and low customer churn. We anticipate this strategic alignment to yield both cost efficiencies and revenue synergies leveraging Orora’s existing operations and customer base, ultimately enhancing the long-term value of the company.

## Market capitalisation (ASX: WLE)

\$1,860.9m\*

## Gross assets

\$1,729.5m

## Listed equities

\$1,690.4m

## Investment portfolio performance (pa since inception May 2016)

12.9%<sup>^</sup>

S&P/ASX 200 Accumulation Index: 8.0%

## Dividends paid since inception (per share)

39.65c

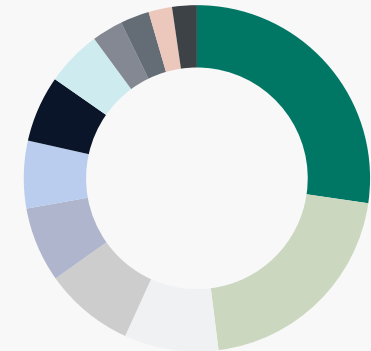
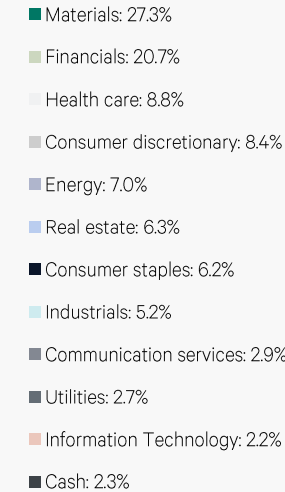
## Fully franked dividend yield

6.1%\*

\*Based on the 29 September 2023 share price of \$1.48 per share and the FY23 full year fully franked dividend of 9.0 cents per share. WAM Leaders has 1,257,331,124 shares on issue.

<sup>^</sup>Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

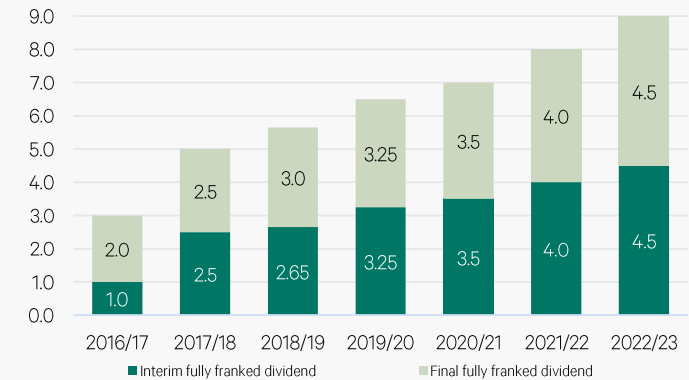
## Diversified investment portfolio by sector



## Fully franked dividends since inception

The Board declared a final fully franked dividend of 4.5 cents per share payable on 31 October 2023.

Cents per share

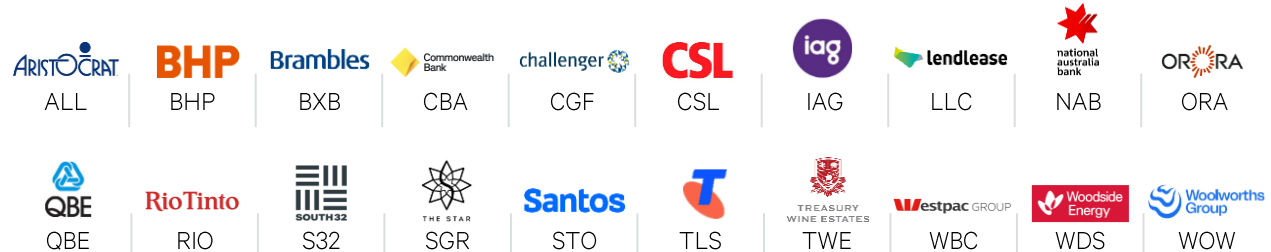


## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 4.5 cents per share due to be paid on 31 October 2023. The shares will trade ex-dividend on 17 October 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
September 2023	135.14c	135.22c	137.53c
August 2023	140.81c	140.69c	141.30c

## Top 20 holdings (in alphabetical order)



# W | A | M Global

The WAM Global (ASX: WGB) investment portfolio decreased during the month. The MSCI World Index (AUD) fell as global markets reacted to increasing US bond yields and the US Federal Reserve indicating that interest rates will remain higher through 2024. Testing, inspection and certification (TIC) company Applus (BME: APPS) was a contributor to the investment portfolio performance while commercial data and analytics provider Dun & Bradstreet (NYSE: DNB) was a detractor.

Applus is a Spain-based global provider of TIC services. Applus provides its services to clients across multiple industries, including infrastructure and construction, renewable energy, power, and oil and gas. Applus' recent positive share price performance can be attributed to corporate activity, as Applus is the subject of multiple takeover offers from Private Equity (PE) firms. In June 2023 Applus received an EUR9.50 per share offer from Apollo Global Management to purchase 100% of the share capital in Applus and takeover the company. Subsequently, two additional PE firms, I Squared Capital Advisors and TDR Capital, jointly launched a counteroffer at an improved price of EUR9.75 per share. Currently, Applus' shares are trading above this improved price, indicating that the market expects further bidding to take place. We believe the current bids by Apollo and I Squared Capital and TDR Capital still represent a discount to our assessment of the fair value of Applus' business. Our view is that the market continues to underappreciate management's portfolio evolution toward higher growth end markets which could unlock significant earnings power for the business.

Dun & Bradstreet is a leading provider of data and analytics to support companies making commercial credit and marketing decisions. Dun & Bradstreet enables customers to improve their supply chain visibility, their understanding of key counterparties, and the performance of sales and marketing activities. In August, Dun & Bradstreet reported its second quarter fiscal 2023 revenues of USD555 million and earnings per share (EPS) of USD0.22, both of which beat analyst expectations. Despite solid fundamental results, the company's share price has been experiencing weakness due to the market's broader sell-off of smaller capitalisation companies. Management has made significant investments in technology and product improvements over the past five years and are seeing the benefits of this with increased retention, up-and-cross sell of adjacent products, and improved organic growth. Additionally, the company's solutions tend to be critical to customers, as seen by the resiliency of the company's revenues through prior economic slowdowns. The combination of these factors supports our investment thesis that the recent share price weakness is not representative of the underlying strength of the business, and as the company continues to drive organic growth through product innovation, this will act as a catalyst to unlock share price appreciation.

## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 5.75 cents per share due to be paid on 27 October 2023. The shares traded ex-dividend on 12 October 2023.

\*The September 2023 NTA before tax is after the payment of \$2.4m (0.68 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
September 2023	224.07c <sup>^</sup>	225.08c	228.82c
August 2023	237.21c	235.25c	237.55c

\*Includes 0.29 cents per share of tax assets resulting from the acquisition of investment companies.

## Market capitalisation (ASX: WGB)

\$703.1m\*

## Gross assets

\$797.3m

## Listed equities

\$764.1m

## Investment portfolio performance (pa since inception June 2018)

6.9%<sup>^</sup>

MSCI World Index (AUD): 10.3%

## Dividends paid since inception (per share)

35.75c






## Fully franked dividend yield

5.8%\*

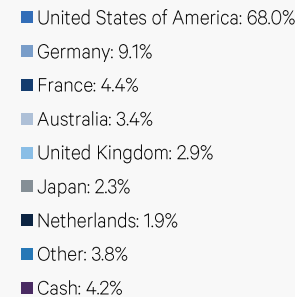
\*Based on the 29 September 2023 share price of \$1.99 per share and the FY23 full year fully franked dividend of 11.5 cents per share. WAM Global has 353,297,218 shares on issue.

\*Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

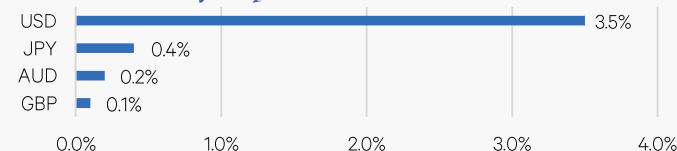
## Top 20 holdings (in alphabetical order)

 Adobe ADBE US	 Gallagher AJG US	 Avantor AVTR US	 Booz   Allen   Hamilton BAH US	 CME Group CME US	 dun & bradstreet DNB US	 eventim EVD GR	 Edwards EW US	 expedia group EXPE US	 HCA Healthcare HCA US
 ICE ICE US	 ICLR ICLR US	 INTUIT INTU US	 PWR PWR US	 SAFRAN SAF FP	 SAP SAP GY	 TELEVINE TECHNOLOGIES TDY US	 TransUnion TRU US	 Tradeweb TW US	 VISA V US

## Portfolio by geographical exposure

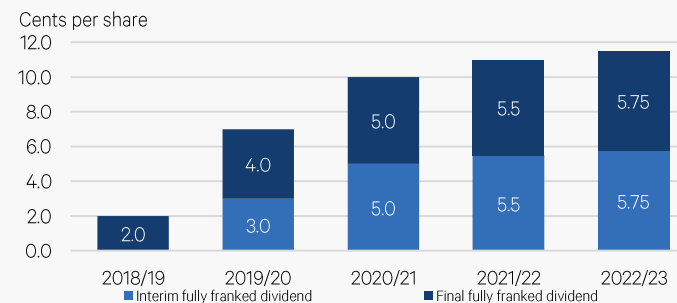


## Cash currency exposure



## Fully franked dividends since inception

The Board declared a final fully franked dividend of 5.75 cents per share payable on 27 October 2023. The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits in FY2024. Currently, the franking account balance of the Company is able to fully frank the final dividend and partially frank the interim dividend assuming it's 5.75 cents per share. If no additional franking is generated through the performance of the investment portfolio and the payment of tax on profits, the Company will only be able to partially frank future dividends or pay unfranked dividends in FY2024 and beyond.



# W | A | M Microcap

The WAM Microcap (ASX: WMI) investment portfolio decreased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included Tuas (ASX: TUA), which owns and operates a mobile network and provides telecommunications services in Singapore, and Australian-owned online luxury fashion retail platform Cettire (ASX: CTT).

Tuas operates in the Singaporean mobile telecommunications market utilising its network infrastructure to provide mobile telecommunication services. Tuas announced a strong FY2023 result during the month and is experiencing sustained growth in its primary mobile business in Singapore. The company's mobile active services increased from 587,000 as at 31 July 2022 to 819,000 as at 31 July 2023. Tuas' revenue increased to \$86.1 million for FY2023, up from \$57.4 million in FY2022. We are positive on Tuas' ability to continue expanding its services, with the company announcing its intention to focus on launching its 5G and fixed broadband services. Additionally, the company has a strong pipeline in place to continue introducing attractive value plans to grow subscribers in FY2024.

Cettire listed on the ASX in late 2020 and is an online luxury fashion retail platform selling clothing, shoes and accessories from international high-end fashion brands. The company's FY2023 results highlighted significant growth during the year, nearly doubling its sales revenue from the previous year, up 98% to \$416.2 million. The company sells more than 500,000 products with access to more than 2,500 brands using its unique business model, which enables the company to have no inventory overheads and act as a drop shipper. Cettire also uses proprietary technology, which enables scalability for customer acquisition and automated order fulfilment. In September, the company was added to the S&P/ASX 300 Index leading to a 5.1% increase in the company's share price for the month.

## Market capitalisation (ASX: WMI)

\$318.6m\*

## Gross assets

\$276.1m

## Listed equities

\$250.1m

## Investment portfolio performance (pa since inception June 2017)

14.5%<sup>^</sup>

S&P/ASX Small Ordinaries Accumulation Index: 5.0%

## Dividends paid since inception (per share)

49.0c

## Fully franked dividend yield

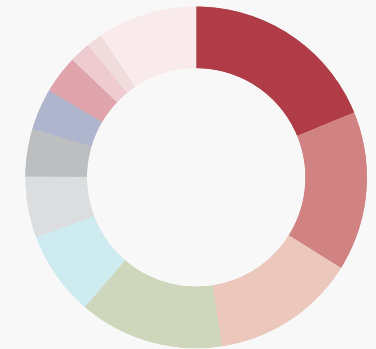
7.0%\*

\*Based on the 29 September 2023 share price of \$1.51 per share and the FY23 full year fully franked dividend of 10.5 cents per share. WAM Microcap has 210,979,923 shares on issue.

<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

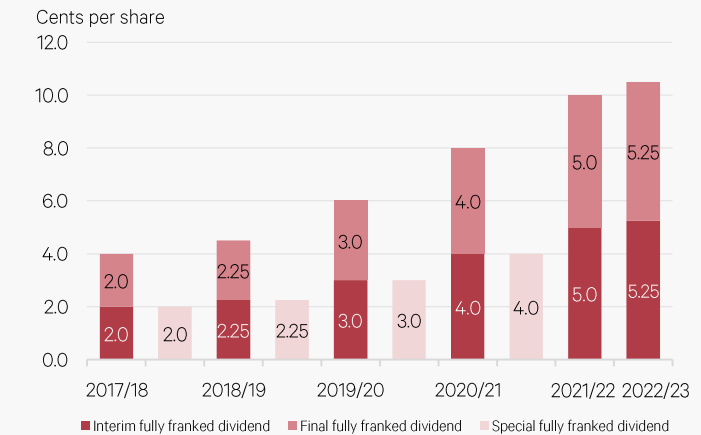
## Diversified investment portfolio by sector

- Consumer discretionary: 18.8%
- Financials: 15.1%
- Industrials: 13.7%
- Information technology: 13.7%
- Health care: 8.0%
- Communication services: 5.8%
- Materials: 4.5%
- Utilities: 3.9%
- Energy: 3.6%
- Consumer staples: 2.0%
- Real estate: 1.5%
- Cash: 9.4%



## Fully franked dividends since inception

The Board declared a final fully franked dividend of 5.25 cents per share payable on 16 October 2023.

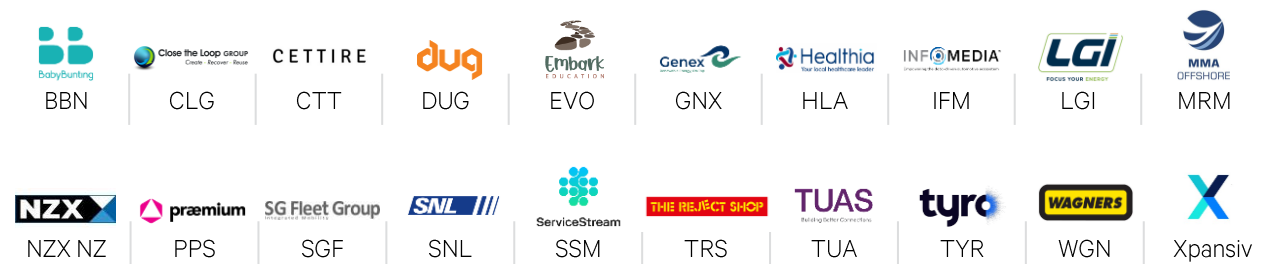


## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 5.25 cents per share due to be paid on 16 October 2023. The shares traded ex-dividend on 3 October 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
September 2023	128.44c	129.03c	130.91c
August 2023	130.36c	130.47c	132.10c

## Top 20 holdings (in alphabetical order)



# W | A | M Alternative Assets

The WAM Alternative Assets (ASX: WMA) investment portfolio increased during the month, primarily driven by the underlying performance of its infrastructure investments managed by Palisade Investment Partners. Infrastructure as an asset class tends to benefit from a higher inflationary environment due to the inherent inflation linkage of their underlying revenues.

During the month, WAM Alternative Assets' investment partner, Allegro Funds, advised that it has signed a binding agreement with PwC Australia to support a partner-led buyout of PwC Australia's public sector advisory business, now known as Scyne Advisory. The transaction is expected to be completed in October 2023, subject to the satisfaction of customary conditions for transactions of this nature, including regulatory and third-party approvals. Allegro Funds will commit \$100 million to the deal to separate the business and fund its working capital and operational costs to transition to an independent, standalone business.

Allegro Funds has made significant progress since the initial announcement of the acquisition of Scyne Advisory in June, with more than 1,400 PwC staff and 110 partners committed to joining the new business. A leadership team, led by Managing Partner Richard Gwilym, has been established and a search is underway for a chief executive officer. Allegro Funds believes the creation of Scyne Advisory represents an attractive opportunity to transform a business, and lead an industry-wide shift to specialised public sector advisory free from the conflict of supporting the private sector. This opportunity will enable Allegro Funds to build a brand-new independent business and drive transformation within the public sector advisory industry. Allegro Funds has a clear and differentiated strategic vision and has established an industry-leading governance structure that mirrors ASX-listed companies and is aligned with the APS Code of Conduct.

WAM Alternative Assets continued deploying capital into the Barwon Institutional Healthcare Property Fund (BIHPF), managed by our investment partner, Barwon Investment Partners (Barwon). BIHPF has a robust pipeline of new acquisitions and development projects and will be progressively calling on committed capital from its investors. One example of a development project is the La Trobe Private Hospital, located in Bundoora, Victoria. Barwon has leased 100% of the asset on a 50-year triple net lease to Healthscope, the second largest private hospital operator in Australia. A triple net lease is a lease agreement on a property whereby the lessee promises to pay all the expenses of the property, including real estate taxes, building insurance and maintenance. On completion, the hospital will comprise four new operating theatres, 34 beds, 11 consulting suites and other areas for imaging, pathology and a café. The hospital forms part of the wider health and wellbeing precinct and is adjacent to the recently announced \$5 billion University City of the Future Plan project at La Trobe's Bundoora Campus. The build is scheduled for completion in late November 2023.

## Market capitalisation (ASX: WMA)

\$206.9m\*

## Gross assets

\$239.2m

## Investment portfolio performance

(pa since appointment of Wilson Asset Management as Investment Manager October 2020)

10.8%<sup>^</sup>

## Profits reserve (per share)

18.5c

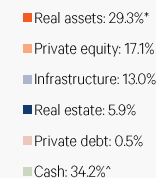
## Full year fully franked dividend (per share)

5.0c

\*Based on the 29 September 2023 share price of \$1.06 per share. WAM Alternative Assets has 195,209,463 shares on issue.

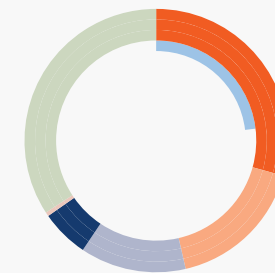
<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes.

## Asset class exposure



\*Total capital commitments are 20.2%.

\*Real assets includes:



Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	70.2	29.3	(0.1)	(0.1)
Private equity <sup>*</sup>	40.8	17.1	0.5	1.2
Infrastructure	31.2	13.0	0.5	1.6
Real estate <sup>*</sup>	14.2	5.9	3.6	34.0
Private debt	1.1	0.5	-	-
Cash <sup>^</sup>	81.7	34.2	(4.1)	(4.8)
<b>Grand total</b>	<b>239.2</b>	<b>100.0</b>	<b>0.4</b>	<b>0.2</b>

<sup>\*</sup>Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Allegro Fund IV (\$7.6m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$4.9m); the Barwon Institutional Healthcare Property Fund (\$4.0m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, capital commitments to the Barwon Institutional Healthcare Property Fund (\$3.8m), the Adamantem Fund II (\$422k) and the WMA Fortitude PE Trust (\$78k) were drawn down.

<sup>^</sup>During the month, exit proceeds were received from the Darra Industrial Income Fund (\$36k) and the Hotel Funds (\$28k).

## Asset Classes

### Real assets

Agricultural assets and investments in perpetual water entitlements which can be sold or leased to irrigators to generate income.

### Private equity

Unlisted companies with long-term and accelerated growth potential.

### Real estate

Industrial and healthcare assets.

### Infrastructure

Mid-market infrastructure assets across a range of essential services and facilities including air and sea transport, renewable energy and utilities.

### Private debt

Senior secured loans to established Australian and New Zealand-based businesses.

## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 2.5 cents per share due to be paid on 20 October 2023. The shares traded ex-dividend on 5 October 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
September 2023	120.65c	120.79c	119.84c
August 2023	120.44c	120.61c	119.69c

## Top holdings

### Real assets



#### Water Fund

Pioneer and leading non-irrigator water investor in Australia

### Strategic Australian Agriculture Fund

Investing across Australian water entitlements, farmland and associated businesses and agricultural infrastructure

### Private equity



A provider of outsourced e-commerce solutions in South-East Asia



A manufacturer of premium condiments, desserts and beverages

### Infrastructure



Palisade's Diversified Infrastructure Fund

Palisade's Renewable Energy Fund

### Private Debt



Australian Senior Loan Fund

### Real estate



Barwon Institutional Healthcare Property Fund



Centennial CEN (I&L) Partnership Fund

## New Investment Partners



Mid-market private equity buy-out strategy



Australian senior secured loan strategy



Last-mile logistics real estate strategy



Australian healthcare real estate strategy



Mid-market infrastructure strategy



Mid-market private equity strategy with a focus on healthcare



Turnaround, special situations and transformation private equity strategy



# WAM Strategic Value

The WAM Strategic Value (ASX: WAR) investment portfolio decreased during the month as surging oil prices, rising bond yields and an expectation that interest rates will remain higher for longer negatively impacted investor sentiment. In September, the investment portfolio continued to demonstrate its defensive characteristics amid volatile equity markets, outperforming domestic and global equity markets, with the S&P/ASX All Ordinaries Accumulation Index and MSCI World Index (AUD) falling 2.8% and 4.0% respectively.

Global Data Centre (ASX: GDC) delivered a strong contribution to WAM Strategic Value's investment portfolio performance during the month with its share price increasing 9.1%. The positive share price movement was influenced by news that one of the Global Data Centre's investments, AirTrunk, could be subject of an initial public offering (IPO). An IPO would likely result in a realisation of Global Data Centre's 1% interest in AirTrunk at a significant premium to carrying value which would be accretive to its current net tangible assets (NTA). The share price of Global Data Centre has risen 72.5% during the 2023 calendar year to date and we expect the price to continue to track towards its underlying NTA value as asset realisations occur.

NGE Capital (ASX: NGE) is a listed investment company (LIC) that provides investors with exposure to a concentrated, high conviction, actively managed portfolio of Australian and international equities. NGE Capital also contributed to investment portfolio performance during the month as its share price increased 12.3%. The positive share price performance in excess of NTA performance resulted in a narrowing of the share price discount to NTA from 26.1% to 19.4% in September. We continue to believe that the share price discount to NTA will dissipate over time as shareholder sentiment towards equities improve.

LICs and listed investment trusts (LITs) with exposure to global equities detracted from the investment portfolio performance during the month, in particular Magellan Global Fund (ASX: MGF). During the month, Magellan Global Fund's share price declined 5.4%. In Magellan's August 2023 investor update, Chief Executive Officer David George stated that the company will remain focused on closing the discount to NTA in FY2024. The pace of Magellan Global Fund's share buy-back has increased recently and during October the fund announced that it will increase the daily level of units purchased, providing NTA accretion and performance for investors. We believe that the improved performance and increased communications and marketing will assist in closing the share price discount to NTA over the longer term, with the short-term benefits of the buy-back providing liquidity for investors looking to exit their investment.

## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 2.0 cents per share due to be paid on 30 October 2023. The shares traded ex-dividend on 3 October 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
September 2023	118.39c	118.56c	122.30c
August 2023	119.30c	119.52c	122.87c

Market capitalisation (ASX: WAR)

\$186.4m\*

Full year fully franked dividend

3.5cps

Gross assets

\$214.1m<sup>^</sup>

Annualised interim fully franked dividend guidance

4.0cps\*\*

\*Based on the 29 September 2023 share price of \$1.035 per share and 180,125,761 shares on issue.

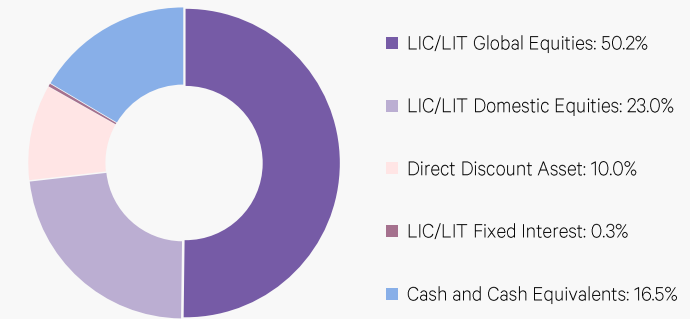
<sup>^</sup>Gross assets exclude the \$233k offer costs receivable balance associated with the Initial Public Offering (repayable by the Investment Manager).

\*\*Subject to no material adverse changes in market conditions or to the investment portfolio.

## About WAM Strategic Value

WAM Strategic Value will take advantage of market mispricing opportunities, including securities trading at discounts to assets or net tangible assets, corporate transactions and dividend yield arbitrages. WAM Strategic Value aims to deliver strong risk-adjusted returns derived from a portfolio primarily composed of discounted asset opportunities selected using the proven market-driven investment process we have developed over more than two decades.

Diversified investment portfolio by listed investment company/trust (LIC/LIT) sector



September 2023 look-through pre-tax NTA

\$1.35

## Look-through NTA before tax

The Australian Accounting standards 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.

## Top 20 holdings (in alphabetical order)

AMP	CD2	CD3	CIN	GDC	LRK	MGF	NGE	NSC	PIA
PMC	QVE	RG8	SB2	SEC	TCF	TEK	URF	VG1	WGB*

\*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.

# W | A | M Active

The WAM Active (ASX: WAA) investment portfolio decreased during the month. Technology company DUG Technology (ASX: DUG) was a contributor, while gold exploration company Bellevue Gold (ASX: BGL) was a detractor.

DUG Technology is an Australia-based technology company specialising in analytical software development and high-performance computing. The company's share price performed strongly in September following its positive FY2023 result. DUG Technology secured almost USD50 million in new services projects in FY2023 and expanded into new markets. DUG Technology also announced record breaking profitability with a 51% increase in revenue to USD50.9 million and a 153% increase in its net profit after tax to USD4.9 million. We believe the FY2024 outlook for the company is positive with several software evaluations underway with potential customers.

Bellevue Gold, together with its subsidiaries, engages in the exploration and evaluation of gold properties in Australia. The company was a detractor to the investment portfolio performance during the month due to the weakening price of gold. Gold fell to near seven-month lows in September to USD1,878.60 an ounce, down USD12.30, or 0.6%. The spot price of gold was also down 2.6% in September to USD1,671.8 an ounce, its lowest price since March 2023. We took the opportunity to add to our position of Bellevue Gold through the period with a key upcoming catalyst being the completion of its processing plant and the pouring of first gold in the December quarter.

## Market capitalisation (ASX: WAA)

\$56.3m<sup>#</sup>

## Gross assets

\$57.5m

## Listed equities

\$53.0m

## Investment portfolio performance (pa since inception Jan 2008)

10.0%<sup>^</sup>

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

## Dividends paid since inception (per share)

89.7c

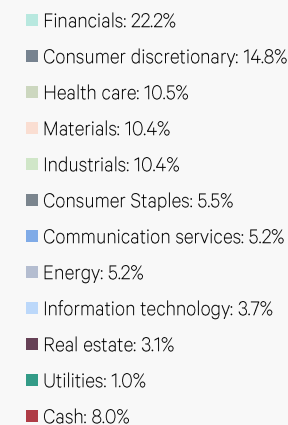
## Fully franked dividend yield

8.0%<sup>#</sup>

<sup>#</sup>Based on the 29 September 2023 share price of \$0.75 per share and the FY23 full year fully franked dividend of 6.0 cents per share. WAM Active has 75,068,303 shares on issue.

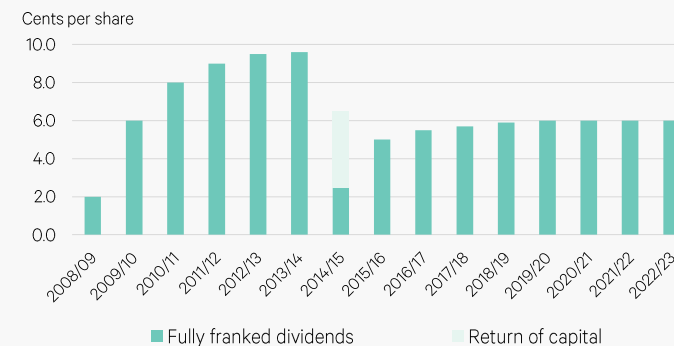
<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes to compare to the relevant indexes which are also before expenses, fees and taxes.

## Diversified investment portfolio by sector



## Fully franked dividends since inception

The Board declared a final fully franked dividend of 3.0 cents per share payable on 16 October 2023. The Company's ability to continue paying fully franked dividends 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 profits.



## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the final fully franked dividend of 3.0 cents per share due to be paid on 16 October 2023. The shares traded ex-dividend on 3 October 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
September 2023	75.71c	84.97c	86.14c
August 2023	78.08c	86.75c	87.73c

\*Includes 10.00 cents per share of income tax losses available to the Company in future periods.

## Top 20 holdings (in alphabetical order)

Life360 360	AMP AMP	Bapcor BAP	BELLEVUE GOLD BGL	BORAL BLD	CFL CKF	FLIGHT CENTRE TRAVEL GROUP FLT	KEYBRIDGE CAPITAL LIMITED KBC	LIGHT & WONDER LNW	Megaport MP1
nickscali NCK	News Corp NWS	NEXT DC NXT	oh! OML	PREMIER INVESTMENTS PMV	RYMAN NZ RYM NZ	SiteMinder SDR	smartpay SMP	tpg TELECOM TPG	Worley WOR