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WAM Alternative Assets Investor Q&A

Tuesday, 15 December 2020

Geoff Wilson: Thank you for joining us today to hear about WAM Alternative Assets (ASX: WMA). You have all been invited along because you are the shareholders that own this company and we are here because you allow us to be involved.

My name is Geoff Wilson and I'm Chairman and Chief Investment Officer of Wilson Asset Management. I am also a Director of WAM Alternative Assets and Acting Chairman at the moment. I am also on the Investment Committee. Joining me today is the Portfolio Manager for WAM Alternative Assets, Dania Zinurova. I have been incredibly impressed with Dania since she joined the Wilson Asset Management team a number of months ago, and I am sure you are all looking forward to hearing what Dania has to say.

First of all how today will work will be a little bit of an interaction between Dania and myself, and then we will open it up for questions. One of the very positive things that has already happened to WAM Alternative Assets is the fact that the discount to net tangible assets (NTA) has narrowed significantly. In February, it was at nearly a 39% discount and now it is about an 11% discount. One thing I love doing in terms of when I am investing in listed investment companies (LICs) is buying a dollar of assets for less than a dollar, and I have been a very large buyer of the company over the last six to twelve months.

In terms of today, after the discussion with Dania and myself, we are going to open up for questions that have been sent in. If anyone is new to Wilson Asset Management then please go to our website. You can listen to Dania and the rest of the team on WAM Vault, which is a great 20 minute interview from Dania, talking about her plans for WAM Alternative Assets. And if you are new to us also please go on our website and sign up to our emails. We have over 55,000 of our shareholders that are signed up, and they get the weekly emails and any interesting updates that can add value from time to time.

Dania has been the Portfolio Manager since mid-October. Dania, can you start by taking us through what you have been focused on over the last couple months?

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Dania Zinurova: Thank you Geoff and good morning everyone. I am really pleased to be here and very excited. It is my first call with shareholders and I am really looking forward to receiving your questions and having a more detailed discussion.

With regard to your question, the last few months have been really busy for me. I usually I spend quite a lot of time with the underlying managers in the portfolio, and some of them I have known really well for a while because in my previous job at Willis Towers Watson, I did quite a lot of work for some of the super funds and other institutional clients on those strategies. I did not come in without any knowledge, and it was very helpful. We spent time with the portfolio teams or the investments teams discussing their current allocations, the situation within their investments, and I worked on building up the analysis on the portfolio to understand better the risk return profile, pull together the strategy for the portfolio going forward both short term and long term. We had very good meeting with our outstanding members of the Investment Committee. I say outstanding because we have a great Investment Committee. And we have another meeting before the end of the year to discuss two new live investments which I am very hopeful will come through in the New Year. So, very busy. Despite this, I also spent some time with some of the shareholders both in WMA and other shareholders at Wilson Asset Management. And I had several meetings with financial planners. So it was a very productive period for me.

Geoff Wilson: To give a bit of perspective as well, broadly we have been talking to Dania for what is nearly six months now.

Dania Zinurova: Yes.

Geoff Wilson: Yes, quite a period of time. So Dania had a lot of time to do quite a bit of due diligence on us. And just on that, why come and join Wilson Asset Management and this opportunity? Why take this opportunity? I would be interested to know.

Dania Zinurova: Thank you Geoff. Yes indeed it was a very long engagement from you, probably long than my engagement to my husband. It was a very interesting process and I still remember our initial conversations with you and with Kate and then with the rest of the investment team. And this area, the

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area of alternative investing, is really an area of my passion. And I say this because there is so much to do in this space from the investment perspective but also from the investor's perspective.

When I look at the market as it is now, I see a huge gap in available strategies or available investment opportunities for the broader investor base including retail investors. And historically, alternative asset classes have been very popular among large institutional investors. They have been actively investing in unlisted real estate, infrastructure, private equity, and often the strategies that I had the opportunity to invest in on behalf of my former clients were just not accessible and not available to the broader market.

So why is it my passion? Because it is very much in line with my personal beliefs that we are working in the financial industry to deliver better outcomes for investors and to take care, in simple terms, to take care of their financial wellbeing - and that is what we do. So when I talked to you and to Kate and you told me about this opportunity, this is exactly what I wanted to do, and working with you knowing how much you are doing and your team how much you do for shareholders is very much in line with how I operate and in line with my personal beliefs.

Geoff Wilson: Thanks. And also Dania you talked a little bit about the excitement in terms of the opportunities. I know in WAM Vault, which to me is just a must watch for people that are interested in investing in alternative assets, you talked about some of the interesting positions in the current portfolio, and then also talking about some of the megatrends that you are seeing out there. Can you take us through like a little bit of that?

Dania Zinurova: Sure. It is a very interesting space because when I think about the broader financial markets with different various asset classes, more traditional asset classes like credit, equity, and then alternatives, I think alternatives represent an opportunity set where an investor can access those things and megatrends in a more efficient way, or they translate in a more efficient way into the strategies within those asset classes. And there are different factors in terms of why that is right.

We do not really have a benchmark that we have to be aware of to see where we are underweight and overweight. We do not have the volatility in this asset class, and it is an asset class where the underlying assets are very tangible assets that have direct impact on our life, on many areas of our life. So when I think

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about the portfolio and I think about this asset class, the starting point is always to look at the macrotrends. What are the megatrends that have very strong tailwinds, and where do they translate into the strategies within alternative asset classes?

So to give you an example, I have been doing a lot of work on understanding the demographical trends that we are currently facing, not only in Australia, but also globally. And one of the key trends that would not be new to anyone on this globe is aging population, a rapidly aging population globally including in Australia. The statistics, and in the Vault conversation I brought up some statistics, are quite fascinating to see, how it is all changing. When I think about the aging population, I think, what are the services or what are the assets that would meet the increasing needs of that aging population? Healthcare is one of them. And when I then look at the available implementation routes within alternative asset classes, I could find those strategies within private equity through buying a portfolio of medical centres for example, and running them as a business. I could invest in healthcare real estate where I would acquire assets that are then leased to healthcare providers. Or I could go through a venture capital route, for example, where I would invest in new technologies supporting healthcare providers. So this is one of the examples. Other megatrends that I closely monitor are digitalisation of our society, of our economy, increasing demand for food on the back of the growing global population, and climate change that drives a lot of new interesting strategies within technology and innovation.

Geoff Wilson: To me, when I think of alternative assets, my experience has been the people that have a lot of money really get an opportunity to play in this area and access is for the mega rich. That is what I have seen over the last twenty years. One of the interesting things is, when the first listed investment company was set up in the UK in 1868, Foreign & Colonial, they said that they were setting it up to effectively give ordinary investors the opportunity to get exposure that only professional investors have. One of the reasons I was very excited when this opportunity turned up for Wilson Asset Management was that we could have a company like the one that you are leading, Dania, and can give myself or all investors the opportunity to get access to these deals that are not just equities. So to me, that has been one of the most exciting things about this.

In terms of going forward with the portfolio, obviously you have been given a portfolio that might not

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necessarily have been the portfolio you would put together if you had a blank piece of paper. Can you take us through a little bit what your thoughts are on the current portfolio and then looking forward what your plans are to reshape it?

Dania Zinurova: Absolutely. And thank you Geoff. I would add to your comment before I move on to answering your question, that WMA is indeed the only LIC in Australia that offers a diversified exposure to alternative asset classes. So it is a very unique opportunity. You made a very good point on why those investments are not easily accessible by retail investors very often. One of the main reasons is the size of the minimum investment, which usually starts with five million, ten million, some of them 20 million. And so in order to build that diversified exposure, one needs to have a lot of scale and lot of wealth to invest in this asset class.

And then another point that I would like to mention and add to your comments is around the fees. Because I have seen and I structured fee terms on behalf of the institutional investors, and I also saw what type of or what sort of fees are being charged when it is a product or a strategy open to retail investors, and it is often nearly double the fee, and that is a very big point for me. I do not see the reason why it needs to be this way, in particular when we can bring the scale and we can pool all the assets together, we will be and are in a much better position to leverage the scale and negotiate much better fees on behalf of the shareholders.

With regard to your question on the current portfolio, we already have very good exposure to a diverse pool of assets and a diverse pool of portfolio companies. We have over 20% exposure to private equity which includes also venture capital. Within that exposure I was very pleased to see that there are some interesting themes with those strong tailwinds that I mentioned to you. We have a very strong exposure to the digitalisation trend and some of the companies have been really benefiting during the coronavirus because those trends have clearly accelerated during the lockdown, not only in Australia, but globally.

We have a relatively large exposure to real assets, over 40% of the portfolio, which includes investments in agriculture, solar infrastructure related to agriculture assets and investments in water. It is a very strong portfolio. I would say openly and without a hesitation, our portfolio of water investments is the highest quality in Australia that I have seen and I have done a lot of work in that space. It is the best in terms of the

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diversification and in terms of the lease structures that we currently have. We have also some exposure to real estate and it is predominantly to the office sector and industrial sector.

When I think about the portfolio, I do not tend to think about this in isolation. Because while I am Portfolio Manager, I am managing those assets on behalf of shareholders, I need to think, what are the investment objectives that shareholders have? What do they want to achieve with those achievements, and over what time frame? For me, looking at the current allocation, I can see that all the capital has been now been deployed, in simple terms, invested in those opportunities. Given that about 20%, just over 20%, is allocated in private equity, there is a term that we call the J-curve effect,that means when we invest in private equity, we tend to pay our management fees on committed capital, not invested capital. And it usually takes two to four years for an investment team to deploy capital into private equity. This, if we have to put our investment returns on chart, will show us that our investment returns are actually declining over the first three to four years. And then they start coming back as the portfolio companies and their value is increasing and fund managers start exiting those portfolio companies. So this effect is usually called J-curve effect. Our portfolio has some J-curve effect and I am very cautious of the fact that we want to deliver our own yields and strong yields or in other terms income returns from the portfolio.

The two investments that I am planning to do fairly soon will be in existing mature portfolios in asset classes like infrastructure and real estate. And real estate strategy will be underpinned by the healthcare real estate theme. The strategies that I am looking for have a very strong income profile. So about 60 to 70% of the total return is coming from income. And those portfolios already have existing exposure to very stable mature assets. Within infrastructure, it is over 20 assets. Within real estate, it is over 16 assets. And with various very attractive investment directories. Sorry for the long answer Geoff.

Geoff Wilson: That is great. You have an incredible depth of experience in that area. Now why don't we go over to James McNamara our Head of Corporate Affairs. James will you take us through any of the Webinar questions that have come in?

Olivia Harris: Thanks Geoff. This is Olivia. James is not able to make it today but I have plenty of questions coming through from shareholders on the webinar. Thank you to everybody who has been sending through the questions. The first one is from Mark. And that is, are there any plans to add to or exit any of the current portfolio? Will any of the portfolio be changing? Additionally, with such a large cash reserve how quickly do you see further investments being made?

Dania Zinurova: Thank you. This is a very good question, a very valid question. In terms of the plans on exits, given the structure of the existing investments and the illiquid nature of the asset classes we invest in, we are not planning to consider exit options. I am not saying there are no options to exit. There are always options to negotiate an exit or to negotiate a restructure of the existing investments. But given the capital is deployed and the assets, most of them, are really in a good shape, we are planning to follow the underlying investment teams through with their business plans and go through their planned exit. If I look at the maturity profile of the current portfolio, we can expect that between 2023-2025 we will start seeing exits coming through across most of the portfolio, in particular in private equity and real estate. In fact some of the investments in our private equity and venture capital portfolio are already being considered for exit strategies.

With regard to the new investments and the timing, I mentioned that I am putting forward two investment opportunities. They are live. They are available for capital deployment now. And the plan is to allocate or to invest capital in those opportunities early next year. So I am very hopeful in Q1 next year. That is what I have to say about the exiting of the investments.

Geoff Wilson: And for those that are not aware, James is tied up because WAM Capital (ASX: WAM) has just made a takeover bid for effectively a cash box.

Olivia Harris: The next question is from Sebastian, for Dania: "WAM Alternative Assets states that its goal is to consistently deliver absolute returns through a combination of dividend yield and capital growth while providing diversification benefits, could you elaborate on that? What are some long term goals? Perhaps you can discuss a bit why investors should be investing in WMA".

Dania Zinurova: Thank you very much for this question. That is a very good one, very thoughtful. I would start first why invest in WMA and the long term plans. And really the question – why – is fundamental for me. And I often use, I do not know if anyone would be familiar with this concept, but the concept of golden circle. When you start with the question "why?", and then you ask how and then you move to the final

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result of "what".

I have been thinking through for WMA "why", and it is really the diversification from the risk premium and relatively stable income returns that an investor can achieve through investing in alternative asset classes but also access to capital appreciation. And given the illiquid nature of those asset classes, we are thinking about long term investment horizons. We are thinking about lower volatility because the valuations are done differently to other traditional asset classes and they exhibit much smoother changes in their valuations. And when I think about how we are doing this, it is really about the investment process and I have been working in this asset class and in the financial industry for over twenty years now, and it is a lot of knowledge and expertise that I am going to leverage from my previous experience in terms of establishing very robust investment processes, a very detailed investment due diligence that would include not only meetings with investment teams and visiting the assets, reviewing the financial models etcetera, but also thinking about opportunities that we can create by working with other investment teams. I really see it more as a long term partnership with the investment teams who have very strong track records.

And then the result is really very simple. What do we want to achieve? And that is a high quality institutional portfolio which is well diversified across alternative asset classes. I also think in the current times that we are in now with the lowest interest rate environment, it is a very good opportunity window to expand investments in alternative asset classes. And it is very hard in some more traditional portfolios or traditional asset classes to achieve the same type of returns that we have been enjoying as investors over the past decade. So it needs to be very much out of the box thinking and looking at alternative asset classes.

In terms of the return profile, I can give you some indication of what we are looking at within our current portfolio. Given the exposure to private equity and venture capital the dispersion between a lower and high return can be pretty high, but on average the target returns for those asset classes is about 15% net IRR. When we think about real estate exposure, the type of real estate we have I would categorise at Core Core Plus, ie. somewhat lower on the risk return spectrum, and the expectation for these type of investments in terms of the return would be around 8 to 10% or really high single digit, lower double digit numbers. And then for real assets, in particular investments in water, it is seen as a key diversifier to any investment portfolio, and while we have been enjoying incredible returns from those strategies, realistically thinking about lower double digit returns from this type of strategies would be very reasonable. For the new investments, as I mentioned the type of the investment at least in the short term that I am looking to make, they would be focusing predominantly on income yields. So we are talking about mid-single digit returns for the income return and then some capital appreciation. So in total the returns we are talking about are at the lower end of double digit. Thank you Olivia.

Olivia Harris: Thanks very much Dania. And the next question is for Dania, from Phillip: What have been and will be the main changes in the management and decisions made in the running of the company since the takeover of Blue Sky?"

Dania Zinurova: Well, there are many changes now that it has found a new home and found a new team. We have different investment process. We have a different way of structuring, and different portfolio managers. As I mentioned when we were discussing with Geoff this opportunity earlier this year, from both sides, we asked ourselves the question "why?" And the fact that I am coming from more of an institutional side of our market, my intention is really to bring the high quality processes with regard to making investment decisions, high quality due diligence and framework, and this macro thinking perspective. And in terms of the portfolio construction, I have done a lot of work for my former clients on building out their portfolios of the alternative assets.

One of the key different changes would be also for me our Investment Committee. We have high calibre people on the Investment Committee and we meet on a quarterly basis and sometimes more frequently. Geoff is on the Investment Committee, and as he mentioned, he is also on the Board of the company. We will be reviewing our resources next year. There are plans to expand the team and we will update you once we make any progress on this. The focus would be really bringing it to the level where we can say that it's institutional quality or very high quality, transparent with strong governance, and I'm very hopeful to say best class fee structure as well.

Olivia Harris: Thanks very much Dania. The next question will be for Geoff, from Robert: "Will there be directors' fees or is that covered by the WAM management fee? And how is that management fee calculated? Is there any premium for over-performance and then what is the basic fee?"

Geoff Wilson: There are directors' fees like normal listed investment companies. Because you want the directors to be as independent as possible. And also, they are taking on personal liability. It is a listed company so they are in the gun, being that they have to report to shareholders. In terms of the management fee, it is a 1% management fee that goes to Wilson Asset Management. That actually was a lower fee than what had been proposed in a previous restructuring a couple of years ago. And there is no performance fee. We would definitely like a performance fee, but the logic was, as this was a new foray into this area, that we would show to shareholders how we can perform, and then at some point in time I would like to go back to shareholders and say look this is what we have done, and let's split the out-performance. So at the moment, it is just a management fee, and there is no performance fee.

Olivia Harris: Thanks very much Geoff. And the next question is for Dania, again from Robert: "With cash over 20% what do you envisage buying in the near future?"

Dania Zinurova: Thank you Olivia and thank you Robert for the question. I think I might have addressed some of it in the previous answer but in summary, of the two investments that I am currently proposing,g one of them is an infrastructure strategy. It is Australian infrastructure, a very well diversified portfolio across various subsectors including energy, transport, waste treatment facilities and others. And another one is a healthcare real estate strategy, where we do not take any operating risks. We are only, literally, only investing in assets. The benefits of that strategy is the structure of the leases and the underlying nature of the tenant. The leases are usually structured as triple net leases, with annual increases, and tend to be very long, much longer than in traditional sectors like office, industrial or retail, and so we are looking at assets that are leased on a ten-plus years lease contract to high quality service providers like the likes of Ramsay and others, and at the same time the strategy is underpinned by very strong tailwinds.

Olivia Harris: Thanks Dania. Geoff the next question will be for you, from Piero: "To what extent can Wilson Asset Management's investment approach, which is finding undervalued growth companies with a catalyst, be applied to WAM Alternative Assets?"

Geoff Wilson: It is Dania's view in terms of an investment. And effectively, what Dania is doing is finding investment opportunities that give her exposure to various alternate assets. It really has got harder to have that specific undervalued growth assets with a catalyst because effectively we are investing in the individual companies. Where Dania is investing, is with these managers that then find the opportunities. So it is not necessarily as applicable from that perspective. But as the business grows, the plan is to get the share price to trade at what it is worth, that being its NTA which last month was about $1.07, or if not trade at a premium to what it is worth, and to grow the business. As we grow the business, then there will be opportunities to invest directly into companies, and then trying to find that undervalued growth company with a catalyst can be more of a factor.

Olivia Harris: Thank you Geoff.

Geoff Wilson: Dania, what are your thoughts?

Dania Zinurova: I would add as well, I think it is a very interesting term, undervalued. Often in the alternative space, we refer to this as distressed. So there are opportunities in particular post-coronavirus and the economic turmoil that we are facing, there are distressed opportunities in the market across different strategies. And next year, for example, we will be looking at some of the strategies within private debt and real estate debt space. So yes, I think it is fair to say there are opportunities to invest in strategies or companies with a catalyst. It would be just a different catalyst. And that is where we can add a lot of value. Identifying the teams who might be new or just went through a management buyout and setting up the business and their strategy would make just the right sense in the current market environment. To me this would be the situations that demonstrate this approach, the catalyst approach.

Olivia Harris: Thanks very much. It does not appear that we have any questions on the phone line so we will stick with the Webinar questions for now. Thank you to everyone who has sent them through. Please feel free to keep sending them. Geoff, the next question: "Will the shareholders in the other existing Wilson Asset Management LIC benefit from having the additional expertise and experience of Dania?"

Geoff Wilson: Yes. Thanks for the question. My belief is one hundred percent. Go back 21 years ago when I set up the business, there was myself. In this investment game, my belief is the highest quality information tends to do the best. Now how do you have that? How do you get that? You obviously have highly skilled people, you have a diverse group of people, and you try to have a really diverse and extensive network. Obviously, I have a network. When you add one person, you get another network. And what we have been able to do, initially we were buying undervalued growth companies with a catalyst and they tended to be mid and small sized companies, every time we have grown the business, we have grown it so it will benefit the actual business that is already operating.

Our first move was in WAM Leaders (ASX: WLE) when Matthew Haupt, who worked with us, set up that company. And now he has exceptional access to the top 100 companies that we never had access to before, in terms of talking to the finance directors or the CEOs or the banks, and getting really high quality information. Now when we added WAM Global (ASX: WGB) on with Catriona Burns and her team, that again sort of added to the whole group in terms of another high quality bit of information. Going through the very difficult period we have had with coronavirus, having the Global team feeding into the rest of team has really created significant value in terms of giving us high quality information. Just in the few months that Dania's been on board, we all sit it an open plan office, it is very interactive, we are communicating all the time, and Dania has a whole network and she's seeing things and collecting information that we would never get access to. And really, it is all those pieces of information. They call it the "mosaic theory", where you are putting all these pieces of information together and it really gives you what you need to make the right investment decisions. So yes, I see having alternate assets and exposure to alternate assets and Dania is a great benefit for the rest of the thirteen or fourteen investment professionals that are managing money.

Olivia Harris: Thanks very much Geoff. Another question for Dania, from Simon: "You are mandated to hold the water rights assets for a year but how will you hedge that given the rainfall forecast is for heavy falls as a result of the La Niña effect?"

Dania Zinurova: Yes. Yes, a very timely question. I just have to look out of the window to see the rain pouring. La Niña is definitely affecting our continent and some others in our hemisphere, and basically what it means is it is usually the period where we face heavy tropical rains during the Spring and Summer months.

When I think about our water rights exposure, about 40% of the water rights currently are leased out on four to six years lease contracts. And they are leased out not necessarily, not only to growers of annual crops but also, and it is a very good percentage of the portfolio, to the growers of the permanent crops. So in simple words, annual crops would need water on a seasonal basis. So this is great for the farmers who have the portfolio or plantations predominantly of annual crops. But when we think about the total fresh produce in Australi, the proportion of the permanent crops have been increasing over the last three to four years. When I say permanent crops, think about avocadoes, nuts and other tree produce that you do not need to replant every year, that is the permanent crop. Permanent crop needs water much more frequently and not only on a seasonal basis. And so while the spot price will be affected by this heavy rain, the fact that we have a portfolio which is well diversified by growers or consumers and also well diversified by lease types, it puts us in a very good position compared to some of the peers in the market.

In terms of our hedge, that is when I talk about the importance of diversification within the portfolio. And diversification, for me, is looking at the correlation between the asset classes within the portfolio. How are the investments in unlisted real estate correlated to investments in private equity, infrastructure, agriculture, water rights? And that is the plan, to build over a long term a portfolio which is well diversified, i.e., where we see lower to some extent negative correlation even within the asset classes that we invest in. This is our hedge. At the moment, the portfolio has a relatively good level of diversification. And once the new investments will be approved, we will increase this diversification further by adding asset classes which is new to the portfolio, like infrastructure.

Olivia Harris: Thanks very much Dania. The next question is for you Geoff, from Craig: "With no benchmarks against which to measure progress what is your self-imposed objective for dividends and capital growth in the fund over the next 12 months?"

Geoff Wilson: Thanks for the question. The first thing, from a Board perspective and from Dania's perspective, is really to shepherd the portfolio that has been presented. You have to remember we have inherited the Blue Sky portfolio and we will have to deal with the various dynamics of it. As Dania said, there are some very positive parts. We are very confident that the NTA is a good reflection of the value of the assets. But to me, it is a very difficult question. If you ask me the same question on any of our listed investment companies, it would be hard for me to forecast or to guess on how the portfolio would perform over the next twelve months, if you asked on WAM Capital or WAM Leaders.

The dividend is something that you tend to have a bit more control over. And the ability to pay dividends is

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really a combination of the profit made, so what is iin the profit reserve. And also, if they are fully franked, what is the amount of franking that is in the company. At the moment, and we do this on, if you look at our monthly updates, on the 14th of each month or a day or two before that, we try to give you as much visibility as we can in terms of what is in the profit reserve for each of the entities. And you will see with WMA, there is about three and a half cents in the profit reserve. So there is not much there. Really, it is the ability of Dania to find new investment opportunities and work with the assets she has to get the best return over the next period possible.

One thing, I would expect the share price discount to NTA to narrow. If it goes from the 11% discount to NTA, then that is nearly a 12% return. That is in terms of capital. So whether that happens over three months, six months, twelve months, who knows. It will just be a matter of time. And then the dividend, it will take a bit of time to rebuild the profit reserve because there is not much in there. I know it is not an exact answer, but you fully understand the tools that we are playing with.

Olivia Harris: Thanks Geoff. And we'll stick with you. We have a couple of people asking, will WAM Alternative Assets be raising capital at some stage?

Geoff Wilson: The plan is to grow the business. There is a little over $200 million of assets there. We think it could easily be $1 billion of assets, and the large supporters of this company that we have been in constant contact with, the financial planners, are using this for their alternative asset plays. Over the last two years, we have been in constant contact with them. They are the ones that have encouraged us to keep persisting with this, and they are all incredibly supportive of the ability to grow the business.

As a Board, we really want the share price to be trading at NTA if not at premium. Unless there is something exceptional. So there are no short-term plans. One of the interesting things is, a shareholder was talking to me the other day, saying look, you have this great asset in terms of someone like Dania and she has great contacts, great networks, great investment opportunities. With WMA already 80% invested, and you have to wait for that to mature, and a little over 20% is in cash that Dania has an opportunity to invest, now it does it make sense, would you create another vehicle that would be 100% of Dania's best ideas? Now look, that was a good thought from a shareholder. It is something that we may think of, but that would be a total separate entity. And what would be the benefit of that. It would actually give Dania more

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muscle in the market, so more clout, and more access. There are some synergistic benefits to do that. But that is not on the agenda. We have not even discussed it at a Wilson Asset Management level. It was just something that someone mentioned to me the other day.

Olivia Harris: Thanks Geoff. Dania, we have quite a few questions coming through about your valuation process. Could you describe that just a little a bit, how you value the assets in the portfolio?

Dania Zinurova: Yes sure. It is a very important topic, very important for us, very important for the shareholders and for the market as well. We have the finance team. I am working together with the finance team on that. But from my perspective, as the Portfolio Manager, the starting point is to review the underlying investments we have in the portfolio and work together with the investment teams who are managing those assets and are managing those portfolio companies. It is key for me to understand the nature of those investments and understand any potential movements in value or what drives unit price movement. And this is on the back of the valuation policies that we have in place, ensuring that they are following the valuation policy, they are following the frequency of the valuations, in particular when it is done by independent valuers, this is the key. Full transparency.

That is why at the beginning of the call I said I have been spending a lot of time with the investment teams because I want to ensure we have very strong relationships with them, that we have trust and we have open dialogue. So for example, this month what I have been doing is I set up calls with all the investment teams where we have exposure in the portfolio. I discussed all the assets, if there was any movement in the unit price of any of the assets or portfolio companies, then I requested they tell us what drove those movements. And those could be different, either changes in the debt position of the company, or changes in the tenants, or changes in the market positions. This has been working really well and I think we are in a very good position where I can say we have open and trustworthy dialogue with the investments teams and as much transparency as possible, given that it is illiquid and an unlisted market so information exchange is very different compared to public markets.

Olivia Harris: Thanks very much Dania. That is all we have time for for questions. We will email you or give you a phone call if we did not get to your question. Geoff do you have any closing words?

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Geoff Wilson: Thanks Olivia and thanks Dania. And look thank you everyone who has joined us. As I said at the start, it is your company. We are here, whether we are directors or Dania as the Portfolio Manager, we are here because you allow us to manage this group of assets on your behalf. We rae working as hard as we can to get the best return possible.

I mentioned earlier, of all our listed investment companies, this is the one that is trading at the greatest discount to NTA. So in theory, it has the greatest easy upside. Dania and myself and I think all the Board and the Investment Committee are pretty excited about how this company will grow over time. So thank you very much. If you do have any other questions please feel free to contact Olivia or any of the Corporate Affairs team, or Dania and myself. We try to be as open and transparent as we can. So on behalf of everyone, thank you very much.