

# October 2021 Investment Update

	Pre-tax NTA (cum-dividend)	Pre-tax NTA
W   A   M <i>Capital</i>	\$1.96	\$1.89
W   A   M <i>Leaders</i>	\$1.47	\$1.43
W   A   M <i>Global</i>	-	\$2.69
W   A   M <i>Microcap</i>	\$1.82	\$1.74
W   A   M <i>Alternative Assets</i>	\$1.20	\$1.18
W   A   M <i>Strategic Value</i>	-	\$1.31
W   A   M <i>Research</i>	\$1.26	\$1.21
W   A   M <i>Active</i>	\$1.04	\$1.01

## Dear Fellow Shareholders,

A strong US third quarter earnings season supported equities in October with a number of indices reaching new highs during the month. Globally, government bond yields broadly rose as central banks indicated they were prepared to withdraw monetary stimulus if inflationary pressures continue. The MSCI World Index (AUD) closed up 1.6% for the month. In local terms, the US S&P 500 closed up 6.9%, the Euro Stoxx 50 Index up 5.0%, the UK FTSE 100 Index up 2.1% and China's CSI 300 Index up 0.9%. Japan's TOPIX Index closed down 1.4% for the month.

In Australia, equities reacted to higher-than-expected inflationary figures with the anticipation of a sooner-than-expected rise in interest rates. In early November, the Reserve Bank of Australia announced the removal of its 2024 interest rate guidance. Victoria and New South Wales welcomed the end of lockdowns on their respective "Freedom Days", and NSW ushered in Dominic Perrottet as its new Premier. The S&P/ASX All Ordinaries Accumulation Index closed up 0.1% for the month.

### Welcome new WAM Global shareholders

On behalf of the WAM Global (ASX: WGB) Board of Directors and the team at Wilson Asset Management, I would like to warmly welcome Templeton Global Growth Fund Limited (ASX: TGG) shareholders to the Wilson Asset Management family.

On 29 September 2021, TGG held a Scheme Meeting where TGG shareholders overwhelmingly voted in favour of joining Wilson Asset Management and becoming WAM Global shareholders. I would like to thank shareholders for their vote of confidence in our management. Shares and Options in WAM Global were issued to TGG shareholders on 29 October 2021 under the Scheme. We extend a sincere welcome and as a fellow shareholder, I look forward to engaging with you as new members of the Wilson Asset Management Family.

### WAM Vault

We are excited to share with you the fourth instalment of WAM Vault scheduled to launch on 25 November 2021. While we miss meeting with you all in person, we hope you enjoy the series of in-depth conversations with our investment team. Register your interest to receive updates [here](#).

### Levelling the playing field

We [firmly believe](#) all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market. In an article for the [Australian Financial Review](#), I discussed the limitations of a sophisticated investor test and my support for a [financial literacy test](#) to participate in capital raisings.

### Exercise your WAM Global Options to receive the fully franked final dividend

If you exercise your WAM Global Options (ASX: WGBO) before 17 November 2021, you will be entitled to receive the fully franked final dividend of 5.0 cents per share\*. The WGBO price closed at 5.1 cents per Option and WAM Global share price at \$2.54 per share on 11 November 2021. Shareholders can exercise their WAM Global Options via a [dedicated online facility](#).

### November 2021 Annual General Meetings (AGMs) and virtual AGMs

I look forward to welcoming you to the AGMs for our listed investment companies on Tuesday 23 November 2021. You may be interested in my thoughts on virtual AGMs covered by the [Australian Financial Review](#) where I discussed my objection towards permanently removing the requirements for AGMs to be conducted in person. We encourage you to submit your questions, thoughts and comments ahead of the meeting via email to Corporate Affairs Advisor Camilla Cox at [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au) or please call (02) 9247 6755.

Thank you for your continued support and please stay safe.



**Geoff Wilson AO**  
Chairman & Chief  
Investment Officer



\*Assumes shares are held at the dividend record date of 22 November 2021.

# LIC snapshot



## W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$2.28
NTA before tax	\$1.89
Fully franked full year dividend	15.5cps
Profits reserve#	19.9cps

## W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.49
NTA before tax	\$1.43
Annualised FY22 fully franked interim dividend guidance	8.0cps
Profits reserve#	29.8cps

## W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$2.54
WGBO option price*	\$0.051
NTA before tax	\$2.69
Fully franked full year dividend	10.0cps
Profits reserve#	43.8cps

## W | A | M *Microcap*

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

ASX: WMI

Share price*	\$1.99
NTA before tax	\$1.74
Fully franked full year dividend <sup>†</sup>	12.0cps
Profits reserve#	50.2cps

## W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.03
NTA before tax	\$1.18
Annualised FY22 interim dividend guidance	4.0cps
Commencement date	14 October 2020
Profits reserve#	11.7cps

## W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$1.225
NTA before tax	\$1.31
Listing date	28 June 2021
Profits reserve#	4.6cps

## W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.65
NTA before tax	\$1.21
Fully franked full year dividend	9.9cps
Profits reserve#	43.5cps

## W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$1.05
WAAOA option price*	\$0.011
NTA before tax	\$1.01
Fully franked full year dividend	6.0cps
Profits reserve#	7.8cps

\*As at 11 November 2021.

<sup>†</sup>Includes the fully franked special dividend of 4.0 cents per share (cps).

#The profits reserve figures are as at 31 October 2021 in cents per share (cps).

# W | A | M *Active*

Market mispricing opportunities in the Australian market.

The WAM Active investment portfolio decreased during the month. Information technology company Life360 (ASX: 360) was a contributor while packaging manufacturer Pact Group Holdings (ASX: PGH) was a detractor to the investment portfolio performance.

Life360 is a family safety platform serving over 33 million users globally. In October, Life360 released its September 2021 quarterly update, beating market expectations and raising its 2021 annualised monthly revenue guidance to between USD125 million to USD130 million. We remain positive on Life360, given its large addressable market, accelerating revenue growth profile and cost discipline. The company remains rich in catalysts that may support the company's share price, including potential mergers and acquisitions and a dual listing in the United States.

Pact Group is an Asia Pacific packaging business that manufactures and supplies plastic and metal packaging for a range of trusted brands. During the month, Pact Group released a trading update highlighting the impact the coronavirus had on its first quarter FY2022 sales, which coincided with rising input costs as oil prices surged. We believe that the stock is trading below its underlying value and that the company's long-term strategy, with a focus on increasing recycling capability and reducing inefficiencies, will drive revenue growth and margin expansion in the future.

## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 3.0 cents per share that was paid on 29 October 2021. The shares traded ex-dividend on 18 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
October 2021	104.41c	101.41c	103.45c	103.45c
September 2021	105.11c	105.11c	106.97c	106.94c

\*Includes 2.65 cents per share of income tax losses available to the Company in future periods.  
The above October NTA figures are not adjusted for the 67,230,249 options on issue with an exercise price of \$1.10 per option.

## Market capitalisation (ASX: WAA)

\$77.3m<sup>#</sup>

## Gross assets

\$75.6m

## Listed equities

\$70.3m

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

12.2%<sup>^</sup>

Bloomberg AusBond Bank Bill Index (Cash): 2.9%

## Dividends paid since inception (per share)

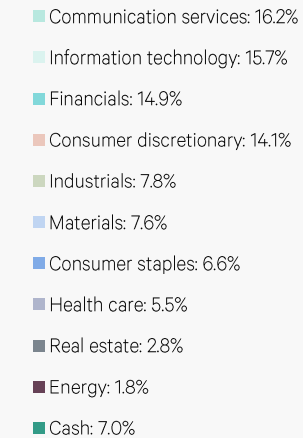
80.7c

## Fully franked dividend yield

5.7%<sup>#</sup>

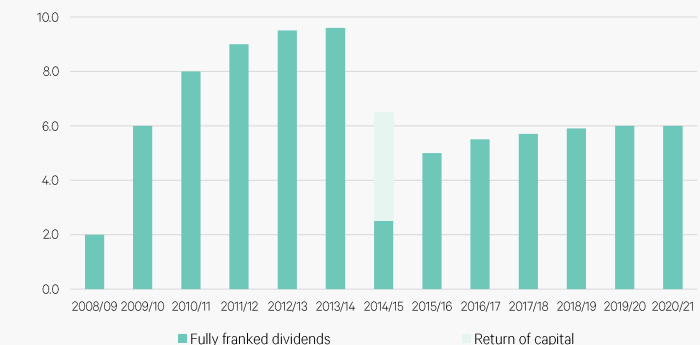
<sup>#</sup>Based on the 29 October 2021 share price of \$1.05 per share and the FY21 fully franked full year dividend of 6.0 cents per share. WAM Active has 73,652,334 shares on issue. During the month, 302,097 shares were issued under the Dividend Reinvestment Plan for the final dividend and 162,796 options were exercised and allotted under the Bonus Issue of Options. The options are trading under the ASX code WAAOA with an exercise price of \$1.10 per option and expire on 31 October 2022.  
<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.

## Portfolio by sector



## History of fully franked dividends

Cents per share



## Top 20 holdings (in alphabetical order)

Life360	ADBRI	ARISTOCRAT	ALS	Breville	carsales.com ltd	CIMIC	Data'3	KEYBRIDGE	News Corp
360	ABC	ALL	ALQ	BRG	CAR	CIM	DTL	KBC	NWS
Premier Investments	Pinnacle	Pushpay	PEXA	Steadfast	tassal	tpg TELECOM	tyro	UNITI GROUP	VIRGIN MONEY UK
PMV	PNI	PPH	PXA	SDF	TGR	TPG	TYR	UWL	VUK

# WAM Active Options

ASX: WAAOA

WAM Active Limited (ASX: WAA) announced a one-for-one Bonus Issue of Options in February 2021, to all shareholders of the Company, at no additional cost.

Exercise price per Option:

**\$1.10**

Expiry date:

**31 Oct 2022**

**View and  
download  
the factsheet**



Each WAM Active Option provides holders with the opportunity, but not the obligation, to purchase one additional WAM Active Share for \$1.10 per Option, without incurring any brokerage fees.

## About WAM Active

WAM Active Limited (ASX: WAA) has an investment management agreement with Wilson Asset Management. Listed in January 2008, WAM Active provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. The Company's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital.

## Exercise your options

The Options can be exercised at any time until they expire on Monday 31 October 2022.

As at 30 June 2021, a total of 2,659,189 options have been exercised for a total consideration of \$2,925,107, with the remaining balance of outstanding options being 67,407,220.

Shareholders who exercised their options by 14 October 2021 were eligible to receive the fully franked final dividend of 3.0 cents per share, provided they held the shares on the dividend record date of 19 October 2021.

**EXERCISE YOUR OPTIONS** >

# W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital investment portfolio decreased during the month. Integrated marketing and communication services provider Enero Group (ASX: EGG) was a contributor while packaging manufacturer Pact Group Holdings (ASX: PGH) was a detractor to the investment portfolio performance.

Enero Group is a global marketing and communication services business that employs over 650 staff across 13 cities around the world. At its recent Annual General Meeting (AGM), Enero Group provided an impressive trading update with growth ahead of market expectations. Enero Group's September quarter revenue increased to \$45.6 million, a 22.6% year-on-year rise, with its Hotwire, BMF and OB Media businesses outperforming. Management expect the strong momentum to continue and we see further upside to consensus earnings estimates. Enero Group continues to trade at a material discount to offshore peers despite a stronger growth outlook. Furthermore, we believe Enero Group's strong balance sheet provides ample room for accretive acquisitions in the future and view the potential upcoming IPO of comparable System1 in the United States as a valuation re-rating catalyst.

Pact Group is an Asia Pacific packaging business that manufactures and supplies plastic and metal packaging for a range of trusted brands. During the month, Pact Group released a trading update highlighting the impact the coronavirus had on its first quarter FY2022 sales, which coincided with rising input costs as oil prices surged. We believe that the stock is trading below its underlying value and that the company's long-term strategy, with a focus on increasing recycling capability and reducing inefficiencies, will drive revenue growth and margin expansion in the future.

During the month, WAM Capital's takeover bid for PM Capital Asian Opportunities Fund Limited (ASX: PAF) (Offer) opened following the despatch of its bidder's statement. Under the Offer, accepting PAF shareholders will receive 1 WAM Capital share for every 1.99 PAF shares they own. In early November, WAM Capital announced that its takeover Offer is now unconditional, meaning the Offer is free from all of its defeating conditions, and have begun processing all valid acceptances received under the Offer.

## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 7.75 cents per share that was paid on 29 October 2021. The shares traded ex-dividend on 18 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
October 2021	196.43c	188.68c	196.03c	191.67c
September 2021	197.70c	197.70c	205.99c	200.08c

\*Includes 1.20 cents per share of tax assets resulting from the acquisition of unlisted investment companies and 6.91 cents per share of income tax losses available to the Company in future periods.

## Market capitalisation (ASX: WAM)

\$2,059.0m<sup>#</sup>

## Gross assets

\$1,723.3m

## Listed equities

\$1,541.1m

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

16.6%<sup>^</sup>

S&P/ASX All Ordinaries Accumulation Index: 8.7%

## Dividends paid since inception (per share)

269.5c

## Fully franked dividend yield

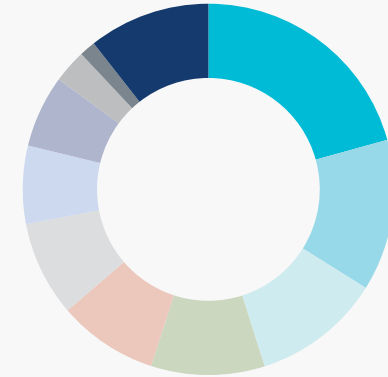
6.8%<sup>#</sup>

<sup>#</sup>Based on the 29 October 2021 share price of \$2.29 per share and the FY21 fully franked full year dividend of 15.5 cents per share. WAM Capital has 899,120,580 shares on issue. During the month, 16,678,217 shares were issued as part of the acquisition of an unlisted investment company and 4,123,169 shares were issued under the Dividend Reinvestment Plan for the final dividend.

<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.

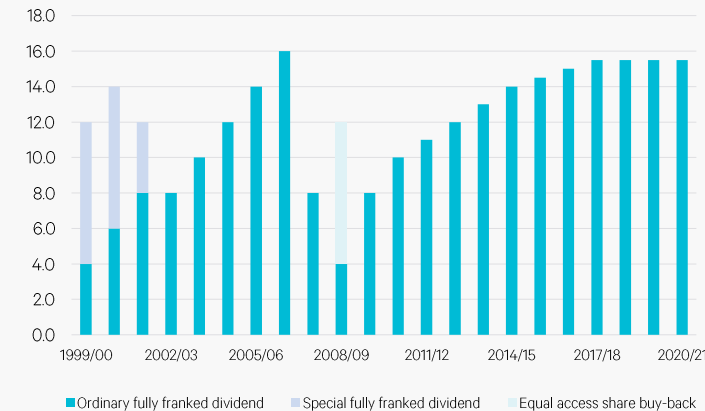
## Portfolio by sector

- Consumer discretionary: 20.7%
- Industrials: 13.2%
- Communication services: 11.2%
- Information technology: 9.9%
- Materials: 8.7%
- Financials: 8.3%
- Health care: 6.8%
- Consumer staples: 6.3%
- Energy: 2.9%
- Real estate: 1.4%
- Cash: 10.6%



## History of fully franked dividends

Cents per share



## Top 20 holdings (in alphabetical order)

Life360	ARDENT	ALS	Accent	Breville	carsales.com ltd	city chic	CIMIC	EVENT	idp
360	ALG	ALQ	AX1	BRG	CAR	CCX	CIM	EVT	IEL
iph	MGH	Pushpay	PEXA	tassal	tpg TELECOM	tyro	VIVA Energy Australia	virtus HEALTH	webjet.com.au
IPH	MGH	PPH	PXA	TGR	TPG	TYR	VEA	VRT	WEB

# W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders investment portfolio increased during the month, outperforming the S&P/ASX 200 Accumulation Index. Refinery company Ampol (ASX: ALD) and financial institution National Australia Bank (ASX: NAB) were significant contributors to the investment portfolio outperformance.

Ampol engages in purchasing, refining and distributing petroleum products in Australia, New Zealand, Singapore and the United States. Ampol has been severely impacted by the New South Wales and Victoria lockdowns, and as mobility improves and borders open, we expect both retail fuel volumes and jet fuel volumes to recover. In August 2021, Ampol announced the proposed takeover of Z Energy (NZX: ZEL), the market leader in New Zealand with approximately 40% market share of retail fuel sales and a similar business model to Ampol's. The transaction was approved by Z Energy shareholders in October 2021. We are positive on the strategic rationale of this acquisition for the synergies resulting from operating at larger scale and the opportunities it unlocks for Ampol's trading business. The transaction will be fully debt funded and will be accretive on both an earnings and free cash flow basis.

National Australia Bank performed strongly in October, with high expectations building ahead of reporting its financial year results in early November. National Australia Bank subsequently delivered a strong result with momentum across all divisions, including FY2021 cash profit of \$6.5 billion and a doubling of its final dividend for shareholders to 67 cents a share. National Australia Bank continues to be our preferred exposure in the banking sector due to its capable management team, a sector-leading business bank taking market share, further progressed cost management initiatives than peers, and its strong capital position.

## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 3.5 cents per share that was paid on 21 October 2021. The shares traded ex-dividend on 18 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
October 2021	146.71c	143.21c	141.36c	139.61c
September 2021	145.91c	145.91c	144.96c	142.53c

## Market capitalisation (ASX: WLE)

\$1,542.7m\*

## Gross assets

\$1,526.9m

## Listed equities

\$1,467.1m

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

15.2%^

S&P/ASX 200 Accumulation Index: 10.0%

## Dividends paid since inception (per share)

27.15c

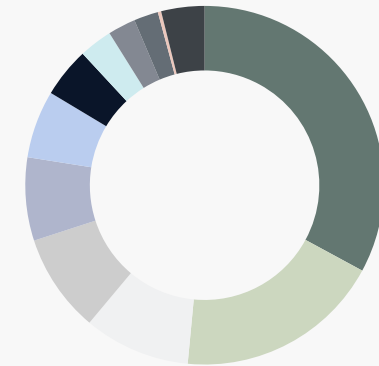
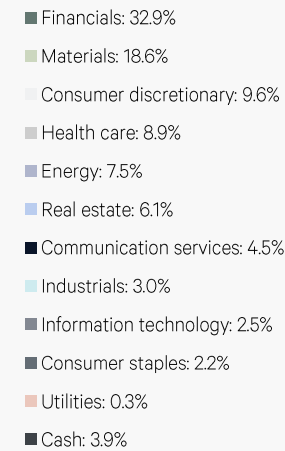
## Annualised fully franked interim dividend guidance yield

5.4%\*

\*Based on the 29 October 2021 share price of \$1.495 per share and the annualised FY22 fully franked interim dividend guidance of 8.0 cents per share. WAM Leaders has 1,031,930,879 shares on issue. During the month, 1,879,021 shares were issued under the Dividend Reinvestment Plan for the final dividend.

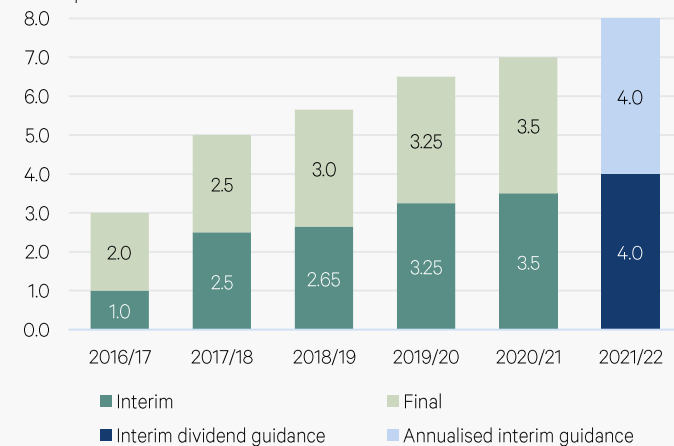
\*Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

## Portfolio by sector

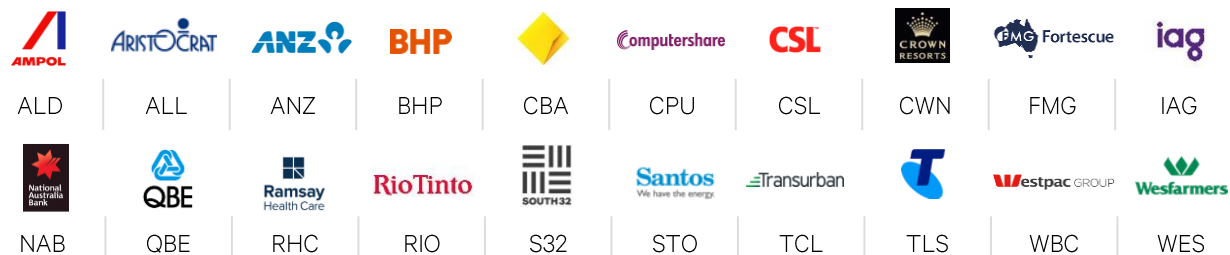


## History of fully franked dividends

Cents per share



## Top 20 holdings (in alphabetical order)



# W | A | M Global

The world's most compelling undervalued growth companies.

The WAM Global investment portfolio decreased during the month. A significant contributor to the investment portfolio performance included data service provider Intercontinental Exchange (NYSE: ICE) while global payments provider Visa (NYSE: V) was a detractor.

Intercontinental Exchange is a global operator of regulated exchanges, clearing houses and listing venues. The company also provides data services for commodity, financial, fixed income and equity markets. Intercontinental Exchange reported positive 2021 third quarter earnings, ahead of market expectations, delivering a 28% increase in year-on-year revenue growth and a 40% increase in operating income compared to the prior year. Its mortgage technology business outperformed expectations, with revenue growth of 7% from the prior year in an environment where industry origination volumes declined in double digits. The performance of the mortgage technology business also defied earlier concerns of headwinds led by the slowing purchase and refinancing activity in the US. We are constructive on the long-term opportunity for Intercontinental Exchange. Volume trends appear to be sustainable and we believe the market is underappreciating the growth potential for its mortgage technology business and Intercontinental Exchange's ability to further capitalise on the growing value of its data content.

Visa is a global payments technology company working to enable consumers, businesses, banks and governments to use digital currency. During the month, Visa reported a strong quarterly earnings result, beating market expectations. It delivered a 29% increase in revenue growth year-on-year and a 4% increase in operating margins compared to the prior year. Despite this, its guidance for higher-than-anticipated client incentive payments, as well as the cross border recovery that is now expected in 2023, weighed on Visa during the month. Concerns over Visa being disintermediated by new financial technology companies was also a headwind for the company. We do not share this view and believe the Buy Now Pay Later space is a growth opportunity for Visa. Management has highlighted that there was a 30% increase in financial technology companies issuing Visa credentials, which has more than doubled payments volume in the past year. Visa is in a significantly stronger position post the coronavirus pandemic due to the accelerated digitalisation of cash. We see catalysts ahead for Visa with the potential for earnings beats as cross border volumes recover driving higher margins.

## Market capitalisation (ASX: WGB)

\$895.0m\*

## Gross assets

\$947.2m

## Listed equities

\$853.2m

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

12.1%<sup>^</sup>

MSCI World Index (AUD): 14.0%

## Fully franked full year dividend

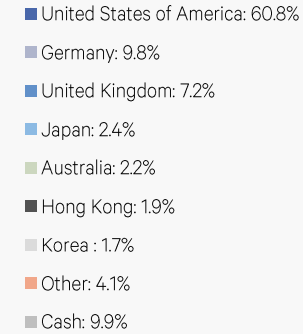
10.0c

## Cash weighting

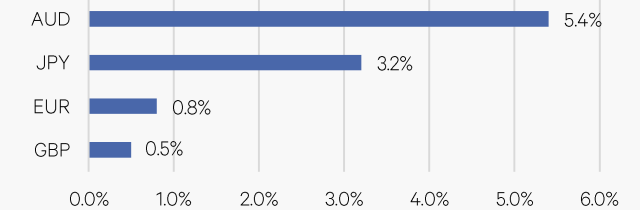
9.9%

\*Based on the 29 October 2021 share price of \$2.59 per share and 345,563,302 shares on issue. During the month, 101,074,227 new WAM Global shares and 101,074,227 new WAM Global options were issued as part of the Scheme of arrangement with TGG and 3,198,998 options were exercised and allotted under the Bonus Issue of Options. The options are trading under the ASX code WGBO with an exercise price of \$2.54 per option and expire on 12 September 2022.  
^Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

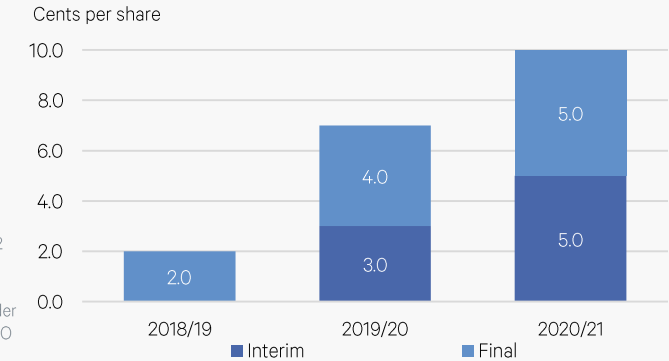
## Portfolio by geographical exposure



## Cash currency exposure



## History of fully franked dividends



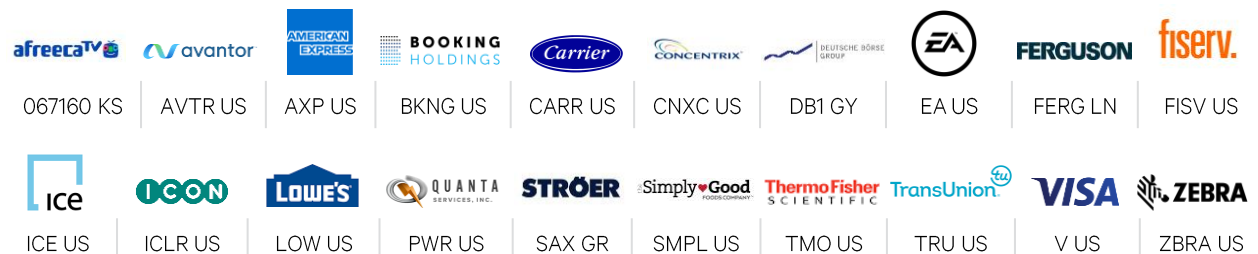
## Net Tangible Assets (NTA) per share

The below NTA figures are **before** the fully franked final dividend of 5.0 cents per share due to be paid on 26 November 2021. The shares will trade ex-dividend on 19 November 2021.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
October 2021	269.17c	267.08c	263.67c
September 2021	273.39c	271.07c	264.62c

The above October NTA figures are not adjusted for the 282,329,492 options on issue with an exercise price of \$2.54 per option.

## Top 20 holdings (in alphabetical order)



# WAM Global Options

W | A | M *Global*

*The world's most compelling undervalued growth companies.*

ASX: WGB0

WAM Global Limited (ASX: WGB) announced a one-for-one Bonus Issue of Options in February 2021, to all shareholders of the Company, at no additional cost.

Exercise price per Option:

**\$2.54**

Expiry date:

**12 Sep 2022**

Last date to exercise to be entitled to receive the fully franked final dividend:

**17 Nov 2021**

**View and download the factsheet**



The WAM Global Bonus Issue of Options provides shareholders with the opportunity, but not the obligation, to purchase one additional WAM Global share for \$2.54 per Option, without paying brokerage fees. The options can be exercised at any time, up until they expire on Monday, 12 September 2022.

## About WAM Global

WAM Global Limited (ASX: WGB), one of Australia's leading LICs, is managed by Wilson Asset Management. Listed in June 2018, WAM Global provides investors with exposure to an actively managed diversified portfolio of undervalued international growth companies. WAM Global's investment objectives are to deliver investors a stream of fully franked dividends, provide capital growth over the medium-to-long term and preserve capital.

## Exercise your options

The Options can be exercised at any time until they expire on Monday 12 September 2022. Shareholders who exercise their options by 17 November 2021 are eligible to receive the fully franked final dividend of 5.0 cents per share, provided they continue to hold the shares on the dividend record date of 22 November 2021.

The fully franked final dividend represents a fully franked dividend yield of 3.9%, and a grossed-up dividend yield of 5.6%\*, on the exercise price of \$2.54 per Option.

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

**EXERCISE YOUR OPTIONS** >



# W | A | M *Microcap*

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

The WAM Microcap investment portfolio increased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included managed accounts technology provider Praemium (ASX: PPS) and telecommunications infrastructure company Superloop (ASX: SLC).

Praemium is a global leader in the provision of technology platforms for managed accounts, investment administration and financial planning. It services 300,000 investor accounts and manages over \$170 billion in funds globally for more than 1,000 financial institutions and intermediaries. In October, Praemium reported a record inflow of \$1.7 billion for the September 2021 quarter, 37% higher than the previous quarter, and saw record total funds under management of \$45.6 billion. In early November, Praemium announced it received a merger proposal from financial services and technology company Netwealth (ASX: NWL), where shareholders would be entitled to receive one new Netwealth share for every 11.96 Praemium shares, or receive a cash alternative. If implemented, we believe the proposed merger will create substantial value for Praemium shareholders given the compelling synergies it will produce.

Superloop is a leading telecommunications provider that owns and operates metropolitan fibre networks in Australia, Singapore and Hong Kong, connecting the regions' key data centres and bandwidth intensive buildings. During the month, the company announced the sale of its Hong Kong business and select Singapore assets for \$140 million, a 30% premium to the carrying value of the assets. This transaction will allow the company to redeploy proceeds derived from the sale into accretive acquisitions or capital management initiatives.

## Market capitalisation (ASX: WMI)

\$422.8m<sup>#</sup>

## Gross assets

\$377.5m

## Listed equities

\$329.6m

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

25.2%<sup>^</sup>

S&P/ASX Small Ordinaries Accumulation Index: 12.2%

## Dividends paid since inception (per share)

33.75c

## Fully franked full year dividend

8.0c

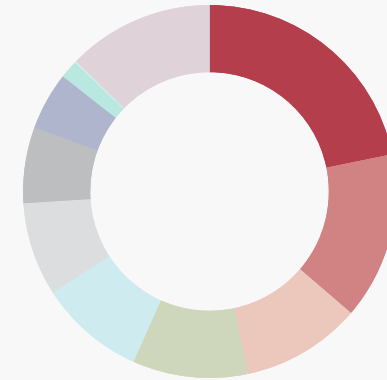
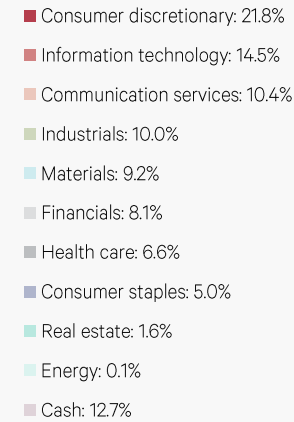
## Fully franked special dividend

4.0c

<sup>#</sup>Based on the 29 October 2021 share price of \$2.03 per share. WAM Microcap has 208,288,344 shares on issue. During the month, 1,040,494 shares were issued under the Dividend Reinvestment Plan for the final and special dividends.

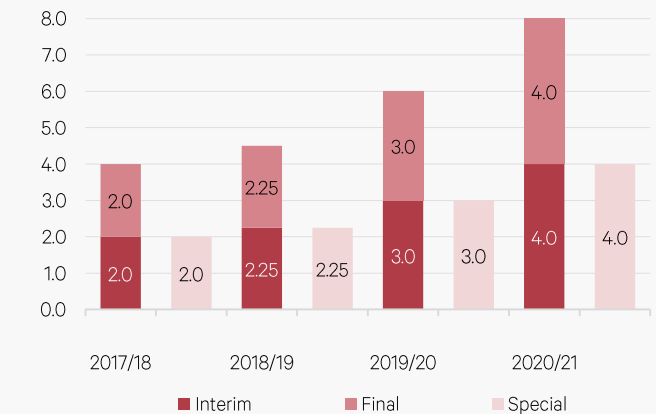
<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is before expenses, fees and taxes.

## Portfolio by sector



## History of fully franked dividends

Cents per share



## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 4.0 cents per share and fully franked special dividend of 4.0 cents per share that were paid on 22 October 2021. The shares traded ex-dividend on 11 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
October 2021	181.94c	173.94c	169.68c	162.04c
September 2021	177.71c	177.71c	174.37c	166.95c

## Top 20 holdings (in alphabetical order)



# W | A | M *Alternative Assets*

*Unique opportunities beyond traditional assets*

The WAM Alternative Assets investment portfolio increased during the month with the Shopper Media Group Fund contributing to the investment portfolio performance. WAM Alternative Assets' investment in the Shopper Media Group Fund is managed by our investment partner, Fortitude Investment Partners. The underlying company is a Sydney-based digital out-of-home advertising business, which operates Smartlite digital advertising displays in over 420 shopping centres around Australia. The Shopper business has seen significant growth and increase in earnings before interest, tax, depreciation and amortisation (EBITDA), driving an increase in the carrying value of the fund. We remain positive on this investment as it fits into the long-term megatrend of digitalisation.

In October, we deployed a further \$1.7 million to the Hotel Fund, which is also managed by Fortitude Investment Partners. The Hotel Fund's underlying business, GM Hotels, consists of a portfolio of freehold and leasehold suburban hotels in Adelaide. The follow on capital raising saw the GM Hotels business acquire two strategic freehold assets. The GM Hotels business has proven resilient throughout the coronavirus pandemic, achieving considerable growth over the past 12 months. The Hotel Fund is a yielding asset, targeting a 10% return to investors per annum.

Market capitalisation (ASX: WMA)

\$200.0m\*

Share price

\$1.03

Gross assets

\$229.4m

Pre-tax net tangible assets

\$1.18

\*Based on 194,167,007 shares on issue. During the month, 234,147 shares were issued under the Dividend Reinvestment Plan for the final dividend.

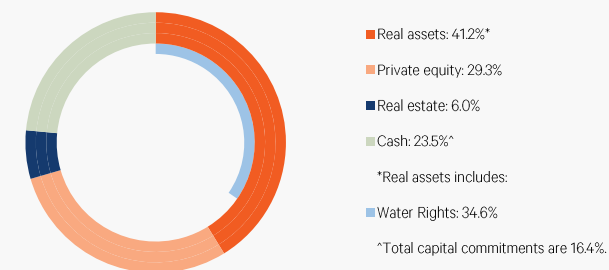
## About WAM Alternative Assets

WAM Alternative Assets provides retail investors with exposure to a portfolio of real assets, private equity, real estate and aims to expand into new asset classes such as private debt and infrastructure. The Company's investment objectives are to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits.

## Date of transition from BAF to WMA

14 October 2020

## Asset class exposure



Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	94.4	41.2	1.2	1.3
Private equity	67.2	29.3	3.3	5.2
Real estate	13.8	6.0	(0.2)	(1.4)
Cash <sup>^</sup>	54.0	23.5	(5.0)	(8.5)
<b>Grand total</b>	<b>229.4</b>	<b>100.0</b>	<b>(0.7)</b>	<b>(0.3)</b>

<sup>^</sup>Includes capital commitments to the Palisade Diversified Infrastructure Fund (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$15.0m); the Adamantem Fund 2 (\$6.2m) and the Strategic Australian Agriculture Fund (\$1.3m).

## Real assets

A diversified portfolio combining agricultural assets and investments in perpetual water entitlements which can be sold or leased to irrigators to generate income.

## Private equity

A diversified portfolio of unlisted companies with long-term and accelerated growth potential.

## Real estate

A portfolio of domestic and international industrial and office assets.

## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 2.0 cents per share that was paid on 22 October 2021. The shares traded ex-dividend on 11 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
October 2021	119.97c	117.97c	117.26c	114.86c
September 2021	118.53c	118.53c	117.92c	115.68c

## Top holdings

### Real assets



### Water Fund

Pioneer and leading non-irrigator water investor in Australia

### Strategic Australian Agriculture Fund

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

### Private equity



A manufacturer of premium condiments, desserts and beverages



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



Shopping centre advertising campaigns



A leading developer of utility-scale battery energy storage projects in the US

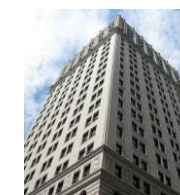


Owns and operates a portfolio of hotels in Australia



Food services distributor

### Real estate



2 Rector Street, Manhattan, New York

Revesby Industrial Income Fund, New South Wales

## New Investment Partners



Mid-market private equity fund manager



Specialist infrastructure fund manager



Boutique real estate fund manager

# W | A | M Strategic Value

Discounted asset opportunities.

The WAM Strategic Value investment portfolio increased during the month, with significant contributors including Westoz Investment Company (ASX: WIC) and Ironbark Capital (ASX: IBC).

Based in Perth, Westoz Investment Company is a LIC established in 2005. The company's objective is to generate a positive return over the medium to long term through an actively managed portfolio of small-to-mid cap ASX listed investments and provide shareholders with a consistent stream of dividends. Its investments typically have a connection to Western Australia through their assets, operations or management. In October, the Westoz investment portfolio posted a strong gross portfolio return of 6.2%, outperforming the S&P/ASX All Ordinaries Accumulation Index by 6.0%. Westoz Investment Company's strong share price performance was primarily driven by its underlying investments in gold producer West African Resources (ASX: WAF) and nickel producer Nickel Mines (ASX: NIC), as well as a slight narrowing of its share price discount to net tangible assets (NTA). We see compelling value in Westoz Investment Company over time as its share price discount to NTA continues to narrow.

Ironbark Capital is a listed investment company (LIC) which aims to achieve its absolute return objective over the medium to long term. The Company's investment process emphasises income generation and predominantly invests in buy and write strategies, property trusts, utilities, infrastructure, hybrids, corporate bonds and fixed interest securities. Ironbark Capital commenced a share buy-back during October 2021 in an attempt to narrow its NTA discount. The company currently trades at a slight discount to its NTA and is now responsible for over 85% of the share volume since the share buy-back has come into effect. In its annual financial report, the company stated that it expects to see improvements in FY2022 dividends received from the underlying investments, supported by better-than-expected corporate earnings.

## Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
October 2021	130.98c	131.50c	129.45c
September 2021	129.00c	129.39c	128.06c

### Market capitalisation (ASX: WAR)

\$220.5m\*

### Gross assets

\$237.2m^

### Share price

\$1.225

### Pre-tax net tangible assets

\$1.31

\*Based on 180,000,001 shares on issue.

^Gross assets exclude the \$2.05m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

### 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.

### Date of listing on the ASX

28 June 2021

## Top holdings (in alphabetical order)

 Antipodes	 AUI	 Carlton Investments	 ELLERSTON ASIAN INVESTMENTS LIMITED	 GLOBAL DATA CENTRE GROUP	 IRONBARK CAPITAL	 LSF	 NAOS ASSET MANAGEMENT
APL	AUI	CIN	EAI	GDC	IBC	LSF	NSC
 OZGROWTH LIMITED	 PENGANA CAPITAL	 QV Equities Ltd.	 Spheria	 TEK	 VGI PARTNERS Global Investments	 WGB*	 WESTOZ
OZG	PIA	QVE	SEC	TEK	VG1	WGB*	WIC

\*WAM Strategic Value received WAM Global shares and options as scrip consideration for TGG shares held.

The WAM Research investment portfolio decreased during the month. Integrated marketing and communication services provider Enero Group (ASX: EGG) was a contributor while leading global supplier of hand-held metal detectors and communications equipment Codan (ASX: CDA) was a detractor to the investment portfolio performance.

Enero Group is a global marketing and communication services business that employs over 650 staff across 13 cities around the world. At its recent Annual General Meeting (AGM), Enero Group provided an impressive trading update with growth ahead of market expectations. Enero Group's September quarter revenue increased to \$45.6 million, a 22.6% year-on-year rise, with its Hotwire, BMF and OB Media businesses outperforming. Management expect the strong momentum to continue and we see further upside to consensus earnings estimates. Enero Group continues to trade at a material discount to offshore peers despite a stronger growth outlook. Furthermore, we believe Enero Group's strong balance sheet provides ample room for accretive acquisitions in the future and view the potential upcoming IPO of comparable System1 in the United States as a valuation re-rating catalyst.

Codan is a manufacturer and supplier of communications and metal detection products to security and military groups, governments and consumers globally. In its trading commentary at its AGM in October, Codan affirmed that its existing businesses are tracking in line with FY2021's record first half profitability. This was below market expectations, with slower than anticipated organic growth in the metal detection business a key driver. While disappointing near term, the medium term outlook remains positive, underpinned by significant ongoing investment in product development and expansion into new markets. During the month, Codan also announced that it had secured a significant multi-year contract supplying communications equipment to a military program, with the outlook for further potential awards remaining positive.

## Net Tangible Assets (NTA) per share

The below October NTA figures are **after** the fully franked final dividend of 4.95 cents per share that was paid on 22 October 2021. The shares traded ex-dividend on 11 October 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
October 2021	126.07c	121.12c	124.47c	120.23c
September 2021	127.34c	127.34c	131.52c	125.96c

\*Includes 5.67 cents per share of income tax losses available to the Company in future periods.

## Market capitalisation (ASX: WAX)

\$331.8m<sup>#</sup>

## Gross assets

\$246.6m

## Listed equities

\$229.7m

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

16.5%<sup>^</sup>

S&P/ASX All Ordinaries Accumulation Index: 9.6%

## Dividends paid since inception (per share)

124.0c

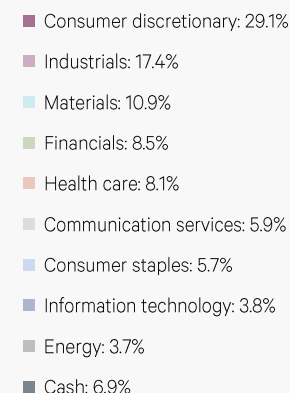
## Fully franked dividend yield

5.9%<sup>#</sup>

<sup>#</sup>Based on the 29 October 2021 share price of \$1.685 per share and the FY21 fully franked full year dividend of 9.9 cents per share. WAM Research has 196,927,852 shares on issue. During the month, 1,109,813 shares were issued under the Dividend Reinvestment Plan for the final dividend.

<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.

## Portfolio by sector



## History of fully franked dividends



## Top 20 holdings (in alphabetical order)

