

January 2022 Investment Update

Pre-tax
NTA

W | A | M *Capital*

\$1.74

W | A | M *Leaders*

\$1.42

W | A | M *Global*

\$2.62

W | A | M *Microcap*

\$1.64

W | A | M *Alternative Assets*

\$1.24

W | A | M *Strategic Value*

\$1.26

W | A | M *Research*

\$1.12

W | A | M *Active*

\$0.93

Dear Fellow Shareholders,

January 2022 was marked by a global sell off in equities, caused by rising inflation, concerns over central banks tightening monetary policy and geopolitical tensions in Eastern Europe. The MSCI World Index (AUD) closed down 2.3% for the month, the Euro Stoxx 50 Index down 2.9%, US S&P 500 Index fell 5.3%, Japan's TOPIX Index down 4.8%, and China's CSI 300 Index closed down 7.6%, while the UK FTSE 100 Index was up 1.1% in local terms.

Commodity prices surged during the month, with crude oil prices rising more than 15%. Increasing demand post-pandemic, combined with growing fears of a Russian invasion of Ukraine saw the global benchmark oil price reach USD90 a barrel for the first time in more than seven years. Investor sentiment deteriorated in the United States after the release of the US Federal Reserve's 'hawkish' meeting minutes, signalling the imminent removal of monetary stimulus, while fears of an earlier-than-anticipated lift in US interest rates propelled US government bond yields higher.

Australian equities fell for the month, driven lower by the information technology and health care sectors. The S&P/ASX 200 Accumulation Index fell 6.4%, its worst January performance since 2008, and the S&P/ASX All Ordinaries Accumulation Index declined 6.6% for the month.

WAM Alternative Assets Megatrends Series

Portfolio Manager Dania Zinurova recently launched the [WAM Alternative Assets Megatrends Series](#), exploring the long-term megatrends that can be accessed through investing in alternative asset classes. Megatrends are defined as macroeconomic changes that are being observed on a global scale, which are transforming economies, businesses and societies. The series focuses on four key megatrends including: digitalisation, demographical shifts and ageing populations, climate change and the increasing demand for food. Dania has also covered the fundamentals of alternative asset classes and the unique opportunities available in her previous video series: [WAM Alternative Assets Education Series](#)

In the media

I recently presented at the Morningstar Investment Conference for Individual Investors, discussing WAM Strategic Value (ASX: WAR), buybacks, and how discounts are driving the listed investment company (LIC) market transformation. You can register [here](#) to receive a recording of the conference (available to registrants until 4 March 2022) for more insights into the LIC structure and investing landscape in 2022.

I also discussed with [The Australian](#) my market outlook for 2022, and the impact of rising inflation and increasing interest rates on equity markets. As economies and societies begin to

live with coronavirus, companies with low price-to-earnings ratios and those not negatively impacted by increasing interest rates will become attractive investment opportunities.

FY2022 interim results, fully franked interim dividends | Join our results webinars

WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMD), WAM Alternative Assets (ASX: WMA) and WAM Active (ASX: WAA) recently reported their FY2022 interim results and fully franked interim dividends. I thank all our shareholders for their continued support, and congratulate the investment team for their performance. WAM Capital's announcement was covered in the [Australian Financial Review](#) and WAM Leaders' in [The Australian](#).

FY2022 interim results for WAM Strategic Value (ASX: WAR) and WAM Research (ASX: WAX) will be announced this week and all half-year financial reports will be lodged by 28 February 2022.

We invite you to join us for our FY2022 interim results webinars for our LICs:

- WAM Capital FY2022 interim results | [webinar](#)
- WAM Leaders FY2022 interim results | [webinar](#)
- WAM Global FY2022 interim results | [webinar](#)
- WAM Microcap FY2022 interim results | [webinar](#)
- WAM Alternative Assets FY2022 interim results | [webinar](#)
- WAM Strategic Value FY2022 interim results | [webinar](#)
- WAM Research FY2022 interim results | [webinar](#)
- WAM Active FY2022 interim results | [webinar](#)

Future Generation full year results

Future Generation Australia (ASX: FGX) recently announced investment portfolio outperformance and a 15.4% increase in the fully franked full year dividend to 6.0 cents per share, which was covered in [The Australian](#). We look forward to sharing Future Generation Global's (ASX: FGG) results later this month.

Thank you for your continued support.



Geoff Wilson AO
Chairman &
Chief Investment Officer



LIC snapshot



W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$2.20
NTA before tax	\$1.74
Annualised fully franked interim dividend	15.5cps
Profits reserve#	19.3cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.52
NTA before tax	\$1.42
Annualised fully franked interim dividend	8.0cps
Profits reserve#	32.6cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$2.36
WGBO option price*	\$0.023
NTA before tax	\$2.62
Annualised fully franked interim dividend	11.0cps
Profits reserve#	39.0cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$2.02
NTA before tax	\$1.64
Annualised fully franked interim dividend	10.0cps
Profits reserve#	52.0cps

W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.10
NTA before tax	\$1.24
Annualised fully franked interim dividend	4.0cps
Commencement date	14 October 2020
Profits reserve#	16.3cps

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$1.17
NTA before tax	\$1.26
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*	\$1.64
NTA before tax	\$1.12
Fully franked full year dividend	9.9cps
Profits reserve#	43.9cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$1.07
WAAOA option price*	\$0.027
NTA before tax	\$0.93
Annualised fully franked interim dividend	6.0cps
Profits reserve#	7.8cps

*As at 11 February 2022.

#The profits reserve figures are as at 31 January 2022 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. Iron ore miner, Champion Iron (ASX: CIA) was a contributor to the investment portfolio performance, while location-based services provider Life360 (ASX: 360) was a detractor.

Headquartered in Canada, Champion Iron is a premium iron ore miner exploring the Bloom Lake and Fire Lake projects in the Canadian province of Quebec. In January, Champion Iron announced its third quarter update, confirming that its growth project, 'Phase II', remained on track for an April completion. The company also announced an inaugural dividend of CAD10 cents per share alongside continued investment growth. Champion Iron has increased its leverage to higher iron ore prices as it progresses its growth projects, which are expected to double product output this year. We remain positive on Champion Iron and expect considerable free cash flow to be generated by the completion of the 'Phase II' project.

Life360 is a family safety platform that allows parents to track the whereabouts of their children, with over 33 million users globally. The initial catalyst identified for our investment was the appointment of Randi Zuckerberg, sister of Meta (formerly Facebook) founder, Chief Executive Officer and Chairman Mark Zuckerberg. In January 2022, Life360 provided a December 2021 quarter update, reporting a third consecutive quarter of record subscribers, driving a 62% increase in revenue growth, ahead of prior company guidance. Life360 also completed the acquisition of Bluetooth tracking device company Tile in January 2022, with holiday period trading results tracking to plan. Expectations of rising bond yields and the resulting rotation out of higher value growth equities has impacted the share price in recent months and we have managed our position size accordingly. Life360 and its underlying business model are strengthening, with the acquisition of Tile seeing the company emerge as a global leader in location tracking services and the outlook remaining positive. We believe that a potential dual-listing in the US remains a key catalyst for the company.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2022	92.73c	97.52c	97.52c
December 2021	99.35c	102.13c	102.13c

*Includes 2.63 cents per share of income tax losses available to the Company in future periods. The above January NTA figures are not adjusted for the 67,090,934 options on issue with an exercise price of \$1.10 per option.

Market capitalisation (ASX: WAA)

\$81.9m[#]

Gross assets

\$68.7m

Listed equities

\$60.9m

Investment portfolio performance (pa since inception Jan 2008)

11.2%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

80.7c

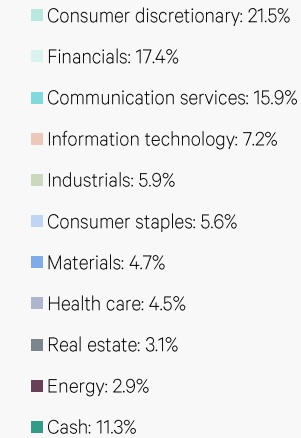
Annualised fully franked interim dividend yield

5.4%[#]

[#]Based on the 31 January 2022 share price of \$1.11 per share and the annualised FY22 fully franked interim dividend of 6.0 cents per share. WAM Active has 73,791,649 shares on issue. During the month, 133,260 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.

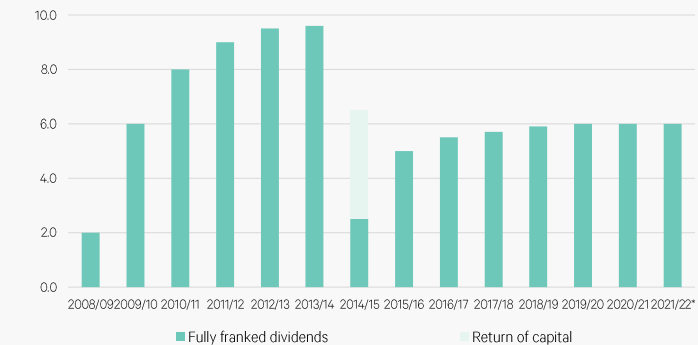
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

Cents per share



*Annualised interim dividend.

Top 20 holdings (in alphabetical order)

ARISTOCRAT	ALS	ARB 4X4 ACCESSORIES	Bapcor	Breville	CAPITOL HEALTH LIMITED	carsales.com ltd	CIMIC	ctm	Data#3
ALL	ALQ	ARB	BAP	BRG	CAJ	CAR	CIM	CTD	DTL
KEYBRIDGE EQUITIES LIMITED	MINCOR RESOURCES NL	PREMIER INVESTMENT	PEXA	QV Equities Ltd.	Steadfast	SELECT HARVESTS	tpg TELECOM	TUAS	UNITI GROUP
KBC	MCR	PMV	PXA	QVE	SDF	SHV	TPG	TUA	UWL

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 October 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 31 January 2022, a total of 2,975,475 options have been exercised for a total consideration of \$3,273,021, with the remaining balance of outstanding options being 67,090,934.

EXERCISE YOUR OPTIONS >

W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital (ASX: WAM) investment portfolio decreased during the month. Iron ore miner Champion Iron (ASX: CIA) was a contributor to the investment portfolio performance, while beauty and wellness business BWX (ASX: BWX) was a detractor.

Headquartered in Canada, Champion Iron is a premium iron ore miner exploring the Bloom Lake and Fire Lake projects in the Canadian province of Quebec. In January, Champion Iron announced its third quarter update, confirming that its growth project, 'Phase II', remained on track for an April completion. The company also announced an inaugural dividend of CAD10 cents per share alongside continued investment growth. Champion Iron has increased its leverage to higher iron ore prices as it progresses its growth projects, which are expected to double product output this year. We remain positive on Champion Iron and expect considerable free cash flow to be generated by the completion of the 'Phase II' project.

BWX is an Australian-based company that is engaged in developing, manufacturing and marketing beauty and personal care products. The company's expansion into the US and UK is gaining traction, which, coupled with new products and a larger distribution network, is driving growth in their share of the market. In January, the resignation of Chief Executive Officer David Fenlon was announced, with Mr Fenlon moving into a Non-Executive Direction position on the Board. Despite Mr Fenlon's resignation, the appointment of his successor, BWX's Chief Operating Officer Rory Gratton, demonstrates continuity in the company's management team.

Market capitalisation (ASX: WAM)

\$1,995.4m[#]

Gross assets

\$1,612.0m

Listed equities

\$1,400.4m

Investment portfolio performance (pa since inception Aug 1999)

15.9%[^]

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

Dividends paid since inception (per share)

269.5c

Annualised fully franked interim dividend yield

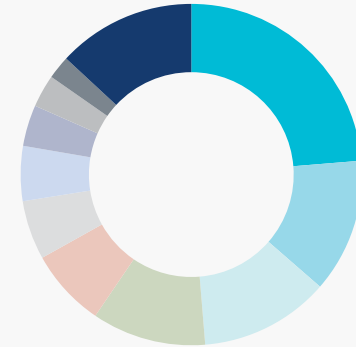
7.2%[#]

[#]Based on the 31 January 2022 share price of \$2.16 per share and the annualised FY22 fully franked interim dividend of 15.5 cents per share. WAM Capital has 923,786,646 shares on issue. During the month, 17,284,012 shares were issued as part of the PAF takeover offer.

[^]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.

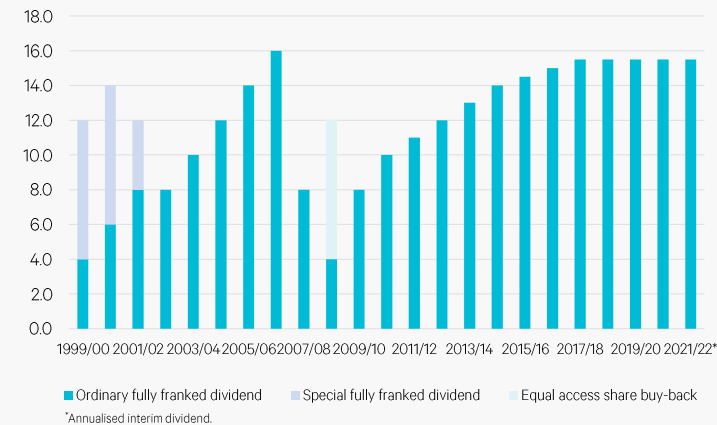
Diversified investment portfolio by sector

- Consumer discretionary: 23.7%
- Financials: 12.7%
- Industrials: 12.3%
- Communication services: 10.8%
- Materials: 7.4%
- Consumer staples: 5.6%
- Health care: 5.2%
- Information technology: 3.9%
- Energy: 3.1%
- Real estate: 2.2%
- Cash: 13.1%



History of fully franked dividends

Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2022	174.02c	182.19c	181.89c
December 2021	188.33c	196.02c	191.78c

*Includes 1.14 cents per share of tax assets resulting from the acquisition of unlisted investment companies and 6.72 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

AUSTRALIAN Clinicallabs	ARDENT LEISURE	ARISTOCRAT	ALS	ARB 4X4 ACCESSORIES	Accent Group	Bapcor	BRICKWORKS LIMITED	carsales.com ltd	Credit Corp Group
ACL	ALG	ALL	ALQ	ARB	AX1	BAP	BKW	CAR	CCP
Estia Health	EVENT HOSPITALITY & ENTERTAINMENT	idp	iph	MGH HOSPITAL GROUP HOLDINGS	PM Capital ASIAN OPPORTUNITIES FUNDS LIMITED	PEXA	Steadfast THE STRENGTH YOU NEED	tpg TELECOM	VIVA Energy Australia
EHE	EVT	IEL	IPH	MGH	PAF	PXA	SDF	TPG	VEA

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders investment portfolio decreased during the month, outperforming the S&P/ASX 200 Accumulation Index. Significant contributors to the investment portfolio outperformance included iron ore miner BHP Group (ASX: BHP) and oil and gas producer Santos (ASX: STO).

During the month, we saw strengthening evidence that the slowdown in China had passed a trough. The People's Bank of China began to signal monetary policy easing by cutting the one-year policy loan rate and injecting 200 billion yuan into the financial system in order to reduce borrowing costs and encourage credit growth. This buoyed iron ore prices, which lead to BHP Group's outperformance. On 28 January 2022, BHP Group consolidated its London-listed company into its Australian-listed business, making it the largest corporation listed on the ASX with a market capitalisation of \$237 billion, which equates to more than 11% of the total S&P/ASX 200 Index. We continue to favour BHP Group particularly for its exposure to iron ore and copper.

In January 2022, oil prices surged to their highest levels since 2014, benefitting energy company Santos. This rally was underpinned by a number of factors including strengthening demand following a decline in severity of coronavirus cases globally and mobility returning to pre-coronavirus levels. Stockpiles of oil remain low, with China in particular at bare minimum inventory levels with the possibility of price-agnostic restocking following Chinese New Year. Oil production has been interrupted due to a number of Organisation of the Petroleum Exporting Countries (OPEC+) members operating with spare capacity, limiting OPEC+'s ability to ramp production meaningfully. Finally, rising geopolitical tensions between Russia – a country that supplies over 10% of oil globally – and Ukraine have added further complexity to the issue at hand, with the threat of crippling sanctions against Russia. We expect oil prices to remain elevated as these factors continue to play out. Our preferred exposure to this thematic is through Santos due to its highly regarded management team and the expected realisation of synergies following their acquisition of Oil Search. We believe Santos' planned project equity sell downs over 2022 will provide the company with optionality to lift the dividend or accelerate their investment in the energy transition.

Market capitalisation
(ASX: WLE)

\$1,480.8m*

Gross assets

\$1,497.8m

Listed equities

\$1,459.9m

Investment portfolio performance
(pa since inception May 2016)

14.6%[^]

S&P/ASX 200 Accumulation Index: 8.7%

Dividends paid since inception
(per share)

27.15c

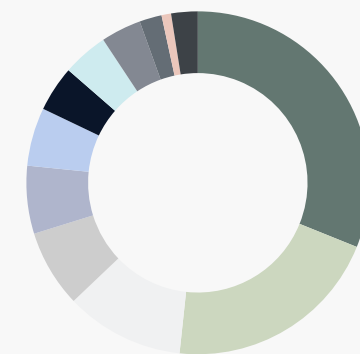
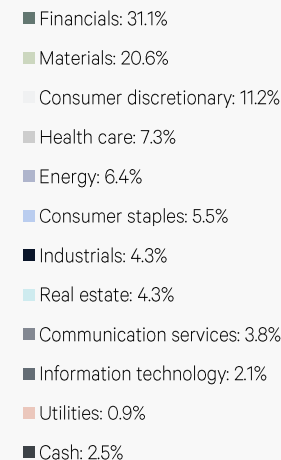
Annualised fully franked
interim dividend yield

5.6%*

*Based on the 31 January 2022 share price of \$1435 per share and the annualised FY22 fully franked interim dividend of 8.0 cents per share. WAM Leaders has 1,031,930,879 shares on issue.

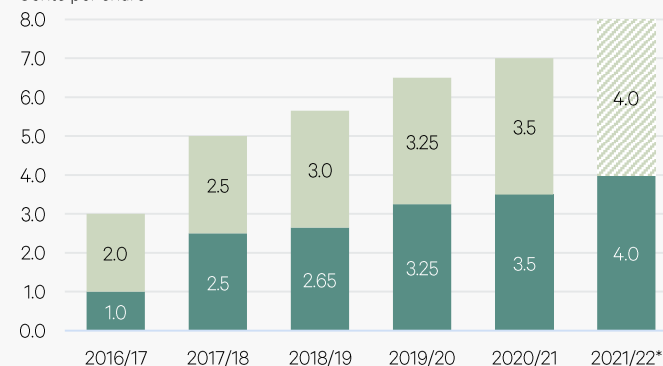
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

Cents per share

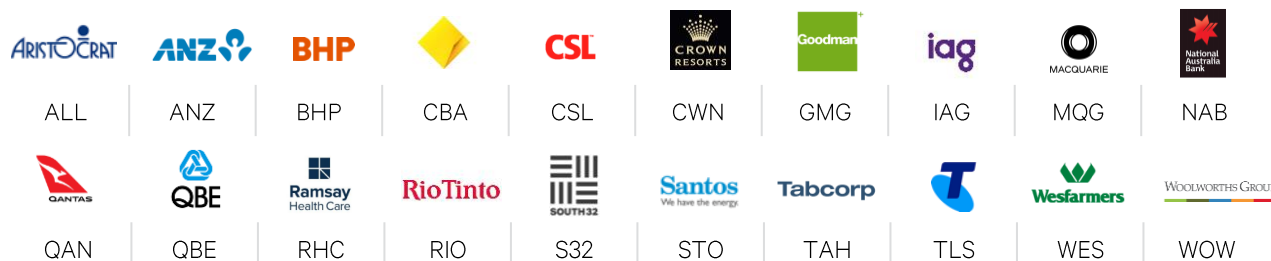


*Annualised interim dividend. ■ Interim ■ Final

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2022	142.20c	139.91c	138.94c
December 2021	147.04c	144.73c	142.34c

Top 20 holdings (in alphabetical order)



W | A | M Global

The world's most compelling undervalued growth companies.

The WAM Global (ASX: WGB) investment portfolio decreased during the month. Concentrix (NASDAQ: CNXC), a leading provider of technology infused customer experience solutions, was a contributor to the investment portfolio performance while consumer credit reporting agency TransUnion (NYSE: TRU) was a detractor.

Concentrix specialises in providing customer engagement and business performance solutions for some of the world's best brands including over 100 Global Fortune 500 clients. In January 2022, Concentrix announced its full year 2021 earnings results, which beat market expectations. The company delivered adjusted constant currency revenue growth of over 17%, together with margin expansion. Guidance provided for FY22 implies another year of 8-11% organic growth and an increase in margins of 80 basis points. Later in the month, the company held its investor day which highlighted the significant runway for growth as it continues to take share in its core customer experience (CX) solutions market and expand further into adjacent CX and digital IT services, increasing its total addressable market to over USD550 billion. The company laid out the strategy to drive organic revenues up 9% per annum out to 2025 and operating margins to 14.5%. Operational leverage will be driven by growth in more complex high value services, operational efficiencies and internal technology automation. Concentrix expects to have additional opportunities to do selective mergers and acquisitions to further consolidate their markets going forward. Despite its strong performance, the company continues to trade at a significant discount to its peers. We expect it to re-rate as the company builds a track record operating as a public company, and management execute towards their 2025 targets.

TransUnion is a leading global consumer credit bureau. The company provides solutions embedded into customer workflows that enable valuable decision-making capabilities in areas of consumer credit, insurance, fraud and identification. The company was a detractor to performance during the month due to market concerns over slowing mortgage refinance activity. We believe that with rising rates and strong year-ago comparables, mortgage refinance activity will remain challenged in the near-term. However, mortgage refinance activity represents less than 10% of TransUnion's revenue. As evidenced by competitor Experian's (LON: EXPN) recent strong results, we expect strength in other areas of consumer credit, insurance, international and emerging verticals to drive results over the coming quarters. Our long-term view is that the company's strong track record of delivering above industry growth will continue, driven by product innovation and well-timed entry into attractive areas adjacent to its core consumer credit verticals.

Market capitalisation (ASX: WGB)

\$794.6m*

Gross assets

\$919.4m

Listed equities

\$890.4m

Investment portfolio performance (pa since inception June 2018)

11.1%[^]

MSCI World Index (AUD): 13.9%

Annualised fully franked interim dividend

11.0c

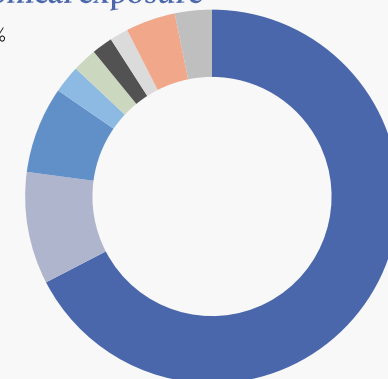
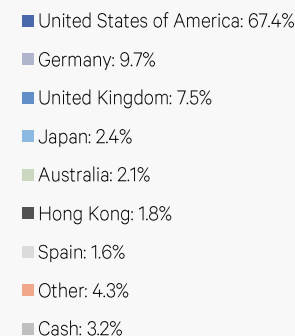
Cash weighting

3.2%

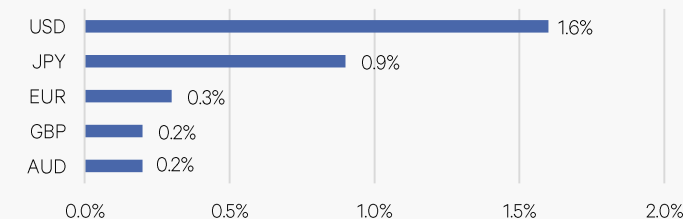
*Based on the 31 January 2022 share price of \$2.27 per share and 350,046,329 shares on issue. During the month, 440 options were exercised and allotted under the Bonus Issue of Options. The options are trading under the ASX code WGB0 with an exercise price of \$2.54 per option and expire on 12 September 2022.

[^]Investment portfolio performance is before expenses, fees and taxes to compares to the relevant index which is also before expenses, fees and taxes.

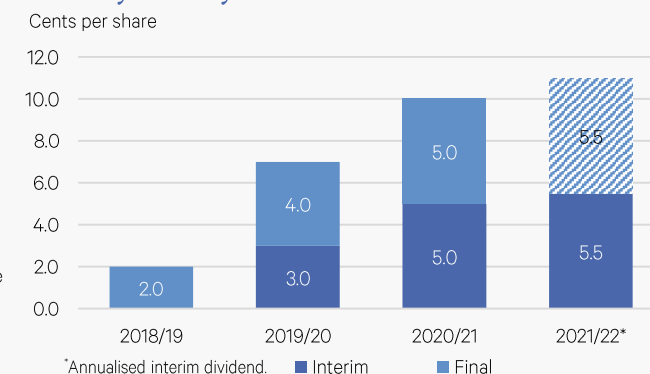
Portfolio by geographical exposure



Cash currency exposure



History of fully franked dividends

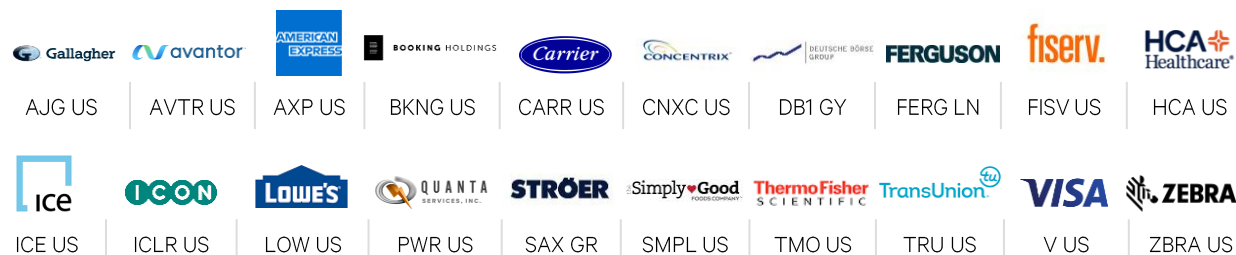


Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2022	261.92c	261.26c	257.41c
December 2021	271.80c	268.83c	264.32c

The above January NTA figures are not adjusted for the 278,467,744 options on issue with an exercise price of \$2.54 per option.

Top 20 holdings (in alphabetical order)



W | A | M *Microcap*

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

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 Austin Engineering (ASX: ANG) and Generation Development Group (ASX: GDG).

Austin Engineering manufactures and supplies specialised mining products that improve efficiency and assist decarbonisation efforts for clients globally. Currently, Austin Engineering is undergoing a three-phase optimisation plan under the guidance of its newly appointed Chief Executive Officer and Managing Director David Singleton. In December 2021, Austin Engineering reported a five-year contract renewal with Rio Tinto (ASX: RIO). In January, the company announced updated guidance on first half FY2022 earnings before interest, tax, depreciation and amortisation (EBITDA) to \$11.5 million and indicated an increase in EBITDA margins across the group, signalling that the company's turnaround strategy is delivering. We are positive that the company will see revenue and EBITDA increase across the Asia-Pacific, North America and South America sites upon the execution of its three-phase plan.

Generation Development Group, owner of Generation Life, specialises in investment bond products which provide tax-effective investment solutions. In January, Generation Development Group released its December quarter update recording its highest-ever sales inflow for the quarter and a 44% increase in funds under management, compared to the previous corresponding period. Generation Life achieved a 52% market share of annual sales inflows in the September 2021 quarter, growing from 40% in the prior corresponding period. We remain positive on Generation Development Group ahead of its upcoming launch of the investment-linked lifetime annuity, subject to regulatory approval, and the next instalment of investment bonds that we believe will further bolster the company's customer value proposition.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2022	164.34c	159.22c	155.52c
December 2021	176.25c	170.94c	163.85c

Market capitalisation (ASX: WMI)

\$373.9m[#]

Gross assets

\$347.4m

Listed equities

\$299.9m

Investment portfolio performance (pa since inception June 2017)

22.2%[^]

S&P/ASX Small Ordinaries Accumulation Index: 9.5%

Dividends paid since inception (per share)

33.75c

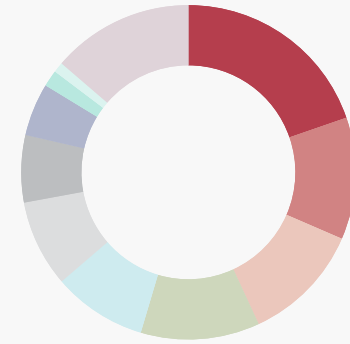
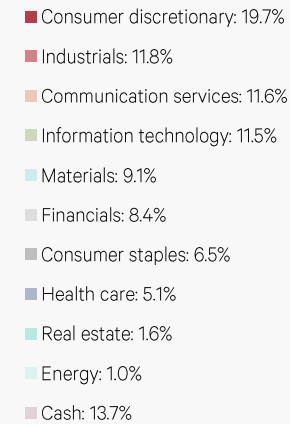
Annualised fully franked interim dividend

10.0c

[#]Based on the 31 January 2022 share price of \$1.795 per share. WAM Microcap has 208,288,344 shares on issue.

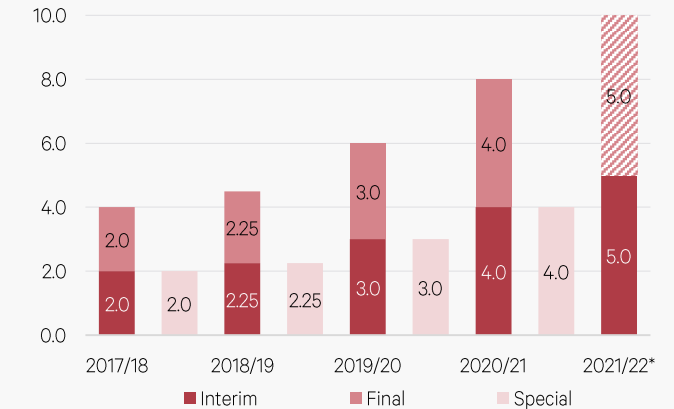
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



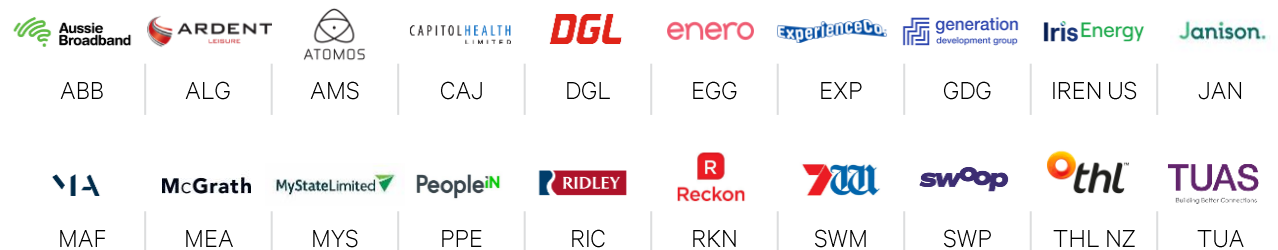
History of fully franked dividends

Cents per share



*Annualised interim dividend.

Top 20 holdings (in alphabetical order)



W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

The WAM Alternative Assets (ASX: WMA) investment portfolio increased during the month driven by increases across the real assets and private equity portfolio assets. In February, WAM Alternative Assets made a new capital commitment of \$10 million to invest in Centennial Property Group's (CPG) industrial and logistics strategy, the CEN (I&L) Partnership Fund, alongside their cornerstone investor and affiliate Kohlberg Kravis Roberts & Co L.P. (KKR). The strategy aims to target Australian assets valued at \$15 million and over, in the industrial and logistics property sector, with a focus on acquiring vacant or underutilised land that provide opportunities to develop core, multi-unit industrial and logistics estates located in established, land constrained markets. We see this as an attractive investment opportunity for shareholders, which is supported by a key megatrend; digitalisation and technological advancement. We believe the underlying driver for this sector is the development and growth of e-commerce and online retail.

The Australian industrial and logistics sector continues to benefit from fundamental but sustained tailwinds. During 2020, in the early stages of the coronavirus, and throughout 2021 the sector continued to generate double digit returns in Australia. The growth and urbanisation of Australia's population are major contributors to economic growth for the sector and continue to place significant pressure on transport infrastructure and land availability in major cities. This convergence of trends will see continued demand for land-constrained infill logistics space (real estate development sites that exist within a mostly built out market), as businesses seek to support supply chain requirements. CPG's industrial and logistics business is well established and specialises in the sectors' mid-space. CPG has a longstanding presence across the national industrial and logistics markets with a team that has completed over 300 transactions. Its boutique structure and entrepreneurial approach to investing allows the company to be more flexible in what assets it pursues, and how they implement the strategy, resulting in a better alignment with investment returns. CPG's industrial and logistics investment team are experts in the real estate market and are led by Executive Director and Industrial CEO, Paul Ford who has extensive experience and a strong reputation in the market as a seasoned investor in the industrial and logistics space in Australia.

Market capitalisation (ASX: WMA)

\$200.0m*

Share price

\$1.03

Gross assets

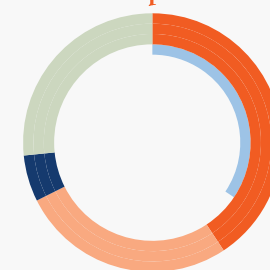
\$240.3m

Annualised fully franked interim dividend

4.0c

*Based on 194,167,007 shares on issue.

Asset class exposure



■ Real assets: 40.7%*
 ■ Private equity: 26.9%
 ■ Real estate: 5.8%
 ■ Cash: 26.6%*
 ■ Water Rights: 34.4%

*Real assets includes:

† Total capital commitments are 15.6%.

Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	97.7	40.7	0.9	0.9
Private equity†	64.7	26.9	(4.8)	(6.9)
Real estate	14.0	5.8	0.2	1.4
Cash†	63.9	26.6	7.7	13.7
Grand total	240.3	100.0	4.0	1.7

†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). In February 2022, WAM Alternative Assets made a new capital commitment to the CEN (I&L) Partnership Fund (\$10.0m).

‡During the month \$7.1m of initial exit proceeds was received from our investment in the QFS Fund.

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

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
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January 2022	123.87c	122.87c	119.55c
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December 2021	121.87c	120.99c	117.83c
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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

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 decreased in January during a challenging period for equity markets. Global and domestic equities fell sharply marked by rising inflation, the tightening of monetary policy by central banks and geopolitical tensions in Eastern Europe. Detractors to the investment portfolio included Pengana International Equities (ASX: PIA), VGI Partners Global Investments (ASX: VG1) and NAOS Small Cap Opportunities Company (ASX: NSC). The decline in equity markets led to the widening of discounts to net tangible assets (NTA) across the listed investment company (LIC) and listed investment trust (LIT) sector, allowing WAM Strategic Value to take advantage of further discounted asset opportunities.

Pleasingly, L1 Long Short Fund (ASX: LSF) provided strong absolute returns to the WAM Strategic Value investment portfolio and was a contributor to the investment portfolio performance for the month. L1 Long Short Fund provides investors access to an absolute return fund, offering a highly diversified portfolio of long and short positions based on a fundamental, bottom-up research process. The company's investment objective is to deliver strong, positive and risk-adjusted returns over the long term while seeking to preserve shareholder capital. In January 2022, L1 Long Short Fund returned 3% for the month, outperforming the S&P/ASX 200 Accumulation Index by 9%. L1 Long Short Fund also announced investment portfolio performance of 30% and total shareholder return of 43% for the 2021 calendar year. L1 Long Short Fund outlined that the investment portfolio outperformance was achieved through broad-based stock gains and tailwinds from strong commodity prices. As at 31 January 2022, the company's share price was trading at a 10.8% discount to its pre-tax NTA. We continue to hold L1 Long Short Fund and expect this discount will narrow moving forward as its focus on cash flow-based valuations and traditional finance fundamentals provide a tailwind to the investment portfolio performance.

Market capitalisation (ASX: WAR)

\$207.0m*

Gross assets

\$225.9m^

Share price

\$1.15

Pre-tax net tangible assets

\$1.26

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

^Gross assets exclude the \$1.81m 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

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2022	125.85c	125.83c	126.09c
December 2021	130.11c	130.47c	129.07c

Top holdings (in alphabetical order)

 AUI	 CIN	 EAI	 GDC	 LSF	 MGF	 NSC	 OZG
 PIA	 QVE	 SEC	 TEK	 VG1	 VG8	 WGB*	 WIC

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

The WAM Research (ASX: WAX) investment portfolio decreased during the month. Debt buyer and collector Credit Corp Group (ASX: CCP) was a contributor to the investment portfolio performance, while beauty and wellness business, BWX (ASX: BWX) was a detractor.

Credit Corp Group provides debt purchase and collection and consumer lending services in Australia, New Zealand and the United States. The share price outperformed during the month, in the lead up to their FY2022 interim results released at the start of February. Expectations were building of a positive result and the company delivered, reporting an 8% increase in underlying net profit after tax (NPAT) in the six months to 31 December 2021, underpinned by strong collections activity. The period included record investment driven by the US purchase debt ledger (PDL) acquisitions alongside the acquisition of Radio Rentals in Australia. Consumer lending demand accelerated to record levels over the December quarter, as key markets emerged from coronavirus-related lockdowns, while pilot projects continued to demonstrate promising results for the company. Management's confidence was reflected in an upgrade to full year 2022 guidance, with PDL investment increasing to \$300 million to \$320 million and NPAT to a range of \$92 million to \$97 million. We continue to see upside to guidance and remain positive on the medium-term outlook as unsecured credit balances are set to accelerate as consumer stimulus fades and the impacts of coronavirus ease. This is expected to underpin organic growth, while a strong balance sheet positions the company to capitalise on further earnings accretive acquisitions with a range of opportunities currently in the market.

BWX is an Australian-based company that is engaged in developing, manufacturing and marketing beauty and personal care products. The company's expansion into the US and UK is gaining traction, which, coupled with new products and a larger distribution network, is driving growth in their share of the market. In January, the resignation of Chief Executive Officer David Fenlon was announced, with Mr Fenlon moving into a Non-Executive Director position on the Board. Despite Mr Fenlon's resignation, the appointment of his successor, BWX's Chief Operating Officer Rory Gratton, demonstrates continuity in the company's management team.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2022	112.00c	115.65c	114.50c
December 2021	122.28c	126.10c	121.69c

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

Market capitalisation (ASX: WAX)

\$315.1m[#]

Gross assets

\$221.3m

Listed equities

\$208.4m

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

15.4%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.9%

Dividends paid since inception (per share)

124.0c

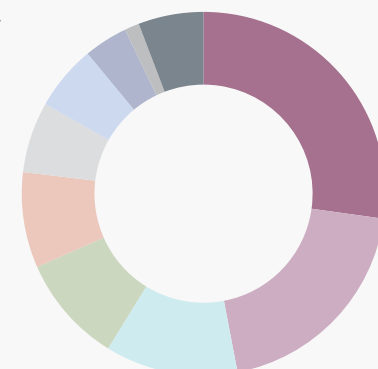
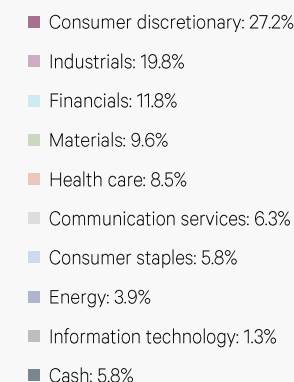
Fully franked dividend yield

6.2%[#]

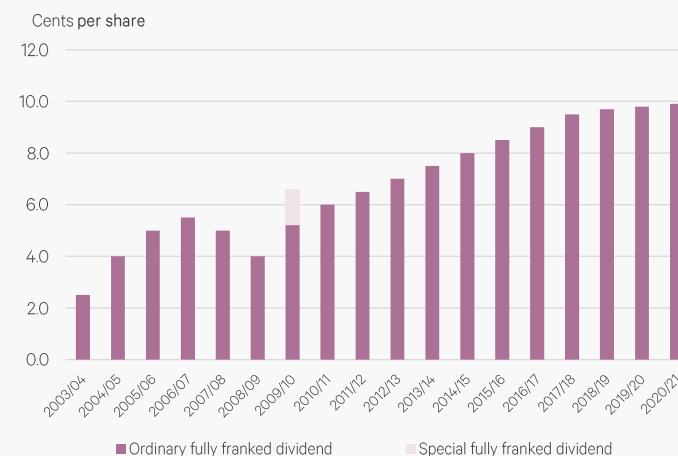
[#]Based on the 31 January 2022 share price of \$1.60 per share and the FY21 fully franked full year dividend of 9.9 cents per share. WAM Research has 196,927,852 shares on issue.

[^]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



History of fully franked dividends



Top 20 holdings (in alphabetical order)

