

April 2023 Investment Update

	Pre-tax NTA (cum-dividend)	Pre-tax NTA
W A M <i>Capital</i>	-	\$1.51
W A M <i>Leaders</i>	-	\$1.48
W A M <i>Global</i>	\$2.25	\$2.20
W A M <i>Microcap</i>	\$1.35	\$1.30
W A M <i>Alternative Assets</i>	\$1.26	\$1.24
W A M <i>Strategic Value</i>	\$1.16	\$1.15
W A M <i>Research</i>	\$0.99	\$0.94
W A M <i>Active</i>	\$0.77	\$0.74

Dear Fellow Shareholder,

In April, Australian equities performed on the back of easing inflation with the S&P/ASX All Ordinaries Accumulation Index increasing 1.8%. The Dow Jones Industrial Average Index increased 2.5% in local terms and the MSCI World Index (AUD) increased 3.1% during the month.

Strong demand for Share Purchase Plan and Placement raises over \$230 million

The WAM Leaders Limited (ASX: WLE) Share Purchase Plan (SPP) and Placement raised over \$230 million as the SPP closed on Monday 8 May 2023 following strong support from WAM Leaders shareholders, raising nearly \$100 million. We greatly appreciate the trust, loyalty and support we have received from WAM Leaders shareholders who participated in the SPP and Placement, which provided an equitable opportunity for shareholders to increase their exposure to the WAM Leaders investment portfolio that has delivered strong investment portfolio performance since inception.

Thank you for attending our Shareholder Presentations | Provide your feedback

It was fantastic catching up with you all. The team and I thoroughly enjoyed meeting with so many of you in Sydney, Melbourne, Canberra, Adelaide, Perth, Hobart, Noosa and Brisbane. If you missed the Presentations, you can watch a [recording](#). These are your companies and we value your feedback, please take a few minutes to provide feedback [here](#).

In the media

WAM Leaders Lead Portfolio Manager Matthew Haupt was recently quoted alongside Vice Chairman of Berkshire Hathaway Charlie Munger. Read Matt's thoughts on the state of the banking sector and more in [The Australian Financial Review](#).

Watch WAM Leaders Equity Analyst Anna Milne's interview on [Ausbiz](#) as she discusses the investment decisions the team is taking amidst expectations of interest rate cuts and the state of the Australian resources industry.

Read [Livewire's](#) coverage of our Sydney Shareholder Presentation, which discussed how the Wilson Asset Management team is positioning the portfolios amid market volatility and an uncertain macroeconomic environment.

Update on our franking credits campaign

Last Tuesday 2 May 2023, the Senate Economics Committee held a public hearing into the proposed legislative changes to the Australian franking system before it hands down its report on 26 May 2023. Chief Financial Officer Jesse Hamilton and I appeared as witnesses to outline the unintended consequences these changes will have on the future of the Australian franking system and in turn, Australian companies, shareholders and the economy.

You can view the transcript of each of the witness statements, including ours, [here](#). Tax experts, lawyers, academics and industry experts all concurred with our serious concerns about *Schedule 5: Franked distributions funded by capital raisings* and believe the legislation should be removed entirely or significantly redrafted.

If you missed it, read an article in [The Australian](#) and an article in [The Sydney Morning Herald](#) discussing how the government's proposed legislation changes to the franking system will encourage mature companies to minimise their tax payments in Australia and hinder the ability of small companies to raise capital and pay fully franked dividends to shareholders.

We are continuing to engage with Senators and Members of Parliament to raise awareness on the unintended consequences that these changes will have. The Senate findings are expected to be tabled on 20 May. Please register your interest to receive additional updates or visit our dedicated franking system website, which we will continue to update regularly:

wilsonassetmanagement.com.au/frankingcredits.

ASX Investor Day

Beginning tomorrow, Equity Analyst Anna Milne, Portfolio Manager Tobias Yao and Portfolio Manager Dania Zinurova from the Wilson Asset Management investment team will be presenting at the ASX Investor Days. These events will be held in Melbourne 13 May, Brisbane 20 May and Sydney 27 May. We would love to see you there, please find more information on the events [here](#).

Stay safe and thank you for your continued support.



Geoff Wilson AO
Chairman



LIC snapshot



W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$1.735
NTA before tax	\$1.51
Annualised fully franked interim dividend	15.5cps
Profits reserve#	17.1cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.51
NTA before tax	\$1.48
Annualised fully franked interim dividend	9.0cps
Profits reserve after the issue of SPP and Placement shares**	38.4cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.845
NTA before tax	\$2.20
Annualised fully franked interim dividend	11.5cps
Profits reserve#	39.7cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$1.54
NTA before tax	\$1.30
Annualised fully franked interim dividend	10.5cps
Profits reserve#	49.9cps

W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.06
NTA before tax	\$1.24
Annualised fully franked interim dividend	5.0cps
Profits reserve#	18.2cps

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$0.96
NTA before tax	\$1.15
Estimated fully franked full-year dividend*	3.5cps
Profits reserve#	7.1cps

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.145
NTA before tax	\$0.94
Annualised fully franked interim dividend	10.0cps
Profits reserve#	37.2cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.735
NTA before tax	\$0.74
Annualised fully franked interim dividend	6.0cps
Profits reserve#	6.3cps

*As at 11 May 2023.

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

**The WAM Leaders profits reserve is as at 30 April 2023 in cents per share (cps) and is after the issue of new WAM Leaders shares under the SPP and the Placement.

The estimated fully franked full-year dividend for WAM Strategic Value of 3.5 cents per share comprises the FY2023 fully franked interim dividend of 1.5 cents per share and the FY2022 fully franked final dividend of 2.0 cents per share.

W | A | M *Active*

Market mispricing opportunities in the Australian market.

The WAM Active (ASX: WAA) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included data centre provider NEXTDC (ASX: NXT) and gold miner Emerald Resources (ASX: EMR).

NEXTDC is an independent data centre operator which builds and delivers the infrastructure platform for the digital economy. In April, NEXTDC announced that its contracted utilisation increased by 43% since 31 December 2022, driving the share price up 9.8% for the month. The company also announced that it has successfully secured further contract wins and its new S3 data centre is now at 46% of total planned capacity. We are pleased to see NEXTDC's customer growth and we look forward to the progressive realisation of revenue from these new customer contract wins, from late FY2024 through to FY2029.

Headquartered in Perth, Emerald Resources develops and explores gold projects. During the month, the company announced it had achieved its March-quarter guidance, with 28,764 ounces of gold produced at its Okvau Gold Mine in Cambodia. The mine's operating cash flow of USD34.9 million continues to underpin Emerald Resources' ability to advance its exploration and development. We continue to see positive results in gold exploration at its other sites in Cambodia and domestically, and further growth opportunities for the business in its underexplored projects.

Market capitalisation (ASX: WAA)

\$55.6m[#]

Gross assets

\$55.9m

Listed equities

\$52.4m

Investment portfolio performance (pa since inception Jan 2008)

9.9%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

89.7c

Annualised fully franked interim dividend yield

8.1%[#]

[#]Based on the 28 April 2023 share price of \$0.74 per share and the annualised FY23 fully franked interim dividend of 6.0 cents per share. WAM Active has 75,068,303 shares on issue. During the month, 449,261 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

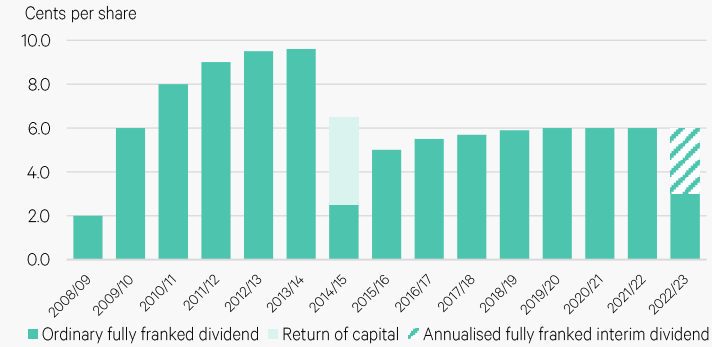
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

The Board declared a fully franked interim dividend of 3.0 cents per share that was paid on 21 April 2023. The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.



Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 3.0 cents per share that was paid on 21 April 2023. The shares traded ex-dividend on 11 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
April 2023	77.22c	74.22c	82.85c	83.87c
March 2023	74.02c	74.02c	83.62c	84.67c

*Includes 10.02 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)



W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital (ASX: WAM) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included data centre provider NEXTDC (ASX: NXT) and diversified alternative asset manager HMC Capital (ASX: HMC).

NEXTDC is an independent data centre operator which builds and delivers the infrastructure platform for the digital economy. In April, NEXTDC announced that its contracted utilisation increased by 43% since 31 December 2022, driving the share price up 9.8% for the month. The company also announced that it has successfully secured further contract wins and its new S3 data centre is now at 46% of total planned capacity. We are pleased to see NEXTDC's customer growth and we look forward to the progressive realisation of revenue from these new customer contract wins, from late FY2024 through to FY2029.

HMC Capital is a diversified alternative asset manager which invests in high conviction and scalable real asset strategies. During the month, HMC Capital successfully completed its oversubscribed \$30 million Share Purchase Plan (SPP) as well as its fully underwritten \$125 million institutional placement. The company noted that the proceeds from the SPP and placement will be used to fund its commitments to the equity raising announced by one of its funds, HealthCo Healthcare and Wellness REIT (ASX: HCW), and provide an equity backstop for the new unlisted fund. These accomplishments showcase HMC Capital's ability to secure capital amidst challenging market conditions and support the company's goal to achieve \$10 billion in assets under management by December 2023, and subsequently \$20 billion thereafter.

Market capitalisation (ASX: WAM)

\$1,892.8m[#]

Gross assets

\$1,654.2m

Listed equities

\$1,475.7m

Investment portfolio performance (pa since inception Aug 1999)

15.0%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.3%

Dividends paid since inception (per share)

285.0c

Annualised fully franked interim dividend yield

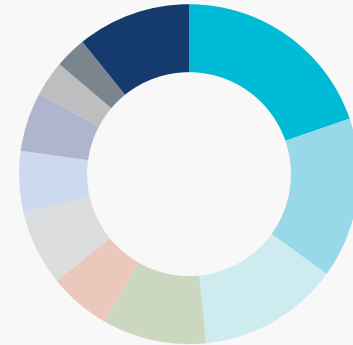
9.0%[#]

[#]Based on the 28 April 2023 share price of \$1.73 per share and the annualised FY23 fully franked interim dividend of 15.5 cents per share. WAM Capital has 1,094,094,184 shares on issue.

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

Diversified investment portfolio by sector

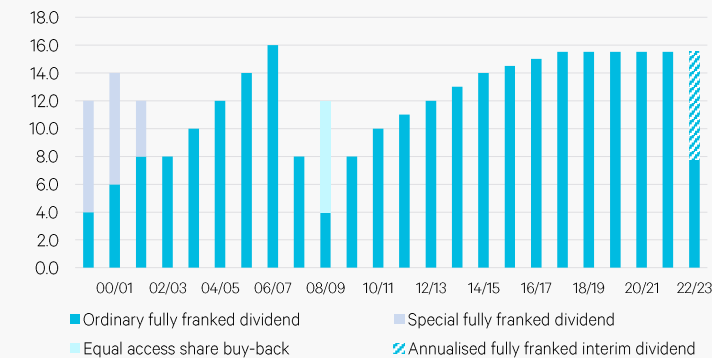
- Consumer discretionary: 19.7%
- Industrials: 15.3%
- Health care: 13.4%
- Financials: 9.9%
- Communication services: 7.2%
- Information technology: 5.9%
- Real estate: 5.8%
- Materials: 5.6%
- Consumer staples: 3.4%
- Energy: 3.0%
- Cash: 10.8%



History of fully franked dividends

The Board declared a fully franked interim dividend of 7.75 cents per share payable on 26 May 2023. The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves, through positive investment portfolio performance, and franking credits. The ability to generate additional franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.

Cents per share



- Ordinary fully franked dividend
- Special fully franked dividend
- Equal access share buy-back
- Annualised fully franked interim dividend

Net Tangible Assets (NTA) per share

The below NTA figures are **before** the fully franked interim dividend of 7.75 cents per share due to be paid on 26 May 2023. The shares will trade ex-dividend on 15 May 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
April 2023	150.69c	167.68c	165.15c
March 2023	146.02c	163.43c	161.85c

*Includes 1.66 cents per share of tax assets resulting from the acquisition of investment companies and 15.58 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

Life360	eagers automotive	carsales.com ltd	Estia Health	FLIGHT CENTRE TRAVEL GROUP	Fisher & Paykel HEALTHCARE	GEM	HUB 24	JOHNS LYND GROUP	Lifestyle COMMUNITIES
360	APE	CAR	EHE	FLT	FPH	GEM	HUB	JLG	LIC
MMA OFFSHORE	NextEd Group	NEXTDC	ooh!	pro:medicus	PWR	SELECT HARVESTS	SGH	Tabcorp	Webjet Limited
MRM	NXD	NXT	OML	PME	PWH	SHV	SVW	TAH	WEB

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders (ASX: WLE) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included Treasury Wine Estates (ASX: TWE) and property developer Mirvac Group (ASX: MGR).

Treasury Wine Estates is one of the world's largest wine companies, with over 120 vineyards across Australasia, the United States and Europe, and best known for owning luxury wine producer Penfolds. Following the Australian wine tariffs imposed in November 2020, Treasury Wine Estates successfully repositioned its portfolio away from China. More recently however, China's Foreign Ministry have said they are open to resolving trade disputes with Australia. Australian coal is now being accepted into China after being banned for over two years and a review of Australian barley is underway, with Australian wine the next logical step. While re-entering China would be a multi-year journey, we expect the resultant supply and demand imbalance would allow Treasury Wine Estates to further increase prices and drive margin expansion on already market-leading metrics in its Penfolds brand.

Mirvac Group has been an underperformer over the last year, primarily as a result of the declining housing market. Following the Reserve Bank of Australia temporarily pausing interest rate hikes in April, Mirvac Group rallied strongly. They subsequently came out with a market update, noting many of the apartment settlements expected in the June quarter had been delayed to July, as well as a change in strategy under the new Chief Executive Officer, Campbell Hanan. Mirvac Group is planning on expanding the Funds Management division and increasing exposure to living and industrial sectors while reducing weighting of office and retail exposures. Additionally, market concerns for Mirvac Group's balance sheet have been alleviated, with close to \$2 billion of capital inflows expected in the June quarter from various transactions. Overall, we believe nearing the interest rate peak, in combination with a refreshed strategy, sets Mirvac Group up well for medium-term earnings growth.

Market capitalisation (ASX: WLE)

\$1,792.2m*

Gross assets

\$1,763.9m

Listed equities

\$1,630.7m

Investment portfolio performance (pa since inception May 2016)

14.4%[^]

S&P/ASX 200 Accumulation Index: 8.8%

Dividends paid since inception (per share)

35.15c

Annualised fully franked interim dividend yield

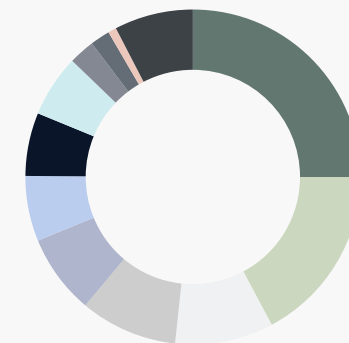
6.0%*

*Based on the 28 April 2023 share price of \$1.51 per share and the annualised FY23 fully franked interim dividend of 9.0 cents per share. WAM Leaders has 1,186,901,855 shares on issue. During the month, 88,546,687 shares were issued under the placement announced on 14 April 2023.

[^]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.

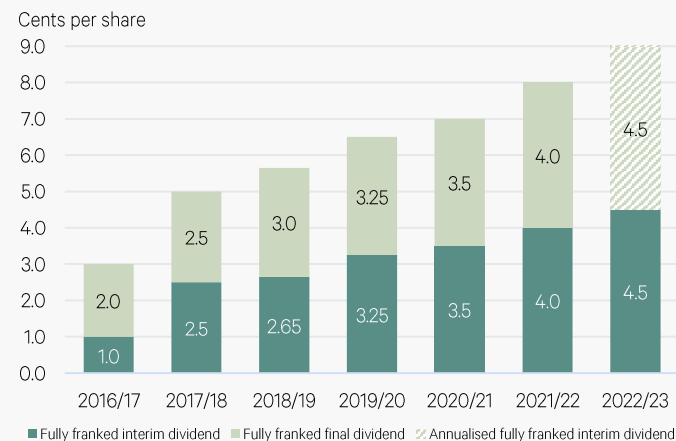
Diversified investment portfolio by sector

- Materials: 25.0%
- Financials: 17.2%
- Health care: 9.5%
- Real estate: 9.4%
- Consumer discretionary: 7.7%
- Energy: 6.3%
- Consumer staples: 6.1%
- Industrials: 6.0%
- Communication services: 2.5%
- Utilities: 1.9%
- Information technology: 0.8%
- Cash: 7.6%



History of fully franked dividends

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

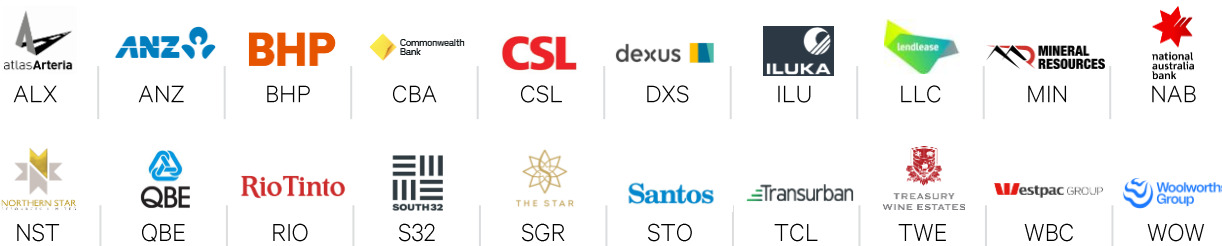


Net Tangible Assets (NTA) per share

The below NTA figures are **before** the fully franked interim dividend of 4.5 cents per share due to be paid on 31 May 2023. The shares will trade ex-dividend on 19 May 2023.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
April 2023	148.19c	146.34c	146.05c
March 2023	147.49c	145.60c	145.42c

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 increased during the month. Contributors to investment portfolio performance included veterinary services provider CVS Group (LON: CVSG) and medical technology company Edwards Lifesciences (NYSE: EW).

CVS Group is one of the largest integrated veterinary services providers in the UK. In April, British pet pharmaceuticals maker Dechra reported that it had entered into talks with private equity group EQT for a cash offer of GBP4.6 billion which approximately represented a 47% premium to its share price. This highlighted positive sentiment from private markets on the animal health care industry and the willingness to pay a significant premium to publicly traded prices. CVS Group is well positioned to consolidate the vet services industry which benefits from long term secular drivers including an increase in the UK pet population and the increasing humanisation of pets. The company has a conservative balance sheet and is on track to achieve its targets of organic revenue growth of 4% to 8% per annum and organic margin expansion from 19% to 23%. Management has a strong track record in being disciplined in acquisitions and we expect further announcements on new deals to be positive catalysts.

Edwards Lifesciences is the leading player in medical devices for structural heart disease. A history of significant research and development investments have allowed Edwards to capture over 50% of the global market in transcatheter aortic heart valve replacement (TAVR). In addition, Edwards is investing in transcatheter mitral and tricuspid therapies (TMTT) innovation. While TMTT is earlier in its growth profile than TAVR, Edwards' products are being received well and this area represents significant growth opportunities. Driven by growth in these areas, Edwards' 2028 plan calls for USD10 billion in revenue and a doubling of the global addressable market to USD20 billion. After a challenging 2022, as a result of hospital staffing shortages in the US and coronavirus-related lockdowns in Asia, Edwards reported a positive first quarter result in April. Edwards grew revenue 9% organically, 5% above market expectations, and raised their outlook for full-year organic revenue growth. Management was upbeat on a gradual improvement in hospital staffing in the US and the opportunity in Japan driven by a combination of new product launches and a return from coronavirus-related lockdowns.

Market capitalisation (ASX: WGB)

\$646.5m*

Gross assets

\$775.7m

Listed equities

\$749.6m

Investment portfolio performance (pa since inception June 2018)

6.7%[^]

MSCI World Index (AUD): 10.4%

Dividends paid since inception (per share)

35.75c

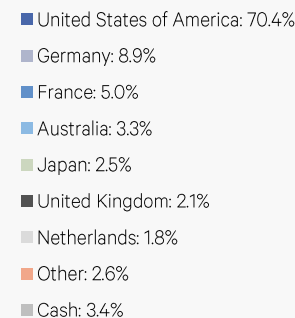
Annualised fully franked interim dividend yield

6.3%*

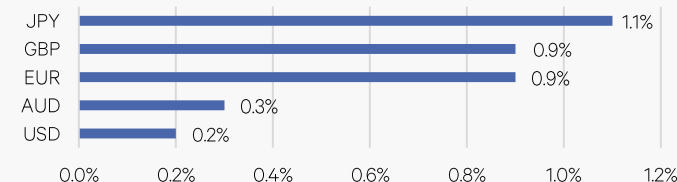
*Based on the 28 April 2023 share price of \$1.83 per share and the annualised FY23 fully franked interim dividend of 11.5 cents per share. WAM Global has 353,297,218 shares on issue. During the month, 1,111,878 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

[^]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 geographical exposure

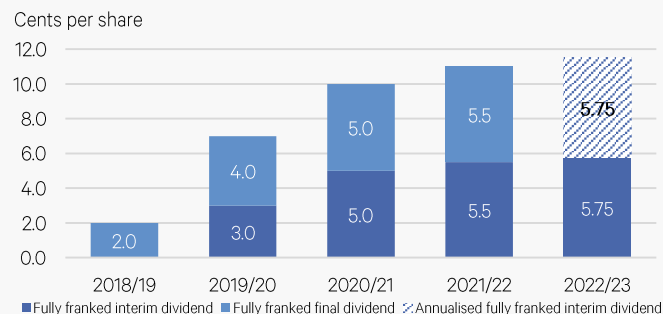


Cash currency exposure



History of fully franked dividends

The Board declared a fully franked interim dividend of 5.75 cents per share that was paid on 24 April 2023. The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits. Currently, the franking account balance of the Company is able to partially frank the final dividend, assuming the final dividend is also 5.75 cents per share. If no additional franking is generated, there is a possibility of future dividends being partially franked or unfranked.



Top 20 holdings (in alphabetical order)



Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 5.75 cents per share that was paid on 24 April 2023. The shares traded ex-dividend on 12 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
April 2023	225.34c	219.59c	219.98c	223.97c
March 2023	222.36c	222.36c	224.01c	227.69c

W | A | M *Microcap*

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

The WAM Microcap (ASX: WMI) investment portfolio increased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included specialist clinic network operator SILK Laser Australia (ASX: SLA) and EFTPOS provider Smartpay Holdings (ASX: SMP).

SILK Laser Australia provides non-surgical aesthetic products and services including laser hair removal, cosmetic injectables, skin treatments, body contouring and skincare products. In April, the company announced that it received a non-binding, indicative and conditional proposal from Australian Pharmaceutical Industries (API), a wholly-owned subsidiary of Wesfarmers (ASX: WES), to acquire 100% of the shares in SILK Laser Australia. Under the proposal, SILK Laser Australia's shareholders would receive cash consideration of \$3.15 per share, representing a premium of 67.6% to the 60-day volume weighted average price to 19 April 2023 of \$1.88 per share. We have confirmed our support for the indicative proposal by entering into a voting agreement with API subject to there being no superior proposal.

Smartpay Holdings is one of Australia and New Zealand's largest independent full-service EFTPOS providers. During the month, Smartpay Holdings provided a positive trading update, indicating that its Australian revenue continued to grow, up 76% year-on-year in the March quarter, demonstrating its continued success in capturing market share from its key competitors. Notably, the trading update highlighted a strategic initiative to maximise the value of their 30,000 terminals in New Zealand, through a partnership with their Australian processing counterpart. A shift from their traditional rental model to a transaction acquiring model in New Zealand should be far more profitable for the business, however the company is still in the early stages of exploring this new opportunity. We look forward to hearing more as the initiative progresses.

Market capitalisation (ASX: WMI)

\$316.5m*

Gross assets

\$276.2m

Listed equities

\$260.0m

Investment portfolio performance (pa since inception June 2017)

15.2%[^]

S&P/ASX Small Ordinaries Accumulation Index: 6.3%

Dividends paid since inception (per share)

49.0c

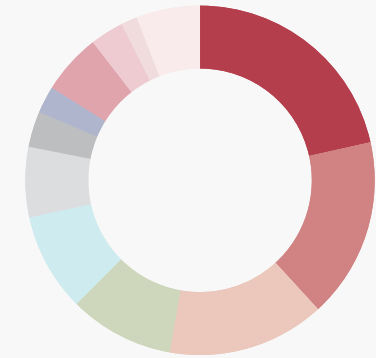
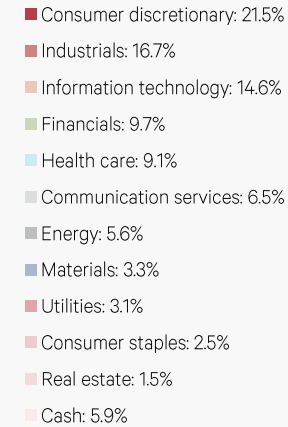
Annualised fully franked interim dividend yield

7.0%*

[^]Based on the 28 April 2023 share price of \$1.50 per share and the annualised FY23 fully franked interim dividend of 10.5 cents per share. WAM Microcap has 210,979,923 shares on issue. During the month, 934,884 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

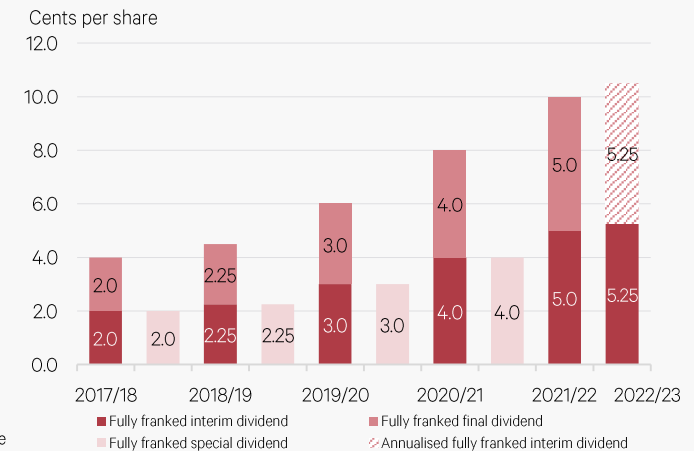
^{*}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

The Board declared a fully franked interim dividend of 5.25 cents per share that was paid on 24 April 2023.

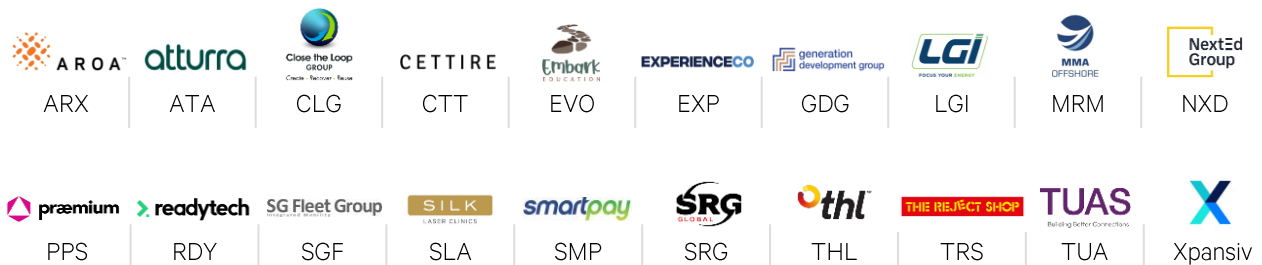


Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 5.25 cents per share that was paid on 24 April 2023. The shares traded ex-dividend on 12 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
April 2023	135.16c	129.91c	132.78c	130.33c
March 2023	131.15c	131.15c	133.87c	132.73c

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 the performance of its private equity investments. The value of private equity and real estate investments denominated in US dollars increased during the month following the fall in value of the Australian dollar.

During the month, the values of some of the southern Murray-Darling Basin (MDB) water entitlements were pared back resulting in a marginal decline in the carrying value of our investment in the Argyle Water Fund. Argyle Capital has continued to generate income from water entitlements, which are the right to receive access to a volume of water each year, through the direct sale of water to irrigators.

Over the past three years, MDB catchments experienced significant rainfall resulting in widespread river flooding and the filling of all dam storages. However, the weather pattern forecasts for the Pacific and Indian Ocean have now shifted in favour of lower-than-average rainfall across Australia in the coming months. MDB irrigators are also paying attention to the three-month seasonal outlook, which is forecasting below-average winter rainfall. To avoid the risk of short supply, irrigators of permanent crops, which require large amounts of water, are increasingly seeking longer-term water supply in the coming months. This provides a positive outlook for our investment in the Argyle Water Fund, as the value of water spot prices and water entitlements may increase with the increased demand.

In April, WAM Alternative Assets investment partner Allegro Funds successfully completed its off-market takeover of law firm Slater & Gordon (S&G) in Allegro Fund IV. Allegro's relevant interest in S&G has passed the 90% threshold, enabling Allegro to compulsorily acquire all outstanding shares and take the firm private. Founded in 1935, S&G is a trusted consumer law firm founded on the principles of equitable social justice. S&G has a history of delivering compensation outcomes for clients through its accessible specialist services, including class actions, commercial litigation, superannuation and insurance, and personal injury. The acquisition of S&G is an example of Allegro's opportunistic approach to acquire a quality business for an attractive price. Allegro will utilise its turnaround and transformation strategy to support and partner with the S&G management team to drive performance and growth in the business.

Market capitalisation (ASX: WMA)

\$210.8m*

Gross assets

\$241.6m

Investment portfolio performance

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

12.7%^

Profits reserve (per share)

18.2c

Annualised fully franked interim dividend (per share)

5.0c

*Based on the 28 April 2023 share price of \$1.08 per share. WAM Alternative Assets has 195,209,463 shares on issue. During the month, 321,776 shares were issued under the Dividend Reinvestment Plan for the interim dividend.
^Investment portfolio performance is before expenses, fees and taxes.

Asset Classes

Real assets

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

Private equity

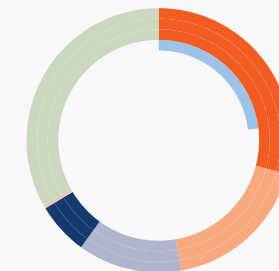
Unlisted companies with long-term and accelerated growth potential.

Real estate

Domestic and international industrial, healthcare and office assets.

Asset class exposure

- Real assets: 29.1%*
- Private equity: 18.2%
- Infrastructure: 12.7%
- Real estate: 6.4%
- Private debt: 0.4%
- Cash: 33.2%*
- Water Rights: 23.1%



Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	70.3	29.1	(0.8)	(1.1)
Private equity	43.9	18.2	3.2	7.9
Infrastructure	30.6	12.7	-	-
Real estate	15.5	6.4	0.1	0.6
Private Debt	1.1	0.4	-	-
Cash^	80.2	33.2	(8.1)	(9.2)
Grand total	241.6	100.0	(5.6)	(2.3)

*Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$9.7m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Allegro Fund IV (\$7.7m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.8m) and the Strategic Australian Agriculture Fund (\$1.3m).
^During the month, \$2.0m was deployed to our investment in the Energy Transmission Fund and \$1.1m of capital commitments to the Allegro Fund IV was drawn down.

Infrastructure

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

Private debt

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

Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 2.5 cents per share that was paid on 28 April 2023. The shares traded ex-dividend on 17 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
April 2023	126.30c	123.80c	121.85c	120.41c
March 2023	126.45c	126.45c	124.53c	123.03c

Top holdings

Real assets



Water Fund

Pioneer and leading non-irrigator water investor in Australia

Strategic Australian Agriculture Fund

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

Private equity



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



A manufacturer of premium condiments, desserts and beverages

Infrastructure



Palisade's Diversified Infrastructure Fund

Palisade's Renewable Energy Fund

Private Debt



Australian Senior Loan Fund

Real estate

2 Rector Street, Manhattan, New York

Centennial CEN (I&L) Partnership Fund

Barwon Institutional Healthcare Property Fund

New Investment Partners



Mid-market private equity buy-out strategy



Australian senior secured loan strategy



Last-mile logistics real estate strategy



Australian healthcare real estate strategy



Mid-market infrastructure strategy



Mid-market private equity strategy with a focus on healthcare



Turnaround, special situations and transformation private equity strategy

W | A | M Strategic Value

Discounted asset opportunities.

The WAM Strategic Value (ASX: WAR) investment portfolio increased during April as domestic and global markets rallied strongly. Investor sentiment improved following a lower-than-expected rate rise by the US Federal Reserve and the Reserve Bank of Australia pausing its rate hike cycle during the month. Contributors to the investment portfolio performance included global-focused listed investment trust (LIT) Magellan Global Fund (ASX: MGF) and AMP (ASX: AMP).

Magellan Global Fund's net asset value (NAV) per share increased 5.4% during the month, outperforming its benchmark (MSCI World Net Total Return Index (AUD)). The fund's share price increased 4.7%, resulting in a widening of the share price discount to NAV from 18.1% to 18.6% throughout April. Following a period of underperformance and personnel turnover, Magellan Global Fund has provided investors with strong performance calendar year to date, with the NAV increasing 15.4%, adjusted for distributions paid. Uniquely, investors can access the Magellan Global Fund through two distinct unit classes, open class units (ASX: MGOC) and closed class units (ASX: MGF). These two unit classes offer investors access to the same investment strategy, however unlike the open class units, Magellan Global Fund can trade at a premium or discount to NAV. Given the widening discount for Magellan Global Fund, we believe that the investment manager will be inclined to consolidate the two share classes, providing Magellan Global Fund investors with the ability to exit their investment at close to NAV in the future.

AMP is a provider of superannuation and investment products, financial advice, and banking products in Australia and New Zealand. The AMP share price increased 8.1% during the month as the company re-commenced its on-market buy-back as part of the previously announced \$1.1 billion capital management initiative. AMP's third-quarter trading update showed strong momentum in net inflows into the North platform from external advisors which is a key focus of AMP's management team. We continue to view Chief Executive Officer Alexis George's strategy to simplify the business and reduce costs positively and expect the current capital management initiatives and the divestment of non-core divisions to drive share-price performance in the medium term.

Market capitalisation (ASX: WAR)

\$172.0m*

Fully franked interim dividend

1.5cps

Gross assets

\$207.0m^

Pre-tax net tangible assets

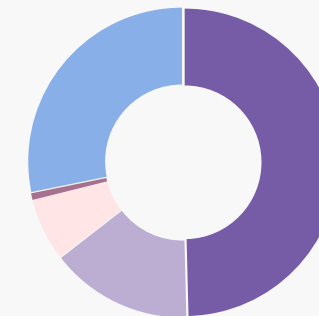
\$1.15

*Based on the 28 April 2023 share price of \$0.955 per share and 180,125,761 shares on issue.
^Gross assets exclude the \$621k 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.

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



- LIC/LIT Global Equities: 49.6%
- LIC/LIT Domestic Equities: 14.9%
- Direct Discount Asset: 6.6%
- LIC/LIT Fixed Interest: 0.7%
- Cash and Cash Equivalents: 28.2%

April 2023 look-through pre-tax NTA

\$1.31

Look-through NTA before tax

The Australian Accounting standards require the Company's pre-tax NTA to be calculated based on the market price (or share price) of the underlying investment portfolio. The Company's look-through pre-tax NTA is an estimation of the Company's pre-tax NTA calculated using the estimated or most recently available pre-tax NTA of the underlying investment portfolio as at the end of the month where available. The look-through pre-tax NTA of the Company is indicative only and provides an estimate for investors of the value of the underlying investment portfolio, assuming the share price discount to NTA of the underlying discounted asset opportunities are closed.

Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 1.5 cents per share that was paid on 28 April 2023. The shares traded ex-dividend on 3 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
April 2023	116.47c	114.97c	114.89c	119.27c
March 2023	115.10c	115.10c	115.06c	119.63c

Top 20 holdings (in alphabetical order)



*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held.

W | A | M Research

The most compelling undervalued growth opportunities in the Australian market.

The WAM Research (ASX: WAX) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included diversified alternative asset manager HMC Capital (ASX: HMC) and intellectual property services group IPH (ASX: IPH).

HMC Capital is a diversified alternative asset manager which invests in high conviction and scalable real asset strategies. During the month, HMC Capital successfully completed its oversubscribed \$30 million Share Purchase Plan (SPP) as well as its fully underwritten \$125 million institutional placement. The company noted that the proceeds from the SPP and placement will be used to fund its commitments to the equity raising announced by one of its funds, HealthCo Healthcare and Wellness REIT (ASX: HCW), and provide an equity backstop for the new unlisted fund. These accomplishments showcase HMC Capital's ability to secure capital amidst challenging market conditions and support the company's goal to achieve \$10 billion in assets under management by December 2023, and subsequently \$20 billion thereafter.

IPH is an international intellectual property services group, comprising of a network of member firms, servicing more than 25 countries. Following the cyber security breach incident in March, where the company detected unauthorised access to a portion of its IT environment, IPH confirmed that it had established new network infrastructure and enhanced security. These measures helped alleviate concerns held by the market, which ultimately led to the share price rallying throughout the month.

Market capitalisation (ASX: WAX)

\$237.0m[#]

Gross assets

\$189.5m

Listed equities

\$177.2m

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

13.8%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.8%

Dividends paid since inception (per share)

139.0c

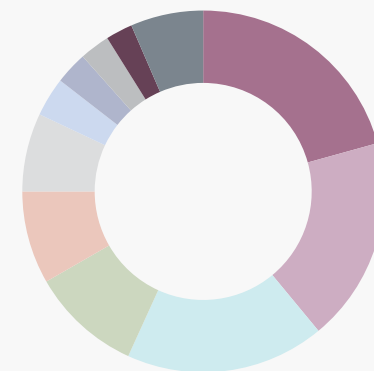
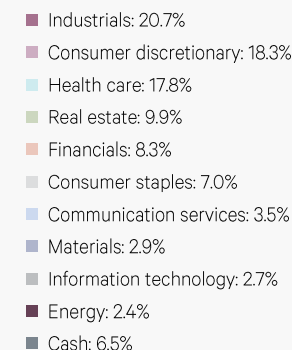
Annualised fully franked interim dividend yield

8.5%[#]

[#]Based on the 28 April 2023 share price of \$1.18 per share and the annualised FY23 fully franked interim dividend of 10.0 cents per share. WAM Research has 200,885,140 shares on issue. During the month, 1,453,358 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

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

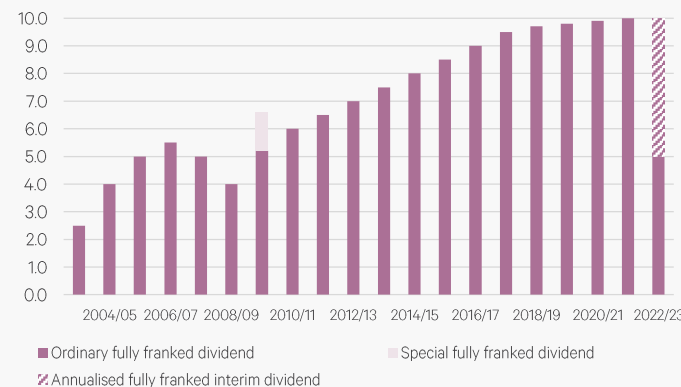
Diversified investment portfolio by sector



History of fully franked dividends

The Board declared a fully franked interim dividend of 5.0 cents per share that was paid on 21 April 2023. The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies. Currently, the franking account balance of WAM Research is able to frank a portion of the final dividend, assuming the final dividend is also 5.0 cents per share. If no additional franking is generated, there is a possibility of future dividends being partially franked or unfranked.

Cents per share



Net Tangible Assets (NTA) per share

The below April NTA figures are **after** the fully franked interim dividend of 5.0 cents per share that was paid on 21 April 2023. The shares traded ex-dividend on 11 April 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
April 2023	99.03c	94.03c	99.45c	99.56c
March 2023	96.90c	96.90c	102.58c	103.02c

*Includes 5.56 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

