

April 2020 Investment Update

	Pre-tax NTA	
	cum dividend	ex dividend
W A M <i>Capital</i>	\$1.55	\$1.47
W A M <i>Leaders</i>	\$1.12	\$1.09
W A M <i>Global</i>	\$2.28	\$2.25
W A M <i>Microcap</i>	\$1.19	\$1.16
W A M <i>Research</i>	\$0.98	\$0.94
W A M <i>Active</i>	\$0.88	\$0.85

Dear Fellow Shareholders,

Global markets rebounded strongly in April as many major indexes experienced their best month since 1988, the recovery rally following the 1987 crash. The strong rally in global equity markets in April contrasted with the growing impact of the coronavirus on the real economy. Economic data released during the month included US jobless claims surpassing 30 million; the US economy contracted at an annualised rate of 4.8% and the Eurozone economy at 3.8% for the March 2020 quarter; and China's economy reported a year-on-year contraction of 6.8%, its first decline since it began quarterly reporting in 1992.

Current fiscal and monetary policies are driving asset prices higher despite economic data presenting the significant impact of the coronavirus lockdown. The US Federal Reserve committed to unlimited government bond purchases and unveiled programs to provide USD2.3 trillion in loans to support the US economy. Meanwhile, the Bank of Japan announced that it would nearly triple its maximum holdings of corporate debt and the European Central Bank is ready to increase the scale of its new bond-buying program, the Pandemic Emergency Purchase Program, "by as much as necessary and for as long as needed".

Positive announcements on the easing of lockdown measures contributed to investor optimism as focus shifted to the re-opening of economies, with mounting evidence that social distancing slowed the spread of the coronavirus. US earnings season ramped up at the end of the month, with strong results from technology and food and beverage companies and poor results from other sectors such as automotive companies and financial services. In local terms, the US S&P 500 Index rose 12.8%, the UK FTSE 100 Index closed up 4.3%, China's CSI 300 Index up 6.2% and Japan's TOPIX Index up 4.3%. The MSCI World Index (AUD) rose 3.7% during April.

Domestically, the S&P/ASX All Ordinaries Accumulation Index increased 9.5% for the month, following the global trend while our progress towards 'flattening the curve' appeared stronger than many comparable nations. The national scientific research body, CSIRO, is currently testing two vaccines from the US and the UK and the Australian

Government is progressively reopening the economy as the cost of the shutdown is predicted to be \$4 billion each week. The Reserve Bank of Australia (RBA) held the official cash rate at 0.25% and is buying about \$36 billion of government debt, as the government announced the issuance of bonds to fund more than \$200 billion in spending. The RBA also injected substantial liquidity into the financial system through its daily open market operations, to support credit and maintain low funding costs in the economy. The RBA's Term Funding Facility commenced in April, lowering funding costs across the banking system and providing an incentive for lenders to support credit to small and medium-sized businesses. RBA Governor Philip Lowe predicted price deflation over the coming months as the economic pain is felt.

Our virtual Shareholder Presentation

Last week, Chief Executive Officer Kate Thorley introduced WAM Vault, which will provide shareholders with a rich 'virtual' experience as an alternative to our May 2020 Shareholder Presentations. More than 2,000 shareholders responded to our survey to provide input into the content. Thank you all for your thoughts, we greatly enjoyed reading them and look forward to the launch of [WAM Vault](#) on 21 May 2020.

Thank you for your support, and please stay safe.

Good luck investing,



Geoff Wilson AO
Chairman &
Chief Investment Officer



LIC snapshot

LIC	Focus	Share price*	NTA before tax ex dividend	Cash weighting*	Fully franked interim dividend	Profits reserve^
W A M <i>Capital</i>	The most exciting undervalued growth opportunities in the Australian market	\$1.83	\$1.47	24.6%	7.75cps	6.1cps
W A M <i>Leaders</i>	Actively investing in the largest Australian companies	\$1.01	\$1.09	8.2%	3.25cps	15.6cps
W A M <i>Global</i>	The world's most compelling undervalued growth companies	\$1.94	\$2.25	15.3%	3.0cps	24.0cps
W A M <i>Microcap</i>	The most exciting undervalued growth opportunities in the Australian micro-cap market	\$1.12	\$1.16	22.3%	3.0cps	28.7cps
W A M <i>Research</i>	The most exciting undervalued growth opportunities in the Australian market	\$1.305	\$0.94	27.9%	4.9cps	26.2cps
W A M <i>Active</i>	Market mispricing opportunities in the Australian market	\$0.91	\$0.85	19.8%	3.0cps	5.9cps

*As at 13 May 2020.

^The profits reserve figures are as at 30 April 2020 and are after the payment of the fully franked interim dividends.

W | A | M *Active*

Market mispricing opportunities in the Australian market.

Portfolio update

The WAM Active investment portfolio delivered risk adjusted performance during the month, capitalising on mispricing opportunities presented by recent market volatility. Significant contributors to the portfolio performance in April included restaurant chain operator Collins Foods (ASX: CKF), dairy producer The a2 Milk Company (ASX: A2M), data and artificial intelligence system provider Appen (ASX: APX) and online furniture retailer Temple & Webster Group (ASX: TPW).

Retail food service operator CKF performed strongly during the coronavirus-led lockdown, with an increase in drive-through and home delivery sales in its KFC stores throughout Australia and Europe. The company also announced that sales for its Taco Bell operations have returned to pre-coronavirus levels. In its April trading update, A2M announced retail sales for the March 2020 quarter had exceeded expectations, reflecting the increase in consumer stockpiling, particularly through online and reseller channels. The company is also benefitting from reduced marketing and overhead costs due to travel restrictions and delayed recruitment, particularly in China.

APX provides and improves data for the development of machine learning and artificial intelligence products for major technology companies. With a strong balance sheet and cash resources in excess of \$100 million, the company restated its FY2020 guidance, highlighting an increase in the use of search, social media and e-commerce platforms, as well as an increase in available crowd workers, growth in current and new projects and a favourable currency benefit through the weaker AUD. Furniture retailer TPW has benefitted from the increase in working from home arrangements, as consumers set up home offices and multi-purpose spaces. The company announced that demand has increased across its core products and that second half FY2020 revenue is up 74% year-on-year.

We continue to utilise heightened market volatility to capitalise on mispricing opportunities.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is **after** the fully franked interim dividend of 3.0 cents per share that was paid on 28 April 2020. The shares traded ex-dividend on 15 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Apr 2020	87.65c	84.65c	91.15c	91.15c
Mar 2020	-	81.75c	90.04c	90.03c

Market capitalisation (ASX: WAA)

\$44.3m[#]

Gross assets

\$39.7m

Listed equities

\$31.2m

Investment portfolio performance (pa since inception Jan 2008)

10.3%[^]

Bloomberg AusBond Bank Bill Index (Cash): 3.2%

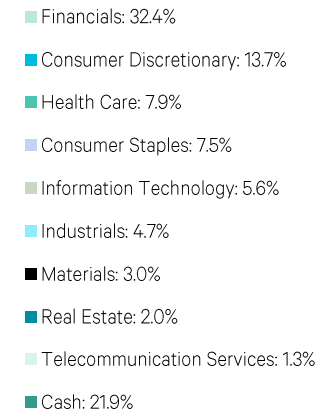
Dividends paid since inception (per share)

71.70c

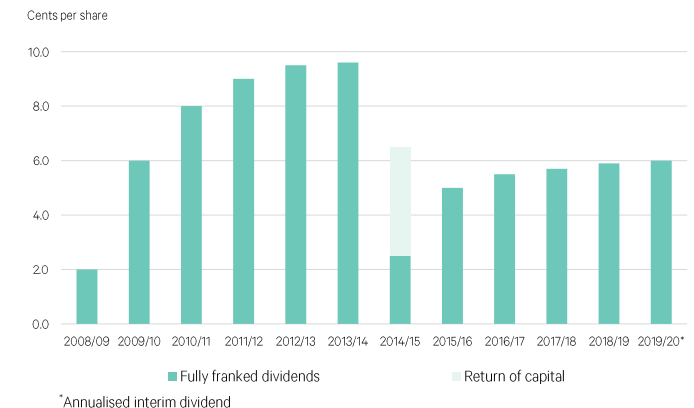
Fully franked dividend yield

6.3%[#]

Portfolio by sector



History of fully franked dividends



[#]Based on the 30 April 2020 share price of \$0.95 per share and the annualised FY20 fully franked interim dividend of 6.0 cents per share. WAM Active has 46,620,288 shares on issue. During the month, 220,222 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

[^]Investment portfolio performance is before expenses, fees and taxes.

Top 20 holdings (in alphabetical order)



W | A | M Capital

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The WAM Capital portfolio's performance during the month was driven by research-driven holdings such as natural skin and hair products company BWX (ASX: BWX), information technology service management company The Citadel Group (ASX: CGL), operating and investment group in media, mining and construction, Seven Group Holdings (ASX: SVW) and retail travel agency Flight Centre Travel Group (ASX: FLT). Market-driven positions such as dairy producer The a2 Milk Company (ASX: A2M) and restaurant chain operator Collins Foods (ASX: CKF) also performed well.

Primarily known for its natural skincare brand Sukin, BWX products are sold in pharmacies and supermarket stores, which largely remained open during the coronavirus lockdown and saw strong demand through the period. The company sells household staples and personal care products such as hand sanitiser and liquid soap which have seen a recent increase in consumer demand. During the month, CGL, an enterprise software and services company which operates with over 350 staff in Australia and the UK announced the completion of the acquisition of Wellbeing Software Group, one of the UK's major healthcare software companies. This strategic acquisition allows CGL to expand into the international healthcare market and widens its existing portfolio to complementary areas, through the addition of Wellbeing's market leading radiology and maternity programs.

Despite SVW withdrawing its 2020 guidance early in the month as its Seven West Media company is impacted by lockdown measures, the share price rebounded strongly as the coronavirus had a limited impact on its heavy machinery provider business WesTrac, with year-to-date revenue up 15% on the prior period. SVW has a strong balance sheet with \$803 million of undrawn facilities and cash, of which \$430 million is committed capital. During the month, FLT announced cost reduction and financial targets, including reducing its global cost base to \$65 million per month by the end of July 2020, an annualised saving of \$1.9 billion per annum. The company announced the successful completion of an estimated \$700 million capital raising to strengthen its balance sheet and improve its liquidity.

While we remain cautious about the equity market over the medium-term, we see select opportunities for companies with strong industry positions, balance sheets and earnings growth.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is **after** the fully franked interim dividend of 7.75 cents per share that was paid on 28 April 2020. The shares traded ex-dividend on 20 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax after tax* on unrealised gains*	NTA after tax
Apr 2020	154.92c	147.17c	155.93c	159.89c
Mar 2020	-	141.78c	150.96c	158.45c

*Includes 0.90 cents per share of tax assets resulting from the acquisition of unlisted investment companies.

Market capitalisation (ASX: WAM)

\$1,400.1m[#]

Gross assets

\$1,070.7m

Listed equities

\$806.2m

Investment portfolio performance (pa since inception Aug 1999)

15.3%[^]

S&P/ASX All Ordinaries Accumulation Index: 7.5%

Dividends paid since inception (per share)

246.25c

Annualised fully franked interim dividend yield

8.0%[#]

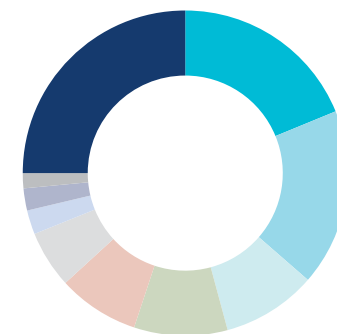
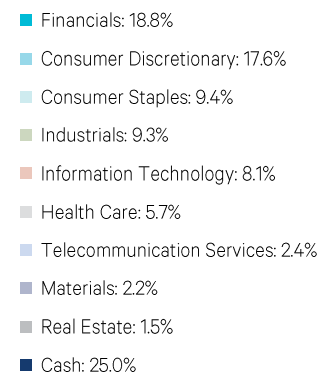
[#]Based on the 30 April 2020 share price of \$1.93 per share and the annualised FY20 fully franked interim dividend of 15.5 cents per share. WAM Capital has 725,465,456 shares on issue. During the month, 4,200,529 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

[^]Investment portfolio performance and index returns are before expenses, fees and taxes

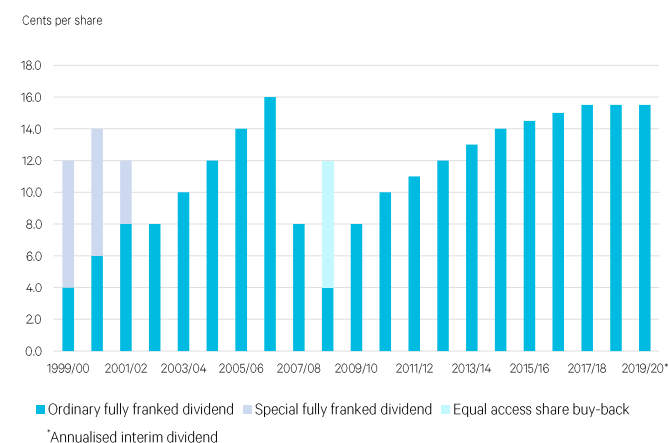
Top 20 holdings (in alphabetical order)

 A2M	 ALL	 ASB	 AUI	 BRG	 BWX	 CWY	 ELD	 FPH	 IEL
 IFM	 IPH	 JBH	 JLG	 PIA	 PSI	 SDF	 SVW	 TGG	 TPM

Portfolio by sector



History of fully franked dividends



#Based on the 30 April 2020 share price of \$1.93 per share and the annualised FY20 fully franked interim dividend of 15.5 cents per share.

W | A | M Leaders

Actively investing in the highest quality Australian companies.

Portfolio update

Significant contributors to the portfolio outperformance in April included oil companies Santos (ASX: STO), Oil Search (ASX: OSH) and Woodside Petroleum (ASX: WPL) and iron ore companies BHP Group (ASX: BHP) and Rio Tinto (ASX: RIO).

Oil prices fell into negative territory during the month amid declining demand and excess supply, rebounding strongly at the end of the month to drive the STO, OSH and WPL share prices higher. We increased our holdings in these companies when the oil prices fell, in anticipation of an easing of lockdown measures. We remain positive about the increased demand for oil when coronavirus restrictions are lifted, with the sustained 9.7 million barrels per day cuts agreed to by the Organisation of Petroleum Exporting Countries (OPEC) and leading oil producers commencing 1 May. The fundamentals for the industry remain unchanged and the building blocks for a recovery are in place through monetary and fiscal policy globally. Shares in STO closed up 44.4% for the month, with OSH up 31.5% and WPL up 23.3%.

BHP restated its 2020 iron ore production guidance during the month, at between 242 million tonnes and 253 million tonnes. On a year-to-date basis, the company's iron ore production has risen 3%, to 181 million tonnes. RIO's 2020 iron ore shipments guidance of between 324 million tonnes to 334 million tonnes and its unit cost guidance of \$14-15 per tonne remains unchanged. The company shipped 72.9 million tonnes of iron ore in the March 2020 quarter, a 5% increase year-on-year. We believe iron ore production will ramp up as China's economy reopens and we see the potential for fiscal stimulus to increase the nation's construction activity.

We continue to monitor coronavirus containment measures and the subsequent re-opening of economies globally, investing in opportunities presented by the shifting macroeconomic conditions.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is **after** the 2020 fully franked interim dividend of 3.25 cents per share that was paid on 28 April 2020. The shares traded ex-dividend on 15 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax after tax on unrealised gains	NTA after tax
Apr 2020	112.37c	109.12c	111.75c	110.81c
Mar 2020	-	102.51c	104.10c	107.18c

Market capitalisation (ASX: WLE)

\$822.1m*

Gross assets

\$873.1m

Listed equities

\$785.7m

Investment portfolio performance (pa since inception May 2016)

8.4%[^]

S&P/ASX 200 Accumulation Index: 5.0%

Dividends paid since inception (per share)


16.9c

Annualised fully franked interim dividend yield

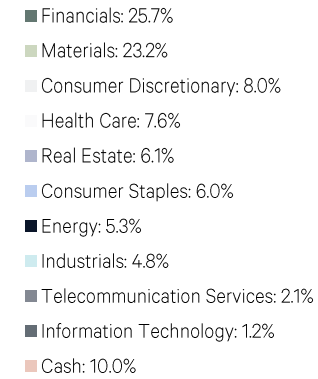
6.2%*

*Based on the 30 April 2020 share price of \$1.045 per share and the annualised FY20 fully franked interim dividend of 6.5 cents per share. WAM Leaders has 786,731,577 shares on issue. During the month, 1,588,762 shares were issued under the Dividend Reinvestment Plan for the interim dividend.
[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

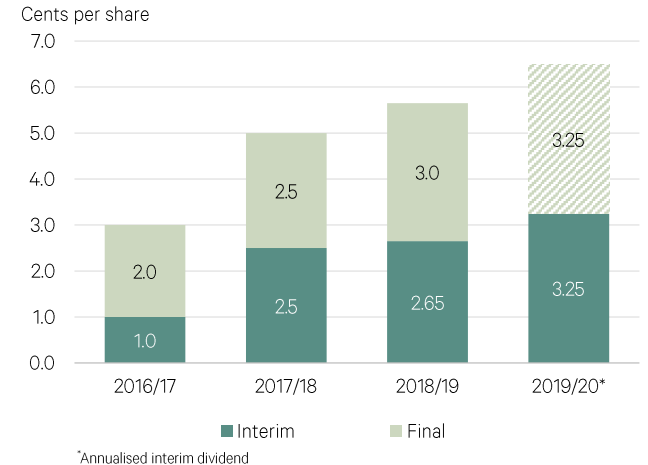
Top 20 holdings (in alphabetical order)

									
A2M	AMC	ANZ	BHP	CBA	CSL	FMG	GMG	NAB	OZL
									
RHC	RIO	SCG	STO	TCL	TLS	WBC	WES	WOW	WPL

Portfolio by sector



History of fully franked dividends



W | A | M Global

The world's most compelling undervalued growth companies.

Portfolio update

Global markets rallied in April, driven by central bank stimulus and hope centred on evidence that social distancing measures are slowing the spread of coronavirus. International earnings season for the first quarter of 2020 began during the month with WAM Global holdings performing well.

Companies that reported strong earnings results included medical technology business Thermo Fisher Scientific (NYSE: TMO) and financial derivatives exchange CME Group (NASDAQ: CME). TMO is a global leader, specialising in producing analytical instruments, accelerating life sciences research, improving patient diagnostics and increasing laboratory productivity. TMO announced first quarter earnings results in April, beating expectations with quarterly earnings of USD2.94 per share. The coronavirus outbreak has presented TMO with opportunities to provide analysis and diagnosis solutions for patients. The company responded to global demand for testing by developing the Applied Biosystems TaqPath COVID-19 Combo Kit, which received Emergency Use Authorisation from the US Food and Drug Administration, the Conformité Européenne mark in Europe, with subsequent authorisations received worldwide during the quarter.

Based in Chicago, CME enables clients to trade futures, options, cash and over-the-counter markets, optimise portfolios and analyse data. In April, the company beat expectations reporting record average daily volume for the first quarter of USD27.0 million contracts, up 45.0% compared with the first quarter of 2019. Revenue increased 29.0% to USD1.5 billion, on the same period year-on-year. CME has benefitted from first quarter volatility as market participants use derivatives to protect against uncertainty.

The portfolio is comprised of companies with strong balance sheets and resilient earnings and we are well positioned to take advantage of opportunities while actively managing risk.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is **after** the fully franked interim dividend of 3.0 cents per share that was paid on 28 April 2020. The shares traded ex-dividend on 15 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax after tax on unrealised gains	NTA after tax
Apr 2020	227.99c	224.99c	227.69c	223.41c
Mar 2020	-	220.93c	222.62c	221.50c

Market capitalisation (ASX: WGB)

\$406.5m[#]

Gross assets

\$476.8m^{*}

Listed equities

\$402.0m

Investment portfolio performance (pa since inception June 2018)

4.5%[^]

MSCI World Index (AUD): 6.8%

Annualised fully franked interim dividend

6.0c

Cash weighting

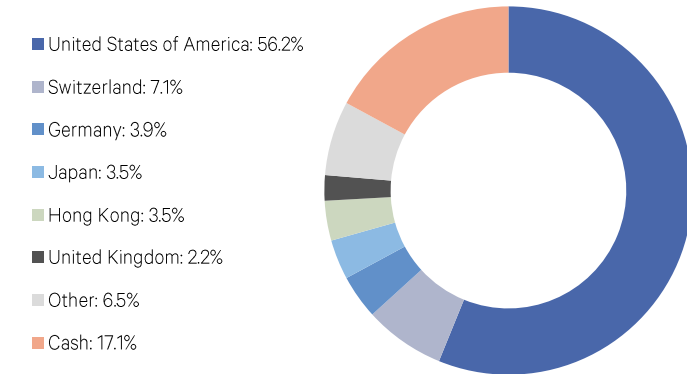
17.1%

[#]Based on the 30 April 2020 share price of \$1.915 per share and 212,249,854 shares on issue. During the month, 401,705 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

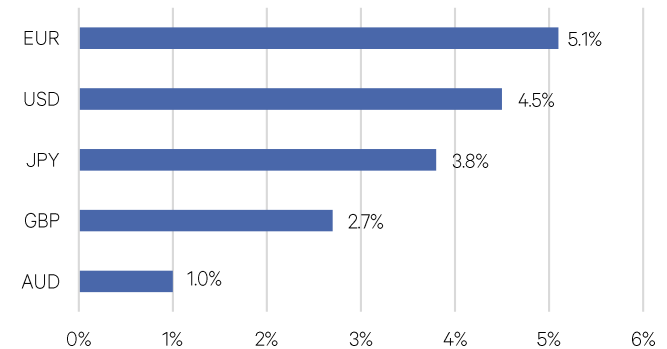
^{*}Gross assets exclude the \$2.1m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

Portfolio by geographical exposure



Cash currency exposure



Top 20 holdings (in alphabetical order)

神戶物産 KOBUN REAL ESTATE 3038 JP	Tencent 腾讯 700 HK	amazon AMZN US	AON AON US	ACTIVISION BLIZZARD ATVI US	AutoZone AZO US	CME Group CME US	COSTCO WHOLESALE COST US	DOLLAR GENERAL DG US	FIS FIS US
Hello FRESH HAS US	Hello FRESH HFG GR	ICE ICE US	intuit INTU US	logitech LOGN SW	LOWE'S LOW US	Microsoft MSFT US	Nestlé NESN SE	Nomad Foods NOMD US	ThermoFisher SCIENTIFIC TMO US

W | A | M *Microcap*

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

Portfolio update

The WAM Microcap portfolio's outperformance during the month was driven by research-driven holdings such as consumer retail and services brand Kogan.com (ASX: KGN), full-service telecommunications company Uniti Group (ASX: UWL) and online marketplace builder Frontier Digital Ventures (ASX: FDV).

KGN offers a portfolio of in-demand consumer products at affordable prices. KGN has benefitted from the structural shift to online shopping during the coronavirus outbreak. The company reported strong results in its third quarter trading update, with gross sales up more than 30% for the quarter and more than 50% in March, and gross profit up more than 23% for the quarter and more than 50% in March.

UWL delivers fast internet and telecommunication services to residents and businesses across Australia. On 23 April, UWL's share price surged 14.5% after the company reported a 217% increase in like-for-like net operating cash flow on the prior quarter. The company has benefitted from recent industry acquisitions and the increased demand with working from home and online learning.

Headquartered in Kuala Lumpur, FDV focuses on developing online classifieds businesses in underdeveloped or emerging countries. At the end of April, FDV announced its March quarter 2020 results, reporting improved profitability despite headwinds from the coronavirus. FDV has a strong balance sheet and increased its cash balance by \$7.0 million to \$19.4 million, as the company has tightly managed cost structures and working capital in the current economic environment.

We continue to invest in companies that hold strong balance sheets, fit our investment process and are well-positioned to weather the coronavirus induced recession.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is after the fully franked interim dividend of 3.0 cents per share that was paid on 21 April 2020. The shares traded ex-dividend on 6 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Apr 2020	119.04c	116.04c	117.31c	116.96c
Mar 2020	-	103.85c	104.10c	109.32c

Market capitalisation (ASX: WMI)

\$159.6m[#]

Gross assets

\$165.2m

Listed equities

\$127.9m

Investment portfolio performance (pa since inception June 2017)

11.1%[^]

S&P/ASX Small Ordinaries Accumulation Index: 3.4%

Dividends paid since inception (per share)

15.75c

Annualised fully franked interim dividend

6.0c

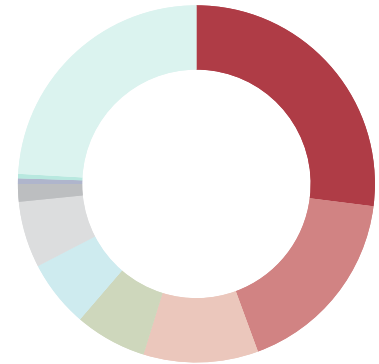
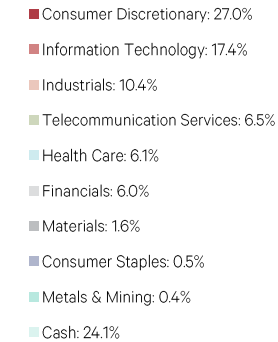
[#]Based on the 30 April 2020 share price of \$1.125 per share and 141,855,810 shares on issue. During the month, 421,576 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

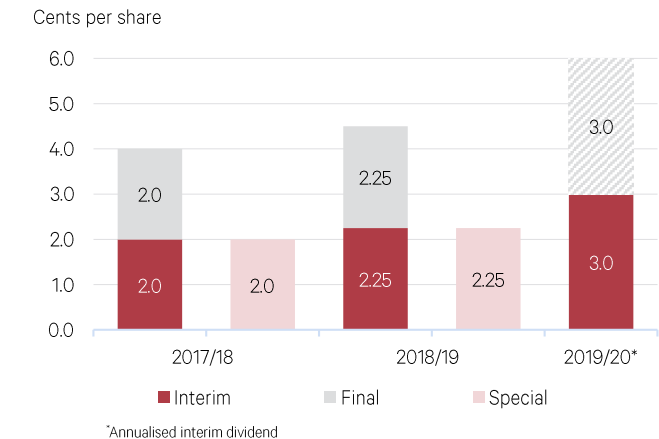
Top 20 holdings (in alphabetical order)

 AFG	 AX1	 BBN	 CAJ	 CCX	 CGL	 EGG	 EGH	 FDV	 GDG
 IFM	 JIN	 JLG	 OML	 OPC	 PBP	 TPW	 UWL	 VGL	 VVA

Portfolio by sector



History of fully franked dividends



W | A | M Research

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The WAM Research portfolio's outperformance during the month was driven by holdings such as natural skin and hair products company BWX (ASX: BWX), information technology service management company The Citadel Group (ASX: CGL), operating and investment group in media, mining and construction, Seven Group Holdings (ASX: SVW) and retail travel agency Flight Centre Travel Group (ASX: FLT).

Primarily known for its natural skincare brand Sukin, BWX products are sold in pharmacies and supermarket stores, which largely remained open during the coronavirus lockdown and saw strong demand through the period. The company sells household staples and personal care products such as hand sanitiser and liquid soap which have seen a recent increase in consumer demand. During the month, CGL, an enterprise software and services company which operates with over 350 staff in Australia and the UK announced the completion of the acquisition of Wellbeing Software Group, one of the UK's major healthcare software companies. This strategic acquisition allows CGL to expand into the international healthcare market and widens its existing portfolio to complementary areas, through the addition of Wellbeing's market leading radiology and maternity programs.

Despite SVW withdrawing its 2020 guidance early in the month as its Seven West Media company is impacted by lockdown measures, the share price rebounded strongly as the coronavirus had a limited impact on its heavy machinery provider business WesTrac, with year-to-date revenue up 15% on the prior period. SVW has a strong balance sheet with \$803 million of undrawn facilities and cash, of which \$430 million is committed capital. During the month, FLT announced cost reduction and financial targets, including reducing its global cost base to \$65 million per month by the end of July 2020, an annualised saving of \$1.9 billion per annum. The company announced the successful completion of an estimated \$700 million capital raising to strengthen its balance sheet and improve its liquidity.

We continue to invest in companies that fit our investment process where we can identify a catalyst to drive the share price higher, focusing on companies with solid balance sheets and resilient earnings.

Net Tangible Assets (NTA) per share

The below April 2020 NTA before tax is **after** the fully franked interim dividend of 4.9 cents per share that was paid on 21 April 2020. The shares traded ex-dividend on 6 April 2020.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Apr 2020	98.42c	93.52c	97.59c	98.92c
Mar 2020	-	88.60c	92.79c	96.94c

Market capitalisation (ASX: WAX)

\$236.1m[#]

Gross assets

\$181.6m

Listed equities

\$131.7m

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

13.4%[^]

S&P/ASX All Ordinaries Accumulation Index: 7.1%

Dividends paid since inception (per share)

109.20c

Fully franked dividend yield

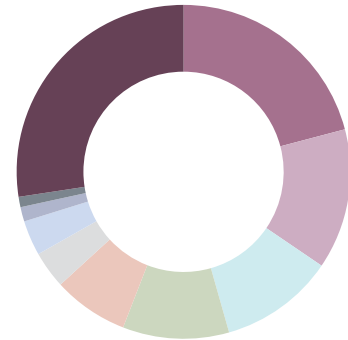
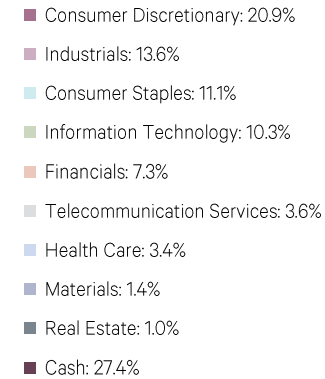
8.0%[#]

[#]Based on the 30 April 2020 share price of \$1.22 per share and the annualised FY20 fully franked interim dividend of 9.8 cents per share. WAM Research has 193,532,143 shares on issue. During the month, 1,403,496 shares were issued under the Dividend Reinvestment Plan for the interim dividend.
[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

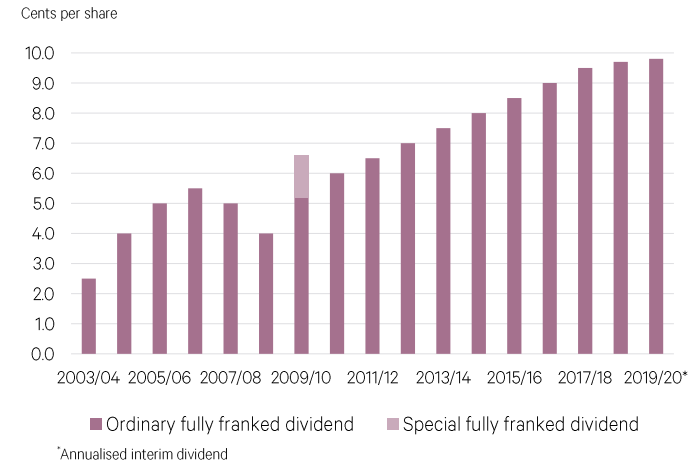
Top 20 holdings (in alphabetical order)

 AFG	 ARISTOCRAT	 AUSTAL LIMITED	 Bapcor	 Breville	 BWX	 city chic	 CODAN	 CLEANAWAY	 Elders
AFG	ALL	ASB	BAP	BRG	BWX	CCX	CDA	CWY	ELD
 idp	 INFO MEDIA	 JOHNS LYNG GROUP	 MYER MY STORE	 PSC INSURANCE GROUP	 REA Group	 Sigma Healthcare	 SGH Industrial Services, Media, Energy and Investments	 tassal	 TRG TELECOM
IEL	IFM	JLG	MYR	PSI	REA	SIG	SVW	TGR	TPM

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)