

June 2023 Investment Update

Pre-tax
NTA

W | A | M *Capital* \$1.42

W | A | M *Leaders* \$1.43

W | A | M *Global* \$2.28

W | A | M *Microcap* \$1.30

W | A | M *Alternative Assets* \$1.23

W | A | M *Strategic Value* \$1.17

W | A | M *Research* \$0.93

W | A | M *Active* \$0.74

Dear Fellow Shareholders,

The 2023 financial year saw the largest interest rate tightening cycle in over 30 years as central banks attempted to tame inflation. Globally, economies slowed while the effect on equity markets was less than expected. The S&P/ASX 200 Accumulation Index rose 14.8% for the year and the MSCI World Index (AUD) increased 22.4%. Globally, the best performing major equities index was the US with the NASDAQ 100 Index rising 32.0% and the worst performing index was China's CSI 300 Index down 14.3%, in local terms.

WAM Strategic Value (ASX: WAR) Q&A Webinar

On Tuesday 18 July 2023 at 3:00pm (Sydney time) join Chief Financial Officer Jesse Hamilton, Investment Specialist Martyn McCathie and me as we provide you with an update on the WAM Strategic Value investment portfolio, a brief overview of the listed investment company and listed investment trust (LIC/LIT) sector, and highlight key positions in the portfolio. We look forward to providing you with an update on your company and to answering your questions. Please register your attendance [here](#) and send us your questions by emailing us at info@wilsonassetmanagement.com.au.

Key takeaways from the US

[Watch](#) WAM Capital (ASX: WAM), WAM Microcap (ASX: WMI), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) Senior Investment Analyst Shaun Weick discuss how the investment team is using their insights from the US to capitalise on opportunities in Australian companies.

Watch the latest Buy Hold Sell series

We are pleased to share the latest instalments of Buy Hold Sell from our investment team.

- [Watch](#) WAM Capital, WAM Microcap, WAM Research and WAM Active Senior Investment Analyst Sam Koch, WAM Leaders (ASX: WLE) Senior Investment Analyst Anna Milne and WAM Global (ASX: WGB) Senior Investment Analyst William Liu discuss small-to-mid-cap Australian and global companies as well as ASX 200 large-cap stocks.
- [Watch](#) Shaun Weick, Senior Investment Dealer Cooper Rogers and Investment Dealer Will Thompson discuss the biggest opportunities they are seeing and the companies they are cautious on in the current environment.

In the media

Sam Koch recently featured on Livewire's Buy Hold Sell to discuss the technology sector. Watch the video [here](#).

Read an article in [The Australian Financial Review](#) and [The Australian](#) on how WAM Leaders Lead Portfolio Manager Matthew Haupt is positioning the investment portfolio off the back of China's move to cut lending rates.

Thank you for your support and please stay safe.



Geoff Wilson AO
Chairman



LIC snapshot



W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

| | |
|---|---------|
| Share price* | \$1.51 |
| NTA before tax | \$1.42 |
| Annualised fully franked interim dividend | 15.5cps |
| Profits reserve# | 9.3cps |

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

| | |
|---|---------|
| Share price* | \$1.455 |
| NTA before tax | \$1.43 |
| Annualised fully franked interim dividend | 9.0cps |
| Profits reserve# | 33.8cps |

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

| | |
|---|---------|
| Share price* | \$1.89 |
| NTA before tax | \$2.28 |
| Annualised fully franked interim dividend | 11.5cps |
| Profits reserve# | 46.0cps |

W | A | M *Microcap*

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

ASX: WMI

| | |
|---|---------|
| Share price* | \$1.455 |
| 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* | \$1.015 |
| NTA before tax | \$1.23 |
| Annualised fully franked interim dividend | 5.0cps |
| Profits reserve# | 18.2cps |

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

| | |
|---|--------|
| Share price* | \$0.98 |
| NTA before tax | \$1.17 |
| Estimated fully franked full-year dividend* | 3.5cps |
| Profits reserve# | 8.9cps |

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

| | |
|---|---------|
| Share price* | \$1.10 |
| NTA before tax | \$0.93 |
| 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* | \$0.695 |
| NTA before tax | \$0.74 |
| Annualised fully franked interim dividend | 6.0cps |
| Profits reserve# | 6.4cps |

*As at 13 July 2023.

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

*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. Contributors to the investment portfolio performance included KFC and Taco Bell franchisee Collins Foods (ASX: CKF) and pharmaceutical wholesaler and uranium company Paladin Energy (ASX: PDN).

Collins Foods is a KFC and Taco Bell franchisee in Australia, the Netherlands and Germany. In June, the company announced its FY2023 full year results, posting a 14.2% increase in revenue from continuing operations to \$1,349.5 million, whilst underlying earnings after tax fell 12.1%. Despite the margin pressure that precipitated the fall in earnings, the company's share price rallied, as Collins Foods highlighted their conviction in managing earnings margins throughout the next fiscal year. We are pleased to see the management team navigate the current trading environment well, adroitly managing inflationary pressures in a weakening consumer environment, whilst maintaining investment in future growth initiatives. While we expect to see earnings margins bottom in FY2024, we remain positive on the outlook for the business and anticipate earnings margins to increase towards historical levels in FY2025.

Paladin Energy is a uranium production company currently restarting activities at the Langer Heinrich Mine project in Namibia after the mine was put into care and maintenance during 2018. Earlier in the month, the company's share price rebounded following clarification by Namibia's Ministry of Mines and Energy that it does not intend to nationalise any existing mines. The company also held an investor day in June, which has given investors confidence the Langer Heinrich Mine will see first production by early 2024 without the need for further capital. We are pleased to see the steady progress on Paladin Energy's return to production and we expect the company will benefit from a strong uranium price environment during 2024 and beyond.

Market capitalisation (ASX: WAA)

\$49.9m[#]

Gross assets

\$55.8m

Listed equities

\$49.6m

Investment portfolio performance (pa since inception Jan 2008)

9.8%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

89.7c

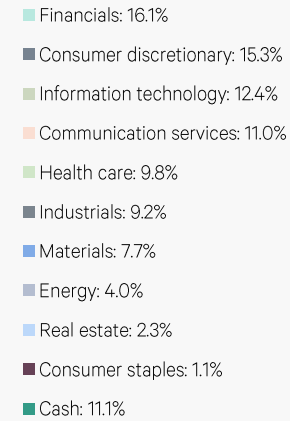
Annualised fully franked interim dividend yield

9.0%[#]

[#]Based on the 30 June 2023 share price of \$0.665 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.

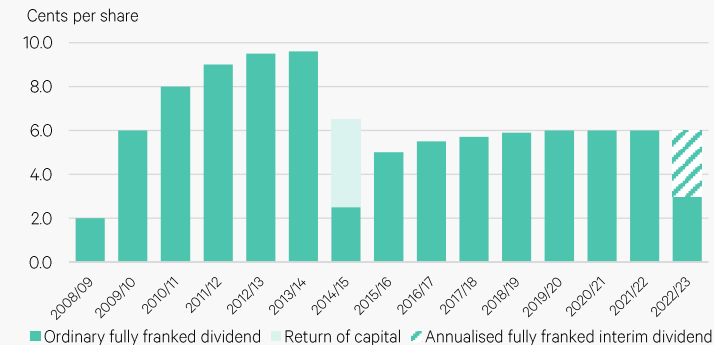
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

The 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

| | NTA before tax | NTA after tax and before tax on unrealised gains* | NTA after tax* |
|-----------|----------------|---|----------------|
| June 2023 | 74.02c | 82.89c | 84.02c |
| May 2023 | 72.12c | 81.29c | 82.68c |

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

Top 20 holdings (in alphabetical order)

| | | | | | | | | | |
|---------------------|-------------------------------|----------------------|---------------------------------------|-------------------------|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------|
| Life360 360 | AMP AMP | BELLEVUE GOLD BGL | BORAL Building something great BLD | carsales.com ltd CAR | CODAN CDA | FLIGHT CENTRE TRAVEL GROUP FLT | Fisher & Paykel HEALTHCARE FPH | KEYBRIDGE CAPITAL PARTNERS KBC | Megaport MP1 |
| MMA OFFSHORE MRM | neuren pharmaceuticals NEU | NextEd Group NXD | NEXTDC NXT | QUALITAS QAL | smartpay SMP | Tabcorp TAH | tpg TELECOM TPG | Worley WOR | Xpansiv |

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. Contributors to the investment portfolio performance included aged care home operator Estia Health (ASX: EHE) and uranium company Paladin Energy (ASX: PDN).

Estia Health is one of Australia's largest aged care operators, with more than 70 homes in South Australia, Victoria, New South Wales and Queensland. In June, Estia Health announced that it had received a revised non-binding and conditional proposal from Bain Capital to acquire 100% of issued capital in Estia Health. Under the revised proposal, Bain Capital increased the non-binding and conditional proposal from \$3.00 per share to \$3.20 per share, less the cash amount of any dividends declared and paid after the date of the revised proposal. Whilst the aged care sector is supported by a favourable regulatory environment and a strong industry consolidation opportunity, we believe the new offer is compelling for shareholders. Read an article in the [Australian Financial Review](#) where Lead Portfolio Manager Oscar Oberg shares his view on the acquisition.

Paladin Energy is a uranium production company currently restarting activities at the Langer Heinrich Mine project in Namibia after the mine was put into care and maintenance during 2018. Earlier in the month, the company's share price rebounded following clarification by Namibia's Ministry of Mines and Energy that it does not intend to nationalise any existing mines. The company also held an investor day in June, which has given investors confidence the Langer Heinrich Mine will see first production by early 2024 without the need for further capital. We are pleased to see the steady progress on Paladin Energy's return to production and we expect the company will benefit from a strong uranium price environment during 2024 and beyond.

Market capitalisation (ASX: WAM)

\$1,645.4m[#]

Gross assets

\$1,574.4m

Listed equities

\$1,397.6m

Investment portfolio performance (pa since inception Aug 1999)

14.9%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.2%

Dividends paid since inception (per share)

292.75c

Annualised fully franked interim dividend yield

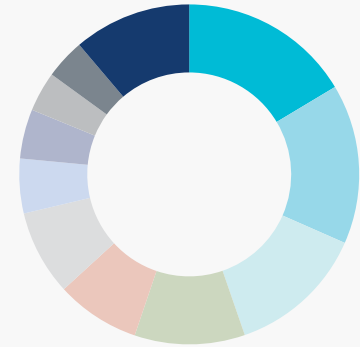
10.4%[#]

[#]Based on the 30 June 2023 share price of \$1.495 per share and the annualised FY23 fully franked interim dividend of 15.5 cents per share. WAM Capital has 1,100,603,773 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

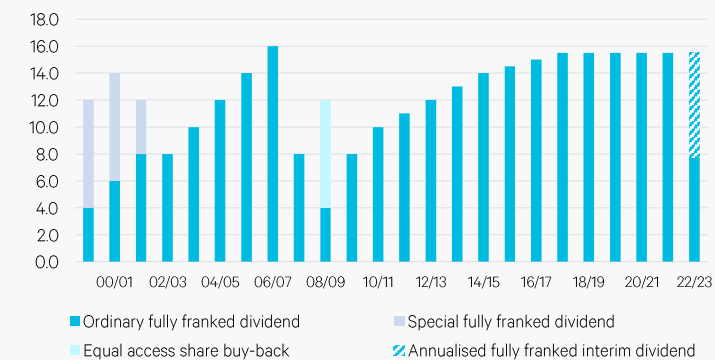
- Consumer discretionary: 16.4%
- Health care: 15.2%
- Industrials: 13.1%
- Financials: 10.5%
- Communication services: 8.1%
- Information technology: 8.0%
- Materials: 5.2%
- Energy: 4.7%
- Real estate: 3.8%
- Consumer staples: 3.8%
- Cash: 11.2%



History of fully franked dividends

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



Net Tangible Assets (NTA) per share

| | NTA before tax | NTA after tax and before tax on unrealised gains* | NTA after tax* |
|-----------|----------------|---|----------------|
| June 2023 | 142.28c | 158.99c | 157.11c |
| May 2023 | 139.76c | 156.79c | 155.34c |

*Includes 1.65 cents per share of tax assets resulting from the acquisition of investment companies and 15.49 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

| | | | | | | | | | |
|---------|---------------|------------------|------------------|----------------------------|----------------------------|-----------------------|-----------------|----------------|------------------------|
| Life360 | BELLEVUE GOLD | carsales.com ltd | Estia Health | FLIGHT CENTRE TRAVEL GROUP | Fisher & Paykel HEALTHCARE | healio | MAAS | MMA OFFSHORE | neuren pharmaceuticals |
| 360 | BGL | CAR | EHE | FLT | FPH | HLS | MGH | MRM | NEU |
| NEXT DC | RIDLEY | SELECT HARVESTS | Sigma Healthcare | technologyone | TUAS | VIVA Energy Australia | VIRGIN MONEY UK | Webjet Limited | Worley |
| NXT | RIC | SHV | SIG | TNE | TUA | VEA | VUK | WEB | WOR |

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders (ASX: WLE) investment portfolio increased during the month, outperforming the S&P/ASX 200 Accumulation Index. Significant contributors to the investment portfolio outperformance included oil and gas producer Santos (ASX: STO) and general insurance company Insurance Australia Group (ASX: IAG).

Santos is an Australian oil and gas exploration and production company which owns liquefied natural gas (LNG), pipeline gas and oil assets. Oil prices have been constrained over the last two months by persistent concerns over an economic slowdown, however this has been outweighed by concerns for supply caused by the Organisation of the Petroleum Exporting Countries Plus (OPEC+) and continued industry underinvestment. Santos also has a number of milestones ahead; the company is approaching final investment decision to commit and proceed with the Papua LNG project in the first quarter of 2024, the resumption of Barossa project drilling, and upside from a potential Papua LNG sell down and subsequent buyback with the proceeds.

Insurance Australia Group is the largest general insurer in Australia and New Zealand. In June, Insurance Australia Group held an investor day at which they updated their medium-term earnings aspirations and reiterated nearer-term expectations. This represented a turning point for a beleaguered stock, which over the past few years, has endured management transitions, business interruption test case judgements and elevated natural catastrophes. We remain optimistic on Insurance Australia Group as premium rate increases exceed claims inflation and we are likely entering an El Nino weather event, which is typically associated with less frequent natural catastrophes.

Market capitalisation (ASX: WLE)

\$1,829.4m*

Gross assets

\$1,801.4m

Listed equities

\$1,708.2m

Investment portfolio performance (pa since inception May 2016)

14.0%[^]

S&P/ASX 200 Accumulation Index: 8.4%

Dividends paid since inception (per share)

39.65c

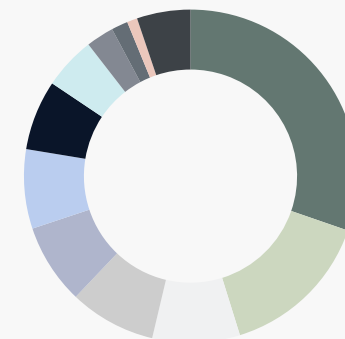
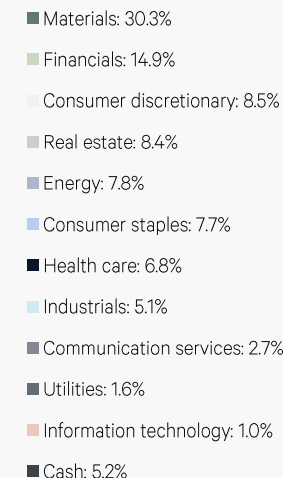
Annualised fully franked interim dividend yield

6.2%*

*Based on the 30 June 2023 share price of \$1455 per share and the annualised FY23 fully franked interim dividend of 9.0 cents per share. WAM Leaders has 1,257,331,124 shares on issue.

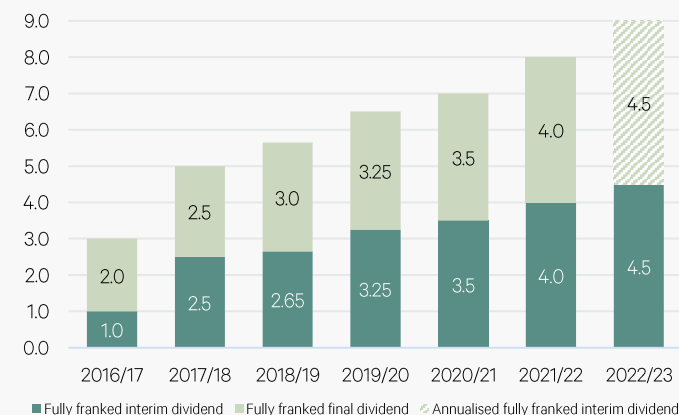
[^]Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

Cents per share



Legend: Fully franked interim dividend (dark green), Fully franked final dividend (light green), Annualised fully franked interim dividend (hatched)

Net Tangible Assets (NTA) per share

| | NTA before tax | NTA after tax and before tax on unrealised gains | NTA after tax |
|-----------|----------------|--|---------------|
| June 2023 | 142.84c | 140.91c | 141.09c |
| May 2023 | 140.47c | 138.73c | 139.50c |

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, outperforming the MSCI World Index (AUD). Contributors to the investment portfolio outperformance included diversified software company Adobe (NASDAQ: ADBE) and insurance brokerage, risk management and consulting firm Arthur J. Gallagher (NYSE: AJG).

Headquartered in California, multinational computer software company Adobe has market-leading positions in its Digital Media and Digital Experience segments. The company's diverse product suite has become industry standard, creating a network effect in which professionals across several sectors are proficient in Adobe software. The product range has also become essential to organisations, resulting in its strong pricing power and the ability to capture an increasing percentage of the value it generates for customers. In June, Adobe reported its FY2023 second-quarter earnings results, delivering year-on-year revenue growth of 13% and earnings per share growth of 16.7%, ahead of market expectations. Further, the company raised its FY2023 full-year guidance and spoke confidently on the monetisation opportunity of generative artificial intelligence (AI) and the incredible reception its AI integrated tool, Adobe Firefly, has received. We expect evidence of monetisation through improved retention, new user acquisition, improved conversion and cross-sell opportunities over the coming quarters to be positive catalysts for Adobe's share price performance in the near term.

Arthur J. Gallagher (AJG) brokers insurance between businesses and insurance providers in the retail, wholesale and re-insurance markets, with its core customers in the middle market. AJG has an excellent track record in mergers and acquisitions, and leverages its ability to spend on data and analytics, technology and building verticals of expertise to take market share from regional competitors. In June, AJG hosted an upbeat investor meeting and highlighted a continued strong pricing environment with no signs of an economic slowdown. The company stated that it expects to be at the top end of their previously guided full-year organic growth targets of 7% to 9% in brokerage and 13% in risk management, while reiterating its expectation of organic margin expansion. This strong earnings momentum bodes well for its upcoming earnings result, which we expect to be a positive catalyst for the company's share price.

Market capitalisation (ASX: WGB)

\$655.4m*

Gross assets

\$808.2m

Listed equities

\$765.9m

Investment portfolio performance (pa since inception June 2018)

7.4%[^]

MSCI World Index (AUD): 10.9%

Dividends paid since inception (per share)

35.75c

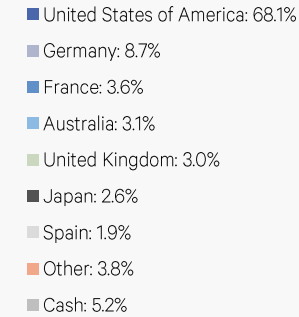
Annualised fully franked interim dividend yield

6.2%*

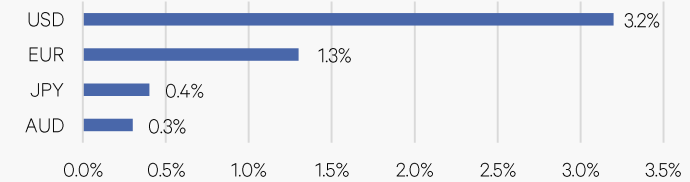
*Based on the 30 June 2023 share price of \$1.855 per share and the annualised FY23 fully franked interim dividend of 11.5 cents per share. WAM Global has 353,297,218 shares on issue.

[^]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

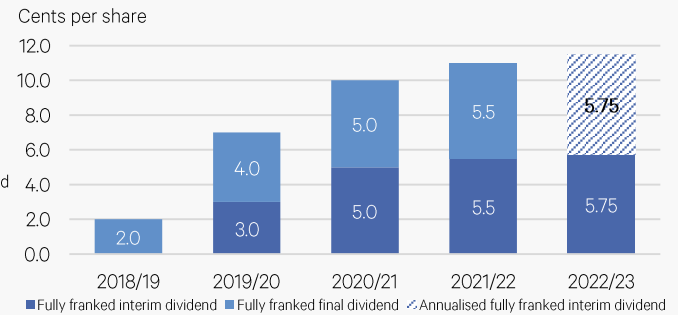


Cash currency exposure



History of fully franked dividends

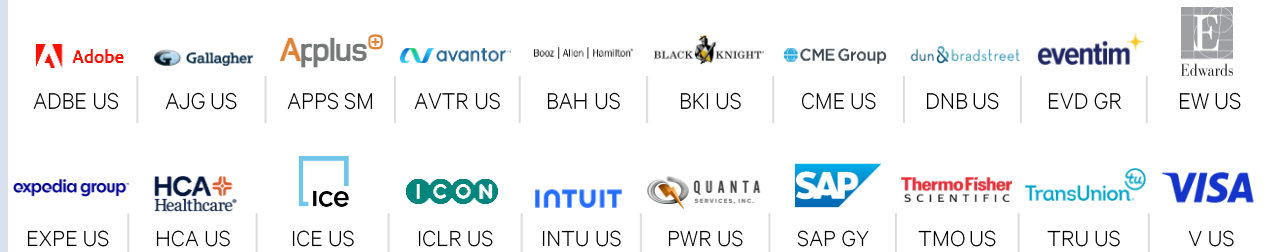
The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits. Currently, the franking account balance of the Company is able to partially frank the final dividend, assuming the final dividend is also 5.75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



Net Tangible Assets (NTA) per share

| | NTA before tax | NTA after tax and before tax on unrealised gains | NTA after tax |
|-----------|----------------|--|---------------|
| June 2023 | 228.09c | 227.39c | 230.19c |
| May 2023 | 220.14c | 220.83c | 224.62c |

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 increased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included travel and expense solutions provider Serko (ASX: SKO) and network services provider Service Stream (ASX: SSM).

Serko is a leading provider of online corporate travel booking and expense management software to customers across the globe. In June, Serko provided a trading update at its annual general meeting, reaffirming guidance provided in May of an anticipated FY2024 total income of between \$63 million and \$70 million. The company noted that if trends during the June 2023 quarter prevailed for the full year, it anticipates the result to be above the mid-point of this guidance range. We continue to believe the company's strong financial position will allow it to achieve operational efficiency and build a globally competitive business moving forward.

Service Stream provides essential network services to the telecommunications, utility and transportation sectors. During the month, Service Stream advised that following the lodgement of its income tax return for the FY2022 financial year, it received a tax refund of \$50.2 million as an eligible candidate under the temporary loss carry back tax offset initiative. The significant tax refund helped alleviate concerns about the strength of the company's balance sheet in the short term. We remain positive that Service Stream is able to deliver solid FY2023 full-year results and continue to deliver its services as a national multi-network service provider.

Market capitalisation (ASX: WMI)

\$297.5m*

Gross assets

\$279.6m

Listed equities

\$257.1m

Investment portfolio performance (pa since inception June 2017)

15.0%[^]

S&P/ASX Small Ordinaries Accumulation Index: 5.5%

Dividends paid since inception (per share)

49.0c

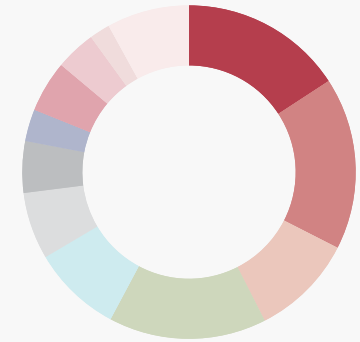
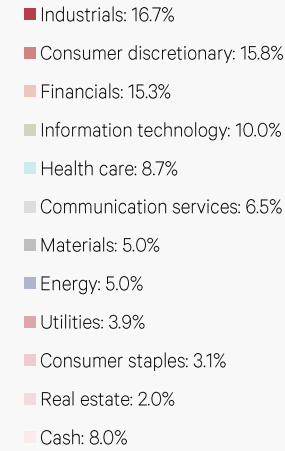
Annualised fully franked interim dividend yield

7.4%*

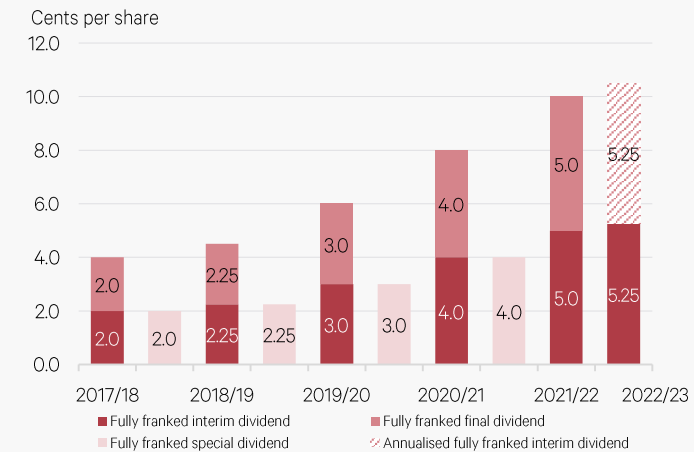
*Based on the 30 June 2023 share price of \$1.41 per share and the annualised FY23 fully franked interim dividend of 10.5 cents per share. WAM Microcap has 210,979,923 shares on issue.

[^]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



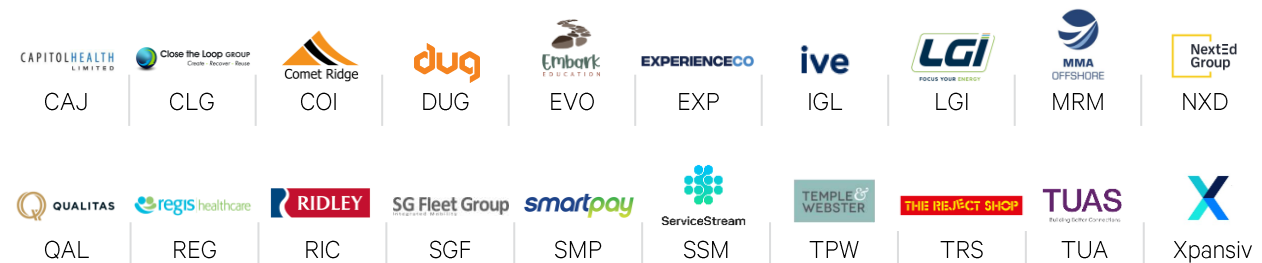
History of fully franked dividends



Net Tangible Assets (NTA) per share

| | NTA before tax | NTA after tax and before tax on unrealised gains | NTA after tax |
|-----------|----------------|--|---------------|
| June 2023 | 130.15c | 133.10c | 130.49c |
| May 2023 | 127.02c | 130.10c | 128.30c |

Top 20 holdings (in alphabetical order)



W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

The WAM Alternative Assets (ASX: WMA) investment portfolio decreased during the month, primarily driven by the underlying performance of its real estate investments.

In June, WAM Alternative Assets received the final exit proceeds from its investment in the Hotel Funds, managed by our investment partner Fortitude Investment Partners. As reported in our February 2023 investment update, WAM Alternative Assets benefited from the receipt of exit proceeds at a premium to the underlying carrying value. WAM Alternative Assets expects to receive the exit proceeds from its investment in the 2 Rector St Trust in July 2023 after Cove Property Group exited its investment in a commercial office building located in Manhattan, New York, during the month. WAM Alternative Assets looks forward to redeploying the capital received from this exit into new investment opportunities, as part of its portfolio revitalisation strategy.

The current macroeconomic environment provides increased opportunities for private equity firms to invest capital into corporate carve-outs, corporate restructures or to acquire publicly listed companies, which are temporarily mispriced. One of our investment partners, Allegro Funds, recently announced that they have entered into a binding term sheet for the purchase of PwC Australia's public sector advisory business. The new business will be named Scyne Advisory and will operate independently of PwC with around 1,750 employees. The company will solely advise the public sector and their agencies. Allegro's highly experienced operating partners will support this interim leadership team to transition partners and employees to Scyne Advisory and set up new independent systems. This will allow current public sector client work to continue uninterrupted through the transition. The transaction is targeted to complete over the next few months.

Market capitalisation (ASX: WMA)

\$198.1m*

Gross assets

\$239.8m

Investment portfolio performance

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

11.8%[^]

Profits reserve (per share)

18.2c

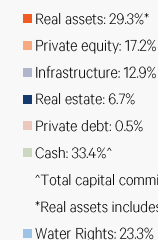
Annualised fully franked interim dividend (per share)

5.0c

*Based on the 30 June 2023 share price of \$1.015 per share. WAM Alternative Assets has 195,209,463 shares on issue.

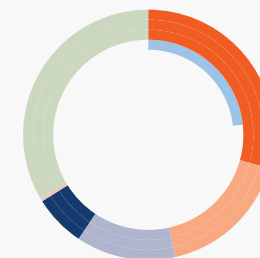
[^]Investment portfolio performance is before expenses, fees and taxes.

Asset class exposure



*Total capital commitments are 21.9%.

*Real assets includes:



| Portfolio structure | Current value | | +/- Prior month | |
|-----------------------------|---------------|--------------|-----------------|--------------|
| | \$m | % | \$m | % |
| Real assets | 70.2 | 29.3 | (0.1) | (0.1) |
| Private equity [†] | 41.4 | 17.2 | (0.9) | (2.1) |
| Infrastructure | 30.9 | 12.9 | 0.4 | 1.3 |
| Real estate [†] | 16.0 | 6.7 | 0.6 | 3.9 |
| Private Debt | 1.3 | 0.5 | - | - |
| Cash [^] | 80.0 | 33.4 | (0.6) | (0.7) |
| Grand total | 239.8 | 100.0 | (0.6) | (0.2) |

[†]Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Barwon Institutional Healthcare Property Fund (\$7.8m); the Allegro Fund IV (\$7.7m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.3m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, \$1.9m of capital commitments to the Barwon Institutional Healthcare Property Fund was drawn down.

[^]During the month, final exit proceeds were received from our investment in the Hotel Funds (\$1.1m) and partial exit proceeds were received from our investment in the Darra Industrial Income Fund (\$0.1m).

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.

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

| | NTA before tax | NTA after tax and before tax on unrealised gains | NTA after tax |
|-----------|----------------|--|---------------|
| June 2023 | 122.80c | 120.95c | 120.05c |
| May 2023 | 123.14c | 121.62c | 120.30c |

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

Barwon Institutional Healthcare Property Fund

2 Rector Street, Manhattan, New York

Centennial CEN (I&L) Partnership 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 what was a volatile month for listed investment companies (LICs) and listed investment trusts (LITs). The LIC and LIT sector experienced a broad sell-off as premiums dissipated and discounts widened, presenting attractive opportunities for investors. Regal Asian Investments (ASX: RG8) and Global Data Centre (ASX: GDC) were contributors to the investment portfolio performance during the period.

Regal Asian Investments' share price increased 6.4% during June, while the underlying investments in the portfolio increased 4.0%, with the strong share price performance resulting in a narrowing of the discount to net tangible assets (NTA) from 12.7% to approximately 10.7% during the month. In June, the share price performance was supported following the reintroduction of the buy-back program as well as the acquisition of approximately 2.5% of the issued capital by investment manager Regal Partners Limited and associated entity, Regal Australian Long Short Geared Equity Fund. Regal Funds Management co-founder and Chief Investment Officer, Philip King, now holds a 15.76% relevant interest in Regal Asian Investments shares. The acquisition of shares by Mr King and Regal Funds Management, alongside the continuation of the buy-back program, reflects strong support from the investment manager and alignment with shareholders.

The Global Data Centre share price increased 5.1% during June and has risen 48.6% in the six months to 30 June 2023. Global Data Centre recently announced that it will undertake a value realisation strategy following a review focused on assessing the long-term viability of its current investment structure. Under the new strategy, the company is unlikely to make new investments. Instead, the investment manager will seek to realise the value of Global Data Centre's existing assets over the medium term through asset disposals. We believe this catalyst will lead to a continued narrowing of Global Data Centre's share price discount to NTA in the near term.

Market capitalisation (ASX: WAR)

\$175.6m*

Fully franked interim dividend

1.5cps

Gross assets

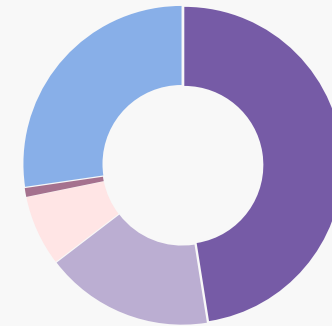
\$211.4m^

Pre-tax net tangible assets

\$1.17

*Based on the 30 June 2023 share price of \$0.975 per share and 180,125,761 shares on issue.
^Gross assets exclude the \$466k offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

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



- LIC/LIT Global Equities: 47.5%
- LIC/LIT Domestic Equities: 17.1%
- Direct Discount Asset: 7.2%
- LIC/LIT Fixed Interest: 0.9%
- Cash and Cash Equivalents: 27.3%

June 2023 look-through pre-tax NTA

\$1.34

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.

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

| | NTA before tax | NTA after tax and before tax on unrealised gains | NTA after tax |
|-----------|----------------|--|---------------|
| June 2023 | 117.25c | 117.34c | 121.05c |
| May 2023 | 116.25c | 116.14c | 120.25c |

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. Contributors to the investment portfolio performance included aged care home operator Estia Health (ASX: EHE) and pharmaceutical wholesaler and distributor Sigma Healthcare (ASX: SIG).

Estia Health is one of Australia's largest aged care operators, with more than 70 homes in South Australia, Victoria, New South Wales and Queensland. In June, Estia Health announced that it had received a revised non-binding and conditional proposal from Bain Capital to acquire 100% of issued capital in Estia Health. Under the revised proposal, Bain Capital increased the non-binding and conditional proposal from \$3.00 per share to \$3.20 per share, less the cash amount of any dividends declared and paid after the date of the revised proposal. Whilst the aged care sector is supported by a favourable regulatory environment and a strong industry consolidation opportunity, we believe the new offer is compelling for shareholders. Read an article in the [Australian Financial Review](#) where Lead Portfolio Manager Oscar Oberger shares his view on the acquisition.

Sigma Healthcare operates a wholesale and distribution business that supports pharmacy networks in Australia. During the month, Sigma Healthcare announced that it had been awarded a contract with Chemist Warehouse to supply pharmaceutical benefits scheme medicines and fast moving consumer goods products for a period of five years from 1 July 2024. The company expects that the new contract will generate a minimum of \$3 billion in revenue in the first full year of the contract and support its medium-term earnings before interest and taxes (EBIT) margin guidance of 1.5% to 2.5%. We believe the contract will provide Sigma Healthcare with continued upside moving forward, banded by the issue of Sigma Healthcare shares to Chemist Warehouse that will further align both parties' long-term strategic interests.

Market capitalisation (ASX: WAX)

\$212.9m[#]

Gross assets

\$187.6m

Listed equities

\$174.0m

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

13.6%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.6%

Dividends paid since inception (per share)

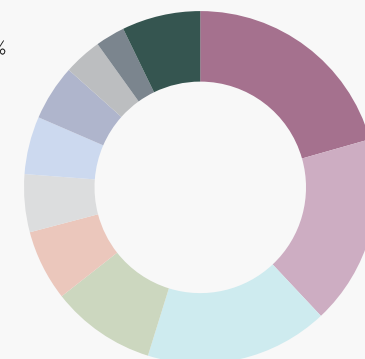
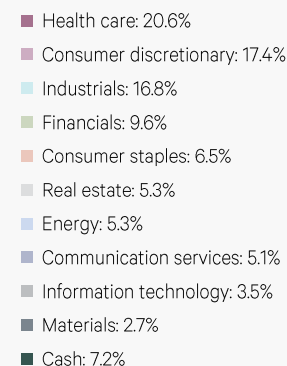
139.0c

Annualised fully franked interim dividend yield

9.4%[#]

[#]Based on the 30 June 2023 share price of \$1.06 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.
[^]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 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.



Net Tangible Assets (NTA) per share

| | NTA before tax | NTA after tax and unrealised gains* | NTA after tax* |
|-----------|----------------|-------------------------------------|----------------|
| June 2023 | 93.03c | 98.44c | 98.96c |
| May 2023 | 91.68c | 97.34c | 98.02c |

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

Top 20 holdings (in alphabetical order)

| | | | | | | | | | |
|------------------------------|--------------------------|-------------------------|----------------|---|--|--|------------------------------|------------------------|-----------------------|
| CAPITOLHEALTH LIMITED CAJ | Credit Corp Group CCP | Estia Health EHE | healius HLS | HMC Capital HMC | KELSIAN CONNECTING PEOPLE & PLACES KLS | MAAS MGH | pro+medicus PME | reece group REH | RIDLEY RIC |
| SG Fleet Group SGF | SELECT HARVESTS SHV | Sigma Healthcare SIG | thl THL | technologyone Transforming to address, making the service TNE | TEMPLE & WEBSTER TPW | TUAS Building Better Connections TUA | VIVA Energy Australia VEA | VIRGIN MONEY UK VUK | Webjet Limited WEB |