

August 2021 Investment Update

Pre-tax
NTA

W A M <i>Capital</i>	\$1.97
W A M <i>Leaders</i>	\$1.46
W A M <i>Global</i>	\$2.81
W A M <i>Microcap</i>	\$1.76
W A M <i>Alternative Assets</i>	\$1.18
W A M <i>Strategic Value</i>	\$1.30
W A M <i>Research</i>	\$1.26
W A M <i>Active</i>	\$1.06

Dear Fellow Shareholders,

Global equities rose in August, supported by accommodative central bank policies, which continues to be dictated by the economic impacts of the Delta variant. The month was marked by the dramatic end of the 20-year war in Afghanistan. Our thoughts are with the stateless refugees, Afghan civilians, and soldiers, who have endured devastating turmoil and a harrowing loss of family, friends, culture and heritage.

The MSCI World Index (AUD) closed up 3.1% for the month, and in local terms, the US S&P 500 Index up 2.9%, the Euro Stoxx 50 Index 2.6%, Japan's TOPIX Index 3.1% and the UK FTSE 100 Index 1.2%. China's CSI 300 Index closed down 0.1%. The S&P/ASX All Ordinaries Accumulation Index rose 2.6% in August, as the reporting season saw a significant return of capital to shareholders, few profit upgrades and cautious outlook statements.

Our listed investment companies' full year results, annual reports and fully franked dividends

We were pleased to announce the full year results, annual reports, investor Q&A webinars and [fully franked final dividends](#) for our listed investment companies (LICs) during the month. I thank all shareholders for their support during what was a challenging year and our investment team for delivering solid results.

- WAM Capital (ASX: WAM): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Leaders (ASX: WLE): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Global (ASX: WGB): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Microcap (ASX: WMI): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Alternative Assets (ASX: WMA): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Research (ASX: WAX): [full year results](#), [Annual Report](#) and [Investor Q&A](#).
- WAM Active (ASX: WAA): [full year results](#), [Annual Report](#) and [Investor Q&A](#).

Future Generation half year results

The Future Generation companies recently announced their 2021 half year results. [Future Generation Australia](#) (ASX: FGX) announced a record profit, a 15.4% increased fully franked interim dividend and its seventh social investment in young Australians at risk.

[Future Generation Global](#) (ASX: FGG) reported a 50.0% increased fully franked dividend, record profit and its sixth social investment in youth mental health. The Future Generation companies will deliver \$11.7 million this year to their charity partners supporting young Australians, bringing the total social investment since inception to \$52.9 million.

Future Generation Australia Bonus Issue of Options

Future Generation Australia also announced a [Bonus Issue of Options](#) for all shareholders. Each Future Generation Australia Option provides holders with the right, but not the obligation, to purchase one additional Future Generation Australia share for \$1.48 per Option, without paying brokerage fees. We are excited by the opportunity to significantly grow the Company's assets to the benefit of all shareholders and to enhance the Company's ability to support young Australians at risk.

All investors who purchase Future Generation Australia shares on the ASX up until 29 September 2021 will be entitled to receive the Bonus Options, at no additional cost.

Wilson Asset Management is the creator and lead supporter of the Future Generation companies, Australia's first listed investment companies to deliver both investment and social returns.

Thank you for your continued support.



Geoff Wilson AO
Chairman & Chief
Investment Officer



LIC snapshot



W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$2.34
NTA before tax	\$1.97
Fully franked full year dividend	15.5cps
Profits reserve#	27.9cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.495
NTA before tax	\$1.46
Annualised FY22 fully franked interim dividend guidance	8.0cps
Profits reserve#	32.5cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$2.66
WGBO option price*	\$0.115
NTA before tax	\$2.81
Fully franked full year dividend	10.0cps
Profits reserve#	63.2cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$2.14
NTA before tax	\$1.76
Fully franked full year dividend [†]	12.0cps
Profits reserve#	54.2cps

W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.025
NTA before tax	\$1.18
Annualised FY22 interim dividend guidance	4.0cps
Commencement date	14 October 2020
Profits reserve#	11.8cps

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$1.255
NTA before tax	\$1.30
Listing date	28 June 2021
Profits reserve#	3.6cps

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.76
NTA before tax	\$1.26
Fully franked full year dividend	9.9cps
Profits reserve#	47.7cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$1.07
WAA option price*	\$0.015
NTA before tax	\$1.06
Fully franked full year dividend	6.0cps
Profits reserve#	10.9cps

*As at 13 September 2021.

[†]Includes the fully franked special dividend of 4.0 cents per share (cps).

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

W | A | M *Active*

Market mispricing opportunities in the Australian market.

The WAM Active investment portfolio increased during the month, with significant contributors to the investment portfolio performance including online automotive marketplace carsales.com (ASX: CAR) and integrated services company Downer EDI (ASX: DOW).

carsales.com operates the largest online automotive, motorcycle and marine classified business in Australia. In its August result, the company announced adjusted FY2021 earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 10% on the prior year and the highest annual growth in net profit after tax (NPAT) in seven years. Car buyers and sellers in Australia, South Korea and Brazil used its sites at record levels as the coronavirus pandemic has accelerated migration to digital platforms for car sales. During the year, carsales.com announced the 49% acquisition of Trader Interactive, a US-based marketplace business that has a leading position in the recreational vehicle, powersports, commercial truck and equipment markets.

Downer EDI designs, builds and sustains assets, infrastructure and facilities primarily in Australia and New Zealand. During the month, Downer EDI reported a better-than-expected FY2021 result, delivering a 21.4% rise in underlying net profit after tax and before amortisation of acquired intangible assets to \$261.2 million and a 6.2% jump in earnings before interest, taxes and amortisation (EBITA) in its transport business to \$250.2 million. Profits in its facilities business also rose, up 12.1% to \$140.0 million, as the company secured additional coronavirus cleaning contracts. The company resumed its dividend payment as it declared a FY2021 final dividend of 12 cents per share, bringing the full year dividend to 21 cents per share. We believe the outlook for Downer EDI remains strong, as Australia's post-pandemic recovery consisting of increased spending on infrastructure and defence projects will likely boost demand for the company's services.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
August 2021	105.59c	107.21c	107.20c
July 2021	101.82c	104.54c	104.54c

*Includes 2.65 cents per share of income tax losses available to the Company in future periods. The above August NTA figures are not adjusted for the 67,394,268 options on issue with an exercise price of \$1.10 per option.

Market capitalisation (ASX: WAA)

\$78.3m[#]

Gross assets

\$78.4m

Listed equities

\$65.0m

Investment portfolio performance (pa since inception Jan 2008)

12.4%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.9%

Dividends paid since inception (per share)

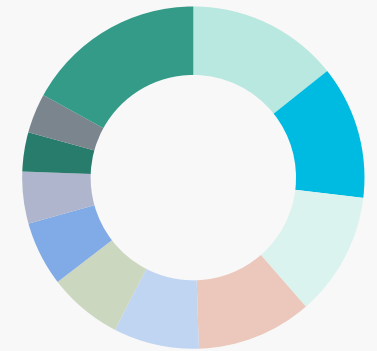
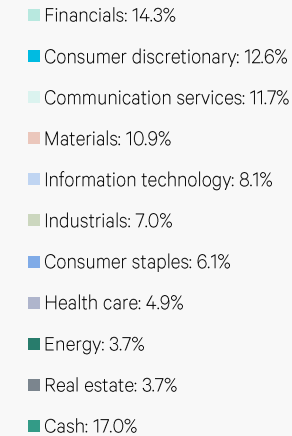
77.7c

Fully franked dividend yield

5.6%[#]

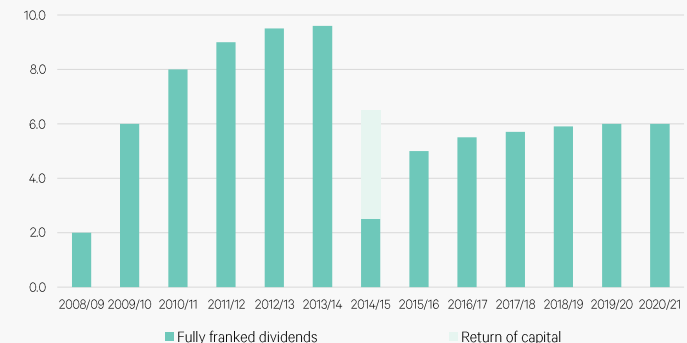
[#]Based on the 31 August 2021 share price of \$1.07 per share and the FY21 fully franked full year dividend of 6.0 cents per share. WAM Active has 73,186,218 shares on issue.
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Portfolio by sector



History of fully franked dividends

Cents per share



Top 20 holdings (in alphabetical order)

Life360	ADBRI	ARISTOCRAT	ALS	CAPITOLHEALTH LIMITED	carsales.com ltd	CHAMPION IRON	CIMIC	Data#3	KEYBRIDGE
360	ABC	ALL	ALQ	CAJ	CAR	CIA	CIM	DTL	KBC
nanosonics	News Corp	PACT	Pushpay	PEXA	Steadfast	SELECT HARVESTS	TEMPLE WEBSTER	UNITI GROUP	VIRGIN MONEY UK
NAN	NWS	PGH	PPH	PXA	SDF	SHV	TPW	UWL	VUK

W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included global retailer City Chic Collective (ASX: CCX) and online automotive marketplace carsales.com (ASX: CAR).

City Chic Collective, a global omni-channel retailer specialising in plus-size apparel, accessories and footwear for women, delivered strong sales and customer acquisition growth in its FY2021 results. The company announced sales growth of 33%, a 61% increase in customers and a 68% increase in customer website traffic on the prior 12-month period. The strong result reflected City Chic Collective's expanded online product offering and entry into the UK market through the acquisition of local market leader, Evans. Importantly, the company's diversified global footprint has minimised the impact of lockdown enforced store closures in Australia, with 44% of sales recorded outside of Australia and New Zealand. We believe the company is well positioned to expand its market share and benefit from Australian and global consumer strength.

carsales.com operates the largest online automotive, motorcycle and marine classified business in Australia. In its August result, the company announced adjusted FY2021 earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 10% on the prior year and the highest annual growth in net profit after tax (NPAT) in seven years. Car buyers and sellers in Australia, South Korea and Brazil used its sites at record levels as the coronavirus pandemic has accelerated migration to digital platforms for car sales. During the year, carsales.com announced the 49% acquisition of Trader Interactive, a US-based marketplace business that has a leading position in the recreational vehicle, powersports, commercial truck and equipment markets.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
August 2021	197.49c	206.04c	199.75c
July 2021	188.79c	198.01c	193.61c

*Includes 1.12 cents per share of tax assets resulting from the acquisition of unlisted investment companies and 7.07 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAM)

\$2,028.9m[#]

Gross assets

\$1,758.6m

Listed equities

\$1,526.4m

Investment portfolio performance (pa since inception Aug 1999)

16.7%[^]

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

Dividends paid since inception (per share)

261.75c

Fully franked dividend yield

6.7%[#]

[#]Based on the 31 August 2021 share price of \$2.31 per share and the FY21 fully franked full year dividend of 15.5 cents per share. WAM Capital has 878,319,194 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 sector



History of fully franked dividends

Cents per share



Top 20 holdings (in alphabetical order)

ADBRI ABC	Clinicallabs ACL	ARDENT ALG	ALS ALQ	carsales.com ltd CAR	city chic CCX	CODAN CDA	EVENT EVT	idp IEL	iph IPH
MGH MGH	PENDAL PDL	PACT PGH	PEXA PXA	SG Fleet Group SGF	SELECT HARVESTS SHV	UNITED MALT UMG	UNITI GROUP UWL	VIVA Energy Australia VEA	VIRGIN MONEY UK VUK

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders investment portfolio increased during the month, outperforming the S&P/ASX 200 Accumulation Index. Significant contributors to the investment portfolio outperformance included insurers QBE Insurance Group (ASX: QBE) and Suncorp Group (ASX: SUN), integrated resort company The Star Entertainment Group (ASX: SGR) and mining and metals company South32 (ASX: S32).

The insurance sector performed strongly in August, with reporting season demonstrating that premium rates are strong, volumes are stable and margins are improving. QBE's result provided clear evidence of its significant leverage to the strongest commercial premium rate cycle in the last decade, with top-line growth exceeding inflation claims and driving a near doubling of underlying underwriting profits compared to the previous year. Suncorp Group announced an increased final dividend and a \$250 million share buyback, highlighting management's confidence in improving underlying trends across both the insurance and banking divisions. We remain positive on the outlook for general insurance, with catalysts for potential coronavirus provision releases, ongoing improvements in profitability and bond yield exposure.

The Star Entertainment Group benefited from a number of value creation opportunities in August. In its full year result, the company was impacted by recent lockdowns across Australia, although demonstrated that demand returns to pre-coronavirus levels in periods of lower restriction, on a reduced cost base. SGR also announced a potential sale and leaseback of its Sydney casino, which could realise approximately \$2 billion in value for shareholders. The company is also in formal negotiations with the NSW Government to increase the number of gaming machines at The Star Sydney from 1,500 to 2,500. We remain positive about SGR's outlook given the potential for earnings recovery as we exit lockdowns, the company's strategic optionality and attractive valuation.

South32 derives almost half of its cash earnings from aluminium and alumina output. In August, aluminium prices surged to 10-year highs as smelters in China face tighter controls on energy consumption to meet green targets. Driven by strong demand and news flow on supply disruptions, aluminium prices have almost doubled in the last year and contributed to South32 announcing a strong result in August. Through both dividends and an ongoing share buyback, South32 will have returned to shareholders approximately \$800 million, or 8% of its market capitalisation, in the 2021 calendar year.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
August 2021	145.94c	145.37c	142.22c
July 2021	141.39c	141.60c	138.14c

Market capitalisation (ASX: WLE)

\$1,514.2m*

Gross assets

\$1,542.8m

Listed equities

\$1,456.3m

Investment portfolio performance (pa since inception May 2016)

15.5%[^]

S&P/ASX 200 Accumulation Index: 10.8%

Dividends paid since inception (per share)

23.65c

Annualised fully franked interim dividend guidance yield

5.4%*

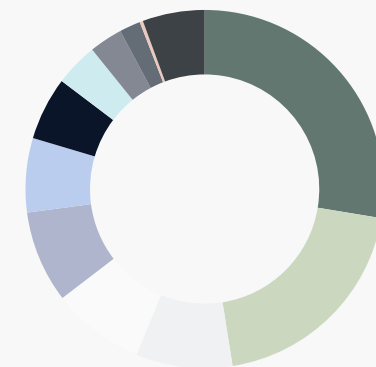
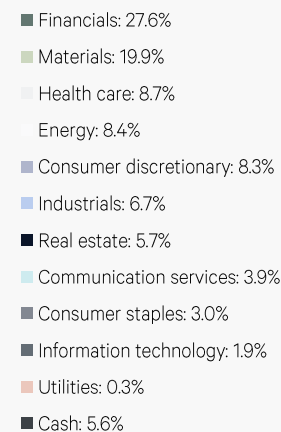
*Based on the 31 August 2021 share price of \$1.47 per share and the annualised FY22 fully franked interim dividend guidance of 8.0 cents per share. WAM Leaders has 1,030,051,858 shares on issue. During the month, 192,508,643 shares were issued under the Entitlement Offer, Top-up Facility, Shortfall Facility and additional placement.

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

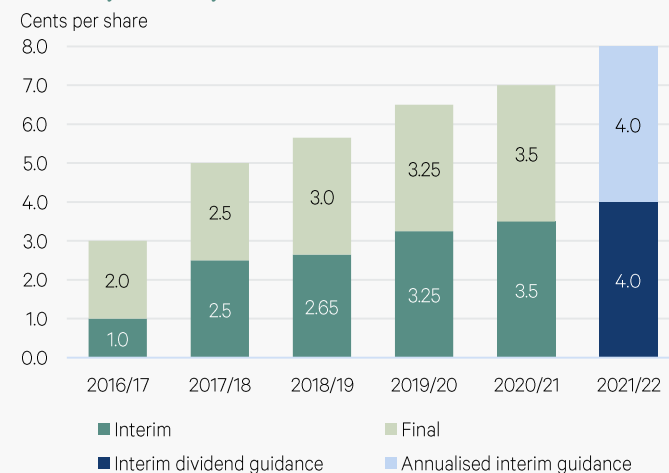
Top 20 holdings (in alphabetical order)

 AMPOL	 ARISTOCRAT	 ANZ	 BHP	 CBA	 CSL	 CROWN RESORTS	 Fortescue	 iag	 National Australia Bank
ALD	ALL	ANZ	BHP	CBA	CSL	CWN	FMG	IAG	NAB
 Oil Search	 QBE	 Ramsay Health Care	 RioTinto	 SOUTH32	 SCENTRE GROUP	 THE STAR	 SYD	 T	 Westpac GROUP
OSH	QBE	RHC	RIO	S32	SCG	SGR	SYD	TLS	WBC

Portfolio by sector



History of fully franked dividends



W | A | M Global

The world's most compelling undervalued growth companies.

The WAM Global investment portfolio increased during the month, with significant contributors including infrastructure services company Quanta Services (NYSE: PWR) and US home improvement retailer Lowe's (NYSE: LOW).

Quanta Services provides specialty contracting services and infrastructure solutions to the utility, communications, energy and oil pipeline industries. With a workforce of nearly 40,000, the company has primary operations in the US and Canada, and exposure to Australia and Latin America. In August, Quanta beat earnings expectations, reporting record second quarter revenue of USD3 billion and net income of USD117 million, primarily driven by its Electric Power Infrastructure Solutions segment. The company also raised its full year earnings guidance to USD12.2-12.5 billion. We remain positive on Quanta and its opportunities in grid modernisation and 5G network deployment. In early September, Quanta announced it will acquire Blattner, the largest utility-scale renewable infrastructure contractor in North America, for USD2.7 billion, which will be funded by approximately USD2.36 billion of cash and the issue of USD340 million in new shares. The transaction multiple and earnings accretion are attractive. The acquisition further increases the company's exposure to the fast growing utility-scale solar and wind generation and energy storage markets.

Lowe's is the second largest home improvement retailer in North America, serving 20 million customers per week and operating more than 2,200 stores with a workforce of over 300,000 associates. In August, Lowe's announced an earnings beat with USD3 billion in net second quarter earnings, with sales in its trades professional-focused Pros division up 21%. The company also reported second quarter diluted earnings per share of USD4.25, a 13% increase on the prior year. Lowe's increased its full year 2021 guidance, with revenue of \$92 billion, gross profit margins up slightly compared to prior year and an operating margin of 12.2%. The company also announced a share buyback of at least USD9 billion. We believe Lowe's can continue to consolidate the highly fragmented USD900 billion home improvement market and increase its market share through its focus on digital solutions and attracting trades professionals as well as retail shoppers.

Market capitalisation (ASX: WGB)

\$636.3m*

Gross assets

\$688.8m

Listed equities

\$663.0m

Investment portfolio performance (pa since inception June 2018)

13.9%^

MSCI World Index (AUD): 15.2%

Fully franked full year dividend

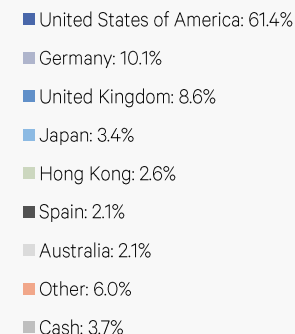
10.0c

Cash weighting

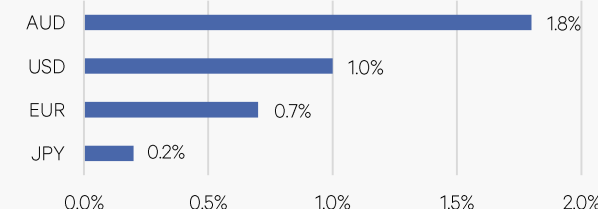
3.7%

*Based on the 31 August 2021 share price of \$2.66 per share and 239,225,665 shares on issue. During the month, 1,729,793 options were exercised and allotted under the Bonus Issue of Options announced on 10 February 2021. ^Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

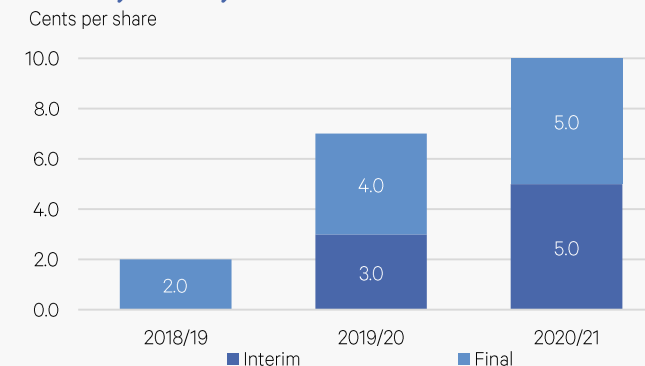
Portfolio by geographical exposure



Cash currency exposure



History of fully franked dividends

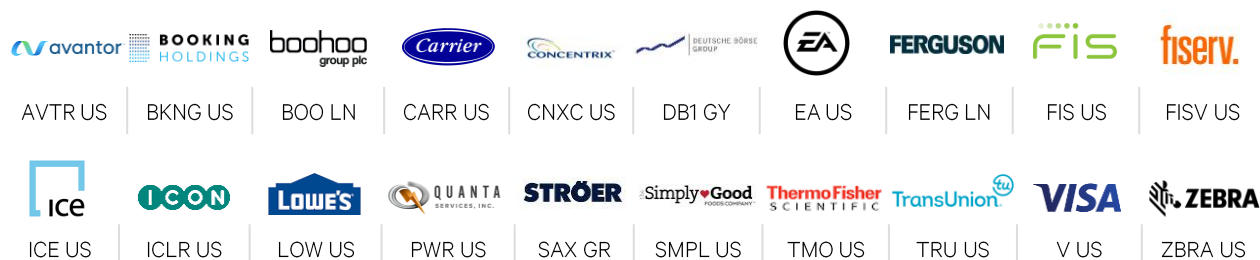


Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
August 2021	281.26c	277.84c	270.10c
July 2021	275.08c	273.20c	265.76c

The above August NTA figures are not adjusted for the 186,518,675 options on issue with an exercise price of \$2.54 per option.

Top 20 holdings (in alphabetical order)



W | A | M *Microcap*

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

The WAM Microcap investment portfolio increased during the month, with significant contributors to the investment portfolio performance including entertainment operator Ardent Leisure (ASX: ALG). We also provide an update on pre-initial public offering (IPO) investment opportunity Iris Energy.

Ardent Leisure owns and operates leisure assets including theme parks in Australia with a growing portfolio of entertainment venues in the US. The company reported its FY2021 results in August, announcing strong earnings before interest, taxes, depreciation and amortisation (EBITDA) of \$67.3 million, a 165.6% increase on the prior year, driven primarily by a strong recovery in its US business and cost-effective management across the group. Main Event, which is Ardent Leisure's entertainment business spread out across 43 centres in the US, posted a 3.2% increase in revenue from the prior year, with constant centre revenue performance in the last two quarters of FY2021 exceeding FY2019 pre-coronavirus levels. The business benefitted from pent-up demand and the accelerated vaccine rollout in the US during the second half of FY2021, offsetting the softer performance seen during the first half of the year. While disruptions caused by the coronavirus has subdued its theme park traffic in Australia in FY2021, we remain positive on the trajectory of Ardent Leisure's growth, driven by the continued momentum in the US.

Iris Energy reported its intention to list on the NASDAQ late 2021. Iris Energy is an Australian company that owns and operates real assets, including data centre infrastructure, powered by renewable energy, which it currently utilises to sustainably mine Bitcoin. WAM Microcap first invested in Iris Energy in November 2020 through a convertible note. The holding represented 1.0% of the portfolio as at 30 June 2021. The recently reported valuation of Iris Energy in a recent [newspaper article](#) refers to a pro forma equity valuation of the company of up to USD1.5 billion. The proposed IPO of Iris Energy would face a number of steps, including NASDAQ approvals. WAM Microcap continues to value Iris Energy in line with the valuation approach as at 30 June 2021. Once Iris Energy successfully lists on the NASDAQ, WAM Microcap will adopt the quoted last sale price of Iris Energy's shares.

Market capitalisation (ASX: WMI)

\$426.9m[#]

Gross assets

\$375.5m

Listed equities

\$335.9m

Investment portfolio performance (pa since inception June 2017)

25.0%[^]

S&P/ASX Small Ordinaries Accumulation Index: 13.0%

Dividends paid since inception (per share)

25.75c

Fully franked full year dividend

8.0c

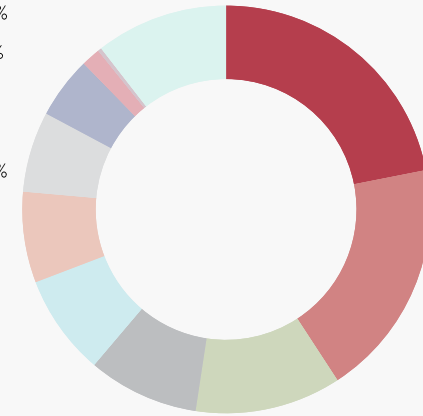
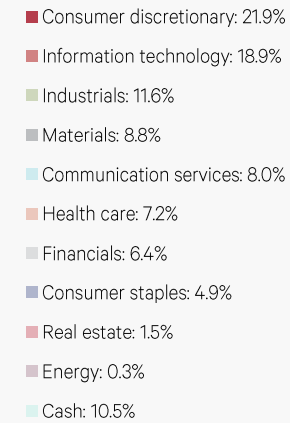
Fully franked special dividend

4.0c

[#]Based on the 31 August 2021 share price of \$2.06 per share. WAM Microcap has 207,247,850 shares on issue.

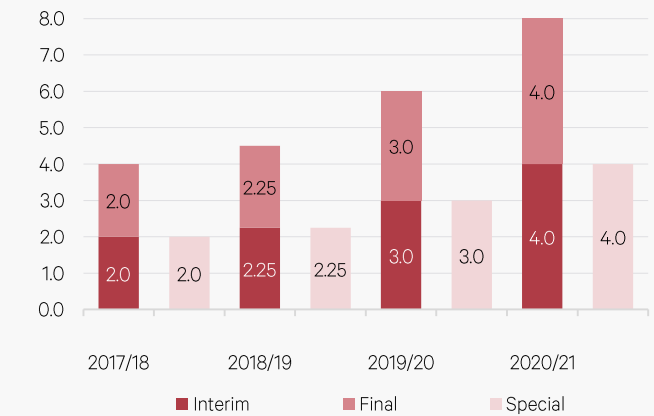
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is before expenses, fees and taxes.

Portfolio by sector



History of fully franked dividends

Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
August 2021	175.96c	173.12c	165.56c
July 2021	168.01c	166.62c	159.93c

Top 20 holdings (in alphabetical order)



W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

In August, WAM Alternative Assets was named as one of the top investment picks in Bell Potter's [June quarter Listed Investment Companies and Trusts Update](#). Bell Potter summarised WAM Alternative Assets as a vehicle for investors interested in alternative assets, offering a diverse range of assets, including private equity, real estate and real assets. Bell Potter said the "substantial allocation" in WAM Alternative Assets to agricultural assets and water entitlements may be the driver of future returns for shareholders. The [Australian Financial Review](#) covered the report.

Within the WAM Alternative Assets investment portfolio, we believe diversification is important and that the growing variation among infrastructure assets will contribute towards a more resilient portfolio. In a recent roundtable hosted by Investment Magazine and EDHECinfra, Portfolio Manager Dania Zinurova discussed constructing a portfolio with infrastructure assets and how investors can benchmark their returns. The roundtable was covered in an article by [Investment Magazine](#).

We recently held a WAM Alternative Assets focused Investor Update and Q&A webinar with Dania, Wilson Asset Management Chairman and Chief Investment Officer and Director of WAM Alternative Assets Geoff Wilson AO, Director and Investment Committee Member Adrian Siew and Managing Director of Adamantem Capital Rob Koczkar. You can listen to the recording [here](#).

Market capitalisation (ASX: WMA)

\$199.8m*

Share Price

\$1.03

Gross assets

\$228.5m

Pre-tax net tangible assets

\$1.18

*Based on 193,932,860 shares on issue.

About WAM Alternative Assets

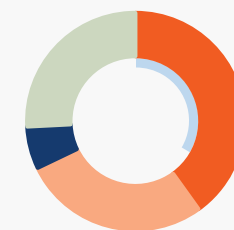
WAM Alternative Assets provides retail investors with exposure to a portfolio of real assets, private equity, real estate and aims to expand into new asset classes such as private debt and infrastructure. The Company's investment objectives are to consistently deliver absolute returns through a combination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

Date of transition from BAF to WMA

14 October 2020

Asset class exposure

- Real Assets 40.1%*
- Private Equity 27.8%
- Real Estate 6.3%
- Cash 25.8%#



*Real Assets includes:
Water Entitlements 33.5%*

#Total capital commitments are 16.5%.

Portfolio structure	Current value (\$m)		+/- Prior month	
	\$m	%	\$m	%
Real assets	91.7	40.1	(5.6)	(5.8)
Private equity	63.4	27.8	0.2	0.3
Real estate	14.3	6.3	-	-
Cash [†]	59.1	25.8	6.3	11.7
Grand total	228.5	100.0	0.9	0.4

[†]Includes capital commitments to the Palisade Diversified Infrastructure Fund (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$15.0m); the Adamantem Fund 2 (\$6.3m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, WMA received \$6.1m of proceeds from the exit of the Agriculture Fund II.

Real assets

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

Private equity

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

Real estate

A portfolio of domestic and international industrial and office assets.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
August 2021	117.63c	117.20c	115.00c
July 2021	117.24c	117.19c	114.70c

Top holdings

Real assets



Water Fund

Pioneer and leading non-irrigator water investor in Australia

Strategic Australian Agriculture Fund

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

Private equity



A manufacturer of premium condiments, desserts and beverages



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



Shopping centre advertising campaigns



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



Owns and operates a portfolio of hotels in Australia



Food services distributor

Real estate



2 Rector Street, Manhattan, New York

Revesby Industrial Income Fund, New South Wales

New Investment Partners



Mid-market private equity firm



Specialist infrastructure fund manager



Boutique real estate fund manager

W | A | M Strategic Value

Discounted asset opportunities.

The WAM Strategic Value investment portfolio increased during the month, with significant contributors including Milton Corporation (ASX: MLT), Templeton Global Growth Fund (ASX: TGG) and Antipodes Global Investment Company (ASX: APL). We also provide an update on our investment in Magellan High Conviction Trust (ASX: MHH).

In August, the Magellan High Conviction Trust moved from a closed-end listed investment trust (LIT) to an exchange traded fund (ETF). We have since exited our position in Magellan, at its underlying asset backing. WAM Strategic Value recorded a weighted average annualised return on our investment in the Magellan High Conviction Trust of 117.6%.

Milton is a listed investment company (LIC) that listed in 1958. In June, Milton announced a merger with Washington H. Soul Pattinson and Co. (ASX: SOL, WHSP) to create a LIC with \$11 billion in assets, offering shareholders scale, liquidity and a wider range of asset classes. We believe the expansion of its capital base by merging with WHSP represents a compelling deal for Milton shareholders. In August, the Federal Court of Australia approved the despatch of the Scheme Booklet and the convening of a Milton Scheme Meeting, where shareholders will be able to vote on the proposed merger. We support Milton and WHSP's merger and believe it to be in the best interest of both Milton and WHSP shareholders over the long-term.

In August, Templeton Global Growth Fund and WAM Global received approval from the Supreme Court of New South Wales for the despatch of the Scheme Booklet and the convening of a TGG Scheme meeting in relation to the proposed merger with WAM Global. TGG will convene a meeting of its shareholders on 29 September 2021, where shareholders can vote to approve the proposed merger, together with a general meeting for shareholder approval of an equal access buyback for TGG shareholders. The TGG Board unanimously recommend that shareholders vote in favour of the Scheme and the buyback, subject to the Independent Expert report continuing to find the merger to be in the best interest of TGG shareholders.

Antipodes Global Investment Company provides shareholders with exposure to an actively managed, long-short portfolio of global shares with a currency overlay. In August, the company and investment management firm Pinnacle Fund Services Limited announced a scheme of arrangement, under which Antipodes shareholders can exchange their shares in the company for units in AGX1, an existing open-ended active exchange traded fund. While we support Antipodes' initiative to close its persistent discount to NTA, we prefer the LIC and listed investment trust (LIT) structure across the industry and believe it presents greater benefits for shareholders. In its full year results, Antipodes reported an operating profit after tax of \$75.1 million and investment portfolio performance of 21.3%, with a fully franked full year dividend of 6.0 cents per share.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
August 2021	129.80c	130.26c	128.39c
July 2021	128.58c	129.28c	127.45c

Market capitalisation (ASX: WAR)

\$226.8m*

Share price

\$1.26

Cash weighting

31.5%

Gross assets

\$234.3m^

Pre-tax net tangible assets

\$1.30

IPO price

\$1.25

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

^Gross assets exclude the \$2.2m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).










About WAM Strategic Value

WAM Strategic Value will take advantage of market mispricing opportunities, including securities trading at discounts to assets or net tangible assets, corporate transactions and dividend yield arbitrages. WAM Strategic Value aims to deliver strong risk-adjusted returns derived from a portfolio primarily composed of discounted asset opportunities selected using the proven market-driven investment process we have developed over more than two decades.

Date of listing on the ASX

28 June 2021

Top holdings (in alphabetical order)

 Antipodes	 AUI	 ELLERSTON ASIAN INVESTMENTS LIMITED	 IRONBARK CAPITAL	 LSF	 NAOS ASSET MANAGEMENT	 OZGROWTH	 PENGANA CAPITAL
APL	AUI	EAI	IBC	LSF	NSC	OZG	PIA
 QV Equities Ltd.	 Spheria	 TEK	 TGG	 THORNEY	 VGI PARTNERS Global Investments	 WHITEFIELD	 WESTOZ
QVE	SEC	TEK	TGG	TOP	VG1	WHF	WIC

The WAM Research investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio performance included global retailer City Chic Collective (ASX: CCX) and entertainment, hospitality and leisure services provider EVENT Hospitality & Entertainment (ASX: EVT).

City Chic Collective, a global omni-channel retailer specialising in plus-size apparel, accessories and footwear for women, delivered strong sales and customer acquisition growth in its FY2021 results. The company announced sales growth of 33%, a 61% increase in customers and a 68% increase in customer website traffic on the prior 12-month period. The strong result reflected City Chic Collective's expanded online product offering and entry into the UK market through the acquisition of local market leader, Evans. Importantly, the company's diversified global footprint has minimised the impact of lockdown enforced store closures in Australia, with 44% of sales recorded outside of Australia and New Zealand. We believe the company is well positioned to expand its market share and benefit from Australian and global consumer strength.

EVENT Hospitality & Entertainment owns and operates cinemas in Australia, New Zealand and Germany, and operates over 70 hotels and leisure venues in Australia. The company reported its full year results in August, achieving normalised earnings before interest, taxes, depreciation and amortisation (EBITDA) of \$27.2 million. Despite the ongoing interstate and international travel restrictions, EVENT Hospitality & Entertainment's hotels located across Australia experienced significant quarter-on-quarter improvement. Its leisure venue, the Thredbo Alpine Resort, posted a record full year revenue with the 2020-21 summer mountain biking and hiking season resulting in record visitation and mountain biking revenue. We remain positive on EVENT Hospitality & Entertainment due to the robust property portfolio, potential further divestments of non-core assets as well as a rebound in cinema visitations post the lock-downs.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
August 2021	126.19c	130.44c	125.02c
July 2021	120.07c	124.99c	120.67c

*Includes 5.70 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAX)

\$336.8m[#]

Gross assets

\$254.5m

Listed equities

\$245.1m

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

16.8%[^]

S&P/ASX All Ordinaries Accumulation Index: 9.9%

Dividends paid since inception (per share)

119.05c

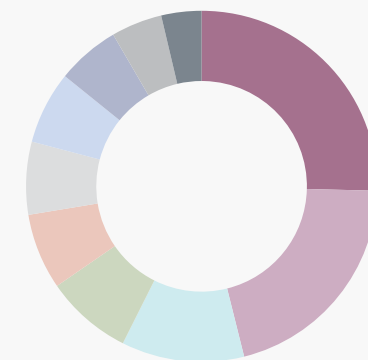
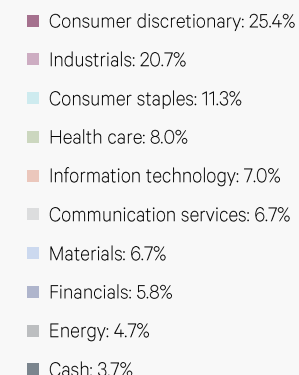
Fully franked dividend yield

5.8%[#]

[#]Based on the 31 August 2021 share price of \$1.72 per share and the FY21 fully franked full year dividend of 9.9 cents per share. WAM Research has 195,818,039 shares on issue.

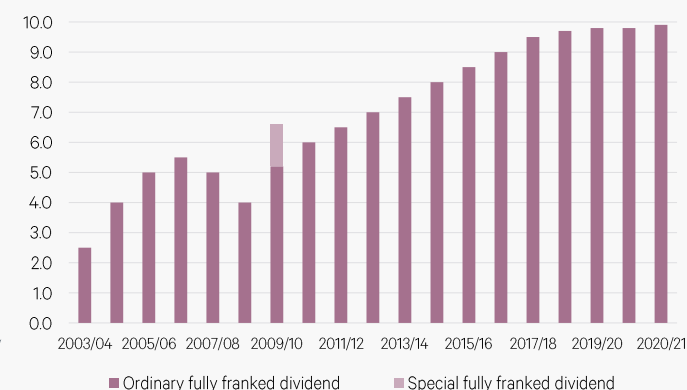
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Portfolio by sector



History of fully franked dividends

Cents per share



Top 20 holdings (in alphabetical order)

