

January 2023 Investment Update

Pre-tax
NTA

W | A | M *Capital* \$1.48

W | A | M *Leaders* \$1.51

W | A | M *Global* \$2.14

W | A | M *Microcap* \$1.37

W | A | M *Alternative Assets* \$1.25

W | A | M *Strategic Value* \$1.15

W | A | M *Research* \$0.99

W | A | M *Active* \$0.76

Dear Fellow Shareholder,

Equities rallied during the month, with the S&P/ASX All Ordinaries Accumulation Index increasing 6.4%, recording its strongest January in 36 years. The rally was fuelled by an improved inflation outlook, reinforcing the view that central banks will end rate hikes sooner than expected. The S&P/ASX 200 Accumulation Index increased 6.2%, while the US S&P 500 Index rose 6.2% in local terms.

FY2023 interim results | Register your interest for our webinars

We have recently announced interim results for [WAM Capital](#) (ASX: WAM) and [WAM Leaders](#) (ASX: WLE) and will announce the results for our remaining companies before 28 February 2023. We invite you to register your interest for our upcoming FY2023 interim results webinars. We also recently held a Q&A webinar for WAM Capital shareholders. Listen to the recording or read the transcript [here](#).

WAM Leaders FY2023 [interim results webinar on Tuesday 28 February at 4:00pm \(Sydney time\)](#)

WAM Alternative Assets (ASX: WMA) FY2023 [interim results webinar on Wednesday 1 March at 12:00pm \(Sydney time\)](#)

WAM Strategic Value (ASX: WAR) FY2023 [interim results webinar on Thursday 2 March at 3:00pm \(Sydney time\)](#)

WAM Capital, WAM Microcap (ASX: WMI), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) FY2023 [interim results webinar on Friday 3 March at 12:00pm \(Sydney time\)](#)

WAM Global (ASX: WGB) FY2023 [interim results webinar on Tuesday 7 March at 12:00pm \(Sydney time\)](#)

Shareholder Presentations

The team and I are looking forward to meeting with our shareholders across the country again at our Shareholder Presentations in April and May. Information including dates and locations will be provided in the coming weeks.

In the media

WAM Leaders Lead Portfolio Manager Matt Haupt featured on [CommSec's Executive Series](#) to discuss the nimble and forward-looking stock and sector selection process he is employing in the current economic environment, as well as this earnings season. Matt also spoke to [Livewire](#) on his macro outlook for the year ahead and the sectors and companies the WAM Leaders team are watching.

Lead Portfolio Manager Oscar Oberg commented in the [Australian Financial Review](#) and [The Australian](#) on WAM Capital, WAM Microcap and WAM Research holding, Myer Holdings (ASX: MYR), after the company reported record interim results.

Portfolio Manager Tobias Yao spoke to the [Australian Financial Review](#) about companies cutting costs in a bid to firm up profitability.

Last week, I wrote an opinion piece for [The Australian](#), urging the Labor government to remain vigilant in protecting Paul Keating's dividend imputation system that has helped to underpin more than 30 years of recession-free economic growth in Australia. I also spoke to the [Australian Financial Review](#) alongside newly appointed WAM Capital Independent Director Angus Barker on the government's new legislation to limit companies' abilities to pay fully franked dividends. In 2023, our advocacy work on behalf of our shareholders and retail investors in the Australian equity market continues to be a priority for the Wilson Asset Management team. We are currently meeting with Australian politicians to discuss the damage the new proposed legislation will have on Australian investors and the economy more broadly. For more information on the changes and what you can do, visit wilsonassetmanagement.com.au/frankingcredits. We will continue to update our shareholders on our efforts and progress.

We are looking forward to the year ahead and thank you for your continued support.



Geoff Wilson AO
Chairman



LIC snapshot



W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$1.675
NTA before tax	\$1.48
Annualised fully franked interim dividend	15.5cps
Profits reserve#	14.7cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.575
NTA before tax	\$1.51
Annualised fully franked interim dividend	9.0cps
Profits reserve#	43.9cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.82
NTA before tax	\$2.14
Fully franked full year dividend	11.0cps
Profits reserve#	37.5cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$1.605
NTA before tax	\$1.37
Fully franked full year dividend	10.0cps
Profits reserve#	55.3cps

W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.09
NTA before tax	\$1.25
Fully franked full year dividend	4.0cps
Profits reserve#	19.4cps

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$1.01
NTA before tax	\$1.15
Fully franked full year dividend	3.0cps
Profits reserve#	7.3cps

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.27
NTA before tax	\$0.99
Fully franked full year dividend	10.0cps
Profits reserve#	42.0cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.77
NTA before tax	\$0.76
Fully franked full year dividend	6.0cps
Profits reserve#	8.0cps

*As at 13 February 2023.

#The profits reserve figures are as at 31 January 2023 in cents per share (cps).

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders (ASX: WLE) investment portfolio increased during the month. Contributors to the investment portfolio performance included infrastructure companies Transurban Group (ASX: TCL) and Atlas Arteria (ASX: ALX).

Infrastructure is a key theme in the WAM Leaders' investment portfolio given the high quality names, with defensive, inflation linked cash flows that are sheltered from the full severity of an economic downturn. At the same time, they are yield sensitive and will benefit from central banks pausing rate hikes. This is the economic environment we believe we are facing over the coming years.

Transurban Group and Atlas Arteria are toll-road companies, responsible for developing, operating and maintaining toll-road networks. Transurban Group is largely Australia based, with flagship assets such as the CityLink in Melbourne and WestConnex in Sydney. Atlas Arteria operates in France, Germany and the United States, with their most recent investment being Chicago Skyway, a 12.5 kilometre essential transport link in the third-largest US metropolitan area, with a concession life of over 80 years. We believe both companies will offer strong earnings growth over the coming years as well as significant dividend yields. APA Group is an energy infrastructure business. We remain positive on this business with 85% of its revenues guaranteed through its take-or-pay revenue agreement, positive inflation exposure and 100% interest cost hedging over the next six years. APA Group is playing a key role in Australia's energy transition, with opportunities ranging from expanding the East Coast Grid to bring gas to southern markets ahead of forecast shortfalls as well as building new renewable energy solutions.

Market capitalisation (ASX: WLE)

\$1,729.9m*

Gross assets

\$1,667.6m

Listed equities

\$1,580.7m

Investment portfolio performance (pa since inception May 2016)

15.2%^

S&P/ASX 200 Accumulation Index: 9.2%

Dividends paid since inception (per share)

35.15c

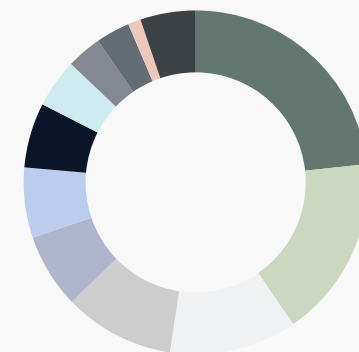
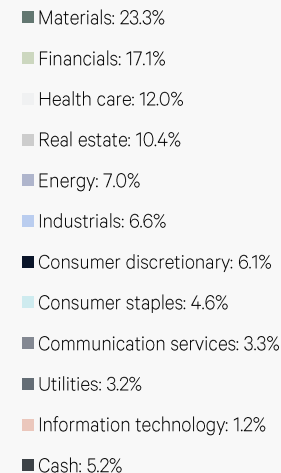
Annualised fully franked interim dividend yield

5.7%*

*Based on the 31 January 2023 share price of \$15.75 per share and the annualised FY23 fully franked interim dividend of 9.0 cents per share. WAM Leaders has 1,098,355,168 shares on issue.

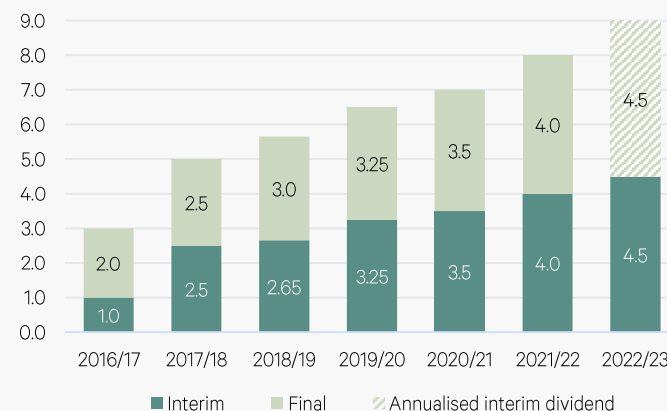
*Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2023	151.39c	149.14c	147.38c
December 2022	142.98c	141.74c	141.49c

Top 20 holdings (in alphabetical order)



W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital (ASX: WAM) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included department store chain Myer Holdings (ASX: MYR) and manufacturer, designer and marketer of respiratory care products Fisher & Paykel Healthcare Corporation (ASX: FPH).

Myer Holdings operates 57 department stores and an online business in Australia. In January, Myer Holdings reported its FY2023 half-year results, with total sales up 24.8%, representing its strongest sales result on record for the first five months of a financial year. The company noted that its sales following Christmas had continued to outperform strongly compared to the prior corresponding period. Myer Holdings expects its net profit after tax for the 26 weeks ending 28 January 2023 to be between \$61 million and \$66 million, up 89% to 104% compared to the prior corresponding period, beating market expectations. While we do expect a tougher economic environment to impact Myer Holdings over the next 12 months, greater foot traffic in its city stores and increases in inbound tourism will allow the business to maintain its strong momentum.

Fisher & Paykel Healthcare Corporation is a leading designer, manufacturer and marketer of products and systems for use in respiratory care, surgery and the treatment of obstructive sleep apnoea. During the month, Fisher & Paykel Healthcare Corporation provided upgraded revenue guidance for the financial year ending 31 March 2023, with the company expecting its full-year operating revenue to be within the range of \$1.55 billion to \$1.60 billion. The guidance was driven by increased coronavirus cases in China and an earlier-than-expected start to the flu season in the US, which have contributed to a rapid surge in demand for the company's products. We believe Fisher & Paykel Healthcare Corporation's runway for growth remains strong with falling freight and logistics costs providing greater confidence that the company can achieve its 30% operating margin target in the medium term.

Market capitalisation (ASX: WAM)

\$1,695.8m[#]

Gross assets

\$1,625.0m

Listed equities

\$1,452.4m

Investment portfolio performance (pa since inception Aug 1999)

15.0%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.5%

Dividends paid since inception (per share)

285.0c

Annualised fully franked interim dividend yield

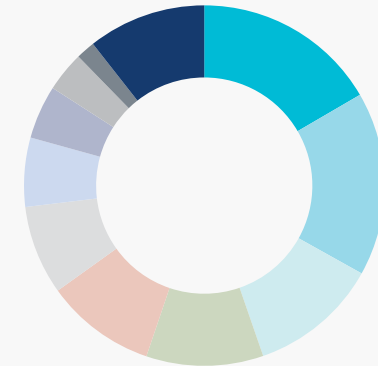
10.0%[#]

[#]Based on the 31 January 2023 share price of \$1.55 per share and the annualised FY23 fully franked interim dividend of 15.5 cents per share. WAM Capital has 1,094,094,184 shares on issue.

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

Diversified investment portfolio by sector

- Industrials: 16.6%
- Consumer discretionary: 16.5%
- Health care: 11.6%
- Communication services: 10.5%
- Financials: 9.9%
- Materials: 8.0%
- Information technology: 6.2%
- Real estate: 4.8%
- Consumer staples: 3.6%
- Energy: 1.7%
- Cash: 10.6%



History of fully franked dividends

Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2023	148.44c	165.05c	162.71c
December 2022	139.39c	156.55c	156.37c

*Includes 150 cents per share of tax assets resulting from the acquisition of investment companies and 15.53 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

Life360	AMP	APM	Data#3	Estia Health	EVT	Fisher & Paykel Healthcare	iph	JOHN LYNG GROUP	Lifestyle Communities
360	AMP	APM	DTL	EHE	EVT	FPH	IPH	JLG	LIC
MAAS	MMA OFFSHORE	MYER MY STORE	NRW Holdings	oh!	pro+medicus	PREMIER INVESTMENTS	Perenti	SGH	Webjet Limited
MGH	MRM	MYR	NWH	OML	PME	PMV	PRN	SVW	WEB

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). Significant contributors to the investment portfolio outperformance included European multinational software company SAP (ETR: SAP) and leading digital payments provider Visa Inc. (NYSE: V).

SAP is the global leader in enterprise application software and the company's suite of applications and services are utilised by many of the world's largest corporations. SAP has invested significantly to transition away from its traditional on premise, license-based business model into a fast growing cloud company. This transition process has required investors to take a long term view due to short term pressures on operating margins and earnings. Looking forward SAP will be able to scale demand with a reduced cost structure, have increased share of more predictable revenues and higher potential for cross sell success. We believe the company is well positioned to deliver sustainable earnings growth over the coming years. SAP's fourth quarter earnings results highlighted continued cloud momentum and return to operating profit growth. Importantly, management provided guidance of double digit operating profit growth for FY2023 and re-iterated its 2025 mid-term ambitions which drove positive share price performance.

Visa is a world leader in digital payments, facilitating transactions between consumers, merchants, financial institutions and governments. During the month of January, Visa reported first quarter 2023 earnings ahead of market expectations, driven by stable US volumes and continued recovery in cross border travel. The company delivered a 12% year-on-year growth in net revenues, 21% year-on-year growth in non-GAAP earnings per share (EPS) and highlighted positive trends across all key metrics in January 2023 with US payment volumes increasing 14% year-on-year and cross-border volume (excluding intra Europe) increasing 36% year-on-year. Visa re-iterated its second quarter FY2023 guidance for mid-teens net revenue growth and management appeared confident in its ability to control expenses in the event the macro-environment deteriorates further, which limits downside risk. We expect ongoing tailwinds from cross-border travel, consumer spending and the secular shift towards digital payments.

Market capitalisation (ASX: WGB)

\$646.3m*

Gross assets

\$753.9m

Listed equities

\$697.3m

Investment portfolio performance (pa since inception June 2018)

5.8%[^]

MSCI World Index (AUD): 8.9%

Dividends paid since inception (per share)

30.0c

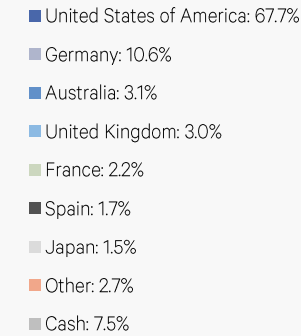
Fully franked dividend yield

6.0%*

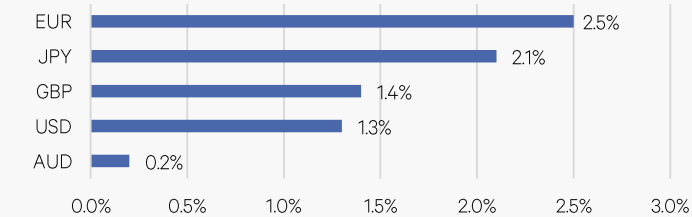
*Based on the 31 January 2023 share price of \$1.835 per share and the FY22 fully franked full year dividend of 11.0 cents per share. WAM Global has 352,185,340 shares on issue.

[^]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.

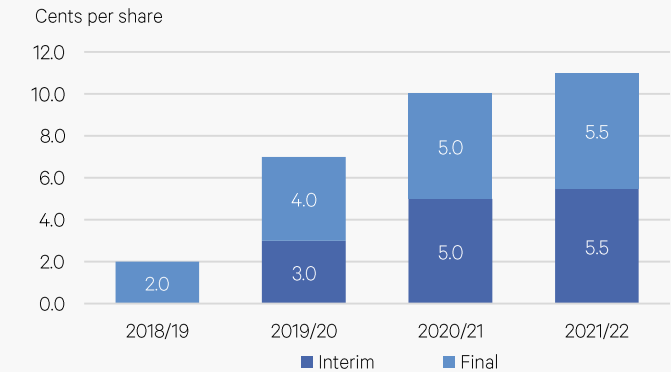
Portfolio by geographical exposure



Cash currency exposure



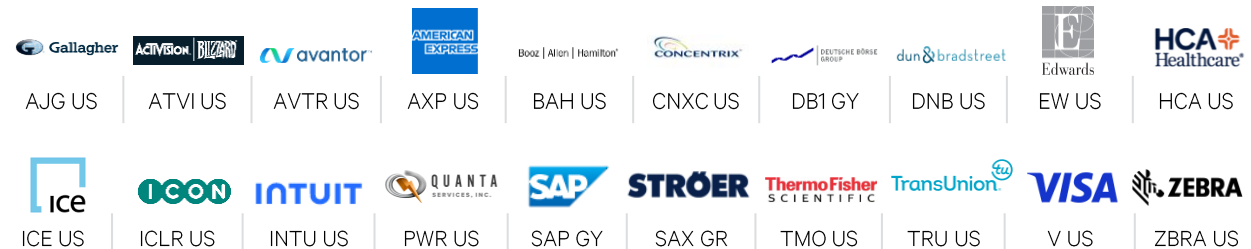
History of fully franked dividends



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2023	214.16c	214.32c	221.77c
December 2022	204.55c	205.80c	215.04c

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. Contributors to the investment portfolio performance included global engineering company Austin Engineering (ASX: ANG) and healthcare group Healthia (ASX: HLA).

Austin Engineering designs and manufactures customised dump truck bodies, buckets, water tanks, tyre handlers and other ancillary products utilised in the mining industry. In January, the company reported a surge in global truck-tray orders from December 2022 to January 2023, lifting its order book and revenue outlook for the second half of FY2023. Austin Engineering now expects its revenue for the second half of FY2023 to be approximately \$250 million as the pipeline is expected to remain strong for at least the next 18 months. Given the robust outlook for growth and a strong balance sheet, we believe Austin Engineering's share price continues to be undervalued.

With over 300 clinics, Healthia is one of the leading diversified allied healthcare providers across Australia and New Zealand. At the end of January, Healthia provided guidance for its FY2023 half-year results, with total sales expected to be approximately \$122.5 million to \$127.5 million, representing 5.4% growth on the prior corresponding period. Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the same period is forecast to be between \$17.7 million to \$18.3 million, representing 4.0% growth on the prior corresponding period and exceeding analyst expectations. Pleasingly, the company confirmed its prior earnings guidance and with a strong balance sheet, we believe the company is well placed to make earnings-accretive acquisitions in the future.

Market capitalisation (ASX: WMI)

\$324.5m*

Gross assets

\$290.5m

Listed equities

\$270.8m

Investment portfolio performance (pa since inception June 2017)

16.2%[^]

S&P/ASX Small Ordinaries Accumulation Index: 6.9%

Dividends paid since inception (per share)

43.75c

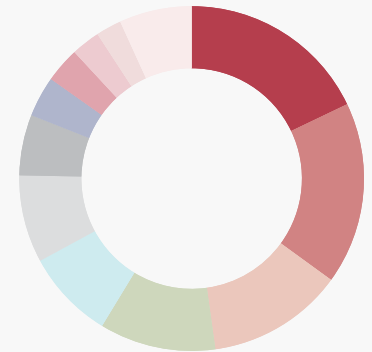
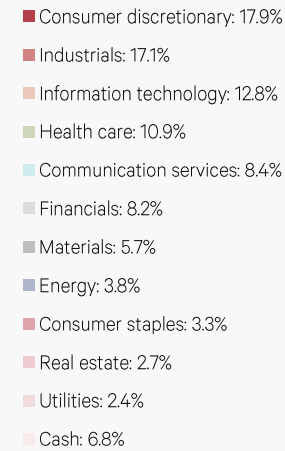
Fully franked dividend yield

6.5%*

*Based on the 31 January 2023 share price of \$1.545 per share and the FY22 fully franked full year dividend of 10.0 cents per share. WAM Microcap has 210,045,039 shares on issue.

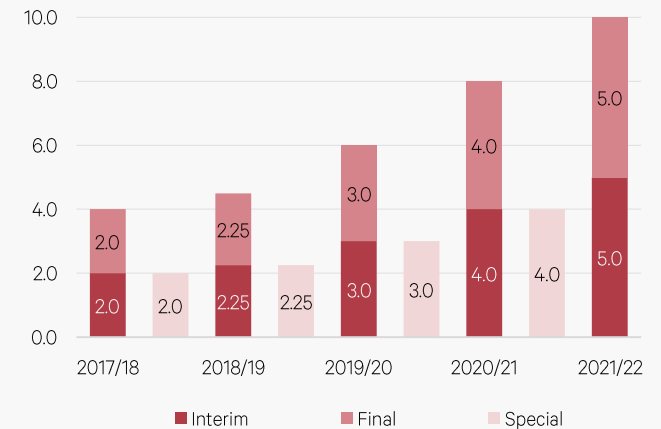
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

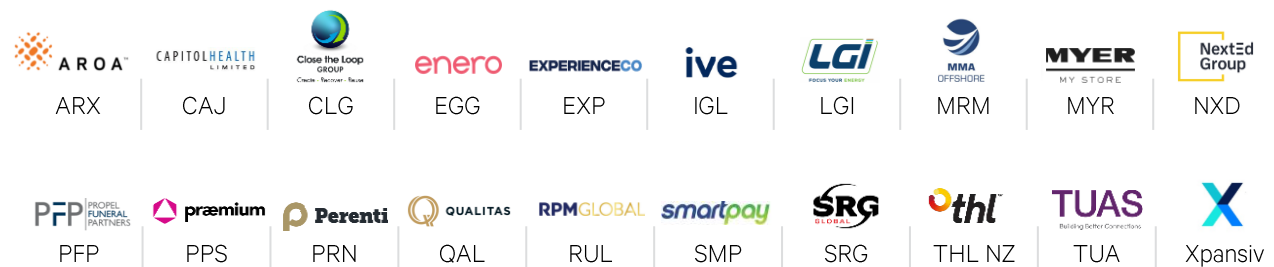
Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
January 2023	137.30c	139.75c	136.77c
December 2022	130.28c	132.94c	131.86c

Top 20 holdings (in alphabetical order)



W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

The WAM Alternative Assets (ASX: WMA) investment portfolio increased during the month. This was primarily driven by the underlying performance of private equity investments, in addition to the receipt of further exit proceeds from the investment in the 441 Ninth Avenue Trust.

In January, WAM Alternative Assets committed \$15 million to Crescent Capital Partners Fund VII, managed by our new investment partner, Crescent Capital Partners (Crescent). Crescent is one of the oldest private equity fund managers in Australia, having raised six funds since 2000. Crescent's strategy is focused on mid-market growth buyout transactions and considers different types of transactions across a wide range of sectors with a particular focus on the healthcare sector. Crescent is one of the few private equity players in the Australian market who has built a strong track record and expertise in the healthcare sector over time. This investment provides the WAM Alternative Assets investment portfolio with access to an investment opportunity set with attractive underlying market fundamentals.

The consulting and operational leadership background of much of Crescent's team plays a significant role in their investment process, including in deal origination, structuring and negotiation, due diligence, driving value in portfolio companies and investment exit. We look forward to invest with Crescent's skilled and experienced private equity team.

During the month, WAM Alternative Assets' \$30 million commitment to its investment partner, Palisade Investment Partners, in Palisade's Diversified Infrastructure Fund and Palisade's Renewable Energy Fund, was called. The WAM Alternative Assets investment portfolio will benefit from the attractive income return from the diversified portfolio of infrastructure assets across sectors including renewable energy, social infrastructure and transport.

Market capitalisation (ASX: WMA)

\$210.5m*

Gross assets

\$244.9m

Investment portfolio performance

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

13.3%[^]

Profits reserve (per share)

19.4c

Fully franked full year dividend (per share)

4.0c

*Based on the 31 January 2023 share price of \$1.08 per share. WAM Alternative Assets has 194,887,687 shares on issue.

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

Asset class exposure



[^]Total capital commitments are 24.8%.

*Real assets includes:

Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets [*]	71.0	29.0	(9.3)	(11.6)
Private equity [*]	37.0	15.2	(2.3)	(5.9)
Infrastructure	30.0	12.2	30.0	100.0
Real estate [*]	12.6	5.1	(0.2)	(1.6)
Cash [^]	94.3	38.5	(15.4)	(14.0)
Grand total	244.9	100.0	2.8	1.2

^{*}Includes undrawn capital commitments to the Crescent Capital Partners VII (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$12.4m); the Intermediate Capital Group Australian Senior Loan Fund (\$10.0m); the Allegro Fund IV (\$9.8m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.8m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, \$30.0m of capital commitments to Palisade's Diversified Infrastructure Fund and Palisade's Renewable Energy Fund was called.

[^]During the month, redemption proceeds were received from the Argyle Water Fund (\$10.0m) and partial exit proceeds were recognised from our investment in the Hotel Funds (\$3.9m) and the 441 Ninth Avenue Trust (\$0.5m).

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
January 2023	125.43c	122.69c	121.64c
December 2022	124.02c	121.42c	120.57c

Top holdings

Real assets



Strategic Australian Agriculture Fund

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

Water Fund

Pioneer and leading non-irrigator water investor in Australia

Private equity



A manufacturer of premium condiments, desserts and beverages



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

Real estate

2 Rector Street, Manhattan, New York

Centennial CEN (I&L) Partnership Fund

Barwon Institutional Healthcare Property Fund

New Investment Partners



Mid-market private equity buy-out strategy



Australian senior loan strategy



Last-mile logistics real estate strategy



Australian healthcare real estate strategy



Mid-market infrastructure strategy



Mid-market private equity buy-out strategy



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 the month as domestic and global markets rallied, following a weak end to the 2022 calendar year. Contributors to the investment portfolio performance included Global Data Centre Group (ASX: GDC) and VGI Partners Global Investments (ASX: VG1).

Global Data Centre Group invests in growing niche, digital infrastructure assets and businesses. In late December 2022, Global Data Centre Group completed the acquisition of two additional data centres in Lille, France. The acquired assets are already operational and highly profitable, and are a strong addition to Global Data Centre Group's well-diversified portfolio of assets in the region. Despite positive share price performance during the month of 14.4%, Global Data Centre Group remains at a significant discount to its underlying net asset value (NAV). We believe that the forecasted earnings guidance for FY2023 is a catalyst to narrow the share price discount to NAV and unlock additional value for shareholders.

VGI Partners Global Investments provides investors with exposure to a concentrated portfolio of global listed securities. In March 2022, investment managers VGI Partners and Regal Funds Management entered into a merger implementation deed, with the new combined entity renamed 'Regal Partners'. While the VGI Partners investment team continues to manage the VGI Partners Global investment portfolio, the company is benefitting from access to Regal Partners' corporate platform as well as its marketing and distribution capabilities. During the month, the VGI Partners Global Investments share price increased 11.0%, resulting in a narrowing of the share price discount to net tangible assets (NTA).

WAM Strategic Value continues to identify and take advantage of market mispricing opportunities, including securities trading at discounts to assets, corporate transactions and dividend yield arbitrages with franking credit benefits. We remain optimistic about the investment opportunities that continue to present themselves following an incredibly volatile period for equity markets.

Market capitalisation (ASX: WAR)

\$182.8m*

Inaugural fully franked full year dividend

3.0cps

Gross assets

\$207.3m^

Pre-tax net tangible assets

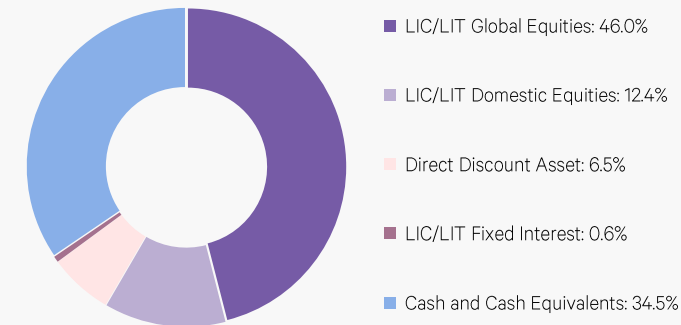
\$1.15

*Based on the 31 January 2023 share price of \$1.015 per share and 180,125,761 shares on issue.
^Gross assets exclude the \$855k offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

About WAM Strategic Value

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

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



January 2023 look-through pre-tax NTA

\$1.29

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. 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
January 2023	115.31c	115.34c	119.51c
December 2022	112.57c	112.68c	117.60c

Top holdings (in alphabetical order)

 AMP	 CIN	 EAI	 GDC	 LRK	 LSF	 MGF	 NSC
 PIA	 QRI	 QVE	 RG8	 SEC	 TEK	 VG1	 WGB*

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

W | A | M Research

The most compelling undervalued growth opportunities in the Australian market.

The WAM Research (ASX: WAX) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included department store chain Myer Holdings (ASX: MYR) and health imaging IT provider Pro Medicus (ASX: PME).

Myer Holdings operates 57 department stores and an online business in Australia. In January, Myer Holdings reported its FY2023 half-year results, with total sales up 24.8%, representing its strongest sales result on record for the first five months of a financial year. The company noted that its sales following Christmas had continued to outperform strongly compared to the prior corresponding period. Myer Holdings expects its net profit after tax for the 26 weeks ending 28 January 2023 to be between \$61 million and \$66 million, up 89% to 104% compared to the prior corresponding period, beating market expectations. While we do expect a tougher economic environment to impact Myer Holdings over the next 12 months, greater foot traffic in its city stores and increases in inbound tourism will allow the business to maintain its strong momentum.

Founded in 1983, Pro Medicus provides medical imaging software and services to hospitals, imaging centres and health care groups worldwide. During the month, Pro Medicus announced that it signed a seven-year, \$25 million deal with the University of Washington for their academic health system, as well as a \$12 million contract with Oregon-based Samaritan Health Services spanning eight years, which has a network that includes five hospitals. The contracts will see its cloud-engineered imaging platform implemented at the institutions and will reinforce Pro Medicus' strong presence in the North West region of the US. We expect its strong sales pipeline will continue and we look forward to the possible announcement of new contracts in the months to come.

Market capitalisation (ASX: WAX)

\$251.3m[#]

Gross assets

\$197.7m

Listed equities

\$185.4m

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

14.1%[^]

S&P/ASX All Ordinaries Accumulation Index: 9.1%

Dividends paid since inception (per share)

134.0c

Fully franked dividend yield

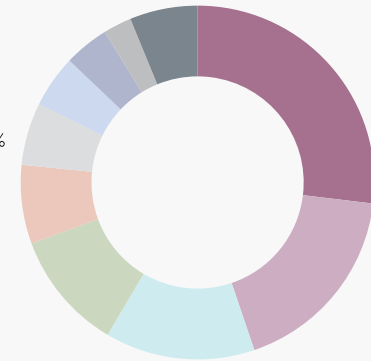
7.9%[#]

[#]Based on the 31 January 2023 share price of \$1.26 per share and the FY22 fully franked full year dividend of 10.0 cents per share. WAM Research has 199,431,782 shares on issue.

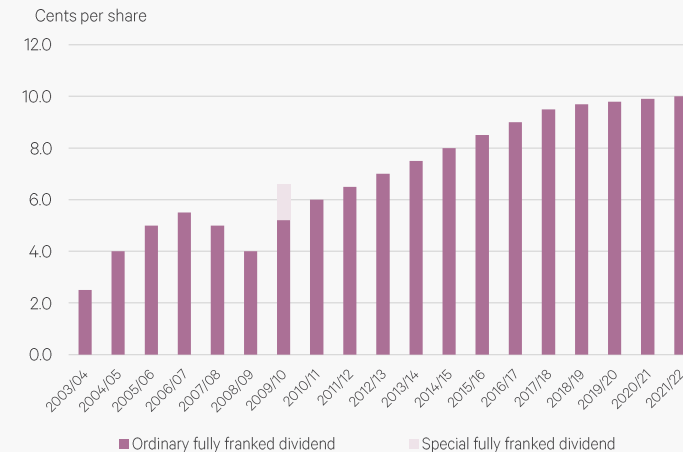
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector

- Industrials: 26.9%
- Consumer discretionary: 17.9%
- Health care: 13.7%
- Communication services: 10.9%
- Consumer staples: 7.2%
- Materials: 5.7%
- Financials: 4.8%
- Information technology: 4.1%
- Real estate: 2.6%
- Cash: 6.2%



History of fully franked dividends



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2023	98.84c	105.17c	103.97c
December 2022	92.91c	99.54c	99.82c

*Includes 5.60 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)



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 cooling products and solutions provider PWR Holdings (ASX: PWH) and manufacturer, designer and marketer of respiratory care products Fisher & Paykel Healthcare Corporation (ASX: FPH).

PWR Holdings specialises in cooling products and solutions to the motorsports and technology sectors. In January, the company announced that it had acquired Bespoke Motorsport Radiators (BMR). BMR is one of the leading manufacturers and suppliers of high-performance motorsport radiators, intercoolers and oil coolers in the UK, with a four-year average revenue of GBP520,000 per annum. It is expected that BMR will operate as part of PWR Holdings Europe and expand PWR Holding's manufacturing capabilities. We believe the acquisition will continue to expand PWR Holding's European business and strengthen its ability to execute large projects over the medium term.

Fisher & Paykel Healthcare Corporation is a leading designer, manufacturer and marketer of products and systems for use in respiratory care, surgery and the treatment of obstructive sleep apnoea. During the month, Fisher & Paykel Healthcare Corporation provided upgraded revenue guidance for the financial year ending 31 March 2023, with the company expecting its full-year operating revenue to be within the range of \$1.55 billion to \$1.60 billion. The guidance was driven by increased coronavirus cases in China and an earlier-than-expected start to the flu season in the US, which have contributed to a rapid surge in demand for the company's products. We believe Fisher & Paykel Healthcare Corporation's runway for growth remains strong with falling freight and logistics costs providing greater confidence that the company can achieve its 30% operating margin target in the medium term.

Market capitalisation (ASX: WAA)

\$57.5m[#]

Gross assets

\$56.6m

Listed equities

\$52.2m

Investment portfolio performance (pa since inception Jan 2008)

9.9%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

86.7c

Fully franked dividend yield

7.8%[#]

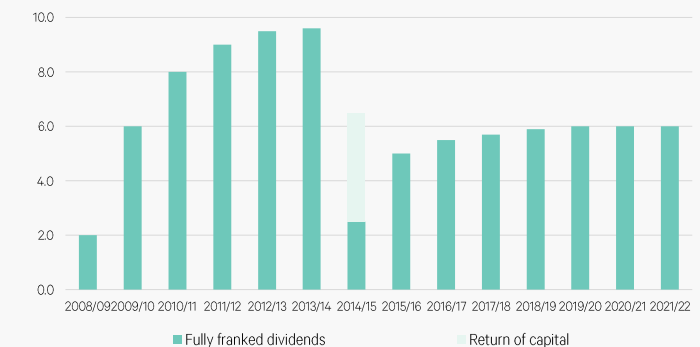
[#]Based on the 31 January 2023 share price of \$0.77 per share and the FY22 fully franked full year dividend of 6.0 cents per share. WAM Active has 74,619,042 shares on issue.
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
January 2023	75.64c	84.90c	85.54c
December 2022	72.10c	82.25c	83.03c

*Includes 10.08 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

