

# May 2021 Investment Update

	Pre-tax NTA (cum-dividend)	Pre-tax NTA
W   A   M <i>Capital</i>	\$1.94	\$1.87
W   A   M <i>Leaders</i>	-	\$1.43
W   A   M <i>Global</i>	\$2.73	\$2.68
W   A   M <i>Microcap</i>	-	\$1.68
W   A   M <i>Alternative Assets</i>	-	\$1.14
W   A   M <i>Research</i>	-	\$1.21
W   A   M <i>Active</i>	\$1.05	\$1.02

## Dear Fellow Shareholders,

Thank you to all shareholders and supporters who participated in the [oversubscribed](#) \$225 million initial public offering (IPO) of WAM Strategic Value Limited (ASX: WAR), and to all our new investors, welcome to the Wilson Asset Management Family. We expect the company to list on 25 June 2021. Shares are expected to be allotted on 22 June 2021.

I discussed my vision for WAM Strategic Value on the [Equity Mates podcast](#), with [The Australian](#) and in a recent Investor Q&A [webinar](#). [The Australian](#) also covered the WAM Strategic Value portfolio and Chief Financial Officer Jesse Hamilton spoke on [Ausbiz](#) about the investment strategy.

### Equity market update

Global equities rose modestly in May. Growth in the US economy remains strong, with consumer demand reaching record levels in May, however the difficulty in re-hiring workers given enhanced unemployment benefits has seen an upward pressure on wages. Governments continue to oscillate between reopening and locking down economies, with indoor hospitality reinstated in the UK, while Melbourne faced new restrictions as a result of the Indian coronavirus variant reaching Australian shores. In local terms, the S&P 500 Index rose 0.5% in May, the UK FTSE 100 Index 0.8%, the Euro Stoxx 600 Index 2.1%, China's CSI 300 Index 4.1%, Japan's TOPIX Index 1.3% and the MSCI World Index (AUD) 1.2%.

During May, inflationary pressures and central banks' signals led market movements, with the transition from growth to value continuing to unfold. The S&P/ASX All Ordinaries Accumulation Index rose 2.0% in May, which marks the first time in history Australian equities have increased for 11 out of 12 months in one financial year.

### WAM Vault

We are excited to share the latest instalment of [WAM Vault](#) with you. You can watch my in-depth interview on WAM Strategic Value; a panel with Chief Executive Officer Kate Thorley, Lead Portfolio Managers Catriona Burns, Matthew Haupt and Oscar Oberg; four in-depth portfolio discussions with the Lead Portfolio Managers and Portfolio Managers Nick Healy, John Ayoub, Tobias Yao, and Dania Zinurova; and a buy, hold, sell session with Equity Analysts William Liu, Anna Milne, Sam Koch and Shaun Weick.

### Female investor lunch

Chief Executive Officer Kate Thorley hosted a female investor lunch and panel discussion with WAM Global (ASX: WGB) Lead Portfolio Manager Catriona Burns, WAM Alternative Assets (ASX: WMA) Portfolio Manager Dania Zinurova and WAM Leaders (ASX: WLE) Equity Analyst Anna Milne. Kate, Catriona, Dania and Anna shared their career highlights and investment strategies. Thank you to all who attended.

### WAM Leaders celebrates its fifth anniversary

On 30 May 2021, we marked five years since we rang the bell at the ASX as the first WAM Leaders shares traded, following the Company's \$394.3 million IPO. Since then, we have significantly grown WAM Leaders to \$1.2 billion to the benefit of all shareholders through continuous outperformance and capital raisings.

WAM Leaders was our first listed investment company to expand our offering beyond undervalued growth companies focused on the small-to-mid cap segment of the Australian market. Lead Portfolio Manager Matthew Haupt, Portfolio Manager John Ayoub and Equity Analyst Anna Milne have applied a rigorous investment process, focused on large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst, to deliver strong investment portfolio outperformance over all periods since inception.

Congratulations to Matt, John and Anna, and thank you to all WAM Leaders shareholders for your continued support.

Thank you for your support



**Geoff Wilson AO**  
Chairman &  
Chief Investment Officer





## Wilson Asset Management LIC snapshot

### W | A | M *Capital*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

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Share price*	\$2.21
NTA before tax	\$1.87
Annualised fully franked interim dividend	15.5cps
Profits reserve#	20.0cps

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### W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

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Share price*	\$1.545
NTA before tax	\$1.43
Annualised fully franked interim dividend	7.0cps
Profits reserve#	33.9cps

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### W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

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Share price*	\$2.54
WGB option price*	\$0.069
NTA before tax	\$2.68
Annualised fully franked interim dividend	10.0cps
Profits reserve#	49.5cps

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### W | A | M *Microcap*

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

ASX: WMI

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Share price*	\$1.93
NTA before tax	\$1.68
Annualised fully franked interim dividend	8.0cps
Profits reserve#	45.3cps

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### W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

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Share price*	\$0.965
NTA before tax	\$1.14
Commencement date	14 October 2020
Profits reserve#	8.9cps

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### W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

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Share price*	\$1.66
NTA before tax	\$1.21
Annualised fully franked interim dividend	9.9cps
Profits reserve#	41.1cps

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### W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

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Share price*	\$1.08
WAA option price*	\$0.024
NTA before tax	\$1.02
Annualised fully franked interim dividend	6.0cps
Profits reserve#	8.1cps

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\*As at 10 June 2021.

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

# W | A | M *Alternative Assets*

## Unique opportunities beyond traditional assets

The Argyle Water Fund significantly contributed to investment portfolio performance during the month. The tax structure of the Argyle Water Fund changed from a public trading trust to a flow-through tax structure, due to the increased proportion of the institutional investors in the Fund. This change resulted in the writing off of accrued tax liabilities and FY2021 tax payments becoming refundable, driving an increase in the underlying unit price of the Fund.

We continue to implement our revitalisation strategy for the WAM Alternative Assets investment portfolio, and are pleased to announce we have finalised our third new commitment, to a high-quality private equity opportunity, Adamantem Capital. Adamantem is a private equity firm specialising in buy-out transactions in Australia and New Zealand, with a specific focus on mid-market opportunities in the consumer, healthcare, and business services sectors. Adamantem typically targets companies with an Enterprise Value between \$100 million to \$300 million and seeks to work in close partnership with business founders and management teams.

The Adamantem investment team has strong credentials, deep knowledge and expertise in private equity. The business has solid organisational structure, alignment with investors and an environmental, social and governance focus. We believe the mid-market provides the most attractive private equity opportunity in Australia and New Zealand due to consistent deal flow, a smaller number of players and multiple exit opportunities. Adamantem's buy-out strategy primarily involves making controlling investments in companies with strong fundamentals, where specific constraints have previously prevented the companies from pursuing transformational initiatives that would significantly enhance their value. Adamantem will typically seek to remove these constraints post-investment to facilitate the implementation of a clearly defined agenda with a path to exit, typically after five years.

## Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2021	114.28c	113.83c	112.11c
Apr 2021	112.41c	112.48c	110.80c

### Market capitalisation (ASX: WMA)

\$188.1m\*

### Share Price

\$0.97

### Gross assets

\$221.3m

### Pre-tax net tangible assets

\$1.14

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

## About WAM Alternative Assets

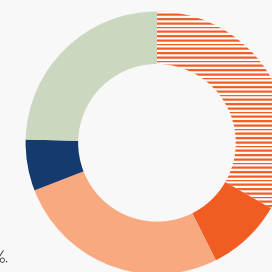
WAM Alternative Assets provides retail investors with exposure to a portfolio of real assets, private equity, real estate and aims to expand into new asset classes such as private debt and infrastructure. The Company's investment objectives are to consistently deliver absolute returns through a combination 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: 42.6%\*
- Private equity: 26.5%
- Real estate: 6.3%
- Cash: 24.6%#



\*Total water entitlements exposure is 33.3%.  
#Total capital commitments are 17.8%.

Portfolio structure	Current value (\$m)		+/- Prior month	
	\$m	%	\$m	%
Real assets	94.3	42.6	3.7	4.1
Private equity	58.7	26.5	-	-
Real estate	13.9	6.3	-	-
Cash*	54.4	24.6	(0.1)	(0.2)
<b>Grand total</b>	<b>221.3</b>	<b>100.0</b>	<b>3.6</b>	<b>1.7</b>

\*Includes capital commitments to the Palisade Diversified Infrastructure Fund (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$15.0m); the Adamantem Fund 2 (\$8.0m) and the Strategic Australian Agriculture Fund (\$1.3m).

## 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.

## 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



An Australian online wine retailer



Food services distributor

### Real estate



2 Rector Street, Manhattan, New York

Revesby Industrial Income Fund, New South Wales



441 Ninth Avenue, Manhattan, New York

Darra Industrial Income Fund, Queensland

# W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital investment portfolio decreased during the month. Payment solutions provider EML Payments (ASX: EML) and dairy company Bega Cheese (ASX: BGA) were detractors to the investment portfolio performance.

EML Payments provides a payment platform that processes and authorises card transactions to merchants in 21 countries. In a May trading update, EML Payments announced the Central Bank of Ireland raised concerns regarding the company's anti-money laundering and counter terrorism financing compliance in its prepaid financial services (PFS) card services business. EML Payments moved its European business to Ireland following Brexit. Management stated that the PFS card services business forms approximately 27% of the company's total revenue, which could be impacted if the Central Bank of Ireland takes action. Given the uncertainty, we have since exited our position in EML Payments.

Founded in the agricultural town of Bega, New South Wales, Bega Cheese is a leading Australian dairy and food company, producing 236,000 tonnes of dairy products each year and employing 2,000 people in New South Wales, Queensland and Victoria. Bega Cheese was impacted in May, alongside other small and mid-cap companies, as the rebound in resources, cyclicals and the banking sector saw the S&P/ASX Small Ordinaries Accumulation Index underperform the rest of the market. Bega completed the acquisition of Lion Dairy & Drinks (LDD) in January 2021. We view this as a transformational acquisition for the company, creating a large-scale Australian dairy and foods business, generating higher quality earnings through increased exposure to branded goods. We remain positive on Bega Cheese and see upside to the synergy opportunities already identified, while asset sales provide additional near term catalysts, contributing to further deleveraging of the balance sheet.

## Net Tangible Assets (NTA) per share

The below May NTA figures are **after** the fully franked interim dividend of 7.75 cents per share that was paid on 7 June 2021. The shares traded ex-dividend on 31 May 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax
May 2021	194.30c	186.55c	190.10c	191.32c
Apr 2021	-	195.65c	198.28c	199.40c

\*The NTA before tax is after the payment of \$7.5m (0.86 cents per share) in tax during the month.

†Includes 0.74 cents per share of tax assets resulting from the acquisition of unlisted investment companies and 7.11 cents per share of income tax losses available to the Company in future periods.

## Market capitalisation (ASX: WAM)

\$1,940.7m<sup>#</sup>

## Gross assets

\$1,721.0m

## Listed equities

\$1,598.8m

## Investment portfolio performance (pa since inception Aug 1999)

16.6%<sup>^</sup>

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

## Dividends paid since inception (per share)

261.75c

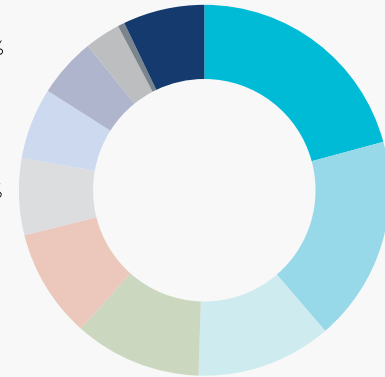
## Annualised fully franked interim dividend yield

7.0%<sup>#</sup>

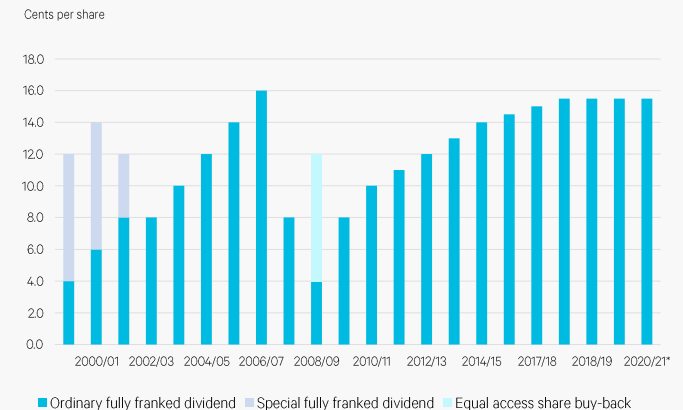
<sup>#</sup>Based on the 31 May 2021 share price of \$2.22 per share and the annualised FY21 fully franked interim dividend of 15.5 cents per share. WAM Capital has 874,171,966 shares on issue.

<sup>^</sup>Investment portfolio performance and index returns are before expenses, fees, taxes and the impact of capital management initiatives.

## Portfolio by sector



## History of fully franked dividends



<sup>\*</sup>Annualised interim dividend.

## Top 20 holdings (in alphabetical order)



# 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. Continued improvements in the outlook for economies drove outperformance in cyclical sectors such as financials, including WAM Leaders' holdings in Commonwealth Bank of Australia (ASX: CBA) and QBE Insurance Group (ASX: QBE).

In May, entertainment company Aristocrat Leisure (ASX: ALL) released a strong half year result, well ahead of market expectations, demonstrating its leverage to the economic recovery. The positive result was attributed to land-based revenues recovering faster than expected, driven by clear market share gains and strength in US gambling spend, as well as an improvement in the profit margins of its digital division. We remain positive on Aristocrat Leisure based on expectations that the company can continue to gain market share and grow its mobile gaming business. There is upside optionality from the iGaming opportunity, and the company has a strong balance sheet to continue to invest for future growth.

During the month, we increased our holding in biotechnology company CSL Limited (ASX: CSL) and added financial administration company Computershare (ASX: CPU) and investment management company Challenger (ASX: CGF) to the portfolio. Our incrementally positive stance on CSL is premised on plasma collection foot traffic reaching post-coronavirus highs as the vaccine rollout continues, combined with improvements in plasma yields, and therefore profit margins. We added Computershare to the investment portfolio due to its earnings leverage to higher US interest rates, as the world's largest economy continues to deliver strong inflation data. This leverage has nearly doubled with Computershare's recent acquisition of commercial banking business Wells Fargo Corporate Trust Services. We added Challenger to the investment portfolio following its earnings guidance downgrade in April. We are positive on the company due to rebased expectations around the life business' profit margin, upside from new distribution opportunities and its attractive valuation.

## Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2021	143.35c <sup>^</sup>	135.85c	135.89c
Apr 2021	140.35c	132.72c	132.71c

<sup>^</sup>The NTA before tax is after the payment of \$11.0m (1.31 cents per share) in tax during the month.

## Market capitalisation (ASX: WLE)

\$1,247.9m\*

## Gross assets

\$1,221.6m

## Listed equities

\$1,186.0m

## Investment portfolio performance (pa since inception May 2016)

14.9%<sup>^</sup>

S&P/ASX 200 Accumulation Index: 10.1%

## Dividends paid since inception (per share)

23.65c

## Annualised fully franked interim dividend yield

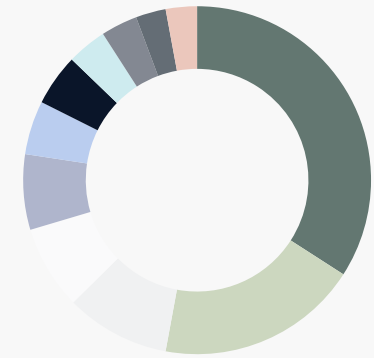
4.7%\*

<sup>^</sup>Based on the 31 May 2021 share price of \$1.49 per share and the annualised FY21 fully franked interim dividend of 7.0 cents per share. WAM Leaders has 837,543,215 shares on issue.

\*Investment portfolio performance and index returns are before expenses, fees and taxes.

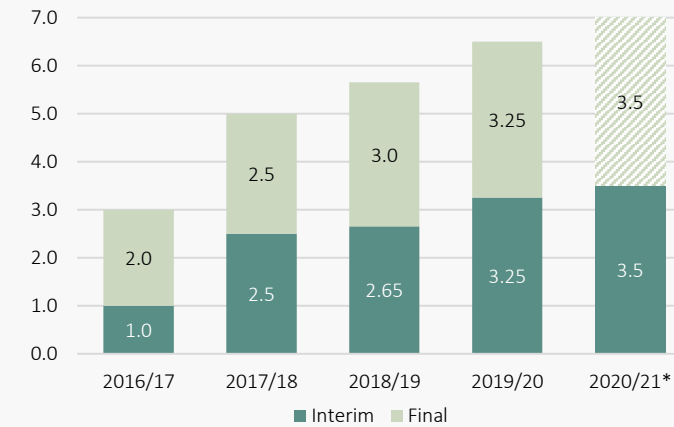
## Portfolio by sector

- Financials: 34.1%
- Materials: 18.8%
- Health care: 9.7%
- Energy: 7.8%
- Consumer discretionary: 7.0%
- Industrials: 5.0%
- Real estate: 4.8%
- Consumer staples: 3.7%
- Communication services: 3.4%
- Information technology: 2.8%
- Cash: 2.9%



## History of fully franked dividends

Cents per share



\*Annualised interim dividend.

## Top 20 holdings (in alphabetical order)





# 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 Carrier Global (NYSE: CARR), a global heating, ventilation, air conditioning, refrigeration, fire and security solutions provider, and Ferguson (LON: FERG), a North American plumbing, heating and building products distributor.

Carrier operates over 50 factories worldwide, with more than 53,000 employees serving customers in more than 180 countries. Carrier reported a strong result at the end of April, with first quarter sales of USD4.7 billion, up 21% compared to the prior comparative period, and adjusted earnings per share (EPS) up 37% compared to the prior comparative period, and ahead of analyst expectations. In its outlook statement, management was upbeat, particularly in the areas of indoor air-quality investments and stimulus-driven school retrofits. Despite these strong results and competitive positioning, Carrier currently trades at more than a 20% discount to its peers including Daikin, Lennox and Trane. We remain positive on Carrier following management's USD700 million cost reduction plan and commitment to product innovation, and our view that Carrier is set to benefit from global decarbonisation trends targeting improved building efficiency over the coming years.

Listed in the UK, but operating entirely within North America, Ferguson services over 1 million customers from 11 distribution centres and over 1,650 store locations. In May, Ferguson pre-released their quarterly results, reporting strong organic revenue growth of 20% compared to the prior year. The company was able to price above cost inflation, improving margins and achieving a trading profit of USD560 million, a 68% increase on the prior comparative period and ahead of analyst expectations. Ferguson utilised its leading scale to ensure the availability of its product amid industry-wide shortages, resulting in market share capture at the top end of its 2-3% per annum target. Ferguson currently trades at an attractive discount to US-listed distributor peers, and we believe that their pending dual-listing in the US is a catalyst to close this valuation gap. We remain positive on the company as it benefits from the continued reopening of the US economy through the remainder of the year.

## Net Tangible Assets (NTA) per share

The below May NTA figures are **after** the fully franked interim dividend of 5.0 cents per share that was paid on 7 June 2021. The shares traded ex-dividend on 31 May 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2021	272.51c <sup>^</sup>	267.51c <sup>^</sup>	262.40c	255.67c
Apr 2021	-	271.87c	266.03c	259.34c

<sup>^</sup>The NTA before tax is after the payment of \$12m (0.49 cents per share) in tax during the month. The above May NTA figures are not adjusted for the 189,837,498 options on issue with an exercise price of \$2.54 per option.

## Market capitalisation (ASX: WGB)

\$600.2m<sup>\*</sup>

## Gross assets

\$643.2m

## Listed equities

\$601.0m

## Investment portfolio performance (pa since inception June 2018)

12.1%<sup>^</sup>

MSCI World Index (AUD): 12.2%

## Annualised fully franked interim dividend

10.0c

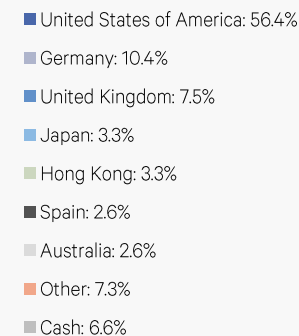
## Cash weighting

6.6%

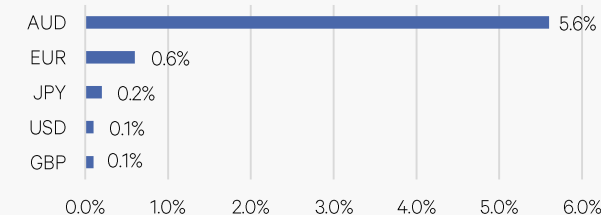
<sup>\*</sup>Based on the 31 May 2021 share price of \$2.55 per share and 235,368,290 shares on issue. During the month, 17,894,130 options were exercised and allotted under the Bonus Issue of Options announced on 10 February 2021.

<sup>^</sup>Investment portfolio performance and index returns are before expenses, fees and taxes.

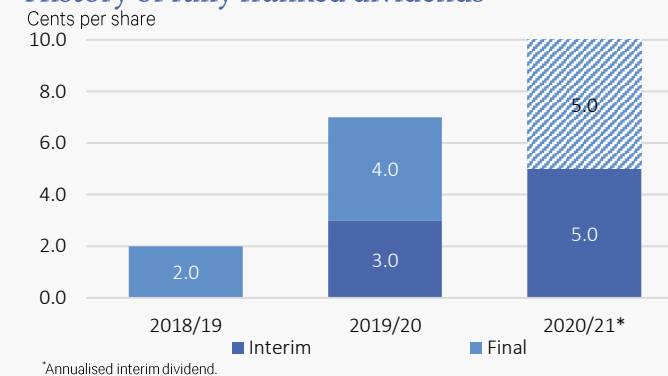
## Portfolio by geographical exposure



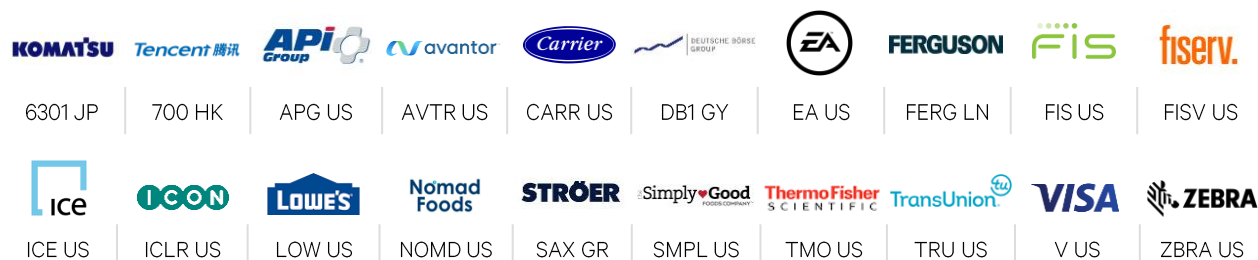
## Cash currency exposure



## History of fully franked dividends



## 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 chemical manufacturing company DGL Group (ASX: DGL) and theme park owner and operator Ardent Leisure Group (ASX: ALG).

Founded in 1999 and listed on the ASX and NZX in May 2021, DGL is a specialty chemicals and dangerous goods solutions provider servicing over 1,300 customers across Australia, New Zealand and internationally. The company employs more than 280 people and operates 26 sites, with 140,000 tonnes of manufacturing capacity, 126,000 tonnes of chemical storage and 174,000 tonnes of waste processing capacity. In an oversubscribed initial public offering, DGL raised \$100 million through the issuance of 100 million new shares, with shares closing up 8% on the first day of trading. The company has reported strong financial performance, with FY2020 pro forma revenue of \$180.1 million forecast to increase to \$209.7 million in FY2022. We remain positive on the company's industry position and outlook for organic growth and earnings-accretive acquisitions.

Ardent Leisure services more than 3 million customers annually as the owner and operator of theme parks, indoor entertainment centres and attractions in Australia, including Dreamworld, WhiteWater World and SkyPoint, and a growing portfolio of family attractions in the US. Following a positive trading update in April, Ardent Leisure announced in May the continuation of strong revenue momentum in its US bowling alley operations, Main Event Entertainment, with revenue up 23% in March, 40% in April and 8% in the first week of May against the corresponding period in 2019. We continue to see upside to earnings, as coronavirus related restrictions ease while strong optionality exists via portfolio optimisation and asset sales.

## Market capitalisation (ASX: WMI)

\$397.9m<sup>#</sup>

## Gross assets

\$358.2m

## Listed equities

\$324.2m

## Investment portfolio performance (pa since inception June 2017)

24.5%<sup>^</sup>

S&P/ASX Small Ordinaries Accumulation Index: 11.5%

## Dividends paid since inception (per share)

25.75c

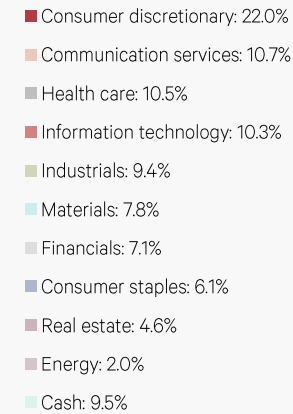
## Annualised fully franked interim dividend

8.0c

<sup>#</sup>Based on the 31 May 2021 share price of \$1.92 per share. WAM Microcap has 207,247,850 shares on issue.

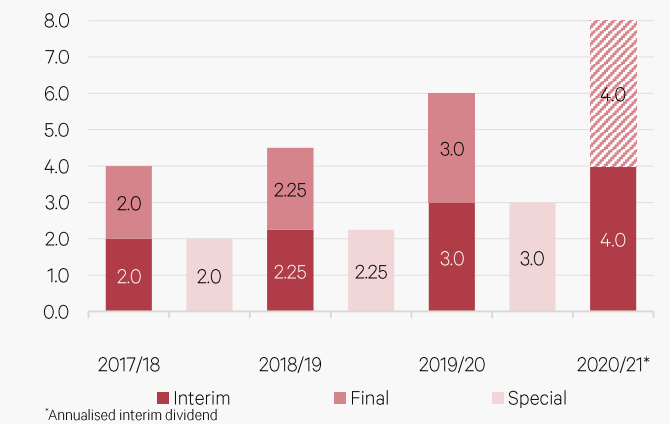
<sup>^</sup>Investment portfolio performance and index returns are before expenses, fees and taxes.

## Portfolio by sector



## History of fully franked dividends

Cents per share

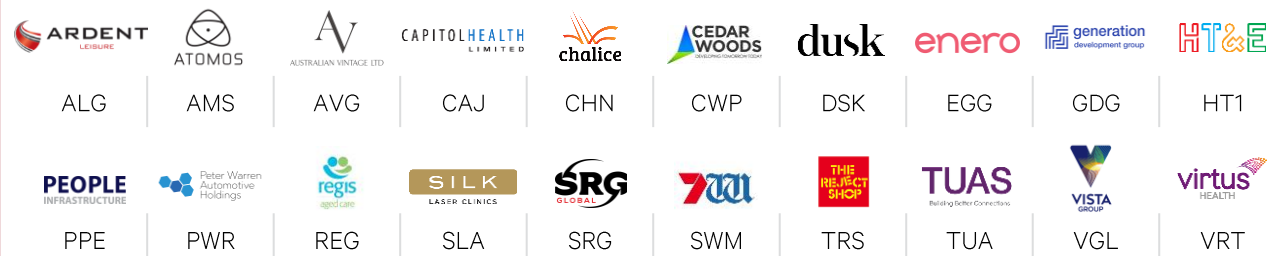


## Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2021	167.72c <sup>^</sup>	163.60c	156.70c
Apr 2021	168.92c	164.28c	156.68c

<sup>^</sup>The NTA before tax is after the payment of \$2.6m (1.23 cents per share) in tax during the month.

## Top 20 holdings (in alphabetical order)



# W | A | M Research

The most compelling undervalued growth opportunities in the Australian market.

The WAM Research investment portfolio increased during the month, with significant contributors including reproductive services provider Virtus Health (ASX: VRT) and building company Fletcher Building (ASX: FBU).

Virtus Health helps more than 5,000 people become parents each year as the largest provider of assisted reproductive services in Australia, the market leader in Ireland and Denmark, and a growing presence in Singapore and the United Kingdom. Virtus Health operates 43 in vitro fertilisation (IVF) clinics globally as well as seven day hospitals and the Virtus diagnostic and pathology service. Coming out of the coronavirus pandemic, the company has benefitted from a strong uplift in demand for IVF services. Virtus Health is considering licensing its technology through its precision fertility capabilities to other IVF players globally, a revenue stream which is not capital intensive, and a strategy we believe will see significant upside. We are also positive on Virtus Health CEO Kate Munnings, appointed in March 2020, and her ability to monetise the intellectual property within the organisation to pursue other revenue sources in precision fertility, genetics testing and digitalisation.

Dual listed on the ASX and NZX, Fletcher Building is a manufacturer, home builder, and partner on major construction and infrastructure projects. In May, the company announced that earnings before interest, tax, depreciation and amortisation (EBITDA) for FY2021 is expected to be between \$650 million to \$665 million, in the upper end of the previous guidance range. Additionally, Fletcher Building will return capital to shareholders in the form of a NZD300 million on-market share buyback as a result of its strong balance sheet. We remain positive on Fletcher Building as building market activity remains robust and government stimulus continues to support the sector, underpinning the delivery of a strong uplift in EBITDA margins over the next one to two years.

## Market capitalisation

(ASX: WAX)

\$318.2m<sup>#</sup>

## Gross assets

\$242.8m

## Listed equities

\$231.6m

## Investment portfolio performance

(pa since change in investment strategy July 2010)

16.3%<sup>^</sup>

S&P/ASX All Ordinaries Accumulation Index: 9.5%

## Dividends paid since inception

(per share)

119.05c

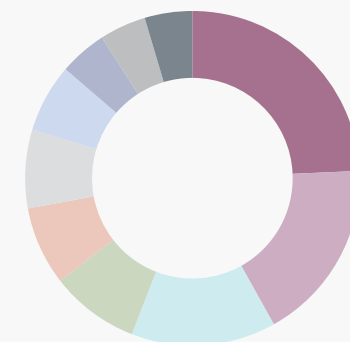
## Annualised fully franked interim dividend yield

6.1%<sup>#</sup>

<sup>#</sup>Based on the 31 May 2021 share price of \$1.625 per share and the annualised FY21 fully franked interim dividend of 9.9 cents per share. WAM Research has 195,818,039 shares on issue.

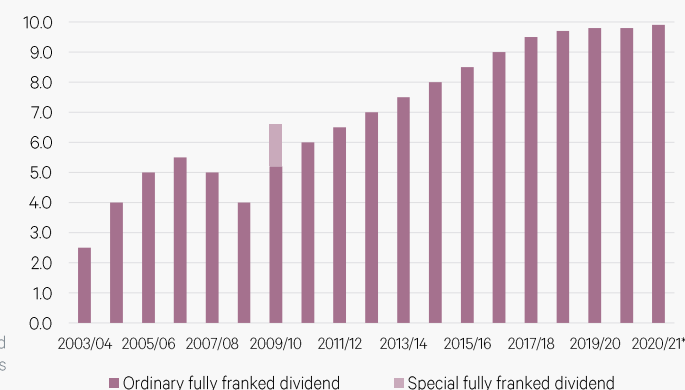
<sup>^</sup>Investment portfolio performance and index returns are before expenses, fees and taxes.

## Portfolio by sector



## History of fully franked dividends

Cents per share



\*Annualised interim dividend.

## Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
May 2021	120.74c <sup>^</sup>	119.41c	118.38c
Apr 2021	120.52c	119.11c	117.68c

<sup>^</sup>The NTA before tax is after the payment of \$1.5m (0.77 cents per share) in tax during the month.

<sup>\*</sup>Includes 5.70 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 investment portfolio decreased during the month. Payment solutions provider EML Payments (ASX: EML) was a detractor to the investment portfolio performance while ALS (ASX: ALQ) was a contributor.

EML Payments provides a payment platform that processes and authorises card transactions to merchants in 21 countries. In a May trading update, EML Payments announced the Central Bank of Ireland raised concerns regarding the company's anti-money laundering and counter terrorism financing compliance in its prepaid financial services (PFS) card services business. EML Payments moved its European business to Ireland following Brexit. Management stated that the PFS card services business forms approximately 27% of the company's total revenue, which could be impacted if the Central Bank of Ireland takes action. Given the uncertainty, we have since exited our position in EML Payments.

Headquartered in Brisbane, ALS provides laboratory testing, inspection, certification and verification solutions, with more than 15,000 staff in over 65 countries. In May, the company reported a strong FY2021 result with net profit after tax of \$185.9 million, an increased franked final dividend of 14.6 cents per share and a commitment to repaying coronavirus related subsidies. ALS experienced a strong recovery in activity within the commodities business with momentum continuing to build through the period and margin outcomes impressive, while the Life Sciences division proved its defensive growth attributes. Exit rate commentary suggests the outlook for the commodities business remains positive, while a strong balance sheet provides optionality to deploy capital into earnings accretive acquisitions going forward.

## Net Tangible Assets (NTA) per share

The below May NTA figures are **after** the fully franked interim dividend of 3.0 cents per share that was paid on 28 May 2021. The shares traded ex-dividend on 18 May 2021.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
May 2021	104.65c <sup>^</sup>	101.65c <sup>^</sup>	104.25c	104.25c
Apr 2021	-	106.16c	107.99c	107.99c

<sup>^</sup>The NTA before tax is after the payment of \$350k (0.48 cents per share) in tax during the month.

\*Includes 2.65 cents per share of income tax losses available to the Company in future periods.

The above May NTA figures are not adjusted for the 67,427,345 options on issue with an exercise price of \$1.10 per option.

## Market capitalisation (ASX: WAA)

\$78.6m<sup>#</sup>

## Gross assets

\$76.5m

## Listed equities

\$71.5m

## Investment portfolio performance (pa since inception Jan 2008)

12.2%<sup>^</sup>

Bloomberg AusBond Bank Bill Index (Cash): 3.0%

## Dividends paid since inception (per share)

77.7c

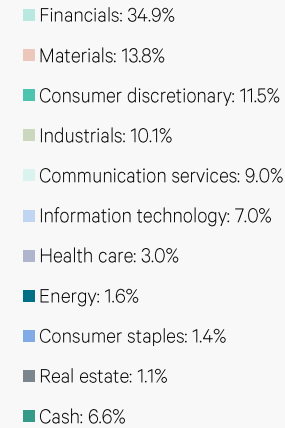
## Annualised fully franked interim dividend yield

5.6%<sup>#</sup>

<sup>#</sup>Based on the 31 May 2021 share price of \$1.075 per share and the annualised FY21 fully franked interim dividend of 6.0 cents per share. WAM Active has 73,153,141 shares on issue. During the month, 290,057 shares were issued under the Dividend Reinvestment Plan for the interim dividend and 1,988,491 options were exercised and allotted under the Bonus Issue of Options announced on 24 February 2021.

<sup>^</sup>Investment portfolio performance is before expenses, fees and taxes.

## Portfolio by sector



## History of fully franked dividends



## Top 20 holdings (in alphabetical order)

ADBRI	ARISTOCRAT	ALS	Antipodes	AUI	CAPITOLHEALTH LIMITED	Data#3	Genworth	iress	KEYBRIDGE CAPITAL LIMITED
ABC	ALL	ALQ	APL	AUI	CAJ	DTL	GMA	IRE	KBC
Nufarm	News Corp	oh!	PACT	PENGANA INTERNATIONAL TOURS LIMITED	THE STAR	skyCITY	7au	TGG	VIRGIN MONEY UK
NUF	NWS	OML	PGH	PIA	SGR	SKC	SWM	TGG	VUK