

May 2023 Investment Update

	Pre-tax NTA (cum-dividend)	Pre-tax NTA
W A M <i>Capital</i>	\$1.48	\$1.40
W A M <i>Leaders</i>	\$1.45	\$1.40
W A M <i>Global</i>	-	\$2.20
W A M <i>Microcap</i>	-	\$1.27
W A M <i>Alternative Assets</i>	-	\$1.23
W A M <i>Strategic Value</i>	-	\$1.16
W A M <i>Research</i>	-	\$0.92
W A M <i>Active</i>	-	\$0.72

Dear Fellow Shareholder,

In May, the Reserve Bank of Australia (RBA) lifted its cash rate to 3.85%, while the US came to an agreement to suspend the US debt ceiling for two years.

Australian equities fell during the month with the S&P/ASX All Ordinaries Accumulation Index down 2.6%. The Dow Jones Industrial Average Index fell 3.5% in local terms while the weaker Australian dollar led to the MSCI World Index (AUD) closing up 1.1% for the month.

Update on our franking credits campaign

I would like to thank our shareholders and supporters who have been vocal throughout this process.

On Friday 2 June 2023 the Senate Economics Committee, chaired by Labor Senator Jess Walsh, completed its review of the proposed legislative changes to the Australian franking system and handed down their findings. They acknowledge *Schedule 5: Franked distributions funded by capital raisings* needs clarification, which is an important victory for us all. Unfortunately, they did not grasp that *Schedule 4: Off-market share buy-backs* also has unintended consequences and needs amendments and redrafting. You can read the final Senate Inquiry report [here](#).

We will continue to engage with Senators to raise awareness of the unintended consequences as we need this legislation to be redrafted or stopped in the Senate.

Read my Opinion piece (Op Ed) in [The Australian](#) and articles in [The Australian Financial Review](#) and [The Australian](#) on the Senate's findings. You can also read Chief Financial Officer Jesse Hamilton's Op Ed in [The Australian Financial Review](#) on the tax revenue at risk and the disadvantage to small companies the proposed changes will have.

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

Please join Jesse, Investment Specialist Martyn McCathie and me in a Q&A webinar at 3:00pm (Sydney time) on Tuesday, 18 July 2023. We look forward to providing you with an update on the Company and answering your questions. Please register your interest by emailing us at

info@wilsonassetmanagement.com.au.

WAM Leaders (ASX: WLE) and WAM Microcap (ASX: WMI) rated as preferred listed investment companies

In [Ord Minnett's April 2023 Listed Investment Companies performance review and sector update](#), WAM Leaders was named as the key preference for the large-cap sector and WAM Microcap was named as the preferred pick for the small-cap sector. WAM Leaders and WAM Microcap have both generated strong investment portfolio performance for shareholders since inception.

WAM Leaders appoints Director Alexa Henderson

On 1 June 2023, WAM Leaders [announced](#) the appointment of Alexa Henderson to the Board of Directors and the retirement of Melinda Snowden. Alexa has over 30 years' global experience in finance, accounting and audit having previously held roles with KPMG, Arthur Andersen and Deutsche Bank (WM Company). We welcome Alexa and thank Melinda for her contribution to WAM Leaders since her appointment in 2016.

In the media

Read an article in [The Australian Financial Review](#) where WAM Leaders Lead Portfolio Manager Matthew Haupt discusses the state of the banking sector. He also discussed the RBA's surprise interest rate hike in [The Australian Financial Review](#).

Read an article in [The Australian Financial Review](#) where WAM Capital (ASX: WAM), WAM Microcap, WAM Research (ASX: WAX) and WAM Active (ASX: WAA) Lead Portfolio Manager Oscar Oberg provides his view on Myer (ASX: MYR) Chief Executive Officer John King's departure from the company.

Stay safe 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*	\$1.485
NTA before tax	\$1.40
Annualised fully franked interim dividend	15.5cps
Profits reserve#	9.3cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.405
NTA before tax	\$1.40
Annualised fully franked interim dividend	9.0cps
Profits reserve#	33.8cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.875
NTA before tax	\$2.20
Annualised fully franked interim dividend	11.5cps
Profits reserve#	40.4cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$1.31
NTA before tax	\$1.27
Annualised fully franked interim dividend	10.5cps
Profits reserve#	49.9cps

W | A | M *Alternative Assets*

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.02
NTA before tax	\$1.23
Annualised fully franked interim dividend	5.0cps
Profits reserve#	18.2cps

W | A | M *Strategic Value*

Discounted asset opportunities

ASX: WAR

Share price*	\$0.98
NTA before tax	\$1.16
Estimated fully franked full-year dividend*	3.5cps
Profits reserve#	8.1cps

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.005
NTA before tax	\$0.92
Annualised fully franked interim dividend	10.0cps
Profits reserve#	37.2cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.68
NTA before tax	\$0.72
Annualised fully franked interim dividend	6.0cps
Profits reserve#	6.3cps

*As at 13 June 2023.

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

*The estimated fully franked full-year dividend for WAM Strategic Value of 3.5 cents per share comprises the FY2023 fully franked interim dividend of 1.5 cents per share and the FY2022 fully franked final dividend of 2.0 cents per share.

W | A | M Strategic Value

Discounted asset opportunities.

The WAM Strategic Value (ASX: WAR) investment portfolio increased during the month. The investment portfolio's allocation to globally focused listed investment companies (LICs) and listed investment trusts (LITs) contributed to positive investment portfolio performance in May, as well as the corporate restructure with Ellerston Asian Investments (ASX: EAI) as the consolidation in the LIC sector continued.

Global equities began the calendar year strongly with equity markets reporting gains in each of the first five months of 2023. Since January 2023, the MSCI AC World Index (AUD) has increased 12.6% with the S&P 500 Index increasing 8.9%, in local terms. The WAM Strategic Value investment portfolio has a 50.9% allocation to LICs and LITs that invest in global companies. Despite positive share price performance from Penganga International Equities (ASX: PIA), WAM Global (ASX: WGB), Magellan Global Fund (ASX: MGF) and VGI Partners Global Investments (ASX: VG1), share price discounts to net tangible assets (NTA) attributable to our global LIC and LIT holdings have increased to levels briefly experienced during the onset of the coronavirus pandemic.

The widening share price discounts to NTA across the LIC and LIT sector has led to continued corporate activity as company boards look to implement strategies to provide investors with the opportunity to exit their investment at close to market value. During the month, Ellerston Asian Investments was suspended from trading pending the completion of a restructure to merge Ellerston Asian Investments with Ellerston Asia Growth Fund, and convert to a dual-structure exchange traded managed fund (ETMF). The restructure provides Ellerston Asian Investments' shareholders with a clear pathway to redeem their investments closer to pre-tax NTA or continue to remain invested in the strategy within the new vehicle.

Market capitalisation (ASX: WAR)

\$181.9m*

Fully franked interim dividend

1.5cps

Gross assets

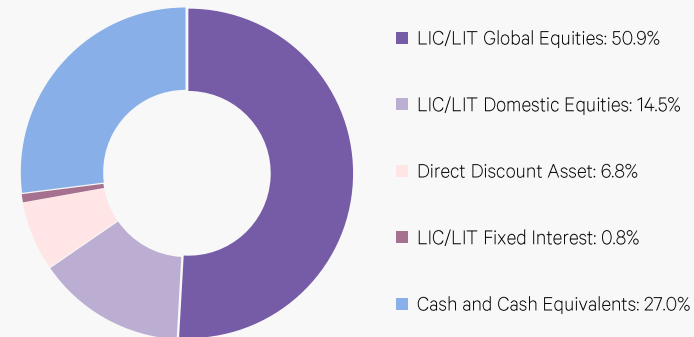
\$209.4m[^]

Pre-tax net tangible assets

\$1.16

*Based on the 31 May 2023 share price of \$1.01 per share and 180,125,761 shares on issue.
[^]Gross assets exclude the \$544k offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

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



May 2023 look-through pre-tax NTA

\$1.31

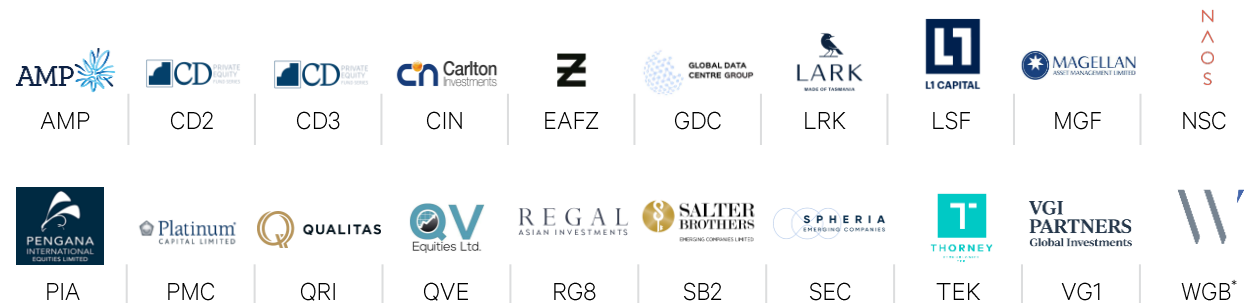
Look-through NTA before tax

The Australian Accounting standards require the Company's pre-tax NTA to be calculated based on the market price (or share price) of the underlying investment portfolio. The Company's look-through pre-tax NTA is an estimation of the Company's pre-tax NTA calculated using the estimated or most recently available pre-tax NTA of the underlying investment portfolio as at the end of the month where available. The look-through pre-tax NTA of the Company is indicative only and provides an estimate for investors of the value of the underlying investment portfolio, assuming the share price discount to NTA of the underlying discounted asset opportunities are closed.

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.

Top 20 holdings (in alphabetical order)



*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2023	116.25c	116.14c	120.25c
April 2023	114.97c	114.89c	119.27c

W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market.

The WAM Capital (ASX: WAM) investment portfolio decreased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included information technology company Life360 (ASX: 360) and enterprise software company TechnologyOne (ASX: TNE).

Based in San Francisco, Life360's core app offering provides family safety services including location sharing and driver safety reporting. In May, Life360 reported its CY2023 first quarter results, posting a 34% year-on-year increase in its revenue to USD68.1 million. The company achieved its guidance of adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) a quarter early, driven by strong momentum in subscription revenue and cost efficiencies. Life360 expects to deliver subscription revenue growth in excess of 50% year-on-year in 2023, as well as positive adjusted EBITDA and operating cash flow of USD5 million to USD10 million. We are excited by the progress Life360 has achieved against its strategic objectives over the past year and the business' path to profitability in 2023 driven by its strong revenue momentum.

TechnologyOne provides software-as-a-service (SaaS) enterprise resource planning to over 1,300 leading corporations, government agencies, local councils and universities. During the month, the company announced its FY2023 half year results, posting a record first-half profit with annual recurring revenue up 40%. TechnologyOne achieved revenue of \$200 million for the half year ended 31 March 2023, up 18%, and announced a 4.62 cents per share dividend, an increase of 10% compared to the prior year, underpinned by the growth in new customers and the conversion of existing customers to SaaS contracts. The company noted that it expects strong growth for the remainder of FY2023, with guidance of 10% to 15% growth in net profit before tax compared to the corresponding prior period. TechnologyOne also provided guidance of approximately 40% growth in its annual recurring revenue, achieved through the growth of its SaaS services. We remain confident in the company's ability to weather the sustained inflation and increasing interest rates, and look forward to seeing it execute its long-term investments in research and development.

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 26 May 2023. The shares traded ex-dividend on 15 May 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
May 2023	147.51c [^]	139.76c [^]	156.79c	155.34c
April 2023	150.69c	150.69c	167.68c	165.15c

*The NTA before tax is after the payment of \$3.4m (0.31 cents per share) in tax during the month.

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

Market capitalisation

(ASX: WAM)

\$1,700.4m[#]

Gross assets

\$1,546.1m

Listed equities

\$1,386.4m

Investment portfolio performance

(pa since inception Aug 1999)

14.8%[^]

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

Dividends paid since inception

(per share)

292.75c

Annualised fully franked interim dividend yield

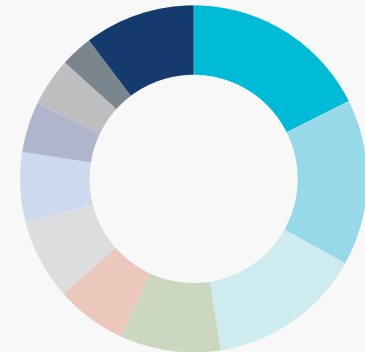
10.0%[#]

[#]Based on the 31 May 2023 share price of \$1545 per share and the annualised FY23 fully franked interim dividend of 15.5 cents per share. WAM Capital has 1,100,603,773 shares on issue. During the month, 6,509,589 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

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

Diversified investment portfolio by sector

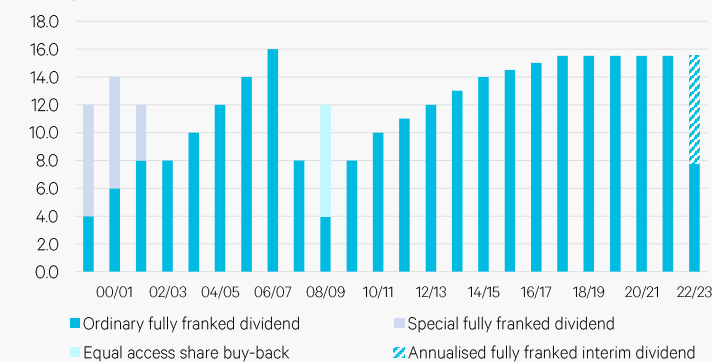
- Consumer discretionary: 17.6%
- Industrials: 15.5%
- Health care: 14.4%
- Financials: 9.4%
- Information technology: 7.5%
- Materials: 6.6%
- Communication services: 6.5%
- Real estate: 4.7%
- Energy: 4.5%
- Consumer staples: 3.0%
- Cash: 10.3%



History of fully franked dividends

The Board declared a fully franked interim dividend of 7.75 cents per share that was paid on 26 May 2023. The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves, through positive investment portfolio performance, and franking credits. The ability to generate additional franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.

Cents per share



Top 20 holdings (in alphabetical order)

Life360	BORAL	carsales.com ltd	CLEANAWAY	Estia Health	FLIGHT CENTRE TRAVEL GROUP	Fisher & Paykel HEALTHCARE	G9 Education*	healix	MMA OFFSHORE
360	BLD	CAR	CWY	EHE	FLT	FPH	GEM	HLS	MRM
NEXTDC	pro:medicus	PWR	PEXA	RIDLEY	technologyone Transforming business, making life simple	TUAS Building Better Connections	VIVA Energy Australia	Webjet Limited	
NXT	PME	PWH	PXA	REA	RIC	TNE	TUA	VEA	WEB

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders (ASX: WLE) investment portfolio decreased during the month, outperforming the S&P/ASX 200 Accumulation Index. Contributors to the investment portfolio outperformance included GrainCorp (ASX: GNC) and Fletcher Building (ASX: FBU).

GrainCorp is a leading Australian agribusiness and processing company, with integrated operations across four continents. Three consecutive La Nina wet weather patterns spanning late 2020 to early 2023 delivered the three largest East Coast Australia winter crops on record, supporting agricultural production around 50% higher than the 20-year average. With a 50% chance of an El Nino dry weather pattern forming later in 2023, we appear to have passed the peak of the cycle and GrainCorp's earnings are expected to decline significantly from these highs in the years ahead. We observed that the share price had declined significantly and we built a position ahead of its result as we thought sentiment was worse than reality. The company announced its FY2023 half year results in May, upgrading its full year earnings guidance and through-the-cycle earnings projection. The share price reacted accordingly and having reached our target valuation, we have since exited our position.

Fletcher Building is a leading manufacturer and supplier of building products and construction materials across Australia and New Zealand. It is also a major residential developer and constructor in the New Zealand market. Approximately half of their revenue is derived through the residential market, with the balance split between commercial and infrastructure industries. With mortgage rates increasing and the housing market slowing, Fletcher Building has been impacted by both lower earnings and downbeat investor sentiment. We built a position in Fletcher Building as we believe the cash rate cycle is nearing its peak, the business has a very robust balance sheet and the valuation is at multi-year lows. The next update from Fletcher Building will be in late June at its investor day.

Market capitalisation (ASX: WLE)

\$1,823.1m*

Gross assets

\$1,771.4m

Listed equities

\$1,701.4m

Investment portfolio performance (pa since inception May 2016)

13.9%[^]

S&P/ASX 200 Accumulation Index: 8.3%

Dividends paid since inception (per share)

39.65c

Annualised fully franked interim dividend yield

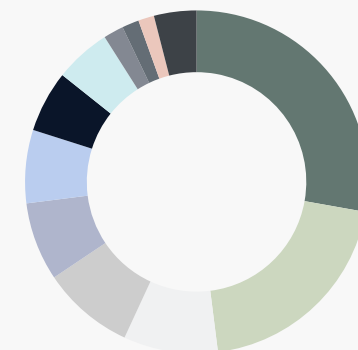
6.2%*

*Based on the 31 May 2023 share price of \$1.45 per share and the annualised FY23 fully franked interim dividend of 9.0 cents per share. WAM Leaders has 1,257,331,124 shares on issue. During the month, 67,922,275 shares were issued under the Share Purchase Plan announced on 14 April 2023 and 2,506,994 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

[^]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.

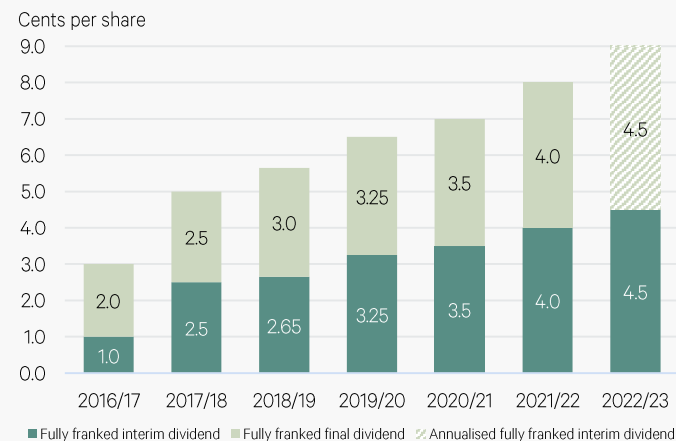
Diversified investment portfolio by sector

- Materials: 27.8%
- Financials: 20.2%
- Real estate: 8.9%
- Energy: 8.7%
- Consumer discretionary: 7.4%
- Health care: 6.9%
- Consumer staples: 5.8%
- Industrials: 5.3%
- Utilities: 1.9%
- Information technology: 1.6%
- Communication services: 1.5%
- Cash: 4.0%



History of fully franked dividends

The Board declared a fully franked interim dividend of 4.5 cents per share that was paid on 31 May 2023.



Net Tangible Assets (NTA) per share

The below May NTA figures are **after** the fully franked interim dividend of 4.5 cents per share that was paid on 31 May 2023. The shares traded ex-dividend on 19 May 2023.

	NTA before tax (cum-dividend)	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2023	144.97c	140.47c	138.73c	139.50c
April 2023	148.19c	148.19c	146.34c	146.05c

Top 20 holdings (in alphabetical order)



W | A | M Global

The world's most compelling undervalued growth companies.

The WAM Global (ASX: WGB) investment portfolio increased during the month. Contributors to investment portfolio performance included testing, inspection and certification (TIC) company Applus Services (BME: APPS) and US government consulting firm Booz Allen Hamilton (NYSE: BAH).

Applus Services (Applus) is a TIC company listed in Spain and provides design, engineering and testing services for the energy and industry, laboratories and automotive sectors. We believe the market continues to undervalue the portfolio evolution Applus has undertaken away from its oil and gas customers towards higher value businesses in renewables, power and infrastructure which are aligned to global long term investment trends including clean energy transition, electrification and connectivity. This was validated in May, when the share price increased following confirmation that there was private equity interest in its business. We believe that Applus is trading at a material valuation discount to its peers despite being on track in achieving its strategic roadmap for mid-to-high single digit average organic growth and improvement in operating margins.

Booz Allen Hamilton (Booz Allen) is a leading provider of consulting services to the US Department of Defence, intelligence community and civilian agencies. Booz Allen is benefitting from its strong position in cyber security and artificial intelligence as the US government priorities increasingly shift towards those areas. In May, Booz Allen reported its fourth quarter results which were above market expectations, including 9% revenue growth and 17% adjusted earnings per share (EPS) growth. Booz Allen also provided a better than expected revenue growth target of 7% to 11% for the next fiscal year. This guidance came before the resolution of the debt ceiling negotiations in the US and shortly following this, a debt ceiling deal was signed into law by US President Biden. We believe this resolution, which includes continued growth in budgets for the Department of Defence, provides upside to Booz Allen's earnings guidance. We expect Booz Allen will exceed market expectations and see this as a catalyst for further share price performance over coming quarters.

Market capitalisation (ASX: WGB)

\$667.7m*

Gross assets

\$777.6m

Listed equities

\$745.3m

Investment portfolio performance (pa since inception June 2018)

6.7%[^]

MSCI World Index (AUD): 10.4%

Dividends paid since inception (per share)

35.75c

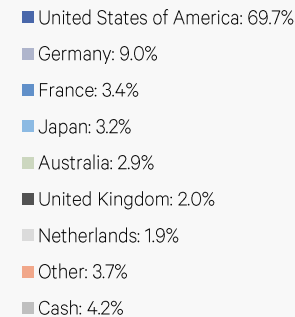
Annualised fully franked interim dividend yield

6.1%*

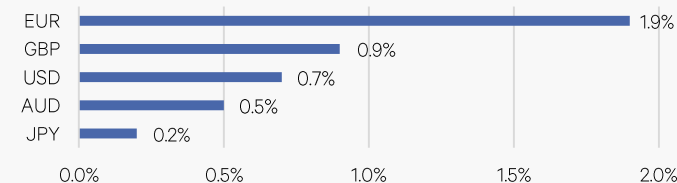
*Based on the 31 May 2023 share price of \$1.89 per share and the annualised FY23 fully franked interim dividend of 11.5 cents per share. WAM Global has 353,297,218 shares on issue.

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

Portfolio by geographical exposure

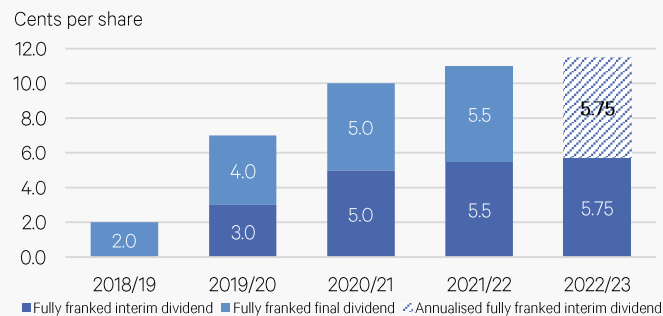


Cash currency exposure



History of fully franked dividends

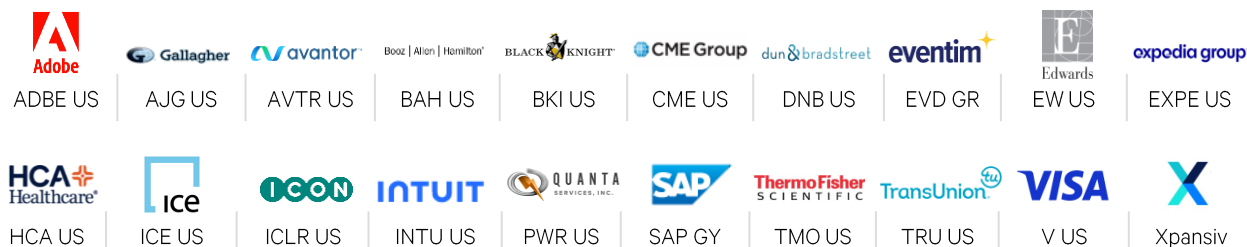
The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits. Currently, the franking account balance of the Company is able to partially frank the final dividend, assuming the final dividend is also 5.75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



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2023	220.14c	220.83c	224.62c
April 2023	219.59c	219.98c	223.97c

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 decreased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Contributors to the investment portfolio outperformance included online furniture and homeware retailer Temple & Webster Group (ASX: TPW) and corporate travel and expense management solution provider Serko (ASX: SKO).

Temple & Webster Group is an online furniture and homeware retailer running a drop-shipping model, whereby products are sent directly to customers by suppliers, enabling faster delivery times and reducing the need to hold inventory. In May, the company provided a trading update, stating that it has returned to year-on-year growth following a prolonged period where operations were impacted by the coronavirus pandemic. Temple & Webster Group reiterated its full-year guidance in the range of 3% to 5% earnings before interest, taxes, depreciation and amortisation (EBITDA) and noted its cash levels remain at approximately \$100 million with no debt. We are pleased to see the company's investment in artificial intelligence to enhance its customers' shopping experience and boost competitiveness, and believe this will be an advantage to the business by gaining market share.

Serko delivers travel and expense solutions in more than 35 countries around the world. During the month, Serko announced its full-year results ending 31 March 2023, with total revenue up 154% year-on-year to \$48 million, exceeding its revised guidance range of \$42 million to \$47 million. Its online bookings increased by 93% and recorded a 381% increase in occupied rooms via Booking.com for Business. Serko's results were reflective of its focus on cost discipline, investments to improve scale and growth as well as the strong recovery in business travel in Australia and New Zealand. We remain optimistic that it can achieve its guidance of \$63 million to \$70 million revenue in FY2024, and it's aspiration of \$100 million revenue in FY2025, as business travel improves and their partnership with Booking.com for Business continues to grow.

Market capitalisation (ASX: WMI)

\$304.9m*

Gross assets

\$271.0m

Listed equities

\$251.2m

Investment portfolio performance (pa since inception June 2017)

14.7%[^]

S&P/ASX Small Ordinaries Accumulation Index: 5.6%

Dividends paid since inception (per share)

49.0c

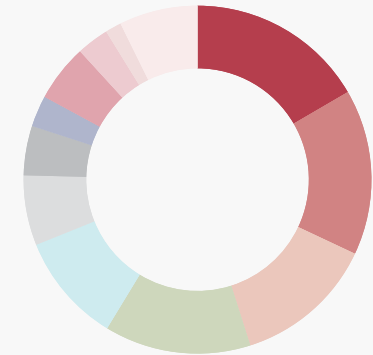
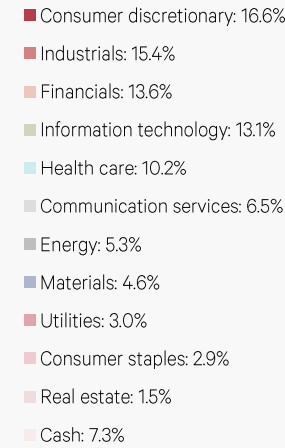
Annualised fully franked interim dividend yield

7.3%*

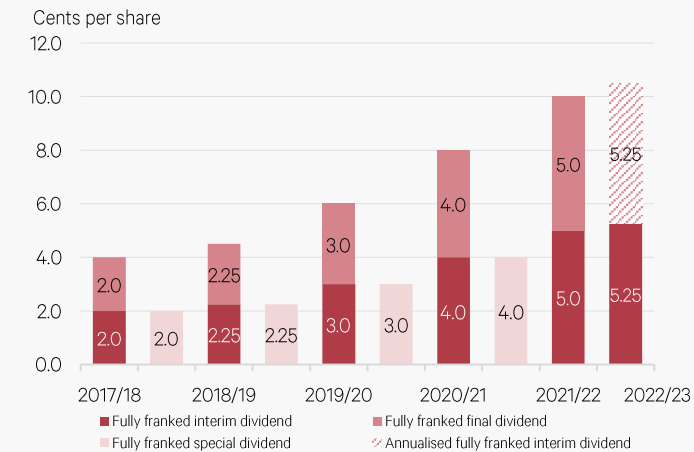
*Based on the 31 May 2023 share price of \$1445 per share and the annualised FY23 fully franked interim dividend of 10.5 cents per share. WAM Microcap has 210,979,923 shares on issue.

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

Diversified investment portfolio by sector



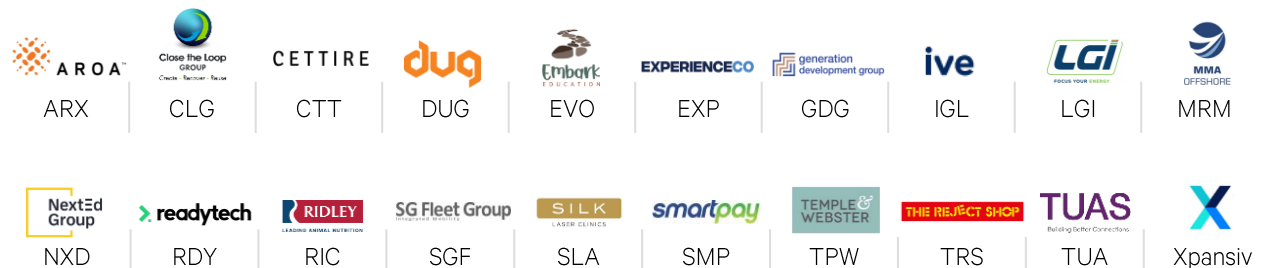
History of fully franked dividends



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
May 2023	127.02c	130.10c	128.30c
April 2023	129.91c	132.78c	130.33c

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 its private debt and private equity investments.

WAM Alternative Assets believes the active management approach of private equity is well suited to the current economic environment. Private equity investors focus on working with management teams to optimise operations and improve efficiencies in businesses, delivering strong outcomes for investors. We expect to see increased deal flow in private equity in Australia this year as valuations are becoming more attractive to buyers. Additionally, private equity investors have raised a significant amount of capital over the past few years, which they are now in a good position to invest.

Recently, WAM Alternative Assets made a co-investment, alongside its investment partner Fortitude Investment Partners, in a new private equity growth opportunity, The Energy Network (TEN). TEN supplies specialised tooling and equipment for the construction and maintenance of overhead and underground electrical networks in Australia and New Zealand. This investment aligns with one of our long-term investment themes, climate change.

TEN is well positioned to benefit from increasing investment into transmission grids and distribution networks as Australia transitions to renewable energy as part of various international commitments. The Australian Energy Market Operator's (AEMO) Integrated Systems Plan (ISP) for 2023 to 2028, which is a comprehensive roadmap for the efficient development of the National Electricity Market (NEM), has developed two primary pathways to deliver on a net zero target. The Progressive Change scenario achieves emission reduction targets gradually by 2050 and the Step Change scenario is a more rapid, consumer-led, transformation of the energy sector. Both pathways will require significant capital investment as Australia transitions away from coal power generation to renewables and makes updates to its existing aging infrastructure. AEMO's ISP found that the optimal transmission development pathway would require approximately 10,000km of additional transmission lines by 2050, with much of this being required in the first decade. This represents a build rate of more than four times the recent historical rate through to 2029, and a significant tailwind to TEN's growth potential.

Market capitalisation (ASX: WMA)

\$202.0m*

Gross assets

\$240.4m

Investment portfolio performance

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

12.3%[^]

Profits reserve (per share)

18.2c

Annualised fully franked interim dividend (per share)

5.0c

Based on the 31 May 2023 share price of \$1.035 per share. WAM Alternative Assets has 195,209,463 shares on issue.

Investment portfolio performance is before expenses, fees and taxes.

Asset Classes

Real assets

Agricultural assets and investments in perpetual water entitlements which can be sold or leased to irrigators to generate income.

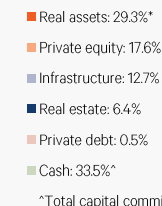
Private equity

Unlisted companies with long-term and accelerated growth potential.

Real estate

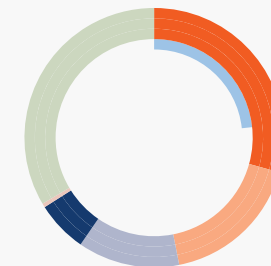
Domestic and international industrial, healthcare and office assets.

Asset class exposure



*Total capital commitments are 22.6%.

*Real assets includes:



Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	70.3	29.3	-	-
Private equity [†]	42.3	17.6	(1.6)	(3.6)
Infrastructure	30.5	12.7	(0.1)	(0.3)
Real estate [†]	15.4	6.4	(0.1)	(0.6)
Private Debt	1.3	0.5	0.2	18.2
Cash [^]	80.6	33.5	0.4	0.5
Grand total	240.4	100.0	(1.2)	(0.5)

[†]Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Barwon Institutional Healthcare Property Fund (\$9.7m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Allegro Fund IV (\$7.7m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.3m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, \$1.0m of tax was paid and \$0.5m of capital commitments to the Adamantem Capital Fund II was drawn down. [^]During the month, partial exit proceeds were received from our investment in the Hotel Funds (\$1.5m) and the Energy Storage Infrastructure Fund (\$0.2m) and final exit proceeds were received from our investment in the Revesby Industrial Income Fund (\$0.1m).

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
May 2023	123.14c [^]	121.62c	120.30c
April 2023	123.80c	121.85c	120.41c

[^]The NTA before tax is after the payment of \$1.0m (0.51 cents per share) in tax during the month.

Top holdings

Real assets



Water Fund

Pioneer and leading non-irrigator water investor in Australia

Strategic Australian Agriculture Fund

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

Private equity



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



A manufacturer of premium condiments, desserts and beverages

Infrastructure



Palisade's Diversified Infrastructure Fund

Palisade's Renewable Energy Fund

Private Debt



Australian Senior Loan Fund

Real estate

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 secured loan strategy



Last-mile logistics real estate strategy



Australian healthcare real estate strategy



Mid-market infrastructure strategy



Mid-market private equity strategy with a focus on healthcare



Turnaround, special situations and transformation private equity strategy

W | A | M Research

The most compelling undervalued growth opportunities in the Australian market.

The WAM Research (ASX: WAX) investment portfolio decreased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included enterprise software company TechnologyOne (ASX: TNE) and digital lottery company Jumbo Interactive (ASX: JIN).

TechnologyOne provides software-as-a-service (SaaS) enterprise resource planning to over 1,300 leading corporations, government agencies, local councils and universities. During the month, the company announced its FY2023 half year results, posting a record first-half profit with annual recurring revenue up 40%. TechnologyOne achieved revenue of \$200 million for the half year ended 31 March 2023, up 18%, and announced a 4.62 cents per share dividend, an increase of 10% compared to the prior year, underpinned by the growth in new customers and the conversion of existing customers to SaaS contracts. The company noted that it expects strong growth for the remainder of FY2023, with guidance of 10% to 15% growth in net profit before tax compared to the corresponding prior period. TechnologyOne also provided guidance of approximately 40% growth in its annual recurring revenue, achieved through the growth of its SaaS services. We remain confident in the company's ability to weather the sustained inflation and increasing interest rates, and look forward to seeing it execute its long-term investments in research and development.

Jumbo Interactive offers lottery software platform and management expertise to the government and charity lottery sectors. In May, the company provided an updated FY2023 outlook, noting that subdued jackpot activity and cost inflation was weighing on its short-term earnings outlook. In response, the company is taking a disciplined approach to cost management and significantly increasing its price from late May 2023. We believe that the demand for Jumbo Interactive's core product offering is relatively inelastic, whereby changes in prices won't drive a material change in customer behaviour, and add to revenue growth and margins into FY2024. We remain optimistic on Jumbo Interactive's growth prospects into FY2024 as price increases flow through and jackpot activity recovers.

Market capitalisation (ASX: WAX)

\$217.0m[#]

Gross assets

\$184.8m

Listed equities

\$161.6m

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

13.5%[^]

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

Dividends paid since inception (per share)

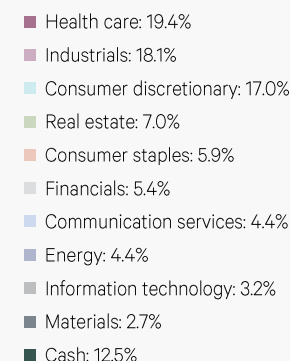
139.0c

Annualised fully franked interim dividend yield

9.3%[#]

[#]Based on the 31 May 2023 share price of \$1.08 per share and the annualised FY23 fully franked interim dividend of 10.0 cents per share. WAM Research has 200,885,140 shares on issue.
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies. Currently, the franking account balance of WAM Research is able to frank a portion of the final dividend, assuming the final dividend is also 5.0 cents per share. If no additional franking is generated, there is a possibility of future dividends being partially franked or unfranked.



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax**
May 2023	91.68c [^]	97.34c	98.02c
April 2023	94.03c	99.45c	99.56c

[^]The NTA before tax is after the payment of \$297k (0.15 cents per share) in tax during the month.
^{**}Includes 5.56 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

CAPITALHEALTH LIMITED CAJ	Estia Health EHE	Education GEM	healius HLS	HMC HMC	iph IPH	JOHNS LYNG GROUP JLG	KELSIAN CONNECTING PEOPLE & PLACES KLS	MAAS MGH	pro+medicus PME
PEXA PXA	reece group REH	RIDLEY RIC	SG Fleet Group SGF	SELECT HARVESTS SHV	thl THL	technologyone Transforming business, making life simple TNE	TUAS Building Better Connections TUA	VIVA Energy Australia VEA	Webjet Limited WEB

W | A | M *Active*

Market mispricing opportunities in the Australian market.

The WAM Active (ASX: WAA) investment portfolio decreased during the month. Information technology company Life360 (ASX: 360) was a contributor to the investment portfolio performance, while automotive retail group Eagers Automotive (ASX: APE) was a detractor.

Based in San Francisco, Life360's core app offering provides family safety services including location sharing and driver safety reporting. In May, Life360 reported its CY2023 first quarter results, posting a 34% year-on-year increase in its revenue to USD68.1 million. The company achieved its guidance of adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) a quarter early, driven by strong momentum in subscription revenue and cost efficiencies. Life360 expects to deliver subscription revenue growth in excess of 50% year-on-year in 2023, as well as positive adjusted EBITDA and operating cash flow of USD5 million to USD10 million. We are excited by the progress Life360 has achieved against its strategic objectives over the past year and the business' path to profitability in 2023 driven by its strong revenue momentum.

Eagers Automotive represents a diversified portfolio of automotive brands across Australia and New Zealand. The company owns and operates motor vehicle dealerships, sells new and used vehicles and facilitates automotive services. During the month, Eagers Automotive provided a business update in its Annual General Meeting, noting a number of challenges the company faced in the operating environment including port congestion, bio-security issues and the cost pressures that exist across the broader economy. While the business update subsequently caused the share price to decline, we were pleased to see that the company continued to experience strong demand for new and used vehicles and deliver a record underlying operating profit before tax of \$405.2 million and a record full-year underlying return on sales of 4.7% in 2022. Eagers Automotive reiterated its forecast growth in revenue of approximately \$1 billion for 2023, driven by acquisitions of car dealership groups in the ACT and South Australia, and momentum from new electric car brands BYD and Cupra. We continue to see upside in the value of the company and remain confident in its ability to execute its 2023 forecast.

Market capitalisation (ASX: WAA)

\$50.3m[#]

Gross assets

\$54.4m

Listed equities

\$50.8m

Investment portfolio performance (pa since inception Jan 2008)

9.7%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

89.7c

Annualised fully franked interim dividend yield

9.0%[#]

[#]Based on the 31 May 2023 share price of \$0.67 per share and the annualised FY23 fully franked interim dividend of 6.0 cents per share. WAM Active has 75,068,303 shares on issue.

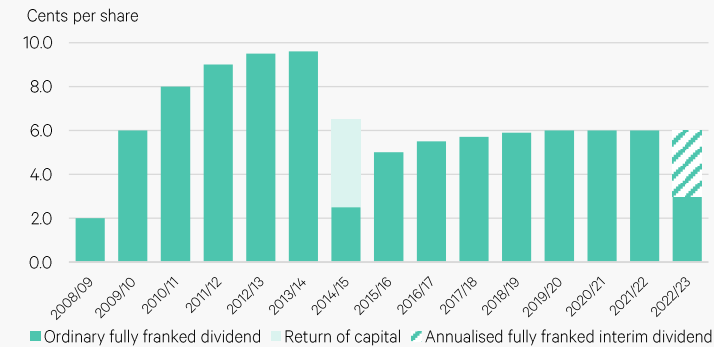
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on profits.



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
May 2023	72.12c [^]	81.29c	82.68c
April 2023	74.22c	82.85c	83.87c

[^]The NTA before tax is after the payment of \$300k (0.40 cents per share) in tax during the month.

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

Top 20 holdings (in alphabetical order)

