

November 2019 Investment Update

Pre-tax NTA

W | A | M *Capital* \$1.89

W | A | M *Leaders* \$1.30

W | A | M *Global* \$2.47

W | A | M *Microcap* \$1.43

W | A | M *Research* \$1.20

W | A | M *Active* \$1.07

Dear Fellow Shareholders,

The MSCI World Index (AUD) rose 4.7% during November as the US Federal Reserve continued to inject liquidity into the financial system, driving up asset prices. The S&P 500 Index rose 3.6% in local terms as US-China trade talks ended the month on a positive note. US jobs data released last week showed unemployment fell to a half-century low in November, significantly exceeding market expectations. Hopes for an end to the Brexit impasse grew as the UK approached its general election, with the UK FTSE 100 Index closing up 1.8% in local terms. Major central banks were quiet in November with further interest rate decisions not expected until 2020.

In Australia, the S&P/ASX All Ordinaries Accumulation Index increased 3.1%. Domestic house prices rebounded strongly with Sydney posting a 2.7% increase in November, the highest monthly growth rate since 1988. Weak employment data increased market expectations of a further 0.25% rate cut by the Reserve Bank of Australia in February 2020.

Listed investment companies

The Australian listed investment company (LIC) industry is almost 100 years old and has experienced many cycles since Whitefield Limited was first incorporated in 1923. LICs offer investors a superior investment structure and the current environment for LICs provides significant opportunities.

In 2002, I welcomed a “golden decade” of LICs which has extended to almost two decades and over 50 LICs have listed on the ASX since then. This significant growth is a result of LICs being superior investment vehicles. LICs are listed on the stock exchange and governed by a Board of Directors, adopt a long-term investment horizon because they are not influenced by inflows or outflows of capital, and provide a compelling retirement income solution. I recently wrote for the [Australian Financial Review](#) about LICs and the opportunities they present in the current environment.

\$1 million for Australians affected by bushfires and drought

In response to the devastating bushfires and drought facing regional and rural Australian communities, we announced an initiative to raise up to \$1 million. We have already raised more than \$400,000 together. Please encourage those you know to give even a little to the Foundation for Rural & Regional Renewal by visiting frrr.org.au/wam.

Shareholder Presentations

It was fantastic to see so many of our shareholders at our semi-annual Shareholder Presentations, which came to a close in November. We thoroughly enjoy our trips across Australia to meet with you and our 4^{1st} roadshow was no different. We especially had fun with our “buy, hold or sell” segment and our panel discussion highlighting your top five investment concerns. If you missed us this time, you can watch the [video](#). We would also love to hear your [feedback](#).

During our presentations we launched [WAM Academy Prep](#), our first step in addressing the gap in financial literacy by sharing our passion for investing.

Thank you to all who attended our presentations and to those who tuned in online. We hope to see you again in May 2020. Please keep in contact. Everyone at Wilson Asset Management wishes you and your family a safe and enjoyable festive season.

Good luck investing,



Geoff Wilson AO
Chairman &
Chief Investment Officer



W | A | M Research

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The WAM Research investment portfolio decreased 0.1% in November. The S&P/ASX All Ordinaries Accumulation Index rose 3.1% for the month.

Employment management service provider Smartgroup Corporation (ASX: SIQ) was a detractor from the portfolio performance in November. SIQ announced that its long-serving chief executive officer will retire in 2020, with the current chief financial officer to take up the position. We first invested in SIQ on the expectation the company could continue increasing market share in the novated lease and salary packaging space, as well as drive productivity on the back of their recent acquisitions. Shares in the company fell 13.6% on 18 November following the announcement. SIQ closed down 20.7% for the month.

A contributor to the portfolio in November was Australia's largest earth-moving equipment rental company, Emeco (ASX: EHL). The company has had a strong start to the 2020 financial year, securing new work in iron ore and gold projects in the western region of Australia and maintaining demand in the eastern region. EHL expects first half operating earnings before interest, tax, depreciation and amortisation (EBITDA) of between \$118 million and \$120 million, up 15% to 17% on the first half last financial year, with further growth expected in the second half of FY2020. We continue to hold EHL as demand for mining equipment is increasing and the company is rapidly deleveraging its business through prudent cash flow management. Shares in EHL closed up 12.6% for the month.

The below NTA figures are **after** the fully franked final dividend of 4.85 cents per share paid on 18 October 2019. The shares traded ex-dividend on 4 October 2019.

NTA before tax	Gross assets	Performance (pa since July 2010)
119.54c*	\$231.9m	16.5%

NTA after tax and before tax on unrealised gains	Listed equities	Fully franked dividend yield
119.15c	\$181.7m	6.7%#

NTA after tax	Market capitalisation	Dividends paid since inception (per share)
118.38c	\$276.7m [^]	104.30c

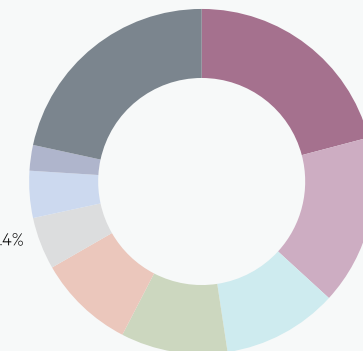
*The NTA before tax is after the payment of \$1.1m (0.59 cents per share) in tax during the month.

[^]Based on the 29 November 2019 share price of \$1.44 per share and 192,128,647 shares on issue.

#Based on the FY19 fully franked full year dividend of 9.7 cents per share.

Portfolio by sector

- Consumer Discretionary: 20.9%
- Industrials: 15.9%
- Financials: 10.8%
- Materials: 10.0%
- Information Technology: 9.1%
- Consumer Staples: 4.9%
- Telecommunication Services: 4.4%
- Health Care: 2.4%
- Cash: 21.6%



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AFG	AMAGROUP	AUSTAL LIMITED	BRICKWORKS	Breville	BWX	Credit Corp Group	city chic	CODAN	CSR	
AFG	AMA	ASB	BKW	BRG	BWX	CCP	CCX	CDA	CSR	
Domain	INFOMEDIA	IMDEX	JOHNS LYNG GROUP	Kathmandu	Obóz	MYER MY STORE	Perpetual	PSC INSURANCE GROUP	servicestream	VOCUS GROUP
DHG	IFM	IMD	JLG	KMD	MYR	PPT	PSI	SSM	VOC	

Performance at 30 November 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since change in investment strategy %pa (Jul-10)
WAX Investment Portfolio	-0.1%	9.3%	18.7%	8.6%	14.4%	17.1%	16.5%
S&P/ASX All Ordinaries Accumulation Index	3.1%	5.6%	25.9%	12.6%	10.1%	10.9%	9.8%
Outperformance	-3.2%	+3.7%	-7.2%	-4.0%	+4.3%	+6.2%	+6.7%

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

W | A | M Capital

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The WAM Capital portfolio increased 1.2% in November. The S&P/ASX All Ordinaries Accumulation Index rose 3.1% for the month.

Research-driven portion of the investment portfolio:

A contributor to the portfolio in November was Australia's largest earth-moving equipment rental company, Emeco (ASX: EHL). The company has had a strong start to the 2020 financial year, securing new work in iron ore and gold projects in the western region of Australia and maintaining demand in the eastern region. EHL expects first half operating earnings before interest, tax, depreciation and amortisation (EBITDA) of between \$118 million and \$120 million, up 15% to 17% on the first half last financial year, with further growth expected in the second half of FY2020. We continue to hold EHL as demand for mining equipment is increasing and the company is rapidly deleveraging its business through prudent cash flow management. Shares in EHL closed up 12.6% for the month.

Market-driven portion of the investment portfolio:

A significant contributor to the portfolio performance included financial services company and secure payment provider EML Payments (ASX: EML). EML announced the acquisition of Irish financial technology company Prepaid Financial Services for \$423 million in November, providing the company with a suite of digital banking and multi-currency offerings. EML also announced it entered into a multi-year agreement with global shopping mall operator Simon Property Group (NYSE: SPG) to provide payment card products to select Simon shopping malls and B2B distribution channels in the US. We first invested in EML as we were attracted to the growth profile and operating leverage of the business and have seen an improvement in the competitive landscape as banks have exited the space. We see further acquisition opportunities for EML and a strong earnings growth profile. Shares in EML closed up 19.7% for the month.

The below NTA figures are after the fully franked final dividend of 7.75 cents per share paid on 25 October 2019. The shares traded ex-dividend on 17 October 2019.

NTA before tax **Gross assets** **Performance (pa since Aug 1999)**

188.70c* \$1,375.9m 16.8%

NTA after tax and before tax on unrealised gains **Listed equities** **Fully franked dividend yield**

189.02c** \$1,124.9m 7.0%#

NTA after tax **Market capitalisation** **Dividends paid since inception (per share)**

190.19c** \$1,608.4m^ 238.50c

*The NTA before tax is after the payment of \$8.9m (123 cents per share) in tax during the month.

**Includes 0.83 cents per share of tax assets resulting from the acquisition of unlisted investment companies.

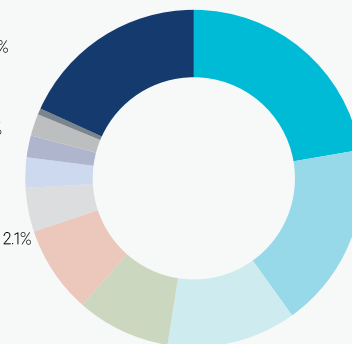
^Based on the 29 November 2019 share price of \$2.23 per share and 721,264,927 shares on issue.

#Based on the FY19 fully franked full year dividend of 15.5 cents per share.

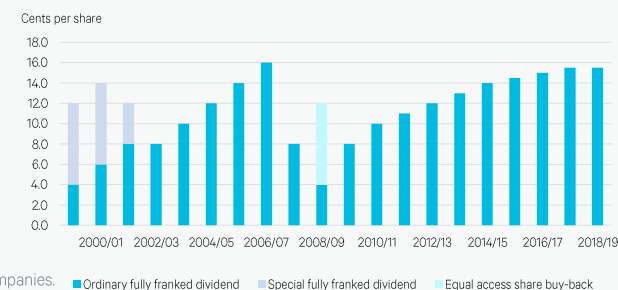
ASX: WAM

Portfolio by sector

- Consumer Discretionary: 22.3%
- Financials: 17.8%
- Industrials: 12.4%
- Information Technology: 9.0%
- Materials: 8.4%
- Consumer Staples: 4.2%
- Health Care: 2.9%
- Telecommunication Services: 2.1%
- Energy: 2.1%
- Real Estate: 0.6%
- Cash: 18.2%



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AFG	ARISTOCRAT	AMAGROUP	amcor	BRICKWORKS	Breville	BWX	CFL	CALTEX	Domain
AFG	ALL	AMA	AMC	BKW	BRG	BWX	CKF	CTX	DHG
idp	INFO MEDIA	IMDEX	kogan.com	MYER	PENGANA	Steadfast	servicesstream	PENGANA	VOCUS GROUP
IEL	IFM	IMD	KGN	MYR	PIA	SDF	SSM	TGG	VOC

Performance at 30 November 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Aug-99)
WAM Investment Portfolio	1.2%	9.3%	18.3%	9.5%	13.5%	13.8%	16.8%
S&P/ASX All Ordinaries Accumulation Index	3.1%	5.6%	25.9%	12.6%	10.1%	8.5%	8.7%
Outperformance	-1.9%	+3.7%	-7.6%	-3.1%	+3.4%	+5.3%	+8.1%
S&P/ASX Small Ordinaries Accumulation Index	1.6%	4.2%	16.6%	11.4%	10.8%	4.6%	5.7%
Outperformance	-0.4%	+5.1%	+1.7%	-1.9%	+2.7%	+9.2%	+11.1%

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

W | A | M Leaders

Actively investing in the highest quality Australian companies.

Portfolio update

The WAM Leaders investment portfolio increased 4.1% in November, outperforming the S&P/ASX 200 Accumulation Index which rose 3.3%. November saw global market performance driven by US-China trade negotiations and the UK election, as geopolitical noise continues to outweigh company fundamentals.

Significant contributors to the portfolio outperformance included global packaging company Amcor (ASX: AMC) and banking and financial services brand Virgin Money (ASX: VUK). AMC is a global leader in developing and producing flexible and rigid packaging, cartons and closures. The company continues to deliver strong volume growth in its United States segment following the acquisition of Bemis in June. We added to our position in AMC following a strong earnings result reported to the market in August. We continue to hold AMC as we see the ability for the company to deliver strong earnings growth in the future. Shares in AMC closed up 9.5% for the month.

Positive full year earnings results drove VUK's share price this month with the company reporting better-than-expected earnings and a capital preservation plan that included suspending the ordinary dividend to shareholders. This decision enables the company to continue the delivery of its long-term strategy and will provide capacity for any geopolitical shocks given the current uncertainty in Britain. We invested in VUK after Portfolio Manager John Ayoub's visit to the UK and continue to hold it in the portfolio in light of the progression on a resolution to Brexit. Shares in VUK closed up 29.3% for the month.

The below NTA figures are after the fully franked final dividend of 3.0 cents per share paid on 25 October 2019. The shares traded ex-dividend on 11 October 2019.

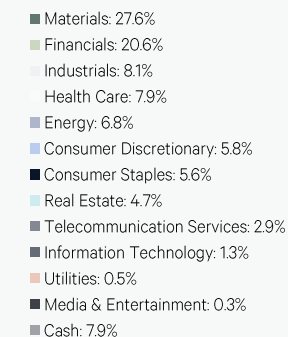
NTA before tax	Gross assets	Performance (pa since May 2016)
130.16c	\$1,025.9m	13.5%

NTA after tax and before tax on unrealised gains	Listed equities	Record fully franked full year dividend
129.37c	\$945.2m	5.65c

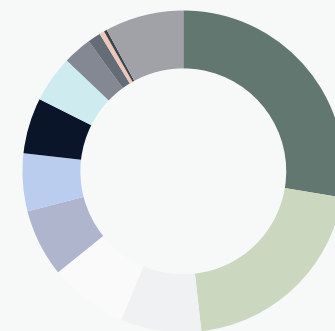
NTA after tax	Market capitalisation	Dividends paid since inception (per share)
126.10c	\$969.7m [^]	13.65c

[^]Based on the 29 November 2019 share price of \$1.235 per share and 785,142,815 shares on issue.

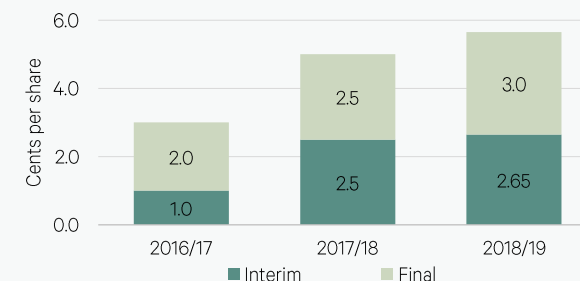
Portfolio by sector



ASX: WLE



History of fully franked dividends



Top 20 holdings (in alphabetical order)

ALL	AMC	BHP	BXB	CBA	CGF	CSL	FMG	GMG	MQG
NCM	ORA	QBE	RHC	RIO	STO	TLS	WES	WOW	WPL

Performance at 30 November 2019

	1 mth	Fin YTD	6 mths	1 yr	2 yrs %pa	Since inception %pa (May-16)
WLE Investment Portfolio	4.1%	8.0%	12.7%	29.6%	13.7%	13.5%
S&P/ASX 200 Accumulation Index	3.3%	5.3%	9.2%	26.0%	11.7%	11.7%
Outperformance	+0.8%	+2.7%	+3.5%	+3.6%	+2.0%	+1.8%

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

W | A | M Global

The world's most compelling undervalued growth companies.

Portfolio update

The WAM Global investment portfolio increased 4.1% in November. The MSCI World Index (AUD) rose 4.7% and the MSCI World SMID Cap Index rose 4.9% in AUD terms for the month.

Major equity markets rose in local terms during November: the US S&P 500 Index by 3.6%; UK FTSE 100 Index by 1.8%. Japan's TOPIX by 2.0%; and Euro Stoxx 50 Index by 2.8%. China's CSI 300 Index fell by 1.5%. The AUD weakened against the USD during the month.

Contributors to the portfolio performance included Logitech (SIX: LOGN), CDW (NASDAQ: CDW) and AON (NYSE: AON).

Founded in Switzerland in 1981, LOGN is a world leader in designing, manufacturing and marketing digital and cloud-based products. Highly innovative with leading in-house design capabilities, the company is evolving from products attached to the PC platform to becoming a leading cloud peripherals player. LOGN announced its results in late October, reporting improved gross margins despite concerns around China tariff headwinds. We expect LOGN to deliver double-digit sales and profit growth over the coming years. With a net cash balance sheet, LOGN has significant optionality regarding acquisitions and capital management. Shares in LOGN closed up 8.3% for the month in local terms.

Information technology (IT) services provider CDW delivered strong third quarter results with revenues up 10.5%, reporting strength across its government, corporate, healthcare and small business segments. Management raised 2019 earnings per share (EPS) guidance to a growth rate in the mid-teens. The company also announced a 28.9% increase in its quarterly dividend to \$0.38 per share. Since listing in June 2013, CDW's dividend has increased by almost nine times. CDW has returned more than \$2.7 billion to shareholders through share buy-backs and dividends and continues to enjoy significant tailwinds from corporate and government investment in IT. Shares in CDW closed up 5.9% for the month in local terms.

AON is a leading global provider of risk management services, insurance and reinsurance brokerage, and human resource consulting solutions. Founded in 1979 and headquartered in London, AON has been successfully driving organic growth higher and increasing margins using the AON United program. This is a program to create a common client leadership strategy across the world to increase collaboration across solution lines, improve sales effectiveness, strengthen its segmentation strategy and make it easier for staff to deliver maximum value to clients. The company has seen higher retention, new business wins and has captured a deeper share of existing clients' spend. We see ongoing opportunities for the business to realise further value from this program and believe the market is underestimating this potential. Shares in AON closed up 5.4% for the month in local terms.

The below NTA figures are after the inaugural fully franked dividend of 2.0 cents per share paid on 25 October 2019. The shares traded ex-dividend on 11 October 2019.

NTA before tax	Gross assets	Performance (pa since June 2018)
246.52c	\$524.1m*	10.9%
NTA after tax and before tax on unrealised gains	Listed equities	Cash weighting
246.45c	\$488.0m	6.9%
NTA after tax	Market capitalisation	Inaugural fully franked dividend
239.23c	\$470.3m [^]	2.0c

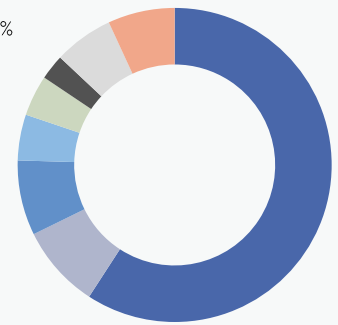
*Gross assets exclude the \$3.4m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

[^]Based on the 29 November 2019 share price of \$2.22 per share and 211,848,149 shares on issue.

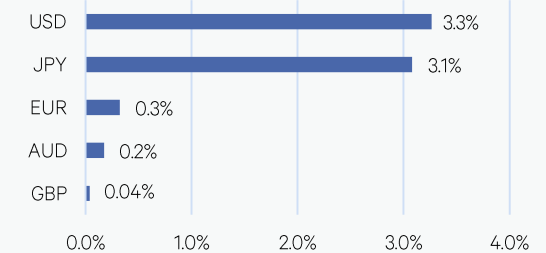
ASX: WGB

Portfolio by geographical exposure

- United States of America: 59.2%
- France: 8.6%
- United Kingdom: 7.7%
- Germany: 4.7%
- Australia: 4.2%
- Japan: 2.6%
- Other: 6.1%
- Cash: 6.9%



Cash currency exposure



Top 20 holdings (in alphabetical order)

神戸物産 KOBELCORP.LTD.	AIRBUS	AON	AMERICAN EXPRESS	CDW	CME Group	charles river	DIAGEO	eOne	eventim
3038 JP	AIR FP	AON US	AXP US	CDW US	CME US	CRL US	DGE LN	ETO LN	EVD GR
Hasbro	HCA Healthcare	IHS Markit	L3HARRIS FAST FORWARD	logitech	LVMH	S&P Global	ThermoFisher SCIENTIFIC	ULTA BEAUTY	United Technologies
HAS US	HCA US	INFO US	LHX US	LOGN SW	MC FP	SPGI US	TMO US	ULTA US	UTX US

Performance at 30 November 2019

	1 mth	3 mths	Fin YTD	6 mths	1 yr	Since inception %pa (June-18)
WGB Investment Portfolio	4.1%	2.7%	9.0%	13.4%	23.8%	10.9%
MSCI World Index (AUD)	4.7%	7.2%	9.9%	15.7%	23.6%	14.0%
Outperformance	-0.6%	-4.5%	-0.9%	-2.3%	+0.2%	-3.1%
MSCI World SMID Cap Index in AUD terms	4.9%	7.7%	9.2%	14.5%	21.9%	8.7%
Outperformance	-0.8%	-5.0%	-0.2%	-1.1%	+1.9%	+2.2%

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

W | A | M Microcap

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

Portfolio update

The WAM Microcap investment portfolio decreased 0.7% in November. The S&P/ASX Small Ordinaries Accumulation Index increased 1.6% for the month.

Online business lender Prospa (ASX: PGL) was a detractor for the portfolio in November. PGL provided investors with a market update on 18 November, where the company announced a revenue and EBITDA downgrade. PGL explained the downgrade as being a result of more premium customers taking up its loans, which are written at lower interest rates and allow borrowers to pay them back on longer terms. The market reacted negatively to the announcement with the share price dropping 27.5% on the day. We have sold our position in the company as a result.

A significant contributor to the performance of the portfolio was corporate bookmaker PointsBet (ASX: PBH). PBH operates in Australia and the US, with a scalable cloud-based wagering platform. In November, the company announced the successful completion of a \$122.1 million equity raising. Colorado recently legalised sports betting, and PBH looks to launch retail and mobile products in the state in 2020. We continue to hold PBH as it has the first mover advantage on the online sports betting market in the US, allowing the company to increase its market share quickly. Shares in PBH closed up 18.1% for the month.

The below NTA figures are after the fully franked final dividend of 2.25 cents per share and the fully franked special dividend of 2.25 cents per share paid on 18 October 2019. The shares traded ex-dividend on 4 October 2019.

NTA before tax **Gross assets** **Performance (pa since June 2017)**

142.67c \$207.4m 22.5%

NTA after tax and before tax on unrealised gains **Listed equities** **Fully franked full year dividend**

141.16c \$162.6m 4.5c

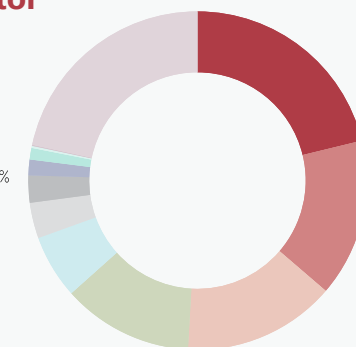
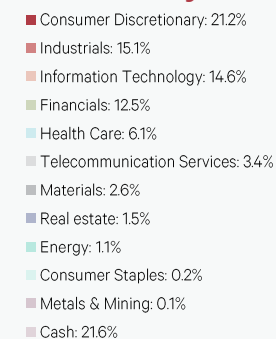
NTA after tax **Market capitalisation** **Fully franked special dividend**

136.32c \$215.0m[^] 2.25c

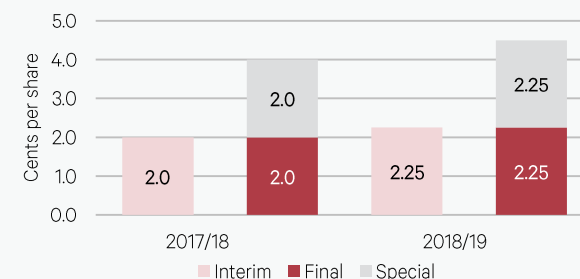
[^]Based on the 29 November 2019 share price of \$1.52 per share and 141,434,234 shares on issue.

ASX: WMI

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AFG	Alliance AIRLINES	aulosports.group [®]	bsa [®]	city chic	Class	circus	enero	HILLS.	INFO MEDIA
AFG	AQZ	ASG	BSA	CCX	CL1	CNW	EGG	HIL	IFM
JOHNS LYNG GROUP	Mitchell SERVICES	MotorCycle Holdings	MYER MY STORE	nvc National Veterinary Care	OptiComm More connected communities	PSC INSURANCE GROUP	PACIFIC SMILES GROUP	Quickstep	THINK Childcare Limited
JLG	MSV	MTO	MYR	NVL	OPC	PSI	PSQ	QHL	TNK

Performance at 30 November 2019

	1 mth	3 mths	Fin YTD	6 mths	1 yr	Since inception %pa (Jun-17)
WMI Investment Portfolio	-0.7%	9.8%	17.9%	19.0%	30.6%	22.5%
S&P/ASX Small Ordinaries Accumulation Index	1.6%	3.7%	4.2%	5.1%	16.6%	11.7%
Outperformance	-2.3%	+6.1%	+13.7%	+13.9%	+14.0%	+10.8%

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

W | A | M Active

Market mispricing opportunities in the Australian market.

Portfolio update

The WAM Active investment portfolio increased 2.4% in November.

Significant contributors to the portfolio performance included financial services company and secure payment provider EML Payments (ASX: EML) and medical product designer and manufacturer Fisher & Paykel Healthcare Corporation (ASX: FPH). EML announced the acquisition of Irish financial technology company Prepaid Financial Services for \$423 million in November, providing the company with a suite of digital banking and multi-currency offerings. EML also announced it entered into a multi-year agreement with global shopping mall operator Simon Property Group (NYSE: SPG) to provide payment card products to select Simon shopping malls and B2B distribution channels in the US. We first invested in EML as we were attracted to the growth profile and operating leverage of the business and have seen an improvement in the competitive landscape as banks have exited the space. We see further acquisition opportunities for EML and a strong earnings growth profile. Shares in EML closed up 19.7% for the month.

FPH is a leading designer, manufacturer and marketer of medical products based in New Zealand. FPH currently sells products in over 120 countries. The company recently announced its half year results, reporting a 24% increase in net profit after tax. The strong start to the 2020 financial year is attributed to the Hospital product group, which saw a 19% increase in operating revenue to a record \$353.6 million. FPH closed up 17.7% for the month.

The below NTA figures are after the fully franked final dividend of 2.95 cents per share paid on 18 October 2019. The shares traded ex-dividend on 4 October 2019.

NTA before tax **Gross assets** **Performance (pa since Jan 2008)**

107.04c \$50.7m 12.5%

NTA after tax and before tax on unrealised gains **Listed equities** **Fully franked dividend yield**

106.53c \$43.5m 5.5%[#]

NTA after tax **Market capitalisation** **Dividends paid since inception (per share)**

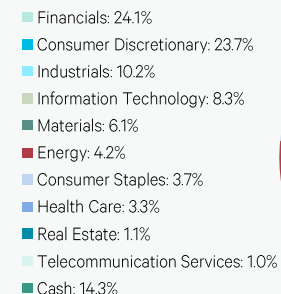
106.52c \$50.1m[^] 68.70c

[^]Based on the 29 November 2019 share price of \$1.08 per share and 46,400,066 shares on issue.

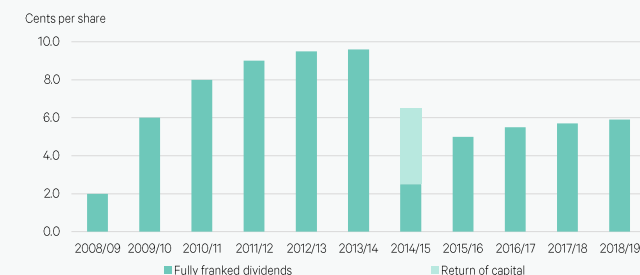
[#]Based on the FY19 fully franked full year dividend of 5.9 cents per share.

ASX: WAA

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

A2M	ALL	AMC	APT	APX	CKF	CTX	DMP	EML	ENN
EQT	GMA	IEL	IPH	KGN	NWH	PIA	SDF	SVW	TGG

Performance at 30 November 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio	2.4%	9.3%	18.3%	11.0%	12.6%	10.9%	12.5%
S&P/ASX All Ordinaries Accumulation Index	3.1%	5.6%	25.9%	12.6%	10.1%	8.5%	5.1%
Outperformance	-0.7%	+3.7%	-7.6%	-1.6%	+2.5%	+2.4%	+7.4%
Bloomberg AusBond Bank Bill Index (Cash)	0.1%	0.5%	1.6%	1.8%	2.0%	2.9%	3.3%
Outperformance	+2.3%	+8.8%	+16.7%	+9.2%	+10.6%	+8.0%	+9.2%

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