

January 2021 Investment Update

Pre-tax NTA

W A M <i>Capital</i>	\$1.81
W A M <i>Leaders</i>	\$1.31
W A M <i>Global</i>	\$2.49
W A M <i>Microcap</i>	\$1.61
W A M <i>Alternative Assets</i>	\$1.10
W A M <i>Research</i>	\$1.14
W A M <i>Active</i>	\$1.00

Dear Fellow Shareholders,

Market participants and observers were treated to an exciting development in January, where online retail investors coordinated an effort against Wall Street hedge funds short-selling companies with weak fundamentals, notably video game retailer [GameStop](#) (NYSE: GME), which rose 1,625.1% in local terms during the month. This additional dimension to the equity market will provide opportunities to investors.

Throughout the month, the euphoria that followed the development of the coronavirus vaccine subsided as logistic limitations for mass inoculation became clear in Europe and the US. Equities benefitted from newly inaugurated US President Joe Biden's unveiling of the American Rescue Plan, which includes a historic USD1.9 trillion stimulus package, and investors focused on better-than-expected earnings from US companies towards the end of the month. Despite reaching several new records in January, the S&P 500 Index fell 1.1% in local terms. The UK FTSE 100 Index fell 0.8%, the Euro Stoxx 600 Index 0.8% in local terms and the MSCI World Index (AUD) 0.4%. Japan's TOPIX Index rose 0.2% and China's CSI 300 Index 2.7% in local terms.

Following further stimulus measures from abroad, in early February the Reserve Bank of Australia (RBA) held its first board meeting for 2021 and announced a \$100 billion extension to its quantitative easing (QE) program, surpassing the market's expectations. While we believe the stimulus measures will benefit equities, we are ultimately of the view that the RBA is using non-traditional monetary measures to devalue the Australian dollar. The S&P/ASX All Ordinaries Accumulation Index rose modestly, up 0.3% for the month.

Our listed investment companies' HY2021 performance

We were pleased to announce the FY2021 unaudited interim results for our six equity-focused listed investment companies (LICs): [WAM Capital](#), [WAM Leaders](#), [WAM Global](#), [WAM Microcap](#), [WAM Research](#) and [WAM Active](#).

Pleasingly, we were able to increase or maintain the fully franked interim dividends across our six equity-focused LICs during a time when many companies and shareholders are facing dividend cuts, demonstrating the strength of the LIC structure. I recently spoke with the [Australian Financial Review](#) about what to consider when investing in LICs.

We also held FY2021 Interim Results Webinars with our [small-cap](#), [large-cap](#) and [global](#) investment teams. You can read coverage on Portfolio Manager John Ayoub's discussion on the outlook for dividends in the [Australian Financial Review](#).

Lead Portfolio Manager Oscar Oberg [explained](#) why he is optimistic this reporting season; Lead Portfolio Manager Catriona Burns [discussed](#) WAM Global's performance and increased fully franked interim dividend; and Lead Portfolio Manager Matthew Haupt [shared](#) his insights on the RBA's QE policy during the month.

WAM Global's Bonus Issue of Options

The WAM Global share price has performed strongly since the [Bonus Issue of Options](#) was announced, closing the discount to net tangible assets and is currently trading at a premium. We believe the one-for-one Bonus Issue of Options provides shareholders, the Investment Manager and the Company the opportunity to equitably and efficiently grow WAM Global's assets. All investors who purchase WAM Global shares on the ASX up until 9 March 2021 will be entitled to receive the Bonus Options, at no additional cost.

Each WAM Global Option provides holders with the right, but not the requirement, to purchase one additional WAM Global share for \$2.54 per Option, without paying brokerage fees. The Options will trade on the ASX under the code WGBO from 15 March 2021. The record date to determine entitlements under the Bonus Option Issue will be 11 March 2021.

WAM Capital's takeover of amaysim

WAM Capital's unconditional off-market takeover bid for amaysim Australia Limited (ASX: AYS) is [now open](#). Following the completion of the sale of amaysim's mobile business to Optus, WAM Capital waived all Defeating Conditions to the Offer and the Offer is now unconditional. I provided an update on the takeover Offer, which you can read [here](#). We look forward to welcoming amaysim shareholders to the Wilson Asset Management family, as we continue to grow WAM Capital to the benefit of all shareholders.

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

Share price*	\$2.12
NTA before tax	\$1.81
Cash weighting [^]	8.6%
Annualised fully franked interim dividend	15.5cps
Profits reserve [#]	19.8cps

W | A | M *Leaders*

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.405
NTA before tax	\$1.31
Cash weighting [^]	2.3%
Annualised fully franked interim dividend	7.0cps
Profits reserve [#]	25.0cps

W | A | M *Global*

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$2.61
NTA before tax	\$2.49
Cash weighting [^]	4.2%
Annualised fully franked interim dividend	10.0cps
Profits reserve [#]	43.0cps

W | A | M *Microcap*

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

ASX: WMI

Share price*	\$1.93
NTA before tax	\$1.61
Cash weighting [^]	7.6%
Annualised fully franked interim dividend	8.0cps
Profits reserve [#]	39.1cps

W | A | M *Alternative Assets*

Access to unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.00
NTA before tax	\$1.10
Cash weighting [^]	26.2%
Commencement date	14 October
Profits reserve [#]	5.6cps

W | A | M *Research*

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.67
NTA before tax	\$1.14
Cash weighting [^]	12.4%
Annualised fully franked interim dividend	9.9cps
Profits reserve [#]	37.8cps

W | A | M *Active*

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$1.13
NTA before tax	\$1.00
Cash weighting [^]	4.1%
Annualised fully franked interim dividend	6.0cps
Profits reserve [#]	12.0cps

*As at 11 February 2021.

[^]As at 11 February 2021 and includes 7.1% in AYS from the off-market takeover offer.

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

The WAM Capital investment portfolio increased during the month, with significant contributors including dairy company Bega Cheese (ASX: BGA) and building company Fletcher Building (ASX: FBU).

Bega Cheese is a leading Australian dairy and food company, employing 2,000 people and producing 236,000 tonnes of dairy products each year. The company is undertaking a strategic shift in its operations to move production and volume higher up the dairy value chain, de-risking exposure to pure commodity markets. In January, Bega announced the successful acquisition of Lion Dairy & Drinks for \$534 million. The acquisition will double the company's annual revenue to \$3 billion, strengthen Bega Cheese's dairy footprint and will see a significant expansion of the company's domestic distribution network.

Fletcher Building is a manufacturer of building products, a diversified construction business and partner on major infrastructure projects, with 10,000 employees across New Zealand, 5,000 in Australia and 800 across the South Pacific. Data from the Australian Bureau of Statistics (ABS) showed housing loan construction commitments rose 119% in 2020. A record low interest rate environment, together with accommodative policies from the Australian Government, such as the HomeBuilder's grant, will continue to support building materials companies such as Fletcher Building going forward and we expect earnings upgrades to come through at the upcoming first half result.

We discussed the current themes shaping the investment portfolio and shared a number of compelling stocks, including Seven West Media (ASX: SWM), Link Administration (ASX: LNK), Inghams Group (ASX: ING) and Fletcher Building (ASX: FBU) in our FY2021 Interim Results Webinar on 2 February 2021. You can access the recording [here](#).

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
Jan 2021	180.73c	184.16c	185.84c
Dec 2020	179.99c	183.46c	185.11c

*Includes 0.84 cents per share of tax assets resulting from the acquisition of unlisted investment companies and 8.03 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAM)

\$1,732.8m[#]

Gross assets

\$1,394.4m

Listed equities

\$1,314.9m

Investment portfolio performance (pa since inception Aug 1999)

16.3%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.3%

Dividends paid since inception (per share)

254.0c

Annualised fully franked interim dividend yield

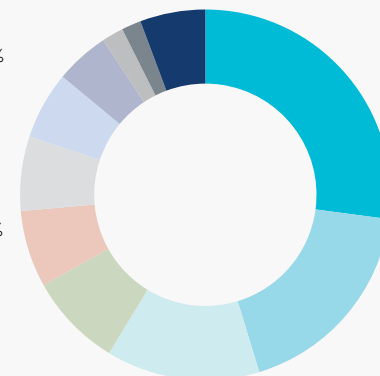
6.9%[#]

[#]Based on the 29 January 2021 share price of \$2.24 per share and the annualised FY21 fully franked interim dividend of 15.5 cents per share. WAM Capital has 773,550,999 shares on issue. During the month, 12,341,511 shares were issued as part of the CLF takeover offer.

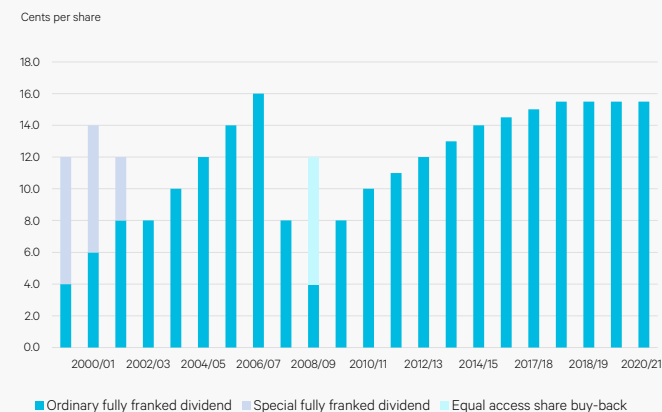
[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

Portfolio by sector

- Financials: 27.1%
- Consumer discretionary: 18.2%
- Industrials: 13.4%
- Information technology: 8.2%
- Consumer staples: 6.7%
- Materials: 6.5%
- Communication services: 5.9%
- Health care: 4.7%
- Energy: 1.9%
- Real estate: 1.7%
- Cash: 5.7%



History of fully franked dividends



*Annualised interim dividend.

Top 20 holdings (in alphabetical order)

AUI	BGA	BWX	CODAN	CIE	CLF	DOW	EHL	FBU	IFM
INA	LNK	MMS	PDL	PIA	SGR	SLK	SVW	TGG	VOC

W | A | M Leaders

Actively investing in the highest quality Australian companies.

The WAM Leaders investment portfolio increased during the month, outperforming the S&P/ASX 200 Accumulation Index. Significant contributors to the investment portfolio outperformance included manufacturing company Incitec Pivot (ASX: IPL) and diversified Australian conglomerate Wesfarmers (ASX: WES).

Incitec Pivot is a global diversified industrial chemicals company that manufactures and distributes industrial explosives, industrial chemicals and fertilisers. One of the key drivers of the company's share price is commodity prices. In January, ammonia, urea and DAP fertiliser prices rallied sharply, driven by improved seasonal conditions, strong soft commodity prices, constrained supply and improved industrial demand. This has more than offset the stronger AUD (partially mitigated by the company's foreign exchange hedging program) and higher natural gas prices, which are major costs to the company. We expect the fertiliser price momentum to continue to support the share price, with earnings upside outweighing potential headwinds facing the Australian coal market.

Wesfarmers is an Australian conglomerate with diverse business operations, owning household names including Bunnings, Kmart, Target, Catch and Officeworks. Wesfarmers also operates in multiple other industries with its Chemicals, Energy and Fertilisers (WesCEF) division and Industrial and Safety division. Bunnings and Officeworks have been notable beneficiaries of the coronavirus pandemic as Australians spent more time working and renovating at home, and recent retail sales data indicates this momentum is continuing into 2021. Bunnings is also set to leverage ongoing strength in the housing market, where we have seen record property prices and new housing loan approvals significantly beating expectations in January. A further catalyst for Wesfarmers is the potential for mergers and acquisitions, with approximately \$4 billion balance sheet capacity following the sell down of its stake in Coles last year. Wesfarmers has a strong track record of value enhancing transactions, and either a large acquisition or multiple bolt-ons will help diversify its growth runway over the coming years.

We discussed our views on the current reporting season and outlook for the Australian economy in our FY2021 Interim Results Webinar on 5 February 2021. You can access the recording [here](#).

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Jan 2021	131.21c	126.72c	126.92c
Dec 2020	130.20c	126.51c	126.21c

Market capitalisation (ASX: WLE)

\$1,137.1m*

Gross assets

\$1,108.0m

Listed equities

\$1,069.8m

Investment portfolio performance (pa since inception May 2016)

12.8%[^]

S&P/ASX 200 Accumulation Index: 8.6%

Dividends paid since inception (per share)

20.15c

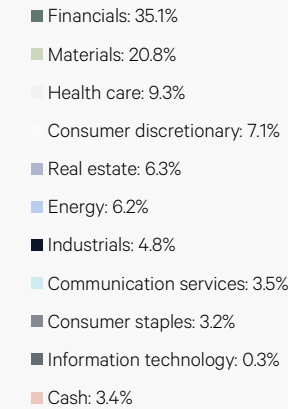
Annualised fully franked interim dividend yield

5.1%*

*Based on the 29 January 2021 share price of \$1.36 per share and the annualised FY21 fully franked interim dividend of 7.0 cents per share. WAM Leaders has 836,115,185 shares on issue.

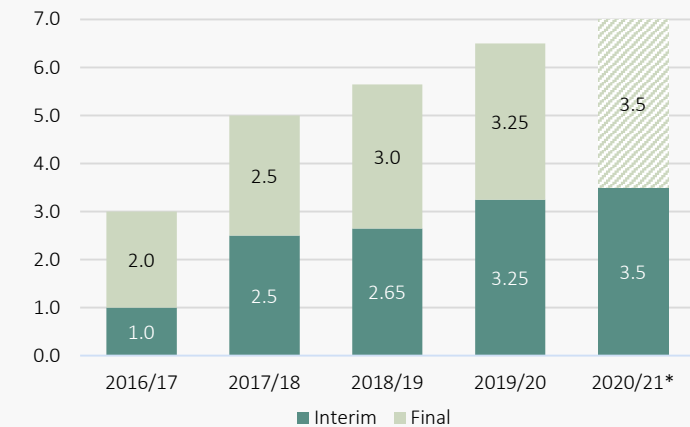
*Investment portfolio performance and index returns are before expenses, fees and taxes.

Portfolio by sector



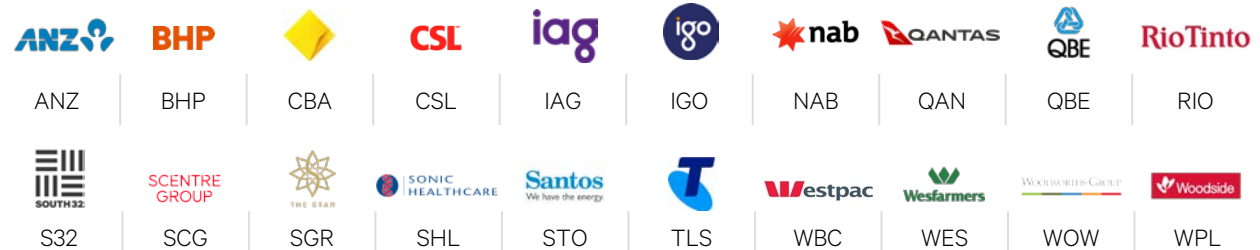
History of fully franked dividends

Cents per share



*Annualised interim dividend.

Top 20 holdings (in alphabetical order)



W | A | M Global

The world's most compelling undervalued growth companies.

The WAM Global investment portfolio declined during the month as concerns around the slower than expected rollout of coronavirus vaccines and market volatility caused by online retail traders impacted global equities. Significant contributors included technology conglomerate Tencent (HKG: 0700) and low-cost variety retailer B&M European Value Retail (LON: BME).

Hong Kong listed Tencent offers various internet-related services and products, including in entertainment, artificial intelligence, financial technology and communications and social platforms. The company is a dominant player in China's online consumer market in terms of revenue size and traffic volume and is a beneficiary of the growing middle class population in China. Its messaging, social media and payment platform, WeChat has more than 1.1 billion active users. In January, the company hosted a conference highlighting several future monetisation opportunities, including linking products with videos, opening the video and search functionality and increased advertisements. We see a number of near-term earnings tailwinds for Tencent, including the globalisation of its games business and industry consolidation leading to improving market share. We expect the gaming outlook to remain resilient with a long runway of double digit growth. Tencent also owns an approximately 20% of Kaishou (HKG: 1024), the recently listed video-sharing app company, which tripled its issue price on listing.

B&M is a leading retailer in the growing discount sector, selling a variety of grocery and homeware items. The company operates 673 stores in the UK and 104 in France. With a significant store rollout program underway, B&M has a superior disruptive multi-price model that differentiates it from the majority of discounters in the UK market. In a January trading update, B&M announced group revenue growth of 22.5% in the third quarter of its financial year, exceeding market expectations. The company also announced a special dividend of 20.0 pence per share. Throughout the coronavirus pandemic, B&M has benefitted from consumers being more cost conscious and the shift of wallet share to consumption at home. Renewed social distancing restrictions in the UK have supported earnings as B&M stores remained open throughout lockdowns, and newly acquired customers are repeating sales. We are attracted to the earnings resilience of B&M and are positive on the continued store rollouts in the UK and France.

We discussed our views on global equity markets and specific companies including Simply Good Foods Co (NASDAQ: SMPL), Carrier Global (NYSE: CARR), CVS Group (LON: CVSG), Komatsu (TYO: 6301), Intercontinental Exchange (NYSE: ICE) and Electronic Arts Inc. (NASDAQ: EA) in our FY2021 Results Webinar on 4 February 2021. You can access the recording [here](#).

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Jan 2021	248.73c	246.45c	242.98c
Dec 2020	250.50c	248.49c	244.22c

Market capitalisation (ASX: WGB)

\$516.9m[#]

Gross assets

\$530.5m^{*}

Listed equities

\$503.7m

Investment portfolio performance (pa since inception June 2018)

9.3%[^]

MSCI World Index (AUD): 9.3%

Annualised fully franked interim dividend

10.0c














Cash weighting

5.1%

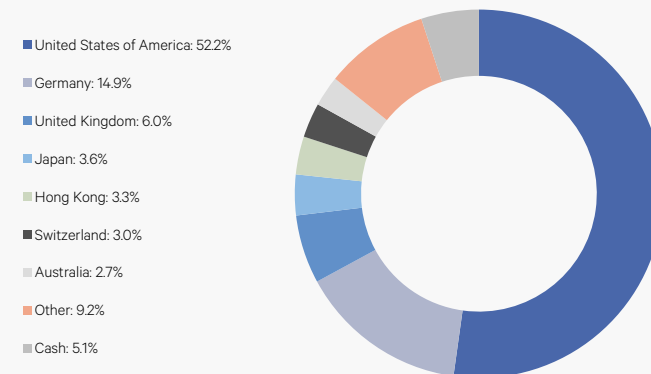
[#]Based on the 29 January 2021 share price of \$2.43 per share and 212,714,212 shares on issue.

^{*}Investment portfolio performance and index returns are before expenses, fees and taxes.

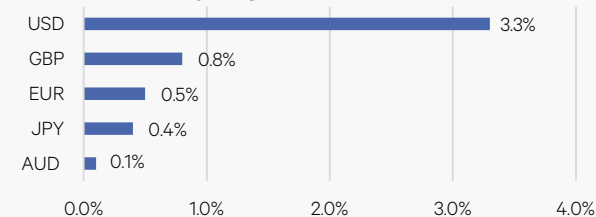
Top 20 holdings (in alphabetical order)

 3038 JP	 700 HK	 AON US	 APG US	 AVTR US	 AZPN US	 DB1 GY	 EA US	 FIS US	 FISV US
 H24 GR	 ICE US	 LOW US	 NOMD US	 SAX GR	 SMPL US	 SWON SW	 TMO US	 WEW GY	 ZBRA US

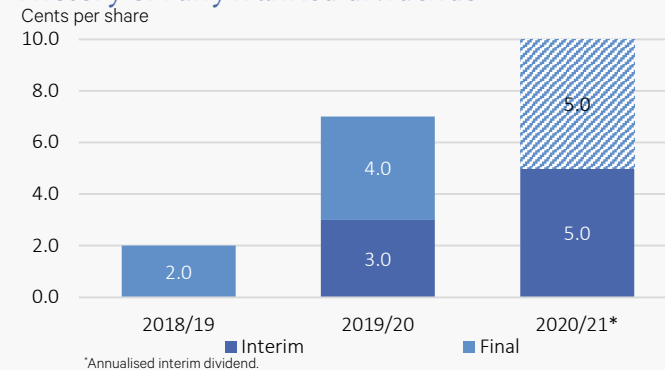
Portfolio by geographical exposure



Cash currency exposure



History of fully franked dividends



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, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Tyre wholesaler National Tyre & Wheel (ASX: NTD) and media company Seven West Media (ASX: SWM) were among the significant contributors.

National Tyre & Wheel operates entities in Australia, New Zealand and South Africa, supplying tyres and wheels to retailers and wholesalers. In January, the company announced all business units were exceeding expectations and increased earnings guidance for its FY2021 interim results, with operating earnings before interest, tax, depreciation and amortisation expected to be between \$15.0 million and \$15.5 million, up from \$11.5 million to \$12.5 million. Following the acquisition of competitor Tyres4U in July, we expect National Tyre & Wheel to deliver substantial synergies over the next few years.

Seven West Media owns the Seven Network, which produces popular television shows such as Home and Away and newspapers such as The West Australian. We are positive about the company's recent appointment of Chief Executive Officer James Warburton and his strategy to improve ratings and sell non-core assets. Seven West Media has also benefitted from a cost out program implemented during the onset of the coronavirus pandemic, which will support earnings given the increase in television advertising expenditure. We expect earnings upgrades and divestments to be key catalysts for the company in its half year result.

We discussed the current themes shaping the investment portfolio and shared a number of compelling stocks, including Seven West Media (ASX: SWM), Link Administration (ASX: LNK), Inghams Group (ASX: ING) and Fletcher Building (ASX: FBU) in our FY2021 Interim Results Webinar on 2 February 2021. You can access the recording [here](#).

Market capitalisation (ASX: WMI)

\$372.1m[#]

Gross assets

\$341.2m

Listed equities

\$306.7m

Investment portfolio performance (pa since inception June 2017)

23.8%[^]

S&P/ASX Small Ordinaries Accumulation Index: 10.3%

Dividends paid since inception (per share)

21.75c

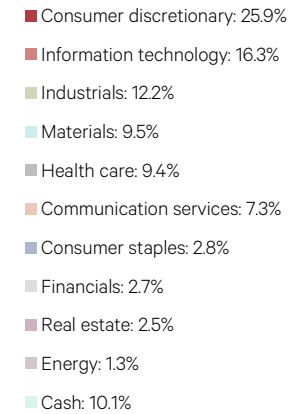
Annualised fully franked interim dividend

8.0c

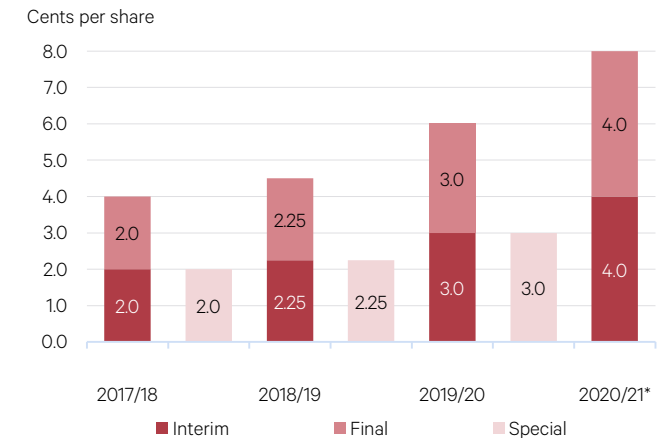
[#]Based on the 29 January 2021 share price of \$1.80 per share. WAM Microcap has 206,697,507 shares on issue.

[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

Portfolio by sector



History of fully franked dividends



*Annualised interim dividend

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
Jan 2021	160.82c	157.55c	150.23c
Dec 2020	158.54c	155.61c	148.63c

Top 20 holdings (in alphabetical order)

Alliance AQZ	AV AUSTRALIAN VINTAGE LTD AVG	CAPITOL HEALTH LIMITED CAJ	CEDAR WOODS CWP	dusk DSK	enero EGG	Estia Health EHE	evolve education group EVO	generation development group GDG	INFO MEDIA IFM
maca MLD	MotorCycle holdings MTO	National Tyre & Wheel NTD	PEOPLE INFRASTRUCTURE PPE	SHAVEN SHOP SSG	7M SWM	THE REJECT SHOP TRS	VISTA VGL	virtus HEALTH VRT	VIVA LEISURE VVA

W | A | M *Alternative Assets*

Access to unique opportunities beyond traditional assets

WAM Alternative Assets recently welcomed two new investment partners, Palisade Investment Partners and Barwon Property Funds Management, and is in the process of finalising commitments to Palisade Diversified Infrastructure Fund (PDIF) and Barwon Institutional Healthcare Fund (BIHPF). These new investments utilise the investment portfolio's available cash and are consistent with the focus on current megatrends with strong tail winds. We were also pleased to see the successful sale of Fortitude Investment Partners' (FIP) Better Medical business in January.

Palisade Investment Partners is a specialist infrastructure funds manager providing dedicated asset management services, investing predominantly in Australian infrastructure. Since inception in 2007, Palisade has grown the PDIF portfolio to \$1.3 billion by investing in over 20 high quality infrastructure assets and delivering strong returns, driven by yield and capital appreciation. The addition of PDIF to WAM Alternative Assets investment portfolio provides diversification, access to strong yield and an investment opportunity set with attractive underlying market fundamentals. Barwon is a boutique fund manager focused on Australian real estate, and in 2016, was one of the first fund managers in Australia to launch a dedicated healthcare real estate strategy for institutional investors. Healthcare real estate has attractive fundamentals, supported by growing demand for healthcare services driven by a rapidly ageing population and is at the same time restricted by supply of assets. This sector differentiates itself by long lease contracts (often over 10 years), fixed or CPI linked rental increases and the potential for further capital appreciation. BIHPF is a growing portfolio of 16 high quality healthcare property assets with quality tenants, such as Health Care, Healthscope and Calvary.

Fortitude Investment Partners successfully completed the sale of the Better Medical business in January 2021 at a substantial premium to the equity invested. Our 31 December 2020 net tangible assets saw an increase driven by the investment in the Better Medical Fund as the sale transaction was nearing completion. FIP helped the business execute its strategic growth plan to become the leading provider of mixed billing family medical clinics around Australia, growing from six clinics in South Australia to 35 clinics across South Australia, Tasmania, Victoria and Queensland. The transaction demonstrates the strong capabilities of the FIP team in adding value to the businesses, growing the portfolio companies and executing complex transactions.

Market capitalisation (ASX: WMA)

\$195.8m*

Gross Assets

\$212.0m

Share Price

\$1.01

Pre-tax net tangible assets

\$1.10

*Based on 193,829,724 shares on issue.

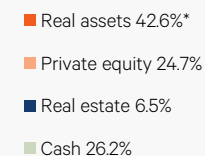
About WAM Alternative Assets

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



*Total water entitlements exposure is 32.5%.

Portfolio structure	Current value (\$m)		+/- Prior month	
	\$m	%	\$m	%
Real assets	90.3	42.6	(1.9)	(2.1)
Private equity	52.4	24.7	(2.2)	(4.0)
Real estate	13.9	6.5	0.1	0.7
Cash*	55.4	26.2	6.1	12.4
Grand total	212.0	100.0	2.1	1.0

*Includes a \$13m capital commitment to the Strategic Australian Agriculture Fund.

Real Assets

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

Private Equity

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

Real Estate

A portfolio of domestic and international industrial and office assets.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
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Jan 2021	109.61c	109.76c	108.82c
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Dec 2020	108.57c	108.86c	107.85c
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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

Real Estate



2 Rector Street, Manhattan, New York

441 Ninth Avenue, Manhattan, New York



Darra Industrial Income Fund, Queensland

Revesby Industrial Income Fund, New South Wales

The WAM Research investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Dairy company Bega Cheese (ASX: BGA) and integrated poultry Inghams Group (ASX: ING) were among the significant contributors.

Bega Cheese is a leading Australian dairy and food company, employing 2,000 people and producing 236,000 tonnes of dairy products each year. The company is undertaking a strategic shift in its operations to move production and volume higher up the dairy value chain, de-risking exposure to pure commodity markets. In January, Bega announced the successful acquisition of Lion Dairy & Drinks for \$534 million. The acquisition will double the company's annual revenue to \$3 billion, strengthen Bega Cheese's dairy footprint and will see a significant expansion of the company's domestic distribution network.

Inghams Group is the largest integrated poultry producer across Australia and New Zealand, supplying major retailers, food service distributors and wholesalers with turkey, stock feed and dairy feed. The volume of demand for chicken and poultry products has remained high across Australia as chicken remains more affordable compared to other proteins, such as seafood and red meat. Additionally, the recent record crop on the East coast of Australia has seen increased grain volumes which we expect will lower feed costs over the medium term.

We discussed the current themes shaping the investment portfolio and shared a number of compelling stocks, including Seven West Media (ASX: SWM), Link Administration (ASX: LNK), Inghams Group (ASX: ING) and Fletcher Building (ASX: FBU) in our FY2021 Interim Results Webinar on 2 February 2021. You can access the recording [here](#).

Market capitalisation (ASX: WAX)

\$319.4m[#]

Gross assets

\$227.8m

Listed equities

\$196.8m

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

15.7%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.9%

Dividends paid since inception (per share)

114.1c

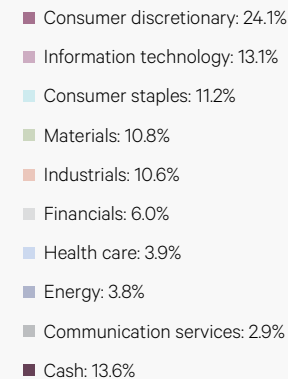
Annualised fully franked interim dividend yield

6.0%[#]

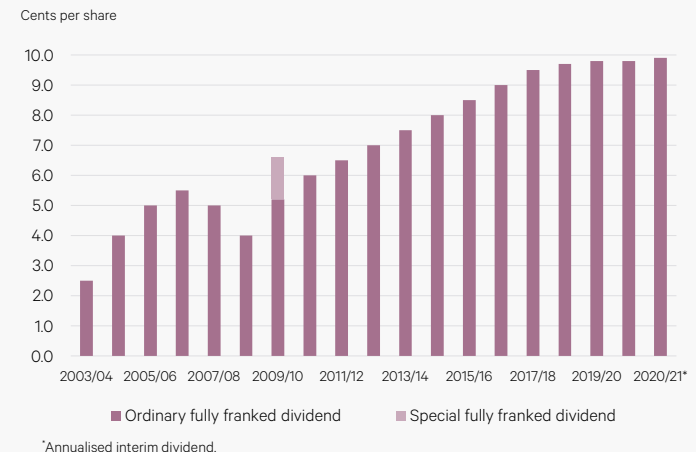
[#]Based on the 29 January 2021 share price of \$1.64 per share and the annualised FY21 fully franked interim dividend of 9.9 cents per share. WAM Research has 194,743,490 shares on issue.

[^]Investment portfolio performance and index returns are before expenses, fees and taxes.

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*
Jan 2021	114.32c	115.27c	114.56c
Dec 2020	113.87c	115.12c	114.25c

*Includes 5.73 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, with workforce services administrator McMillan Shakespeare (ASX: MMS) contributing to the investment portfolio in January while financial technology and payments company Tyro Payments (ASX: TYR) was a detractor.

McMillan Shakespeare is Australia's largest provider of salary packaging, novated leasing, consumer and fleet financing and management services. The company manages more than 290,000 employee benefit programs and over 70,000 vehicles throughout Australia, New Zealand and the United Kingdom. In January, the company announced it expects underlying net profit after tax for the first half of FY2021 to be \$42.7 million, up from \$37.8 million in the first half of FY2020. We believe the low interest rate environment, strong consumer confidence and a strong market for new car sales will benefit fleet and novated leasing companies over the next 12 months.

Tyro Payments is Australia's largest EFTPOS provider outside of the big four banks. In January, Tyro experienced a terminal connectivity issue that caused full outages across 19% of merchants using Tyro Payments' payment terminals. In mid-January, the company entered into a four day trading halt and on 27 January announced terminal operations return to pre-incident levels. We exited our position in Tyro in early January.

We discussed the current themes shaping the investment portfolio and shared a number of compelling stocks, including Seven West Media (ASX: SWM), Link Administration (ASX: LNK), Inghams Group (ASX: ING) and Fletcher Building (ASX: FBU) in our FY2021 Interim Results Webinar on 2 February 2021. You can access the recording [here](#).

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
Jan 2021	100.22c	102.84c	102.84c
Dec 2020	100.43c	102.97c	102.97c

*Includes 4.14 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAA)

\$52.0m[#]

Gross assets

\$48.2m

Listed equities

\$45.8m

Investment portfolio performance (pa since inception Jan 2008)

12.0%[^]

Bloomberg AusBond Bank Bill Index (Cash): 3.1%

Dividends paid since inception (per share)

74.7c

Annualised fully franked interim dividend yield

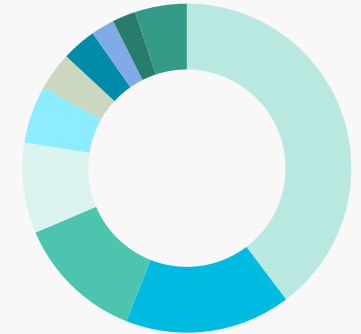
5.4%[#]

[#]Based on the 29 January 2021 share price of \$1.11 per share and the annualised FY21 fully franked interim dividend of 6.0 cents per share. WAM Active has 46,806,096 shares on issue.

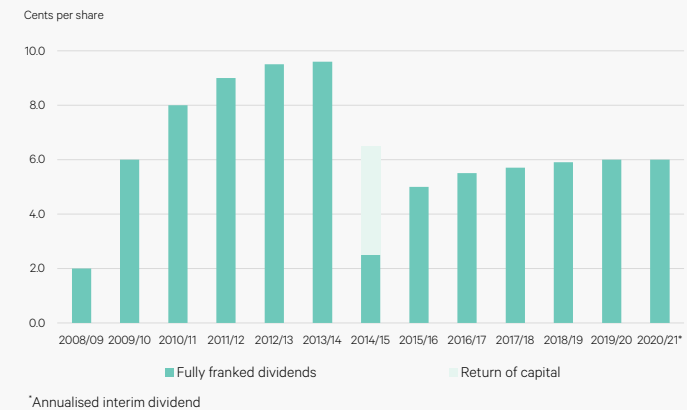
[^]Investment portfolio performance is before expenses, fees and taxes.

Portfolio by sector

- Financials: 39.7%
- Industrials: 16.3%
- Consumer discretionary: 12.6%
- Communication services: 8.9%
- Health care: 5.7%
- Information technology: 3.7%
- Real estate: 3.4%
- Consumer staples: 2.3%
- Materials: 2.3%
- Cash: 5.1%



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AUI	CKF	DOW	EHL	GNC	HLS	INA	KBC	MMS	OML
PDL	PIA	PMV	RHC	SDF	SGR	SIQ	TGG	VOC	VUK