

2021 March Quarter

Geoff Wilson AO
Chairman & Chief
Investment Officer



Catriona Burns
CFA
Lead Portfolio
Manager



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Portfolio update

The March quarter saw a continued rise in major global equity markets driven by the vaccine roll out and renewed fiscal stimulus.

We witnessed a rotation out of previously favoured technology companies and towards cyclical stocks. Increased optimism over growth prospects drove up inflation expectations and interest rates, which impacted fixed income markets with US 10-year Treasury bills suffering their worst quarter since 1980.

In the US, President Biden signed into law his first stimulus package, totalling USD1.9 trillion, targeted towards individuals and state and local governments. Subsequently, a USD2.2 trillion infrastructure package has been proposed and is under debate. The proposed package would benefit transportation, water and electricity infrastructure, however, the proposal also includes increases to individual and corporate tax rates, which could reduce US stock market earnings if enacted.

As a result of stimulus and a successful vaccine roll out, expectations for growth in the US have been upgraded to the benefit of cyclical stocks. This has led to the view that inflation will increase this year. While the Federal Reserve holds that this will be transitory, inflation remains a watch item. If higher inflation becomes embedded in forward expectations beyond 2021 it would have a material impact on global equity markets. The US market returned 5.8% in local terms over the quarter (+6.8% in AUD terms).

In Europe, the vaccine roll out has been poorly administered. At quarter end, only 12% of Europe's population had received at least one dose of a coronavirus vaccine compared with 50% of Britons and 30% of Americans. With rising cases, France entered their third national lockdown and Germany is contemplating another strict lockdown. While this delays the reopening in the EU, and thus the earnings trajectory of re-opening linked stocks, it is unlikely to permanently shift behaviours and we believe a reopening remains the base case over the coming year. European markets returned 7.7% in local terms over the quarter (4.5% in AUD terms).

During the quarter, Japanese markets returned 8.3% in local terms (1.9% in AUD terms). With one of the slowest roll outs of vaccines globally (less than 1% of the population receiving at least one dose as at quarter end), Japan has seen a recent increase in coronavirus cases. This has impacted recent economic data, with manufacturing PMIs missing expectations in March and diverging from strong recoveries seen in the US and EU. As the Summer Olympic Games commence in July, bringing coronavirus under control will be a key priority for the Japanese government.

During the financial year, we shifted the portfolio towards cyclical reopening stocks and reduced exposure to growth and defensive sectors. This shift continued in the March quarter and benefitted the investment portfolio as cyclical stocks outperformed

the broader market. While we continue to invest in stocks that we believe will benefit from the coming economic reopening, we maintain our disciplined investment process of finding undervalued growth companies with strong management teams and a catalyst to unlock value.

We observe that when a theme becomes commonly accepted, including digital economy stocks in 2020 and reopening stocks in 2021, it is often the case that stock prices are bid up to the point where even a good set of outcomes for the company will not yield a good set of outcomes for the investor. We avoid these situations, and instead invest where we believe growth, quality and thematic tailwinds are not priced in, allowing us to benefit when those tailwinds come to pass.

We believe the investments held in the portfolio offer strong risk return characteristics and are set to benefit from several key drivers, including:

- Health and wellness: Avantor (NYSE: AVTR), ICON (NASDAQ: ICLR), Thermo Fisher Scientific (NYSE: TMO) and The Simply Good Foods Company (NASDAQ: SMPL);
- Payments: Fiserv (NASDAQ: FISV), Fidelity National Information Services (NYSE: FIS) and Visa (NYSE: V);
- E-Commerce: home24 (ETR: H24) and Westwing Group (ETR: WEW); and
- Cyclical re-opening winners: Ströer SE and Co (ETR: SAX), Carrier Global (NYSE: CARR), API Group (NYSE: APG), Ferguson (LON: FERG) and Aspen Technology (NASDAQ: AZPN).

To highlight one thematic driver, we remain optimistic on the opportunity in health and wellness. Biotech science is advancing rapidly, evidenced by the unprecedented pace of development of mRNA vaccines and the significant improvements occurring in cell and gene therapy and monoclonal antibodies and supported by historically high funding levels, with 2020 being one of the strongest years for biotech funding with over USD22 billion of capital raised. We have positioned the WAM Global investment portfolio to benefit from this thematic by holding life-sciences companies Avantor, Thermo Fisher Scientific, and ICON, a clinical research organisation that assists biotech and pharmaceutical firms in the development and approval process of drug development.

Although the pace at which countries vaccinate their populations and the point at which they fully reopen will vary, we believe Australia presents an example of what the future will hold. While we believe certain behaviours have permanently shifted, including in cloud adoption, eCommerce and payments, our view is that populations will largely return to pre-coronavirus behaviours including commuting to the office, dining out, travelling and seeing live entertainment.

Though wary of areas of the market with signs of excess, we continue to find attractive opportunities that fit our investment process. We ended the quarter with cash at 4.8%.

Performance	3	Fin	1	Since
as at 31 March 2021	mths	YTD	yr	inception
				%pa
				(Jun-18)
WGB Investment Portfolio [†]	6.3%	22.8%	28.7%	11.3%
MSCI World Index (AUD)	6.3%	16.7%	23.8%	11.3%
Outperformance	+0.0%	+6.1%	+4.9%	+0.0%
MSCI World SMID Cap Index in AUD terms	8.8%	26.3%	38.7%	9.3%
Outperformance	-2.5%	-3.5%	-10.0%	+2.0%

WAM Global Bonus Issue of Options

WAM Global shareholders received a one-for-one **Bonus Issue of Options** during the quarter. The Board of Directors is excited by the opportunity to significantly grow WAM Global's assets to the benefit of all shareholders.

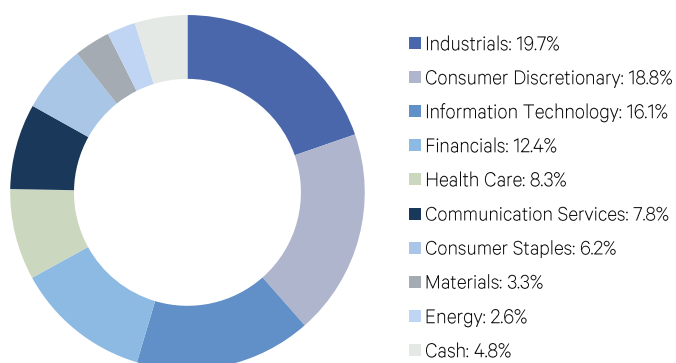
[†]Investment portfolio performance and index returns are before expenses, fees and taxes.

WAM Global top 20 holdings

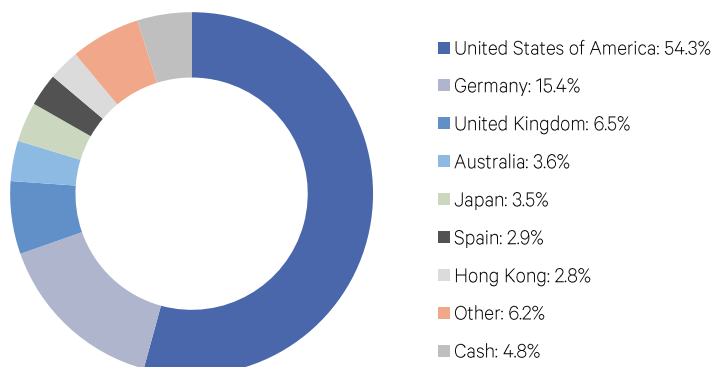
as at 31 March 2021

Code	Company	Country of domicile	Description	Portfolio Weightings
VOW GR	Volkswagen AG	Germany	Automotive manufacturer	3.5%
FISV US	Fiserv Inc	United States	Financial services company	3.4%
AVTR US	Avantor Inc.	United States	Life sciences tools and services company	3.2%
ICE US	Intercontinental Exchange Inc.	United States	Financial and commodity markets exchange	2.9%
APG US	APi Group Corporation	United States	Building services and specialty contractor	2.6%
V US	Visa Inc.	United States	Payments technology company	2.5%
FIS US	Fidelity National Information Services Inc.	United States	Financial services company	2.5%
CARR US	Carrier Global Corporation	United States	HVAC and refrigeration manufacturer	2.5%
ICLR US	ICON Plc	United States	Healthcare contract research organisation	2.4%
LOW US	Lowe's Companies Inc.	United States	Home improvement retail company	2.2%
SAX GR	Ströer SE & Co. KGaA	Germany	Advertising and internet services company	2.2%
FERG LN	Ferguson Plc	United Kingdom	Plumbing and HVAC distributor	2.1%
NOMD US	Nomad Foods Limited	United Kingdom	Frozen food company	2.1%
EA US	Electronic Arts Inc.	United States	Video game and entertainment company	2.0%
AZPN US	Aspen Technology	United States	Industrial process optimisation software company	2.0%
SMPL US	The Simply Good Foods Company	United States	Nutritional snack food company	2.0%
6301 JP	Komatsu Limited	Japan	Construction and mining machinery manufacturer	2.0%
ADS GY	Adidas AG	Germany	Athletic shoes and apparel manufacturer	2.0%
TMO US	Thermo Fisher Scientific Inc.	United States	Life sciences tools and services company	1.9%
DB1 GY	Deutsche Börse AG	Germany	Financial and commodity markets exchange	1.9%

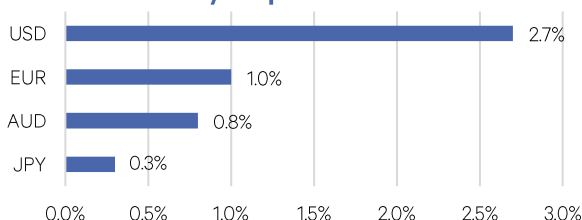
Portfolio composition by sector



Portfolio composition by domicile



Cash currency exposure



Market capitalisation

\$541.9m*

Gross assets

\$569.4m

Listed equities

\$541.9m

Annualised fully franked interim dividend

10.0c

Profits reserve

53.0c

*Based on the 31 March 2021 share price of \$2.53 per share. WAM Global has 214,200,256 shares on issue as at 31 March 2021.

The above figures are not adjusted for the 211,005,532 options on issue, as at 31 March 2021, with an exercise price of \$2.54 per option.

Investment manager update - WAM Strategic value IPO launching soon

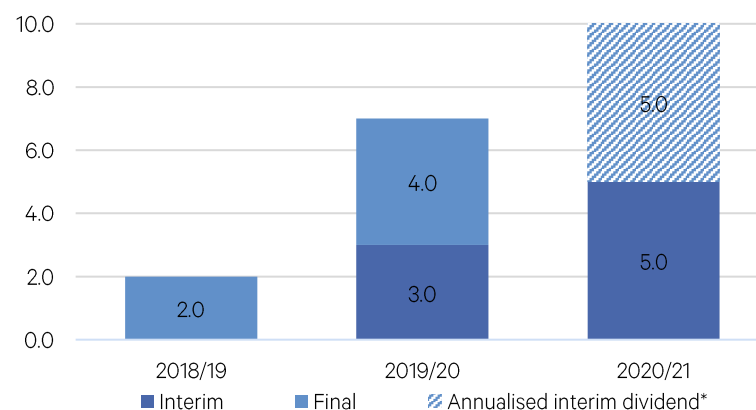
We are pleased to confirm that we are preparing to launch an IPO in May. WAM Strategic Value will focus on identifying and capitalising on share price discounts to underlying asset values of listed companies, primarily listed investment companies (LICs), listed investment trusts (LITs) and other closed-end investment vehicles.

Chairman and Chief Investment Officer Geoff Wilson AO will serve shareholders as the Lead Portfolio Manager of WAM Strategic Value. Full details will be contained in a prospectus that will be issued by WAM Strategic Value when the IPO is launched. We expect to lodge the prospectus with ASIC in early May 2021 and the offer to close in early June 2021. Once lodged with ASIC the prospectus will be made available on our website.

If you have any questions regarding WAM Strategic Value, please call Geoff Wilson AO on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

History of fully franked dividends

Cents per share



* Annualised interim dividend.

Platforms and research

All major platforms provide access to WAM Global, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Global receives coverage from the following independent investment research providers:



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