

2021 September Quarter

Geoff Wilson AO

WMA Director and Investment
Committee member

Chairman and Chief Investment Officer,
Wilson Asset Management



Dania Zinurova

Portfolio Manager



Portfolio update

Despite the challenging environment caused by coronavirus and the impact it had on many sectors of the economy, we were pleased to see resiliency across the investments within the WAM Alternative Assets investment portfolio.

Our investment partner Argyle Capital successfully completed the sale of the underlying asset in its Agriculture Fund II in July 2021. This was an irrigated citrus orchard near Hillston in New South Wales that had been owned and redeveloped since late 2015. Argyle's investment team conducted a sales process involving several well credentialed buyers and assessed that an exit in the current market environment would achieve a superior result for its investors than to continue to hold the asset. The exit proceeds, received in August 2021, have provided additional capital to deploy as we continue to implement our revitalisation strategy for the investment portfolio.

The portfolio also benefitted from the strong performance from Go1, a Brisbane-based online learning and education company, which is managed by our investment partner January Capital. Go1 recently closed a USD200 million funding round, which valued it at more than USD1 billion. Funded by venture capital, Go1 is an investment that provides exposure to high growth potential in the private market and is an example of the strong tailwinds we see in mega trends such as digitalisation.

Our private equity investments, which include venture capital and growth private equity, performed strongly, and we see the digitalisation theme playing out well for businesses that have exposure to e-commerce and technology sectors. Private equity investments have been resilient over the last lockdown period and we expect to see more growth over the next six to 12 months.

WAM Alternative Assets' real estate investments in New York (2 Rector Street and 441 9th Avenue), continued to attract new tenants which resulted in a gradual increase of the occupancy rate in both assets on the back of improving market fundamentals in the Manhattan commercial rental market. Elsewhere, the real estate asset class has pockets of attractive investment opportunities. Domestic industrial real estate, for example, continues to benefit from the strong expansion of e-commerce in Australia.

We also anticipate investment opportunities supported by the digitalisation and climate change megatrends in asset classes such as private equity and infrastructure. Meanwhile, many investors are shifting their focus towards investments with strong social impact such as specialist disability accommodation and affordable housing, which also have strong tailwinds. While still relatively new in Australia, the multi-family sector (large scale investments in residential build-to-rent apartments) has been gaining momentum with some large global players securing development sites. We are excited to see the investment opportunity set in Australia expanding over time.

Independent research coverage

In July 2021, WAM Alternative Assets received initial coverage from Independent Investment Research (IIR), which noted our significant experience in the alternative assets sector, the investment portfolio's uncorrelated exposure to equity markets, low volatility, and well-aligned interests. The Company was also named as one of the top investment picks in Bell Potter's June 2021 quarter Listed Investment Companies and Trusts Update. Bell Potter summarised WAM Alternative Assets as a vehicle for investors interested in alternative assets, offering a diverse range of assets, including private equity, real estate and real assets. Bell Potter said the "substantial allocation" in the portfolio to agricultural assets and water entitlements may be a driver of future returns for shareholders.

Lonsec has rated WAM Alternative Assets as 'Investment Grade', indicating the research house has conviction the Company can generate risk-adjusted returns in line with its objectives. In its report, Lonsec highlighted that Dania "implements a detailed investment approach exhibiting strong research rigour" and that the Company "provides investors with daily liquidity for an illiquid asset class".

WAM Alternative Assets Investor Update and Q&A

We recently held a WAM Alternative Assets focused Investor Update and Q&A webinar with Dania, Geoff, Director and Investment Committee Member Adrian Siew and Managing Director of Adamantem Capital Rob Koczkar. You can listen to the recording [here](#).

WAM Alternative Assets Investment Committee

Geoff Wilson AO

Director and Investment
Committee member

John Roberts

Investment Committee
member

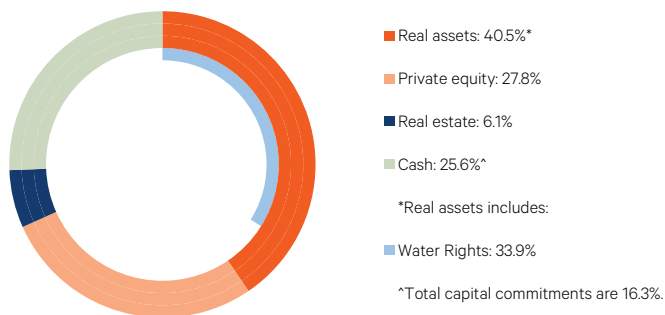
Adrian Siew

Director and Investment
Committee member

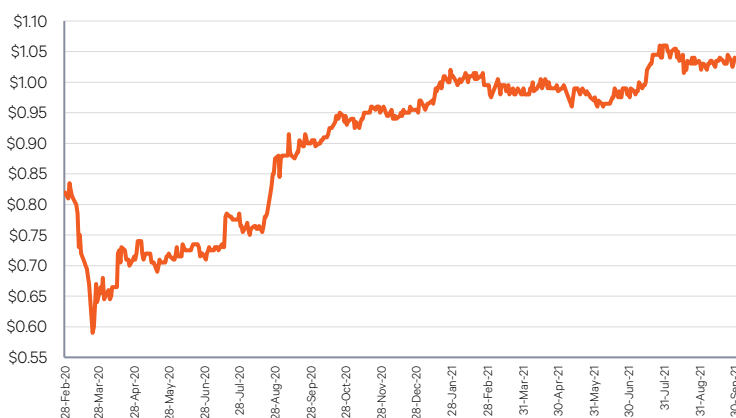
Sally Box

Investment Committee
member

Asset class exposure



Share price performance since the announcement Wilson Asset Management as investment manager



Market Capitalisation

\$201.7m*

Gross assets

\$230.1m

Date of transition

14 October 2020

Pre-tax net tangible assets

\$1.19

Share Price

\$1.04

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

WAM Alternative Assets Education series

Watch our six-part [WAM Alternative Assets education series](#), where Dania delves into the fundamentals of alternative assets and the unique opportunities inherent in real estate, infrastructure, private equity, real assets and private debt.

New investment partners



Specialist infrastructure fund manager



Boutique real estate fund manager



Mid-market private equity fund manager

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 hotel assets in Australia



Food services distributor

Real estate



2 Rector Street, Manhattan, New York

Revesby Industrial Income Fund, New South Wales

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