



December 2023 Investment Update

Pre-tax NTA

W A M Capital	\$1.45
W A M Leaders	\$1.38
W A M Global	\$2.30
W A M Microcap	\$1.29
W A M Alternative Assets	\$1.18
W A M Strategic Value	\$1.19
W A M Research	\$0.97
W A M Active	\$0.77

Latest news from Wilson Asset Management

As we enter 2024, read Chairman and Chief Investment Officer Geoff Wilson AO's left field predictions for the year ahead, including his thoughts on bad debt and commercial real estate in an article for the [Australian Financial Review](#).

In Livewire's Outlook Series, WAM Leaders (ASX: WLE) Lead Portfolio Manager Matthew Haupt discussed his outlook for equity markets, his top stock pick for the year and reflects on 2023. You can read more in three Livewire articles: [No bears here: Why these 12 fund managers are running with the bulls in 2024, the #1 stock picks for 2024](#), and [Ouch! 12 painful calls from 2023](#).

Matt also spoke to [The Wall Street Journal](#) about how he has adopted a more defensive stance within the portfolio, thinking some traders have run too hard on the theme of looser monetary policy.

In an article for [Livewire](#), small-to-mid cap Lead Portfolio Manager Oscar Oberg discussed why he's positive on the aged care sector in 2024 and named his top stock pick.

Listen to a [CommSec](#) interview where Oscar explains how he invests in the Australian equity market, and the similarities and differences it has to the property market.

In [under the radar](#)'s recent report, small-to-mid cap Portfolio Manager Tobias Yao delivered his opinion on equity markets in 2024 and why he thinks it will be a strong year for small caps.

Future Generation's fund managers name 11 stock picks

In an article in the [Australian Financial Review](#), Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG) fund managers provide their top stock-picks for 2024. Wilson Asset Management is the creator and lead supporter of the Future Generation companies.

2fold: investing for impact | Mike Baird AO's Innings: Cricket, care, and country

Future Generation has recently released a new episode of the 2fold podcast with Future Generation Australia Chair and former Premier of New South Wales Mike Baird.

In this episode, Mike offers his unique perspective on leadership and discusses post-premiership life, the current state of Australian politics, and why backyard cricket is here to stay. Listen to the episode on all major podcast platforms [here](#).

Subscribe to our regular investment insights

Join our community of more than 85,000 weekly readers and subscribe to our regular investment insights and market updates [here](#).





LIC snapshot

W | A | M Capital

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$1.535
NTA before tax	\$1.45
Full year fully franked dividend	15.5cps
Profits reserve#	11.2cps

W | A | M Leaders

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.38
NTA before tax	\$1.38
Full year fully franked dividend	9.0cps
Profits reserve#	31.5cps

W | A | M Global

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.99
NTA before tax	\$2.30
Full year fully franked dividend	11.5cps
Profits reserve#	47.6cps

W | A | M Microcap

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

ASX: WMI

Share price*	\$1.405
NTA before tax	\$1.29
Full year fully franked dividend	10.5cps
Profits reserve#	48.9cps

W | A | M Alternative Assets

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.025
NTA before tax	\$1.18
Full year fully franked dividend	5.0cps
Profits reserve#	16.0cps

W | A | M Strategic Value

Discounted asset opportunities

ASX: WAR

Share price*	\$1.045
NTA before tax	\$1.19
Annualised interim fully franked dividend guidance**	4.0cps
Profits reserve#	10.4cps

W | A | M Research

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.05
NTA before tax	\$0.97
Full year dividend	10.0cps
Profits reserve#	39.4cps

W | A | M Active

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.72
NTA before tax	\$0.77
Full year fully franked dividend	6.0cps
Profits reserve#	8.8cps

*As at 11 January 2024.

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

**Subject to no material adverse changes in market conditions or to the investment portfolio.

W | A | M Capital

The WAM Capital (ASX: WAM) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Pharmaceutical wholesaler and distribution business Sigma Healthcare (ASX: SIG) and aged care provider Regis Healthcare (ASX: REG) were contributors to the investment portfolio outperformance.

Sigma Healthcare is a leading Australian wholesale and distribution business supplying community pharmacies. In December, the company announced a merger with Chemist Warehouse Group to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor. The proposed merger is expected to unlock cost synergies of approximately \$60 million per annum, with the merged entity reaching \$8.8 billion in market capitalisation. Sigma Healthcare also announced an equity raising of approximately \$400 million which will fund the Chemist Warehouse supply contract and further growth initiatives. We believe the proposed merger will provide Sigma Healthcare with significant growth opportunities and we look forward to the transformation the transaction will make to the company.

Regis Healthcare is one of Australia's largest aged care providers. During the month, the company announced that it completed the acquisition of CPSM, a privately-owned residential aged care provider, for \$74.2 million. The acquisition is expected to be earnings per share (EPS) accretive in FY2024, with further growth expected in future years. Under the transaction, Regis Healthcare acquired CPSM's five high-quality residential aged care homes in South-East Queensland with 644 beds, bringing Regis Healthcare's portfolio to 68 homes with 7,604 beds. We believe the company's inorganic strategy to acquire complementary aged care assets will continue to drive earnings over the next few years.

Market capitalisation (ASX: WAM)

\$1,660.5m*

Gross assets

\$1,617.7m

Listed equities

\$1,459.7m

Investment portfolio performance (pa since inception Aug 1999)

15.1%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.4%

Dividends paid since inception (per share)

300.5c

Profits reserve (per share)

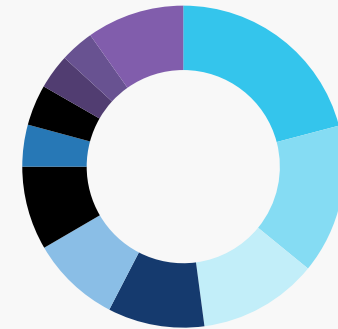
11.2c

*Based on the 29 December 2023 share price of \$1.50 per share. WAM Capital has 1,107,014,423 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.

Diversified investment portfolio by sector

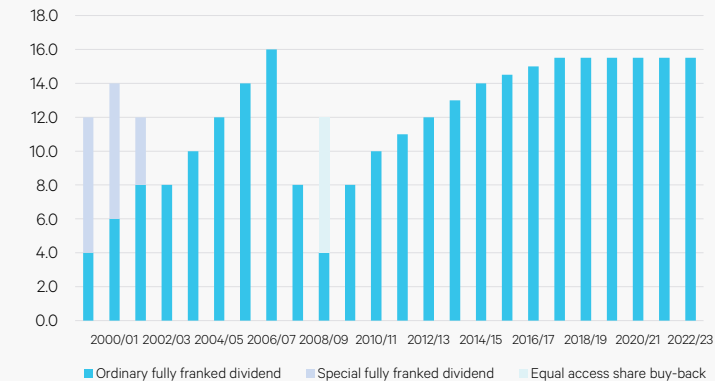
- Consumer discretionary: 20.9%
- Industrials: 15.0%
- Information technology: 12.0%
- Financials: 9.7%
- Communication services: 9.0%
- Health care: 8.4%
- Energy: 4.2%
- Materials: 4.1%
- Real estate: 3.5%
- Consumer staples: 3.4%
- Cash: 9.8%



Fully franked dividends since inception

The Company's ability to continue paying fully franked dividends at the current level is dependent on generating additional profits reserves, through positive investment portfolio performance in FY2024, 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



Net Tangible Assets (NTA) per share

The December 2023 NTA before tax is **after** the payment of \$10.5m (0.95 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
December 2023	144.88c	160.75c	159.01c
November 2023	135.02c	150.79c	151.45c

*Includes 1.64 cents per share of tax assets resulting from the acquisition of investment companies and 15.30 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

Life360	CAR Group	G8 Education™	HUB 24	KELSIAN	LIGHT & WONDER	MAAS	Monadelphous	nickscalii	News Corp
360	CAR	GEM	HUB	KLS	LNW	MGH	MND	NCK	NWS
NEXT DC	regis healthcare	sgfleet	Sigma Healthcare	thl™	technologyone Making life simple for our community	TUAS Build & Better Connections	tyro	VIVA Energy Australia	worley
NXT	REG	SGF	SIG	THL	TNE	TUA	TYR	VEA	WOR

W | A | M Leaders

The WAM Leaders (ASX: WLE) investment portfolio increased during the month, as declining bond yields further supported company valuations. The declining yields were driven by the US Federal Reserve and Reserve Bank of Australia remaining in data dependent mode while measures of inflation undershot estimates, leading to market expectations that the hiking cycle is over, with attention now turning to potential rate cuts in the new year. Contributors to the investment portfolio performance included Lendlease Group (ASX: LLC) and Santos (ASX: STO).

Real Estate Investment Trusts (REITs) were the best performing sector in December, as the fall in bond yields drove a relief rally after the sector had been sold off heavily when yields were rising. Lendlease Group performed strongly off the back of this sector tailwind, and the announcement of the sale of 12 Australian Communities projects for \$1.3 billion provided further support to the share price during the month. The sale led to the company crystallising value created in Communities as well as reducing its gearing levels, providing balance sheet flexibility to pursue other shareholder value accretive opportunities in the future. It also highlighted the company's continued strategic move towards investment earnings, which will improve future earnings predictability and reduce volatility. We continue to hold Lendlease Group in the WAM Leaders investment portfolio as the company trades on an attractive valuation and we see a number of upcoming catalysts that will benefit the share price.

Santos' share price performed strongly during the month, following the company's confirmation of discussions regarding a potential merger with the largest ASX-listed oil and gas producer, Woodside Energy Group (ASX: WDS). Discussions are still at an early stage and details of the potential deal are not yet released. However, the company is committed to unlocking its perceived discount to fair value, as well as optimising its portfolio and pursuing strategic opportunities. We continue to see significant upside in Santos given its strong free cash flow generation and attractive asset base at a discounted value, which we believe will likely be realised in the near term.

Market capitalisation (ASX: WLE)

\$1,726.2m*

Gross assets

\$1,739.8m

Listed equities

\$1,684.3m

Investment portfolio performance (pa since inception May 2016)

13.3%^

S&P/ASX 200 Accumulation Index: 8.9%

Dividends paid since inception (per share)

44.15c

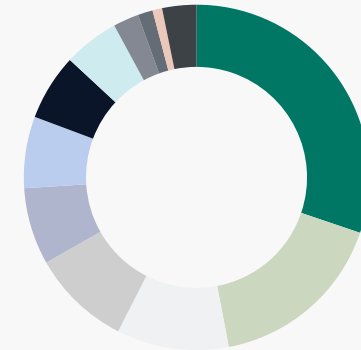
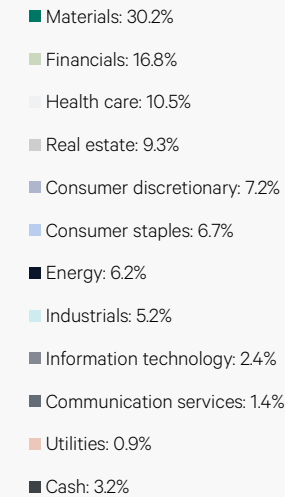
Fully franked dividend yield

6.6%*

*Based on the 29 December 2023 share price of \$1.37 per share and the FY23 full year fully franked dividend of 9.0 cents per share. WAM Leaders has 1,260,001,474 shares on issue.

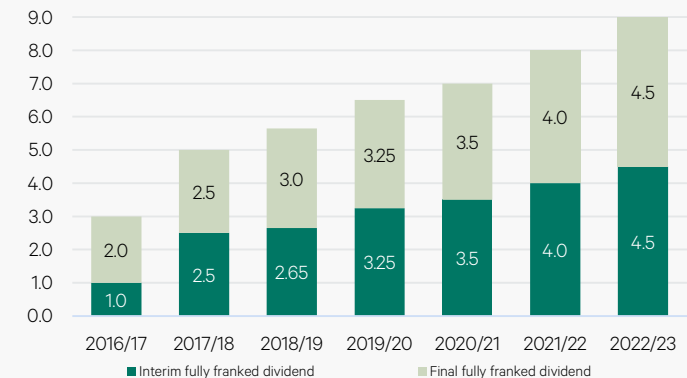
^Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

Diversified investment portfolio by sector



Fully franked dividends since inception

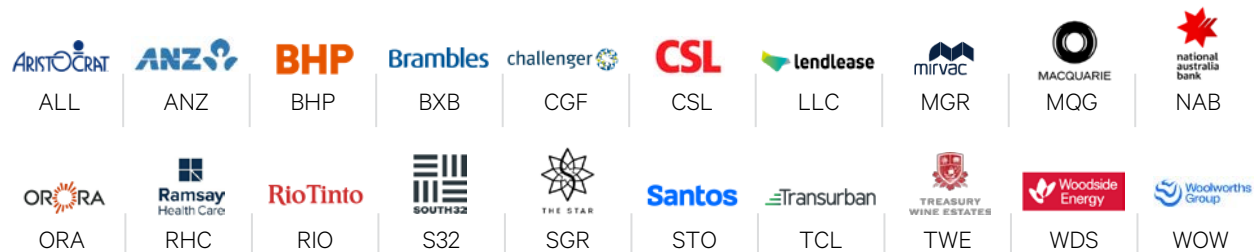
Cents per share



Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
December 2023	137.67c	138.15c	137.93c
November 2023	129.10c	130.12c	132.05c

Top 20 holdings (in alphabetical order)



W | A | M Global

The WAM Global (ASX: WGB) investment portfolio increased during the month. Online travel company Expedia (NASDAQ: EXPE) and contracting services company Quanta Services (NYSE: PWR) were contributors to the investment portfolio performance.

Expedia is a leading online travel agency based in the United States. In December, Expedia benefitted from continued resilient travel demand. We believe the market is underappreciating the operational improvements management has implemented within the business, including an increased focus on its core brands (Expedia, Vrbo and Hotels.com), the re-platforming of its technology stack into a single platform resulting in productivity benefits, and the launch of its One Key loyalty program, driving higher lifetime value from its customers. This was evident in its third-quarter earnings announcement where management expressed confidence in achieving its FY2023 guidance. The announcement also signalled that the company could drive faster and more profitable growth in FY2024 with margins supported by the elimination of redundant systems and a reduction in key cost areas such as cloud, licenses and maintenance. Expedia also recently announced it would purchase USD5 billion of shares, reflecting confidence in the long term outlook and cash generation ability of the business, as well as a commitment to maximising returns for shareholders.

Quanta Services is a leading specialised contracting services company, delivering comprehensive infrastructure solutions for the electric power, energy and communications industries and is a key enabler of the North American energy transition. The company is already experiencing robust demand in areas such as electric grid modernisation, system hardening and renewable energy generation and integration and we expect further positive effects from the Inflation Reduction Act which will benefit the energy transition. Quanta Services was a contributor to the investment portfolio performance in December, as long-term interest rate expectations came down, relieving some shorter-term risks on tightening capital budgets in the renewable power delivery market. While interest rate sensitivities are a challenge, Quanta Services is deeply integrated with its primary utility customer base where multi-year investment plans are focused on long-term development horizons. This was evident in its latest earnings result where the company posted a record backlog of USD30.1 billion. The company also raised revenue guidance for FY2023 and expressed confidence in delivering double-digit adjusted earnings per share growth into 2024 and beyond.

Net Tangible Assets (NTA) per share

The December 2023 NTA before tax is **after** the payment of \$4.0m (1.13 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
December 2023	229.76c	228.37c	231.87c
November 2023	226.88c	224.64c	229.07c

*Includes 0.29 cents per share of tax assets resulting from the acquisition of investment companies.

Market capitalisation (ASX: WGB)

\$706.9m*

Gross assets

\$816.3m

Listed equities

\$780.7m

Investment portfolio performance (pa since inception June 2018)

7.8%[^]

MSCI World Index (AUD): 10.9%

Dividends paid since inception (per share)

41.5c

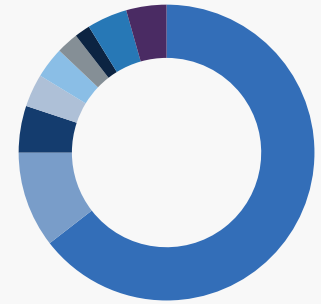
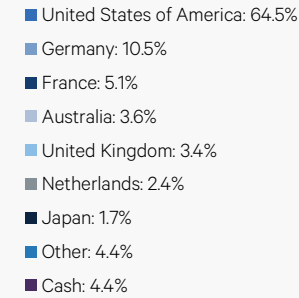
Fully franked dividend yield

5.8%*

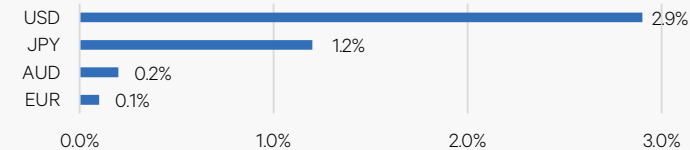
*Based on the 29 December 2023 share price of \$1.995 per share and the FY23 full year fully franked dividend of 11.5 cents per share. WAM Global has 354,337,283 shares on issue.

[^]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



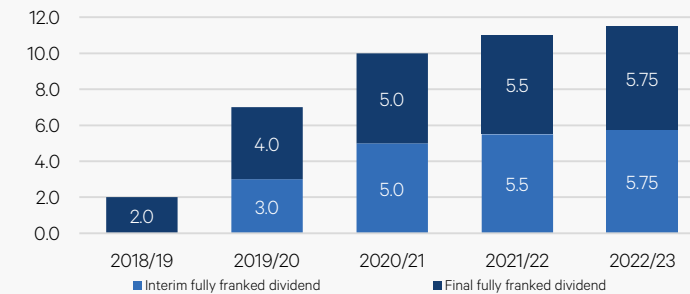
Cash currency exposure



Fully franked dividends since inception

The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits in FY2024. If no additional franking is generated through the performance of the investment portfolio and the payment of tax on profits, the Company will only be able to partially frank future dividends or pay unfranked dividends in FY2024 and beyond.

Cents per share



Top 20 holdings (in alphabetical order)



W | A | M Microcap

The WAM Microcap (ASX: WMI) investment portfolio increased during the month, outperforming the S&P/ASX Small Ordinaries Accumulation Index. Contributors to the investment portfolio outperformance included telecommunications company Tuas (ASX: TUA) and communications infrastructure service provider GenusPlus Group (ASX: GNP).

Tuas owns and operates a mobile network and provides telecommunications services in Singapore. In December, Tuas held its annual general meeting and provided a stronger-than-expected first-quarter FY2024 revenue and earnings update. The unaudited first-quarter FY2024 revenue was SGD26.7 million and the earnings before interest, taxes, depreciation and amortisation (EBITDA) was SGD11.0 million. We are pleased to see that Tuas' 5G network rollout project is ahead of its planned timeline and its fibre broadband rollout is progressing with strong interest from the public. Tuas has executed exceptionally well over the last few years on growing its market share in Singapore from a standing start, which we are confident will continue over the next few years.

GenusPlus Group is a specialist power and communications infrastructure and services provider operating across Australia. During the month, the company and its joint venture partner was awarded a contract for the HumeLink East project which involves the design and construction of a 237km transmission line. The project will deliver a cheaper, more reliable and sustainable grid by increasing the capacity for renewable energy to be delivered across the national electricity grid. The total contract is valued at approximately \$1.4 billion and the project is estimated to take three years to complete, while employing approximately 700 personnel. We are positive on the opportunities in the pipeline for GenusPlus Group over the coming years as the government's Rewiring the Nation Program progresses.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
December 2023	129.01c	129.13c	129.82c
November 2023	119.85c	120.92c	123.41c

Market capitalisation (ASX: WMI)

\$297.0m*

Gross assets

\$274.6m

Listed equities

\$254.6m

Investment portfolio performance (pa since inception June 2017)

14.8%[^]

S&P/ASX Small Ordinaries Accumulation Index: 6.1%

Dividends paid since inception (per share)

54.25c

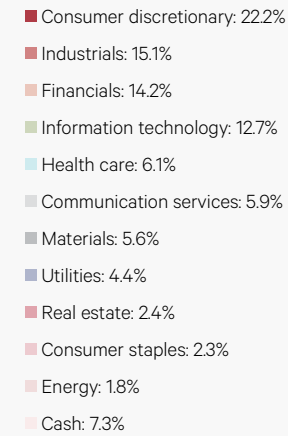
Fully franked dividend yield

7.5%*

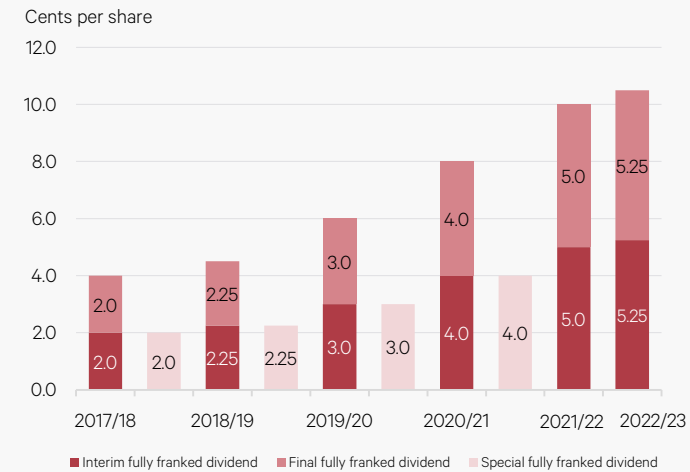
*Based on the 29 December 2023 share price of \$1.40 per share and the FY23 full year fully franked dividend of 10.5 cents per share. WAM Microcap has 212,161,553 shares on issue.

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

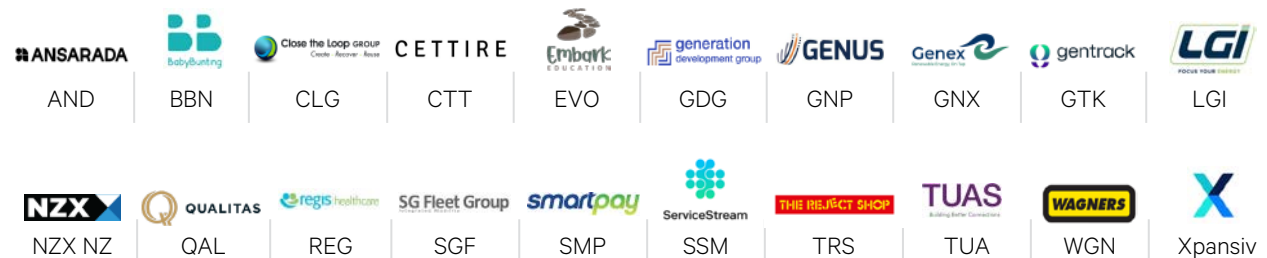
Diversified investment portfolio by sector



Fully franked dividends since inception



Top 20 holdings (in alphabetical order)



W | A | M Alternative Assets

The WAM Alternative Assets (ASX: WMA) investment portfolio increased during the month, primarily driven by the underlying performance of its private equity and infrastructure investments.

In December, WAM Alternative Assets fully deployed its commitment in the Barwon Institutional Healthcare Property Fund (BIHPF), managed by our investment partner, Barwon Investment Partners (Barwon). BIHPF is a fund valued at over \$1.5 billion, which invests in healthcare or healthcare-related properties such as hospitals, private specialist facilities, day surgeries and medical centres and ancillary healthcare assets in Australia. BIHPF is currently funding the development of three portfolio assets and has also recently signed a contract for the purchase of a healthcare facility in Woollongabba, Queensland. The BIHPF investment portfolio now comprises 29 high-quality assets that are well diversified by location and tenants. The weighted average lease expiry profile is over 10 years, above other real estate sectors in Australia, with an occupancy rate over 95%.

WAM Alternative Assets has pleasingly deployed \$8.2 million in private equity assets in the financial year to date and we expect that the majority of our remaining private equity capital commitments will be deployed in 2024. Private equity fund managers have been focusing on opportunistic acquisitions in 2023 as market conditions put downward pressure on equity valuations in some sectors. Two sectors that saw significant activity in 2023 were the healthcare and renewables sectors, as private equity fund managers have been investing to capitalise on the key macro trends of an ageing population and climate change. WAM Alternative Assets takes a thematic portfolio construction approach which is built on these same key macro trends, in addition to digitalisation and the increasing demand for food.

Market capitalisation (ASX: WMA)

\$199.4m*

Gross assets

\$230.8m

Investment portfolio performance

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

10.0%[^]

Profits reserve (per share)

16.0c

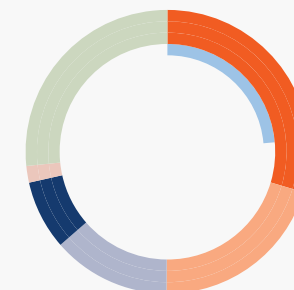
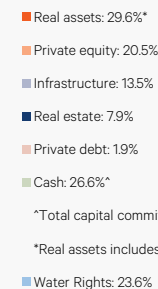
Full year fully franked dividend (per share)

5.0c

*Based on the 29 December 2023 share price of \$1.02 per share. WAM Alternative Assets has 195,526,251 shares on issue.

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

Asset class exposure



Portfolio structure	Current value		+/- Prior month	
	\$m	%	\$m	%
Real assets	68.2	29.6	(0.3)	(0.4)
Private equity	47.4	20.5	0.2	0.4
Infrastructure	31.2	13.5	0.1	0.3
Real estate	18.1	7.9	-	-
Private debt	4.4	1.9	-	-
Cash [^]	61.5	26.6	1.1	1.8
Grand total	230.8	100.0	1.1	0.5

[^]Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$5.6m); the Allegro Fund IV (\$5.2m); the Adamantem Capital Fund II (\$4.9m); the CEN (I&L) Partnership Fund (\$2.0m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, the undrawn capital commitment to the CEN (I&L) Partnership Fund was reduced by \$4.5m and \$138k of capital was returned from the Allegro Fund IV.

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

Industrial and healthcare assets.

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
December 2023	117.61c	117.56c	116.95c
November 2023	117.07c	117.10c	116.56c

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



Barwon Institutional Healthcare Property Fund



Centennial CEN (I&L) Partnership 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 Strategic Value

The WAM Strategic Value (ASX: WAR) investment portfolio increased in December, as domestic and global equity markets rebounded during the month. Significant contributors to the investment portfolio performance included VGI Partners Global Investments (ASX: VG1), Spheria Emerging Companies (ASX: SEC) and Magellan Global Fund (ASX: MGF).

VGI Partners Global Investments was the largest contributor to the investment portfolio performance in December, with the company's share price increasing 7.9% and the share price discount to net tangible assets (NTA) reducing from 17.6% to 12.9% during the month. Shareholders approved an increase in VGI Partners Global Investments' buyback capacity from 10% of issued capital to 25% for the next 12 months at the annual general meeting (AGM) held on 30 November. The decision was made to commence buying back shares on 27 December, with the buyback representing almost 60% of volume over the final three trading days of the calendar year. We expect that capital management will continue to enhance investor returns into the new year for VGI Partners Global Investments as the investment manager and board look to further reduce the share price discount to NTA.

The Spheria Emerging Companies share price increased 10.3% in December. The company's NTA performance exceeded the share price performance during the month, resulting in a widening of the share price discount to NTA from 13.2% to 15.4%. We believe that the long-term performance of the company's investment manager will drive shareholder demand, resulting in a narrowing of the share price discount to NTA over time.

The Magellan Global Fund share price rose 3.2% during the month. On 7 December, the responsible entity for Magellan Global Fund announced its decision to proceed with the conversion of Magellan Global Fund from closed class units to open class units, providing shareholders with liquidity at, or near, net asset value (NAV) in second quarter 2024. Since the announcement of the conversion to shareholders in mid-October, the share price discount to NAV has continued to narrow. WAM Strategic Value initiated buying in Magellan Global Fund as the discount to NAV approached 20%, and we regularly added to our holding as the discount to NAV increased. The share price discount to NAV has narrowed to 4.8% at the end of December and the confirmed conversion of the units during 2024 provides a sound risk-adjusted return for the investment portfolio.

Market capitalisation
(ASX: WAR)

\$188.2m*

Full year fully
franked dividend

3.5cps

Gross assets

\$217.1m

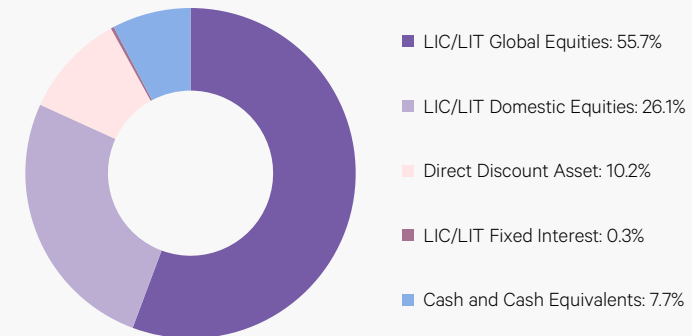
Annualised interim
fully franked
dividend guidance

4.0cps^

*Based on the 29 December 2023 share price of \$1.045 per share and 180,125,761 shares on issue.

^Subject to no material adverse changes in market conditions or to the investment portfolio.

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



December 2023
look-through
pre-tax NTA

\$1.39

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.

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.

Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
December 2023	119.47c	119.66c	122.54c
November 2023	116.45c	116.60c	120.62c

Top 20 holdings (in alphabetical order)

AMP	CD2	CD3	CIN	GDC	LRK	MGF	NGE	NSC	OPH
PAI	PIA	PMC	QVE	RG8	SB2	SEC	URF	VG1	WGB*

*WAM Strategic Value received WAM Global shares as scrip consideration for Templeton Global Growth Fund shares previously held. Wilson Asset Management has foregone management fees on the portion of the investment portfolio held in WAM Global shares.

W | A | M Research

The WAM Research (ASX: WAX) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Pharmaceutical wholesaler and distribution business Sigma Healthcare (ASX: SIG) and childcare centre operator G8 Education (ASX: GEM) were contributors to the investment portfolio outperformance.

Sigma Healthcare is a leading Australian wholesale and distribution business supplying community pharmacies. In December, the company announced a merger with Chemist Warehouse Group to create a leading healthcare wholesaler, distributor and retail pharmacy franchisor. The proposed merger is expected to unlock cost synergies of approximately \$60 million per annum, with the merged entity reaching \$8.8 billion in market capitalisation. Sigma Healthcare also announced an equity raising of approximately \$400 million which will fund the Chemist Warehouse supply contract and further growth initiatives. We believe the proposed merger will provide Sigma Healthcare with significant growth opportunities and we look forward to the transformation the transaction will make to the company.

G8 Education provides early learning education and care through its 430 centres across Australia. During the month, G8 Education provided a better-than-expected trading update, noting a marked improvement in its financial performance compared to the prior year. The company now expects its estimated full-year operating earnings before interest and taxes after lease interest to be within the range of \$99 million to \$102 million, and operating net profit after tax to be approximately \$62 million to \$64 million. We remain confident in G8 Education's ability to optimise its childcare centres portfolio to drive earnings growth.

Market capitalisation (ASX: WAX)

\$209.6m[#]

Gross assets

\$199.0m

Listed equities

\$186.6m

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

14.1%[^]

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

Dividends paid since inception (per share)

144.0c

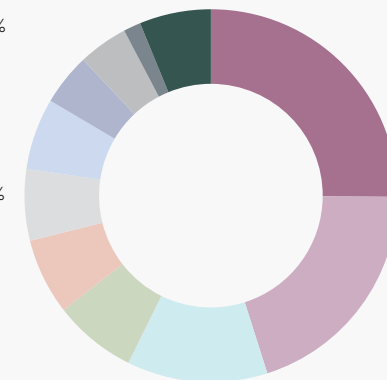
Full year dividend yield

9.7%[#]

[#]Based on the 29 December 2023 share price of \$1.035 per share and the FY23 full year dividend of 10.0 cents per share, with the final dividend being 5.0 cents per share, partially franked at 60%. WAM Research has 202,532,134 shares on issue.

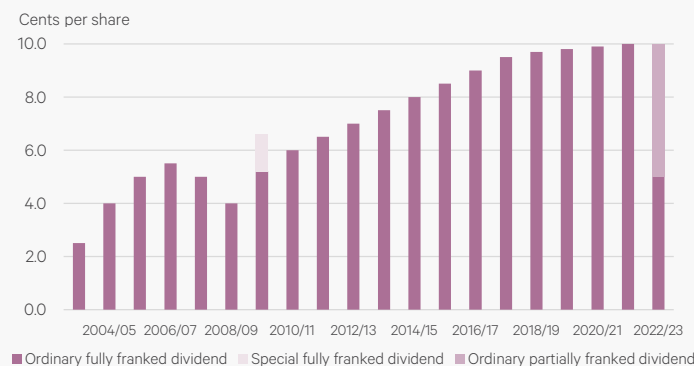
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



Dividends since inception

The Company's ability to continue paying franked dividends in FY2024 is dependent on the future franked dividends received from investee companies held within the WAM Research investment portfolio, and future tax paid on realised profits generated by the investment portfolio. In FY2024, it is anticipated that the franked dividends received from investee companies in the investment portfolio will generate franking to fully frank approximately 2.0 cents per share in a dividend for shareholders and any additional franking would need to be generated through the payment of tax on profits.

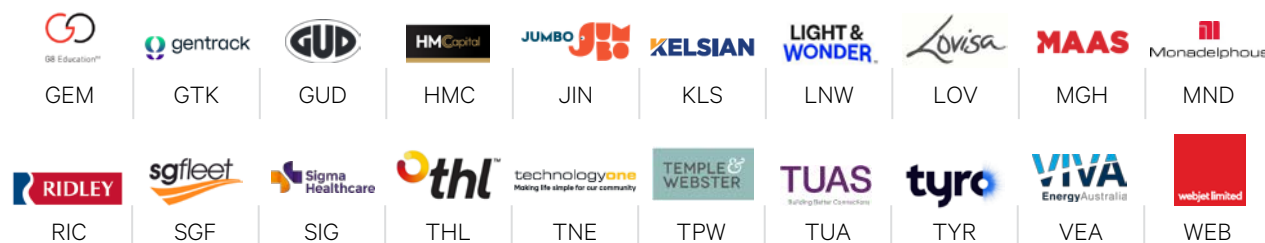


Net Tangible Assets (NTA) per share

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
December 2023	97.07c	100.93c	101.42c
November 2023	88.11c	94.22c	95.17c

*Includes 5.51 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)



W | A | M Active

The WAM Active investment portfolio increased during the month. Contributors to the investment portfolio performance included biopharmaceutical company Neuren Pharmaceuticals (ASX: NEU) and retail fashion chain owner and operator Premier Investments (ASX: PMV).

Neuren Pharmaceuticals is developing new drug therapies to treat multiple serious neurological disorders that emerge in early childhood and have no or limited approved treatment options, such as Rett syndrome, Phelan-McDermid syndrome, Angelman syndrome, Pitt-Hopkins syndrome and Prader-Willi syndrome. During the month, the company announced top-line results from its ground breaking Phase 2 clinical trial of NNZ-2591 in children with Phelan-McDermid syndrome, which saw significant improvement observed by both clinicians and caregivers across communication, cognition, learning, socialisation and behaviour. The company is also conducting Phase 2 clinical trials of NNZ-2591 in children with other syndromes and four programs have been granted Orphan Drug designation by the US Food and Drug Administration (FDA), with top-line results expected in 2024.

Premier Investments is a leading local specialty retailer operating seven unique Australian brands including Smiggle, Peter Alexander, Just Jeans, Jay Jays, Portmans, Jacqui E and Dotti. In December, the company announced at its annual general meeting that it experienced record Black Friday sales, despite the challenging retail environment and cost-of-living pressures. Premier Retail, the portfolio of seven brands, contributed to record earnings before interest and taxes (EBIT) of \$356.5 million, up 6.4% on FY2022 and up 113% on pre-coronavirus levels in FY2019. The company also announced it expects Premier Retail EBIT for the six-month period to 27 January 2024 to be circa \$200 million. The company was well prepared for the all-important Christmas, Boxing Day and back-to-school shopping days, a critical trade period. We remain positive on our investment in Premier Investments as the company is currently undertaking a strategic review to unlock growth opportunities in the future.

Market capitalisation (ASX: WAA)

\$54.8m[#]

Gross assets

\$58.0m

Listed equities

\$51.5m

Investment portfolio performance (pa since inception Jan 2008)

10.3%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

92.7c

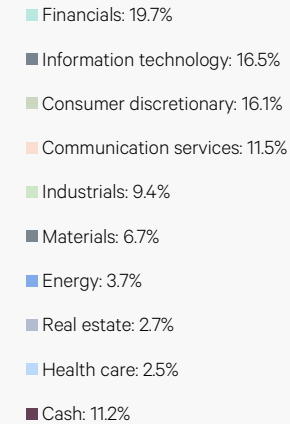
Fully franked dividend yield

8.3%[#]

[#]Based on the 29 December 2023 share price of \$0.725 per share and the FY23 full year fully franked dividend of 6.0 cents per share. WAM Active has 75,534,881 shares on issue.

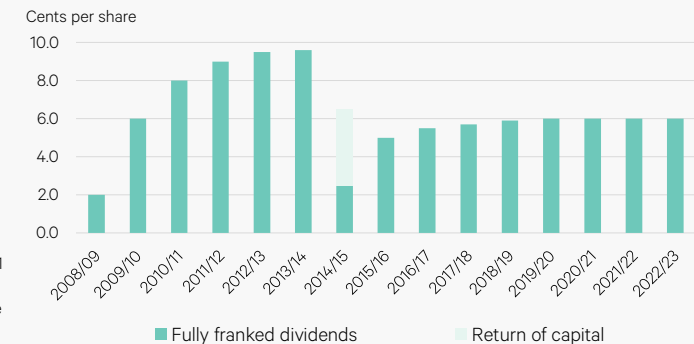
[^]Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



Fully franked dividends since inception

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

The December 2023 NTA before tax is **after** the payment of \$170k (0.23 cents per share) in tax during the month.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
December 2023	77.09c	85.77c	86.30c
November 2023	72.42c	81.82c	82.87c

*Includes 9.94 cents per share of income tax losses available to the Company in future periods.

Top 20 holdings (in alphabetical order)

