

WAM Alternative Assets: investment portfolio update

16 May 2022
ASX announcement

The WAM Alternative Assets (ASX: WMA) investment portfolio provides investors access to a diversified portfolio of real assets, private equity and real estate, and aims to expand into new asset classes such as private debt and infrastructure. The WMA investment portfolio has continued to execute on its rigorous investment process and revitalisation strategy since the appointment of Wilson Asset Management as the Investment Manager of the Company in October 2020. As part of the revitalisation strategy, Wilson Asset Management is also reviewing and rebalancing the investment portfolio in order to deliver on its investment objectives for shareholders, which are to consistently deliver absolute returns through a combination of dividend yield and capital growth, while providing diversification benefits.

One of the best performing positions within the Company's investment portfolio is its investment in the Argyle Water Fund, managed by its investment partner Argyle Capital Partners. This investment represents 35.1% of the Company's investment portfolio through a direct investment and an indirect exposure through its investment in the Strategic Australian Agriculture Fund, as at 30 April 2022. The exposure to the Argyle Water Fund has grown over time since the Company's inception in 2014. As part of the Company's revitalisation approach and long-term investment outlook, Wilson Asset Management will look to gradually re-position its exposure to the Argyle Water Fund¹ between 15% and 20%. This re-positioning will further facilitate a combination of high quality assets within the portfolio and enable the Company to enter into new investment opportunities in other asset classes such as private debt and infrastructure.

The Company's investment in the Argyle Water Fund continues to play an integral role within the investment portfolio. The Argyle Water Fund's underlying investment in Australian water rights has strong diversification benefits due to its low to negative correlation to more traditional asset classes, its investment portfolio return is driven by income and capital appreciation and it is supported by strong long-term megatrends such as the increasing demand for food and agriculture. The Argyle Water Fund is also expected to benefit from Australia's already highly variable rainfall pattern.

Argyle Capital Partners has an exceptional track record and a long history of successfully managing the strategy on behalf of its institutional investors, as well as a broader investor base including wholesale and sophisticated investors. The Argyle Water Fund has achieved net performance (before the payment of tax) to April 2022 of 16.5% per annum, since its inception in August 2012.

Wilson Asset Management looks forward to continuing its partnership with Argyle Capital Partners as an investment partner, delivering strong risk-adjusted investment returns for shareholders.

About The Argyle Water Fund

The Argyle Water Fund invests in the ownership and on-going management of a diverse portfolio of water entitlements (perpetual water rights) across several river systems and aquifers. The Argyle investment team has long understood that fresh water is the lifeblood and most limiting factor for the expansion of Australia's agricultural sector. It has responsibly managed direct investments in water markets since 2008 in line with the objectives of Australia's National Water Initiative. Its investments enable irrigation farmers to restructure their balance sheets and provide benefits via the creation of a range of water risk management tools.

¹Consistent with the specific terms of WAM Alternative Assets' investment in the Argyle Water Fund, Argyle Capital Partners will endeavour to satisfy redemption requests over a 24-month period from the end of the quarter within which a redemption request is received.

About WAM Alternative Assets

WAM Alternative Assets Limited (ASX: WMA) is a listed investment company (LIC) managed by Wilson Asset Management. 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.

About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for eight leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Strategic Value, WAM Research and WAM Active, Wilson Asset Management invests over \$5.4 billion on behalf of more than 120,000 retail investors. Wilson Asset Management is the creator and lead supporter of Future Generation Australia and Future Generation Global, a passionate advocate for retail investors and a member of the global philanthropic Pledge 1% movement.



For further information, visit wilsonassetmanagement.com.au or contact:

Geoff Wilson AO

Wilson Asset Management
Chairman & Chief
Investment Officer
(02) 9247 6755

Kate Thorley

Chief Executive Officer
(02) 9247 6755
0405 115 644

Jesse Hamilton

Chief Financial Officer
(02) 9247 6755
0401 944 807

Martyn McCathie

Investment Specialist
(02) 9247 6755
0433 312 603