

July 2023 Investment Update

	Pre-tax NTA
W A M Capital	\$1.45
W A M Leaders	\$1.44
W A M Global	\$2.32
W A M Microcap	\$1.33
W A M Alternative Assets	\$1.21
W A M Strategic Value	\$1.21
W A M Research	\$0.95
W A M Active	\$0.76

Dear Fellow Shareholders,

The financial year started strongly, with the S&P/ASX All Ordinaries Accumulation Index increasing 3.0% and the MSCI World Index (AUD) up 2.1% in July, as interest rate increases have been put on hold and gross domestic product (GDP) data also proved resilient.

WAM Capital (ASX: WAM) Q&A Webinar

[Register](#) to join WAM Capital Lead Portfolio Manager Oscar Oberg and me for an extended Q&A webinar on Wednesday, 16 August 2023 at 2:00pm (Sydney time).

WAM Strategic Value (ASX: WAR) Full Year Results

The WAM Strategic Value Board of Directors recently declared a full year fully franked dividend of 3.5 cents per share, an increase of 16.7% on FY2022, with the final fully franked dividend being 2.0 cents per share. The Board of Directors also announced its intention to deliver an interim fully franked dividend of 2.0 cents per share for FY2024, representing an annualised interim fully franked dividend of 4.0 cents per share, a 14.3% increase on the FY2023 full year dividend. Read the full announcement [here](#). You can also listen to a recording of the recent WAM Strategic Value Q&A webinar [here](#).

We will be announcing the audited results for WAM Strategic Value and the full year results and annual reports for our other seven listed investment companies (LICs) in the coming weeks.

Regional Shareholder Presentations

The Wilson Asset Management and Future Generation teams look forward to meeting with our shareholders across the country. We will provide information on dates and locations soon.

In the media

WAM Capital, WAM Microcap (ASX: WMI), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) Lead Portfolio Manager Oscar Oberg discussed his thesis for a rebound in small and micro-caps amid today's macroeconomic landscape of inflation and high interest rates in an episode of [Livewire Markets' The Rules of Investing](#).

WAM Alternative Assets (ASX: WMA) Portfolio Manager Dania Zinurova wrote an [article](#) discussing the compelling opportunity alternative assets represent for investors as the uncertain economic outlook shifts focus towards constructing more balanced portfolios. Dania also discussed why food companies make for attractive investments with the [Sydney Morning Herald](#).

Large-cap Senior Investment Analyst Anna Milne and small-to-mid-cap Senior Investment Analyst Sam Koch have been named as two of [The Australian Financial Review's](#) rising stars in funds management

Thank you for your support and please stay safe.



Geoff Wilson AO
Chairman



LIC snapshot



W|A|M Capital

The most compelling undervalued growth opportunities in the Australian market

ASX: WAM

Share price*	\$1.595
NTA before tax	\$1.45
Annualised interim fully franked dividend	15.5cps
Profits reserve#	12.8cps

W|A|M Leaders

Actively investing in the highest quality Australian companies

ASX: WLE

Share price*	\$1.465
NTA before tax	\$1.44
Annualised interim fully franked dividend	9.0cps
Profits reserve#	36.1cps

W|A|M Global

The world's most compelling undervalued growth companies

ASX: WGB

Share price*	\$1.98
NTA before tax	\$2.32
Annualised interim fully franked dividend	11.5cps
Profits reserve#	49.4cps

W|A|M Microcap

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

ASX: WMI

Share price*	\$1.535
NTA before tax	\$1.33
Annualised interim fully franked dividend	10.5cps
Profits reserve#	52.9cps

W|A|M Alternative Assets

Unique opportunities beyond traditional assets

ASX: WMA

Share price*	\$1.025
NTA before tax	\$1.21
Annualised interim fully franked dividend	5.0cps
Profits reserve#	18.4cps

W|A|M Strategic Value

Discounted asset opportunities

ASX: WAR

Share price*	\$1.01
NTA before tax	\$1.21
Annualised interim fully franked dividend guidance**	4.0cps
Profits reserve#	11.4cps

W|A|M Research

The most compelling undervalued growth opportunities in the Australian market

ASX: WAX

Share price*	\$1.135
NTA before tax	\$0.95
Annualised interim fully franked dividend	10.0cps
Profits reserve#	39.1cps

W|A|M Active

Mispricing opportunities in the Australian market

ASX: WAA

Share price*	\$0.70
NTA before tax	\$0.76
Annualised interim fully franked dividend	6.0cps
Profits reserve#	8.8cps

*As at 11 August 2023.

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

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

W | A | M Leaders

The WAM Leaders (ASX: WLE) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included fertiliser and explosives producer Incitec Pivot (ASX: IPL) and iron ore producer Rio Tinto (ASX: RIO).

Incitec Pivot’s business is comprised of two divisions: Incitec Pivot Fertilisers, based on the east coast of Australia and focused on soil health for Australian farmers; and Dyno Nobel, an explosives producer with operations globally, focused on mining, quarry and construction end markets. Incitec Pivot’s share price has been impacted by lower commodity prices, wet weather, plant shutdowns, termination of gas contracts and management changes to a point where the implied valuation for the fertiliser business neared zero. Incitec Pivot has since confirmed that there are a number of parties interested in purchasing the fertiliser business, with media reporting the valuation is close to \$1.5 billion, which drove its share price higher. We remain confident in the outlook for Incitec Pivot, with its valuation low and multiple catalysts to realise value.

Both Rio Tinto and BHP Group (ASX: BHP) are in our top 20 holdings, given the relative attractiveness of China’s economic growth outlook compared to Australia, the US and other developed markets. Rio Tinto reported its quarterly earnings in late July, which were broadly in line with market expectations, lifting its share price. Beyond iron ore, we are excited by Rio Tinto’s medium-term growth prospects in future facing metals. Oyu Tolgoi, a Mongolian copper project, is set to become the world’s fourth largest copper mine by 2030. Jadar, one of the world’s largest greenfield lithium deposits, is currently undergoing consultation following activist concerns and a subsequent Serbian government license revocation. Meanwhile, Resolution, a proposed copper mine in Arizona has the potential to supply up to 25% of US copper demand.

Net Tangible Assets (NTA) per share

[^]The July 2023 NTA before tax is after the provision for tax of \$25.3m (2.02 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
July 2023	144.04c [^]	143.81c	143.34c
June 2023	142.84c	140.91c	141.09c

Market capitalisation (ASX: WLE)

\$1,860.9m*

Gross assets

\$1,841.9m

Listed equities

\$1,781.4m

Investment portfolio performance (pa since inception May 2016)

14.2%[^]

S&P/ASX 200 Accumulation Index: 8.8%

Dividends paid since inception (per share)

39.65c

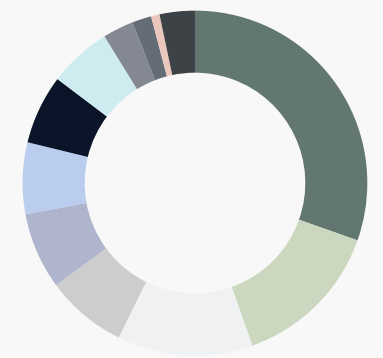
Annualised interim fully franked dividend yield

6.1%*

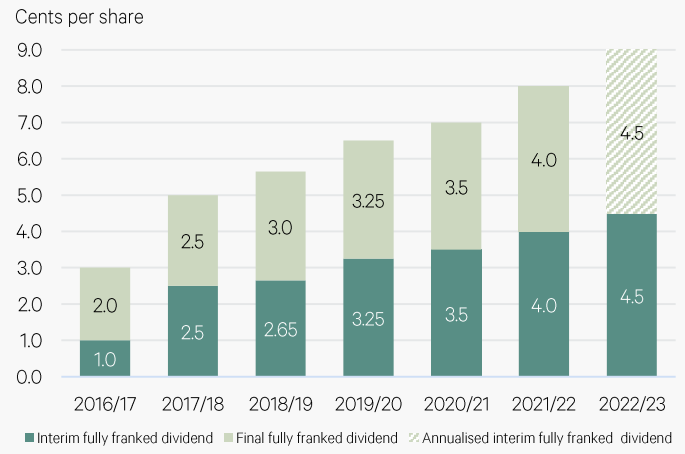
^{*}Based on the 31 July 2023 share price of \$148 per share and the annualised FY23 interim fully franked dividend of 9.0 cents per share. WAM Leaders has 1,257,331,124 shares on issue.
[^]Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

Diversified investment portfolio by sector

- Materials: 30.4%
- Financials: 14.2%
- Health care: 12.7%
- Consumer staples: 7.6%
- Consumer discretionary: 7.2%
- Energy: 6.7%
- Real estate: 6.5%
- Industrials: 5.9%
- Communication services: 2.9%
- Utilities: 1.8%
- Information technology: 0.8%
- Cash: 3.3%



History of fully franked dividends



Top 20 holdings (in alphabetical order)

ANZ	BHP	BXB	CBA	CGF	COH	CSL	DXS	EDV	IPL
MIN	NAB	RIO	RMD	S32	SGR	STO	TWE	WBC	WDS

WAM Capital

The WAM Capital (ASX: WAM) investment portfolio increased during the month, outperforming the S&P/ASX All Ordinaries Accumulation Index. Significant contributors to the investment portfolio outperformance included leisure and corporate travel business Flight Centre Travel Group (ASX: FLT) and banking and financial services provider Virgin Money UK (ASX: VUK).

Flight Centre Travel Group is a leisure and corporate travel business operating in 24 countries. In July, the company upgraded profit guidance for FY2023, noting that it now expects underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) of between \$295 million and \$305 million. The EBITDA midpoint of \$300 million represents a 7% increase on the previously targeted midpoint range, and a \$483 million turnaround on the underlying \$183 million FY2022 loss. Flight Centre Travel Group also announced that it expects its total sales volume for FY2023 to be \$22 billion, almost a 115% growth on the prior year, representing the company's second strongest full year result behind FY2019. Going forward we believe Flight Centre Travel Group can achieve higher levels of profitability than it experienced prior to the coronavirus pandemic due to extensive cost and efficiency savings. We note that market expectations are yet to incorporate Flight Centre Travel Group's target in FY2025 of a 2% profit before tax margin, and for these reasons, we continue to expect upcoming catalysts of earnings upgrades as the year progresses.

Virgin Money UK is a bank focused on the UK that is dual listed on both the London Stock Exchange and the Australian Securities Exchange. During the month, the company announced that it had performed resiliently under the Bank of England Annual Cyclical Scenario Stress Test, which is designed to assess a bank's ability to withstand an adverse scenario more severe than the global financial crisis. Following the successful completion of the test, Virgin Money UK will look to resume its buyback program, which is expected to return up to GBP175 million to shareholders in FY2023. In a third quarter 2023 update in early August, the company further noted its solid financial performance, driven by growth in customer accounts, increased business and unsecured lending, and costs being in line with market expectations. We look forward to Virgin Money UK providing further updates on the performance of its buyback program and see the potential that cost-to-income forecasts by analysts improve as we enter the 2024 financial year.

Net Tangible Assets (NTA) per share

[†]The July 2023 NTA before tax is after the provision for tax of \$19.7m (1.79 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
July 2023	145.42c [^]	162.15c	160.57c
June 2023	142.28c	158.99c	157.11c

*Includes 1.65 cents per share of tax assets resulting from the acquisition of investment companies and 15.49 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAM)

\$1,733.5m[#]

Gross assets

\$1,630.4m

Listed equities

\$1,461.6m

Investment portfolio performance (pa since inception Aug 1999)

15.0%[^]

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

Dividends paid since inception (per share)

292.75c

Annualised interim fully franked dividend yield

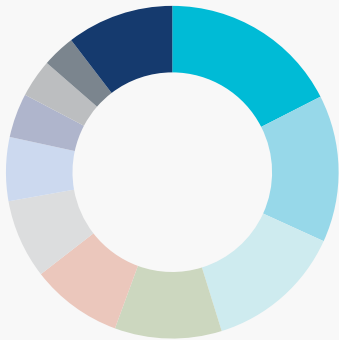
9.8%[#]

[#]Based on the 31 July 2023 share price of \$15.75 per share and the annualised FY23 interim fully franked dividend of 15.5 cents per share. WAM Capital has 1,100,603,773 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.

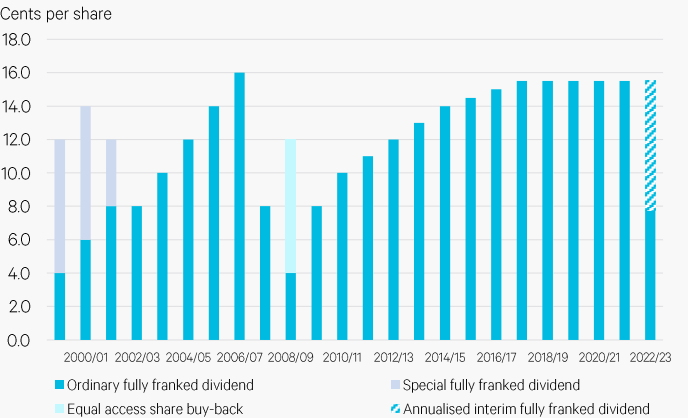
Diversified investment portfolio by sector

- Consumer discretionary: 17.5%
- Financials: 14.3%
- Health care: 13.4%
- Industrials: 10.4%
- Information technology: 8.9%
- Communication services: 7.7%
- Materials: 6.2%
- Real estate: 4.3%
- Energy: 3.7%
- Consumer staples: 3.2%
- Cash: 10.4%



History of fully franked dividends

The Company's ability to continue paying fully franked dividends is dependent on generating additional profits reserves, through positive investment portfolio performance, 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.



Top 20 holdings (in alphabetical order)

Life360	AMP	carsales.com ltd	Credit Corp Group	CODAN	Estia Health	FLIGHT CENTRE TRAVEL GROUP	Fisher & Paykel Healthcare	healix	HMC Capital
360	AMP	CAR	CCP	CDA	EHE	FLT	FPH	HLS	HMC
NEXT DC	RIDLEY	SELECT HARVESTS	Sigma Healthcare	technologyone	tpg TELECOM	TUAS	VIVA Energy Australia	VIRGIN MONEY UK	Webjet Limited
NXT	RIC	SHV	SIG	TNE	TPG	TUA	VEA	VUK	WEB

WAM Global

The WAM Global (ASX: WGB) investment portfolio performance increased during the month, outperforming the MSCI World Index (AUD). Significant contributors to the investment portfolio outperformance included derivatives marketplace CME Group (NASDAQ: CME) and ticketing service provider CTS Eventim (ETR: EVD).

CME Group is a leading financial exchange providing futures and options trading venues for interest rates, equities indices, foreign exchange and commodities. As a result of their leading market positions, CME Group has built deep liquidity in key product areas, creating barriers to entry that enable them to earn amongst the highest margins of any listed businesses, including greater than 68% earnings before interest, taxes, depreciation and amortisation (EBITDA) margins. Combined with CME Group's tendency to benefit from capital market volatility, the company has attractive qualities that make it a valuable holding in the WAM Global investment portfolio. In July, CME Group reported second quarter results that exceeded both revenue and earnings expectations. The company grew its revenue by 10% year-on-year to USD1.36 billion and adjusted earnings per share (EPS) by 17% year-on-year to USD2.30. This upbeat result, combined with continued operational discipline around costs and positive commentary around the long-term opportunity, provide confidence that our holding in CME Group will continue to perform well over time.

Based in Germany, CTS Eventim is a leading European provider of ticketing services for concerts, theatre productions, artistic and sporting events. The company offers ticketing sales and distribution, manages tours and events for artists, and has market leading positions in Germany, Italy, Austria and Switzerland. In a recent results announcement, the company highlighted the strong pent-up demand for entertainment as Europe emerges from the coronavirus pandemic and the exciting line up of entertainment coming to Europe in 2024. Additionally, the shift underway from physical to digital ticketing positions CTS Eventim well to capture increased revenue per ticket while simultaneously lowering their cost structure. In early August, CTS Eventim confirmed that they were increasing their stake in France Billet, the largest ticketing player in France. This makes CTS Eventim the majority owner of this asset with a 65% stake, and we see significant opportunity for the company to leverage its expertise to drive profitability higher at France Billet. With a strong line up of artists, increasing revenue per ticket and scale benefits to be realised, we believe the market is currently underestimating the company's earnings potential going forward.

Net Tangible Assets (NTA) per share

^The July 2023 NTA before tax is after the provision for tax of \$3.6m (1.02 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
July 2023	232.25c [^]	231.42c	233.60c
June 2023	228.09c	227.39c	230.19c

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

Market capitalisation (ASX: WGB)

\$706.6m*

Gross assets

\$826.4m

Listed equities

\$779.1m

Investment portfolio performance (pa since inception June 2018)

7.7%[^]

MSCI World Index (AUD): 11.2%

Dividends paid since inception (per share)

35.75c

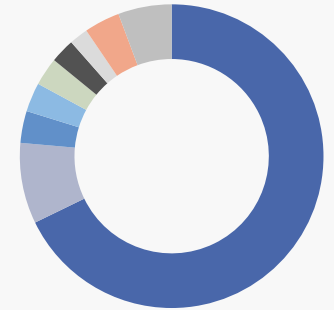
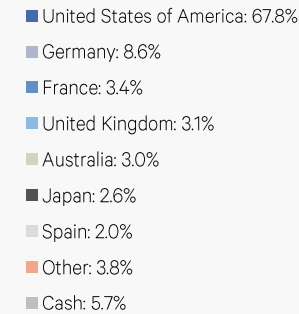
Annualised interim fully franked dividend yield

5.8%*

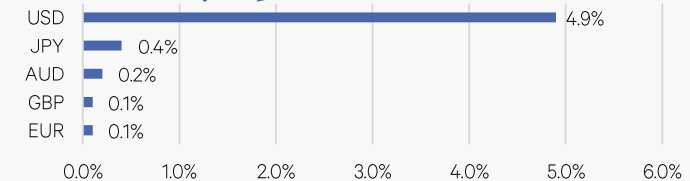
*Based on the 31 July 2023 share price of \$2.00 per share and the annualised FY23 interim fully franked dividend of 11.5 cents per share. WAM Global has 353,297,218 shares on issue.

[^]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

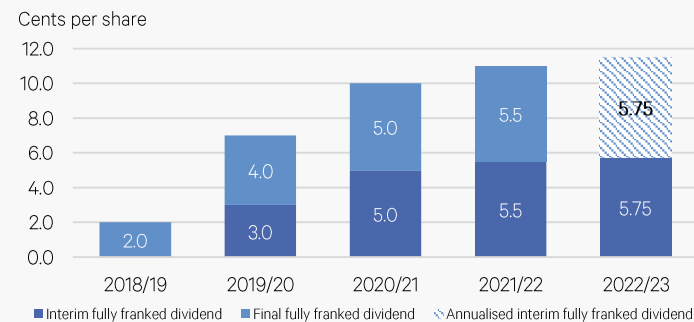


Cash currency exposure



History of fully franked dividends

The Company's ability to continue paying fully franked dividends is dependent on generating additional franking credits through the payment of tax on profits. Currently, the franking account balance of the Company is able to partially frank the final dividend, assuming the final dividend is also 5.75 cents per share. If no additional franking is generated, there is a possibility of future dividends being partially franked or unfranked.



Top 20 holdings (in alphabetical order)

Adobe ADBE US	Gallagher AJG US	Applus [®] APPS SM	Avantor [™] AVTR US	Booz Allen Hamilton [™] BAH US	CME Group CME US	dun & bradstreet DNB US	eventim ⁺ EVD GR	Edwards EW US	expedia group EXPE US
HCA Healthcare [®] HCA US	ICE ICE US	ICON ICLR US	INTUIT INTU US	PWR PWR US	SAP SAP GY	ThermoFisher SCIENTIFIC TMO US	TransUnion [™] TRU US	Tradeweb TW US	VISA V US

WAM Microcap

The WAM Microcap (ASX: WMI) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included marine service provider MMA Offshore (ASX: MRM) and discount variety retailer The Reject Shop (ASX: TRS).

MMA Offshore provides marine vessels and a suite of subsea services to the offshore energy sector, government and defence and wider maritime industries. In July, MMA Offshore announced a trading update, whereby anticipated earnings before interest, taxes, depreciation and amortisation (EBITDA) for FY2023 will be in the range of \$66 to \$68 million, representing more than a 100% increase on FY2022 and beating market expectations. The company noted that the stronger-than-expected second-half result was driven by a number of vessels trading through the traditionally quieter Southeast Asian monsoon period, and strong demand from oil, gas and offshore wind markets which is driving price increases. We expect the positive momentum for MMA Offshore to continue and see the potential for commentary around possible capital management or accretive bolt-on acquisitions at the upcoming 2023 full year result.

With more than 370 locations in Australia, The Reject Shop is a discount variety store chain offering a range of consumer goods and merchandise. Following a tough three years navigating the coronavirus pandemic, the business is well placed to operate in an inflationary environment given the cost-conscious product offering. Furthermore, freight costs are starting to reduce which should provide a tailwind for the business. Given the company's market capitalisation of approximately \$200 million and cash of around \$80 million, we believe that The Reject Shop could be a takeover target given its listed global peers trading on much higher valuations. Pleasingly, we saw our first sign of this with [The Australian Financial Review](#) flagging during the month that Canadian listed business Dollarama was interested in acquiring the business, driving the share price to increase 14.7% for the month of July.

Net Tangible Assets (NTA) per share

*The July 2023 NTA before tax is after the provision for tax of \$4.1m (1.94 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
July 2023	132.52c [^]	132.11c	133.52c
June 2023	130.15c	133.10c	130.49c

Market capitalisation (ASX: WMI)

\$315.4m*

Gross assets

\$288.7m

Listed equities

\$269.7m

Investment portfolio performance (pa since inception June 2017)

15.4%[^]

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

Dividends paid since inception (per share)

49.0c

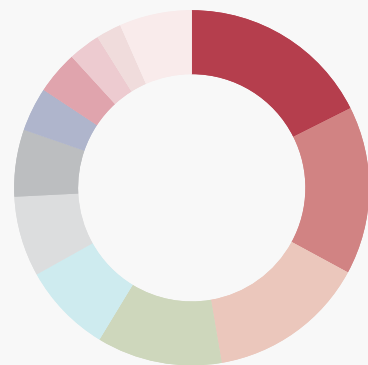
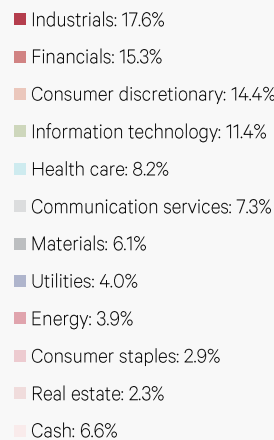
Annualised interim fully franked dividend yield

7.0%*

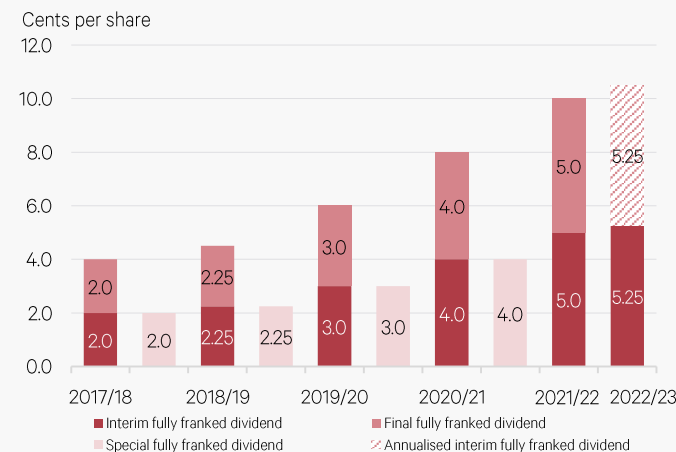
*Based on the 31 July 2023 share price of \$1495 per share and the annualised FY23 interim fully franked dividend of 10.5 cents per share. WAM Microcap has 210,979,923 shares on issue.

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

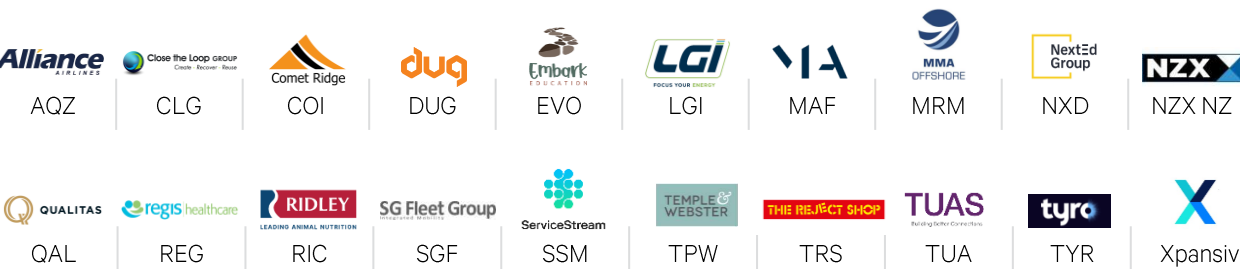
Diversified investment portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)



WAM Alternative Assets

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

The Argyle Water Fund provides the WAM Alternative Assets investment portfolio with an investment return consisting of both capital growth and income, with a low-to-negative correlation to other asset classes. The Bureau of Meteorology's alert system for the El Niño–Southern Oscillation on 6 June 2023 shifted to El Niño alert, indicating a 70% chance of El Niño this year. An El Niño event usually results in lower than average rainfall and drier conditions over the Australian Eastern sea board. This weather pattern could support stronger income return generation from the Argyle Water Fund. Argyle Capital has communicated that they have already seen an increase in the water spot prices as farmers look to secure water for their crops for the upcoming summer irrigation season.

During the month, Birch & Waite (B&W), one of WAM Alternative Assets' private equity investments, managed by our investment partner, Fortitude Investment Partners (FIP), announced further expansion of the business through the acquisition of Epicurean Foods. B&W is a Sydney-based manufacturer of premium condiments, desserts and beverages established in 1981. The business' current product range spans across mayonnaises, fresh condiments, sauces, dressings and dips, distributed across Australia and to a select number of export markets. The acquisition will complement existing growth plans and provide further production capacity to facilitate longer-term growth. The Epicurean Foods site facilitates B&W's pursuit of a more sustainable production, with significant renewable energy resources at Epicurean Foods. The business has been long focusing on a more sustainable business model through offering more flexible packaging to reduce food waste, sourcing organic fresh local produce, with approximately 30% of their sauces production powered by the renewable energy with the goal to increase it to 75% by 2024.

As reported in our June 2023 investment update, WAM Alternative Assets has continued its portfolio revitalisation strategy, receiving the exit proceeds from its investment in the Cove Property Group 2 Rector St Trust during the month. Cove Property Group exited its investment in a commercial office building located in Manhattan, New York, in the prior month. We look forward to redeploying the proceeds from this exit into new investment opportunities.

Net Tangible Assets (NTA) per share			
^The July 2023 NTA before tax is after the provision for tax of \$3.7m (1.89 cents per share) for the 2023 financial year.			
	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
July 2023	121.07c^	121.20c	120.16c
June 2023	122.80c	120.95c	120.05c

Market capitalisation
(ASX:WMA)

\$206.9m*

Gross assets

\$240.1m

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

11.6%[^]

Profits reserve
(per share)

18.4c

Annualised interim fully franked dividend
(per share)

5.0c

^Based on the 31 July 2023 share price of \$1.06 per share. WAM Alternative Assets has 195,209,463 shares on issue.

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

Asset Classes

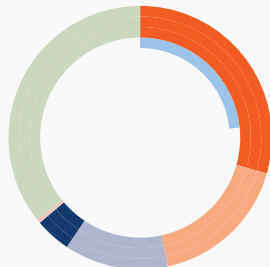
Real assets
Agricultural assets and investments in perpetual water entitlements which can be sold or leased to irrigators to generate income.

Private equity
Unlisted companies with long-term and accelerated growth potential.

Real estate
Domestic and international industrial, healthcare and office assets.

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
Domestic and international industrial, healthcare and office assets.

Asset class exposure				
<div><div></div>Real assets: 29.4%*</div> <div><div></div>Private equity: 17.2%</div> <div><div></div>Infrastructure: 12.8%</div> <div><div></div>Real estate: 4.4%</div> <div><div></div>Private debt: 0.5%</div> <div><div></div>Cash: 35.7%[^]</div> <div data-cs="4" data-kind="parent">^Total capital commitments are 21.8%.</div> <div data-kind="ghost"></div> <div data-kind="ghost"></div> <div data-kind="ghost"></div> <div data-cs="4" data-kind="parent">*Real assets includes:</div> <div data-kind="ghost"></div> <div data-kind="ghost"></div> <div data-kind="ghost"></div> <div><div></div>Water Rights: 23.4%</div>				
				
	Current value		+/- Prior month	
Portfolio structure	\$m	%	\$m	%
Real assets	70.5	29.4	0.3	0.4
Private equity	41.4	17.2	-	-
Infrastructure	30.7	12.8	(0.2)	(0.6)
Real estate [*]	10.6	4.4	(5.4)	(33.8)
Private debt	1.1	0.5	(0.2)	(15.4)
Cash [^]	85.8	35.7	5.8	7.3
Grand total	240.1	100.0	0.3	0.1
[*] Includes undrawn capital commitments to the Crescent Capital Partners VII Fund (\$15.0m); the Intermediate Capital Group Australian Senior Loan Fund (\$8.9m); the Barwon Institutional Healthcare Property Fund (\$7.8m); the Allegro Fund IV (\$7.6m); the CEN (I&L) Partnership Fund (\$6.5m); the Adamantem Capital Fund II (\$5.3m) and the Strategic Australian Agriculture Fund (\$1.3m). During the month, \$0.1m of capital commitments to the Allegro Fund IV was drawn down.				
[^] During the month, exit proceeds were received from our investment in the Cove Property Group 441 Ninth Avenue Trust (\$5.1m).				
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.				

Top holdings

Real assets	Private equity	Infrastructure	Real estate
			
Water Fund	A provider of outsourced e-commerce solutions in South-East Asia	Palisade's Diversified Infrastructure Fund	Barwon Institutional Healthcare Property Fund
Pioneer and leading non-irrigator water investor in Australia		Palisade's Renewable Energy Fund	
Strategic Australian Agriculture Fund		Private Debt	
Investing across Australian water entitlements, farmland and associated businesses and agricultural infrastructure	A manufacturer of premium condiments, desserts and beverages	ICG	Centennial CEN (I&L) Partnership Fund
		Australian Senior Loan 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	

WAM Strategic Value

The WAM Strategic Value (ASX: WAR) investment portfolio increased during the month. The listed investment company (LIC) and listed investment trust (LIT) sector experienced a general narrowing of share price discounts to net tangible assets (NTA) following share price volatility experienced in May and June 2023. The investment portfolio's allocation to global-focused LICs and LITs again provided positive contribution, with WAM Global (ASX: WGB), VGI Partners Global Investments (ASX: VG1) and Pengana International Equities (ASX: PIA) share prices increasing 7.8%, 6.5% and 3.9% respectively.

The WAM Strategic Value investment portfolio also benefitted from strong share price performance from QV Equities (ASX: QVE), with the share price increasing 5.3%, resulting in a narrowing of the share price discount to NTA in July. During the month, WAM Strategic Value announced its substantial holding in QV Equities, holding a relevant interest of 14.9% in the company.

The WAM Strategic Value investment portfolio has a 48.2% allocation to LICs and LITs that invest in global companies. Global equity markets, as measured by the MSCI World Index (AUD), have returned positive performance for seven consecutive months as investor sentiment has improved and hopes for a soft landing and future rate cuts grow. Despite the strong calendar-year-to-date performance, we continue to see global-focused LICs and LITs as a significant discount-capture opportunity. Our current exposure to global LICs and LITs provides WAM Strategic Value shareholders access to a diversified portfolio of global LICs and LITs that are currently trading at a 15.1% average discount to NTA.

The share price discount to NTA across the LIC and LIT sector has led to continued corporate activity as company boards implement strategies that provide investors with the opportunity to exit their investment at close to market value. We expect that corporate activity will be heightened in the sector as global hedge fund managers, including Saba Capital, emerge on the register of LICs and LITs trading at attractive discounts to NTA.

Net Tangible Assets (NTA) per share

^The July 2023 NTA before tax is after the provision for tax of \$301k (0.17 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains	NTA after tax
July 2023	120.69c^	121.10c	123.56c
June 2023	117.25c	117.34c	121.05c

Market capitalisation
(ASX: WAR)

\$183.7m*

Full year fully franked dividend

3.5cps

Gross assets

\$219.2m^

Annualised interim fully franked dividend guidance

4.0cps**

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

LIC/LIT Global Equities: 48.2%

LIC/LIT Domestic Equities: 24.6%

Direct Discount Asset: 8.1%

LIC/LIT Fixed Interest: 0.9%

Cash and Cash Equivalents: 18.2%

July 2023 look-through pre-tax NTA

\$1.37

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.

Top 20 holdings (in alphabetical order)

AMP	CD2	CD3	CIN	GDC	LRK	MGF	NSC	PIA	PIC
PMC	QRI	QVE	RG8	SB2	SEC	TEK	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.

WAM Research

The WAM Research (ASX: WAX) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included energy company Viva Energy Group (ASX: VEA) and banking and financial services provider Virgin Money UK (ASX: VUK).

Viva Energy Group is a leading energy company that supplies approximately a quarter of Australia’s fuel requirements. In July, Viva Energy Group provided an operational update and announced its unaudited financial result for the six months to 30 June 2023, noting an 11.5% increase in total group sales volumes compared to the prior corresponding period. The increase was driven primarily by the recovery in international travel, as well as robust demand from the resources, marine and wholesale sectors. The company now expects earnings before interest, taxes, depreciation and amortisation (EBITDA) to be approximately \$360 million, with its important retail and commercial division beating market expectations. Over the medium term, we remain positive on the outlook on Viva Energy Group as the business is set to convert over 700 Coles Express stores to the highly profitable On the Run brand which dominates the South Australian market.

Virgin Money UK is a bank focused on the UK that is dual listed on both the London Stock Exchange and the Australian Securities Exchange. During the month, the company announced that it had performed resiliently under the Bank of England Annual Cyclical Scenario Stress Test, which is designed to assess a bank’s ability to withstand an adverse scenario more severe than the global financial crisis. Following the successful completion of the test, Virgin Money UK will look to resume its buyback program, which is expected to return up to GBP175 million to shareholders in FY2023. In a third quarter 2023 update in early August, the company further noted its solid financial performance, driven by growth in customer accounts, increased business and unsecured lending, and costs being in line with market expectations. We look forward to Virgin Money UK providing further updates on the performance of its buyback program and see the potential that cost-to-income forecasts by analysts improve as we enter the 2024 financial year.

Net Tangible Assets (NTA) per share

~The July 2023 NTA before tax is after the provision for tax of \$1.7m (0.83 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
July 2023	94.87c [^]	99.97c	100.83c
June 2023	93.03c	98.44c	98.96c

*Includes 5.56 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAX)

\$227.0m[#]

Gross assets

\$192.9m

Listed equities

\$188.6m

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

13.7%[^]

S&P/ASX All Ordinaries Accumulation Index: 8.8%

Dividends paid since inception (per share)

139.0c

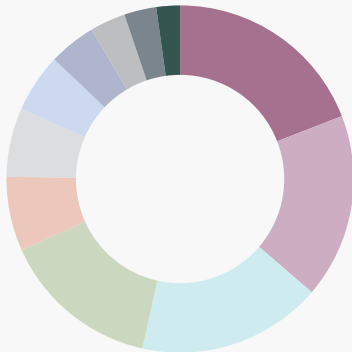
Annualised interim fully franked dividend yield

8.8%[#]

[#]Based on the 31 July 2023 share price of \$1.13 per share and the annualised FY23 interim fully franked dividend of 10.0 cents per share. WAM Research has 200,885,140 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.

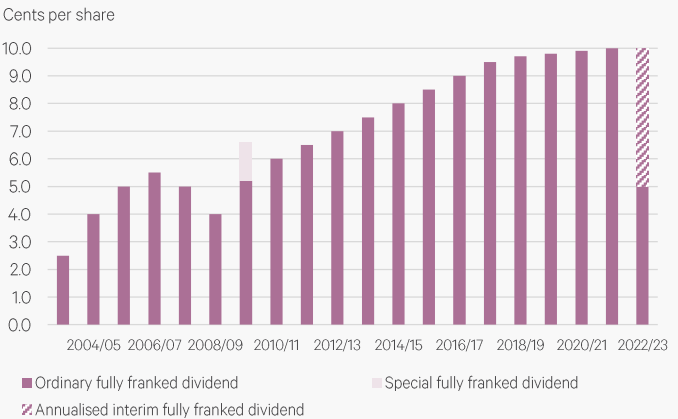
Diversified investment portfolio by sector

- Consumer discretionary: 19.1%
- Health care: 17.2%
- Financials: 17.2%
- Industrials: 14.8%
- Real estate: 6.9%
- Consumer staples: 6.4%
- Communication services: 5.5%
- Energy: 4.4%
- Materials: 3.3%
- Information technology: 3.0%
- Cash: 2.2%



History of fully franked dividends

The Company’s ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies. Currently, the franking account balance of WAM Research is able to frank a portion of the final dividend, assuming the final dividend is also 5.0 cents per share. If no additional franking is generated, there is a possibility of future dividends being partially franked or unfranked.



Top 20 holdings (in alphabetical order)

 CCP	 EHE	 HLS	 HMC	 KLS	 MGH	 PNI	 PXA	 REH	 RIC
 SGF	 SHV	 SIG	 THL	 TNE	 TUA	 TYR	 VEA	 VUK	 WEB

W | A | M Active

The WAM Active (ASX: WAA) investment portfolio increased during the month. Significant contributors to the investment portfolio performance included leisure and corporate travel business Flight Centre Travel Group (ASX: FLT) and network-as-a-service provider Megaport (ASX: MP1).

Flight Centre Travel Group is a leisure and corporate travel business operating in 24 countries. In July, the company upgraded profit guidance for FY2023, noting that it now expects underlying earnings before interest, taxes, depreciation and amortisation (EBITDA) of between \$295 million and \$305 million. The EBITDA midpoint of \$300 million represents a 7% increase on the previously targeted midpoint range, and a \$483 million turnaround on the underlying \$183 million FY2022 loss. Flight Centre Travel Group also announced that it expects its total sales volume for FY2023 to be \$22 billion, almost a 115% growth on the prior year, representing the company's second strongest full year result behind FY2019. Going forward we believe Flight Centre Travel Group can achieve higher levels of profitability than it experienced prior to the coronavirus pandemic due to extensive cost and efficiency savings. We note that market expectations are yet to incorporate Flight Centre Travel Group's target in FY2025 of a 2% profit before tax margin, and for these reasons, we continue to expect upcoming catalysts of earnings upgrades as the year progresses.

Network service provider Megaport enables customers to connect their network to cloud services, managed services and data centres. During the month, Megaport upgraded its normalised EBITDA guidance for FY2023 to be in the range of \$19 million to \$21 million, an increase from the previous guidance of \$16 million to \$18 million. The company also noted that it expects its FY2024 EBITDA guidance to be higher than the previous guidance of \$41 million to \$46 million, and noted its decision to terminate its \$25 million HSBC debt facility, which will subsequently reduce costs. We are pleased to see the strong upgraded guidance and look forward to the release of the company's FY2023 results. We believe the new earnings guidance presented by management in the results announcement will outperform market expectations.

Net Tangible Assets (NTA) per share

*The July 2023 NTA before tax is after the provision for tax of \$0.9m (1.19 cents per share) for the 2023 financial year.

	NTA before tax	NTA after tax and before tax on unrealised gains*	NTA after tax*
July 2023	76.15c [^]	85.36c	86.35c
June 2023	74.02c	82.89c	84.02c

*Includes 10.00 cents per share of income tax losses available to the Company in future periods.

Market capitalisation (ASX: WAA)

\$53.3m[#]

Gross assets

\$57.9m

Listed equities

\$51.3m

Investment portfolio performance (pa since inception Jan 2008)

10.1%[^]

Bloomberg AusBond Bank Bill Index (Cash): 2.8%

Dividends paid since inception (per share)

89.7c

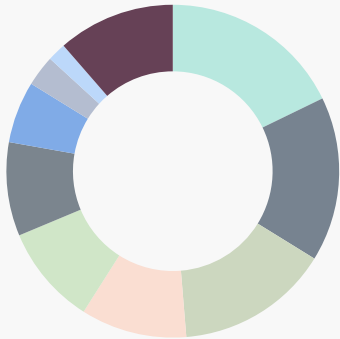
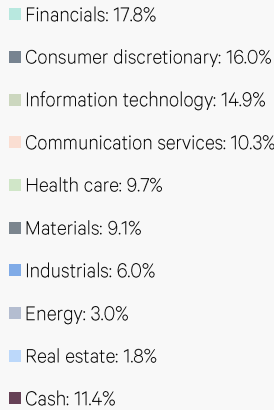
Annualised interim fully franked dividend yield

8.5%[#]

[#]Based on the 31 July 2023 share price of \$0.71 per share and the annualised FY23 interim fully franked dividend of 6.0 cents per share. WAM Active has 75,068,303 shares on issue.

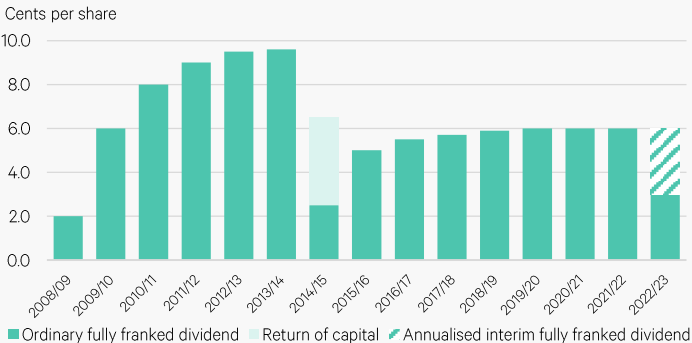
^{*}Investment portfolio performance is before expenses, fees and taxes to compare to the relevant index which is also before expenses, fees and taxes.

Diversified investment portfolio by sector



History of fully franked dividends

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.



Top 20 holdings (in alphabetical order)

Life360	AMP	BELLEVUE GOLD	carsales.com ltd	CODAN	FLIGHT CENTRE TRAVEL GROUP	Fisher & Paykel HEALTHCARE	KEYBRIDGE CAPITAL LIMITED	LIGHT & WONDER	Megaport
360	AMP	BGL	CAR	CDA	FLT	FPH	KBC	LNW	MP1
MMA OFFSHORE	neuren pharmaceuticals	NextEd Group	NEXT D C	PREMIER INVESTMENTS AUSTRALIA	Steadfast	SiteMinder	SGH	tpg TELECOM	Xpansiv
MRM	NEU	NXD	NXT	PMV	SDF	SDR	SVW	TPG	Xpansiv