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Wilson Asset Management



Geoff Wilson AO

Chairman & Chief Investment Officer

Wilson Asset Management

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W | A | M *Alternative Assets*

Alternative investment opportunities,
managed by an exceptional team

Alternative asset opportunities

Key benefits

- ✓ Absolute returns uncorrelated with equity markets
- ✓ Diversification
- ✓ Lower volatility than equities
- ✓ Exposure to innovative investment products and strategies typically available only to wholesale and institutional investors

Asset classes

Real assets

Private equity

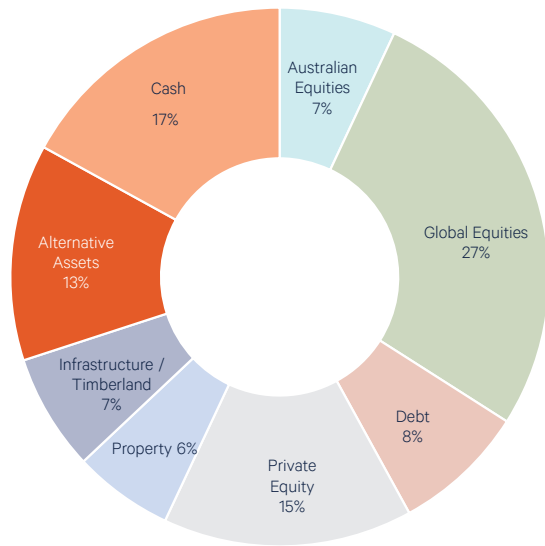
Real estate

Private debt

Infrastructure

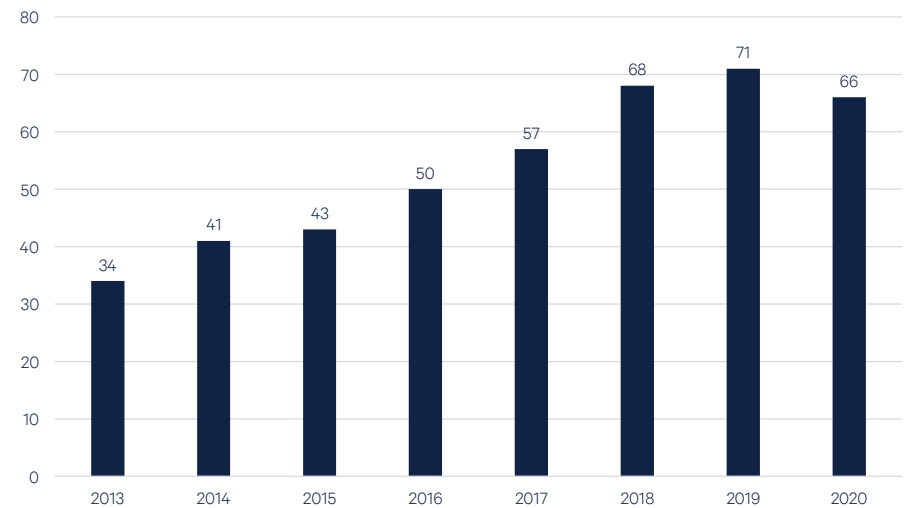
A critical and growing asset class

Australian Government Future Fund's portfolio composition



Total alternative assets = 41%

Australian Government Future Fund's total alternative investments (\$bn, June)



Almost doubled in seven years

Australian Government Future Fund's portfolio composition as of 30 June 2020. Total alternative assets include alternative assets, private equity, infrastructure / timberland and property. Note that the classifications by Australian Government Future Fund may differ from those adopted by BAF

Top holdings

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Real Assets

Water Rights



Pioneer and leading non-irrigator water investor in Australia

Agriculture

Strategic Australian Agricultural Fund

A diversified portfolio of Australian agricultural assets and water entitlements

Private Equity

Growth Capital



Venture Capital



Real Estate

US Real Estate

2 Rector Street, Manhattan, New York
441 Ninth Avenue, Manhattan, New York

Australian Real Estate

Darra Industrial Income Fund
Revesby Industrial Income Fund

Investment Committee

Geoff Wilson AO

BSc GMQ FFINSIA FAICD

Board Director & Investment
Committee member

Geoff is the Founder, Chairman & Chief Investment Officer of Wilson Asset Management (International) Pty Limited and the Chairman of the six LICs it manages. Geoff has over 39 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US.

John Roberts

LLB

Investment Committee
member

John Roberts has almost three decades' investment experience gained in senior alternatives focused roles with Macquarie Group, including Head of Europe, Joint Head of Macquarie Capital Advisers, Global Head of Macquarie Capital Funds and Executive Chairman of Macquarie Funds Group. John is currently Chairman of Macquarie Infrastructure and Real Assets and a Partner at Alfred Street Investment Partners.

Adrian Siew

BSc (Hons I)

Board Director &
Investment Committee
member

Adrian is a highly experienced alternatives professional with almost 25 years' investment experience gained in senior roles with Nacre Holdings, The Carlyle Group and The Straits Trading Company, beginning his career in M&A with Goldman Sachs.

To be announced

Portfolio Manager

A highly experienced and credentialed portfolio manager with alternatives experience gained in the US, UK, Europe and Australia.

Expertise in LICs,
commitment to shareholder engagement

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1998

Geoff Wilson establishes Wilson Asset Management



Mr Wilson . . . plenty of room for more LICs.

2008

\$150M IPO
W | A | M Active



“It’s the time you can buy a dollar of assets for 50c.”

2003

W | A | M Research
\$161M IPO

“Rule number one is ‘do not lose money’. Rule number two is the same as rule number one.”

2005

2012

1999

W | A | M Capital
\$20M IPO



Profile: Geoff Wilson
Fascination with how stocks make money runs deep

Investment & management team



Geoff Wilson AO
BSc GMQ FFINSIA FAICD
Chairman &
Chief Investment
Officer



Kate Thorley
BCom CA GAICD
Chief Executive
Officer



Catriona Burns
BCom MAppFin FFINSIA CFA
Lead Portfolio
Manager



Matthew Haupt
BCom GradDipAppFin CFA
Lead Portfolio
Manager



Oscar Oberg
LLB BBus CFA
Lead Portfolio
Manager



Adrian Siew
BSc (Hons I)
IC Member
Director



Tobias Yao
BCom CFA
Portfolio Manager



John Ayoub
LLB BA GradCertAppFin
Portfolio Manager



Nick Healy
BEng (Hons) MBA
Senior Equity
Analyst



Shaun Weick
BBus (Fin) CA
Equity Analyst



Sam Koch
BBus CFA
Equity Analyst



William Liu
BCom MFin
Equity Analyst



Cooper Rogers
BCom GradDipAppFin
Dealer



Tyler McKay
BBus
Assistant Dealer



Jesse Hamilton
BCom CA
Chief Financial
Officer



James McNamara
BJourn MComn GradDipFin
Head of Corporate
Affairs

Superiority of the LIC structure



Closed-end structure –
no applications or
redemptions



Public companies provide
stringent **corporate governance**
and accountability of Directors



The ability to make **longer term**
investment decisions



Provide a stream of
fully franked **dividends**



Trades on the ASX which
provides intra-day **liquidity**



Provides **opportunities** –
can trade at a premium/
discount to assets

Critical elements of a successful LIC

01

Performance

Investment portfolio performance

02

Dividends

Fully franked dividend yield

03

Fairness

Treat shareholders equitably

04

Engagement

Comprehensive shareholder acknowledgement, engagement, communication and education strategy

Research coverage & awards

Our LICs receive coverage from the following independent investment research providers:



Winner of the LIC category at the Professional Planner | Zenith Fund Awards 2014, 2015, 2016, 2017 and 2018

The image displays four award badges from the Zenith Fund Awards. The top badge is for the 2018 award, and the others are for 2017, 2018, 2015, and 2014. Each badge features the Zenith logo and the text 'Professional Planner | Zenith FUND AWARDS' followed by the year and 'WINNER'.

only

Engagement with shareholders

Wilson Asset Management | **OVER 20 YEARS** Making a difference

From the Lead Portfolio Managers

Dear Shareholder,

It has been a dynamic start to the calendar year, with coronavirus disrupting global commerce and the devastating bushfires impacting Australia. Thank you to those who contributed to our joint effort to raise \$1 million for those affected by the bushfires and drought.

Markets are up in the calendar year to date, with the MSCI World Index (AUD) up 7.0% and the S&P 500 Index up 8.0%. The S&P/ASX All Ordinaries Accumulation Index is up 5.1%.

Geoff Wilson
Chairman & Chief Investment Officer

Accept. Assess. React.

May 2020

We asked our shareholders what they wanted to hear and invited James Maylay from LiveWire to conduct a series of discussions with Chairman and Chief Investment Officer Geoff Wilson, AD Chief Executive Officer Kate Thorley and Lead Portfolio Managers Catriona Burns, Matthew Haupt and Oscar Oberg about economies and markets, investment opportunities and challenges, and our personal experiences of these unprecedented times.

Our listed investment companies

Unsurprisingly, many shareholders expressed concern about the direction of the market during the formal presentations and over lunch with the team. You may recall that I have been concerned about the market for the last few years. The US Federal Reserve voted from raising interest rates and withdrawing liquidity from the financial system in December 2018, to cutting interest rates three times in 2019 and injecting liquidity back into the system with quantitative easing. Through "QE4" the US Federal Reserve has eased its balance sheet by USD250 billion over the last quarter. It is worrying that the Fed has little appetite for yield in the current environment as forcing investors significantly up the risk curve. I believe these factors will continue to drive investors' behaviour in 2020. The longest bull market in equities continues as major indices reach new peaks leading investors to take on more risk as they chase returns.

Experience WAM Vault

Published May 21, 2020

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The importance of community during the GFC

Kate discusses Wilson Asset Management's experiences that have emerged under lockdown.



Wilson Asset Management | **OVER 20 YEARS** Making a difference

From the Chairman

Dear Shareholder,

Yesterday, our November 2019 Shareholder Presentations came to a close. We thoroughly enjoyed our trips across Australia to meet with you and our 41st roadshow was no different. We especially had fun with our "buy, hold or sell" segment and our panel discussion highlighting your top five investment concerns. If you missed us this time, you can watch the [video](#) and read LiveWire's [coverage](#). We would love to hear your [feedback](#) and hope to see you all again in May 2020.

WAM Vault
WATCH | READ | LISTEN

From the Chief Executive Officer

Good morning,

We are excited to share **WAM Vault** with you all. For the first time in 20 years, we are unable to take to the road and meet with our shareholders across the country and we will miss the opportunity to catch up over a cup of tea. We hope you enjoy watching, reading or listening to our first "virtual" Shareholder Presentation. We provided our shareholders with early access to WAM Vault last night and the website briefly crashed due to the surge in traffic and we have resolved the issue now.

We hope you enjoy the conversations and please feel free to share it with friends and family. Let us know your thoughts by completing this brief [survey](#). We look forward to hearing from you.

Thank you for your support.

WAM Vault
WATCH | READ | LISTEN

We remain focused on protecting shareholder capital while providing a long-term performance over the long term. Against this investment landscape, all portfolios of our listed investment companies (LICs) have delivered solid performance over the calendar year to 31 October 2019:

- WAM Global (ASX: WGB) up 23.3%
- WAM Leaders (ASX: WLE) up 23.9%
- WAM Capital (ASX: WAM) up 21.4%
- WAM Research (ASX: WAX) up 25.2%
- WAM Microcap (ASX: WMC) up 25.2%

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From the Chief Executive Officer

Dear Shareholder,

We are excited to bring to you our first weekly newsletter of the year, investment insights and an update on making a difference. I would like to thank you, our shareholders and supporters, for your continued support. For your feedback, please provide any feedback via email.

Friday 4 September 2020
<https://www.wamout.com/user-content/2020/09/04/wam-capital-wam-research-wam-active>

[Read article >](#)

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From the Chief Executive Officer

Catriona Burns
Lead Portfolio Manager

Wilson Asset Management | **OVER 20 YEARS** Making a difference

From the Chief Executive Officer

A dynamic start to 2020

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WATCH | READ | LISTEN

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Engagement with stockbrokers, financial planners & wealth managers

- Weekly internal macroeconomic notes
- Quarterly calls with Q&A
- Semi-annual meetings



Share price to NTA

W | A | M Capital



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Superior growth potential

Growth of WAM Capital by market capitalisation



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Capital raisings

W | A | M *Capital*

FY13-I8:

\$906.9m

FY13: \$239.4m

Shares issued via exercise of options

\$202.4m

Shares issued via placement

\$37.0m

FY14: \$72.0

Shares issued via exercise of options

\$43.5m

Shares issued via placement

\$24.7m

DRP underwriting agreement

\$3.8m

FY15: \$196.9m

Shares issued via share purchase plan

\$103.3m

Shares issued via placement

\$90.1m

Shares issued via DRP underwriting

\$3.5m

FY16: \$25.1m

Shares issued via DRP shortfall
placement

FY17: \$307.3m

Shares issued via share purchase plan

\$128.4m

Shares issued via placement

\$119.1m

Shares issued via DRP shortfall
placements

\$59.8m

FY18: \$66.2m

Shares issued via DRP shortfall
placements

Capital raisings

W | A | M *Leaders*

May 2016:

\$394.3m

Shares issued via an oversubscribed IPO

9,908 investors participated in the IPO, with 4,202 being existing Wilson Asset Management LIC shareholders

\$377.3m

Raised through an option issue over a 1.5 year campaign

The options expired on 17 November 2017 with **95.7%** exercised

W | A | M *Global*

June 2018:

\$465.5m

Shares issued by an initial public offering

12,855 investors participated in the IPO, with 8,000 being existing Wilson Asset Management LIC shareholders

W | A | M *Microcap*

June 2017:

\$154.0m

Shares issued by an oversubscribed IPO

4,769 investors participated in the IPO, with 2,752 of whom were existing Wilson Asset Management LIC shareholders

August 2020:

\$88.0m

Raised through an **oversubscribed** Share Purchase Plan and Placement

More than **55%** of existing shareholders participated in the SPP

Returning to a share price premium to NTA

Post-transition strategy

Our aim:

Consistently deliver absolute returns with a meaningful dividend yield



“Best of breed” managers for each asset class



Diversity of portfolio with continued focus on core asset classes, broadened to selectively include private debt and infrastructure



Combination of primary, secondary and co-investments



Australasia-focused with opportunistic approach to other geographies



Consider ex-BLA opportunities (new and follow-on investments) on a standalone merit basis



Franked dividends

Investment team

Seasoned portfolio manager and IC, with Geoff Wilson AO as Chief Investment Officer and access to our team of 14 investment professionals with combined investment experience of more than 190 years

Branding

Rebranded as **WAM Alternative Assets Limited** (ASX: WMA)

Oaktree/BLA

Strong relationship with **Oaktree / ex-BLA** ensures a smooth transition of manager and continued creation of value

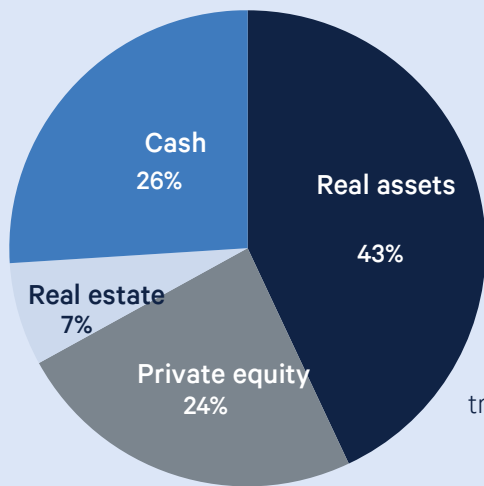
Share price trading

Eliminate the share price discount to NTA through Wilson Asset Management’s active shareholder engagement strategy

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Post-transition strategy

Current BAF^(a)



Narrowing of trading discounts



Growth through capital raisings and absolute performance



Market cap = \$171m^(b)

Market cap = \$211m^(c)

Market cap = \$500m-\$1b+

(a) Portfolio composition as of 31 July 2020
(b) As of 4 September 2020
(c) Total portfolio valuation as of 31 July 2020

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 **Wilson**
Asset Management

OVER **20** Making a
YEARS difference