

## WAM Active FY2026 Interim Results Q&A Webinar

Wednesday 14<sup>th</sup> January 2026

### **Speakers:**

Oscar Oberg – Lead Portfolio Manager

Shaun Weick – Deputy Portfolio Manager

Olivia Harris – Marketing and Digital Manager

**Olivia Harris:** Good morning everyone and thank you for joining us today for the WAM Active (ASX: WAA) FY2026 Interim Results webinar. My name is Olivia Harris and I work on the Corporate Affairs team here at Wilson Asset Management. Today I'm joined by Lead Portfolio Manager Oscar Oberg and Deputy Portfolio Manager Shaun Weick. Together with the investment team, Oscar and Shaun look after our small cap funds here at Wilson Asset Management.

That's WAM Capital (ASX: WAM), WAM Research (ASX: WAX), WAM Microcap (ASX: WMI) and WAM Active. Before we kick off today's call, there is a disclaimer displayed on the screen for you to read. Please read through that. It means that everything we discussed today is general in nature only and is not considered financial advice. And with that I will pass over to Oscar.

**Oscar Oberg:** Thanks Olivia and thanks to everyone for dialing in today. In terms of how the call run this morning I'll give a quick overview of the evolution of the WAM Active Fund over the last few years. I'll then pass it on to Shaun to talk about the record performance over the last 12 months and also to give an outlook and then we'll finish up with some key stock picks. Now for those on the call that are quite familiar with Wilson Asset Management, you know our investment process very well. We look for undervalued growth companies with catalysts to see a re-rating of the share price.

Now the vast majority of companies that we invest in are small cap industrial companies, sectors such as technology, retail and automotive. Now in 2022, that was a very tough period for us across all the funds we manage and in particular WAM Active. Now what happened in that year was we saw inflation increase very suddenly and very quickly. And then we also saw the Russia-Ukraine war which really drove up commodity prices.

Now none of the funds really owned any stocks in the resources sector and as a consequence it was a very tough year and WAM Active probably had one of its worst years that it's had in history. Now when we have tough years like that, you have to sort of review what happened. And we did so straight after that financial year and we had a look back at the investment mandate of WAM Active. And it's a very broad mandate and really should be managed as an absolute return strategy.

Now up until that point the fund had done very well because we just hadn't seen the divergence between industrial companies and resources companies to the extent that we saw in 2022. So, a decision was made and this was in conjunction with a lot of the investor feedback that we had and perhaps some frustration at the size of the fund relative to the other Wilson Asset Management funds. And the decision was made that we needed to really give the fund some love and to run it separately, as it really always should have been, as an absolute return product.

Now, to do that, it needed its own portfolio manager and thankfully, Shaun, for those of you who don't know Shaun well, he's done a few of these calls, but Shaun is now an assistant portfolio manager and has done a tremendous job for us at Wilson Asset Management. But some background to Shaun is I first

met Shaun, I reckon it was 2015, I think it was, and first employed Shaun at CLSA where I was a research analyst.

I then left him, I think after a couple of months, and put him in the deep end when I joined Wilson Asset Management. But we obviously stayed very close and Shaun has had an amazing career on the sell side. He went from CLSA to Macquarie, he was the best small cap analyst in the market. And we were lucky enough to hire Shaun in January 2020 just before COVID So it really was putting Shaun into the deep end again.

But over the last six years, Shaun's done an amazing job and you can see from him running the portfolio as it should be, but really focusing hard on absolute return and across all sectors, you can see the returns for yourself in the results. So I guess with that in mind, I'll pass it to Shaun to talk about the results and the outlook and then we'll finish off with some stock picks.

**Shaun Weick:** Great. Thanks, mate. Big wraps there. Yeah, thanks so much everyone for dialing in today. So, with the FY2026 interim results, obviously pleased to report that WAM Active delivered performance of 41.4% in the investment portfolio for the 12 months ended 31 December 2026. 2025. Sorry, getting ahead of myself. And 31.4% for the 6 months to 31 December. So that performance was obviously very pleasing. It's the strongest performance for the fund since its inception in 2008.

The fund outperformed the All Ordinaries Accumulation Index by 36.4% in the 12 months and by 29.6% in the six months. It's outperformed the Bloomberg Ausbond Bank Bill index effectively cash by 31% in the 12 months and 27% in the last six months. Now, moving on to dividends. So the board declared a 3.2 cents per share fully franked interim dividend as well as a \$0.01 per share fully franked special dividend.

The fully franked interim dividend is payable 28th of May 2026 whilst the fully franked special dividend is payable on the 30th of June 2026. So the dividends declared represent an annualised fully franked interim yield of 6.5% or a grossed up dividend yield of 9.3% when including the value of franking credits. So moving on to the drivers of outperformance throughout the period so the first thing I wanted to highlight was RBA interest rate expectations and is the key thing I'd say which has occurred since our last update, which is the rapid repricing of interest rates that has occurred in Australia throughout the past three months.

We can see the RBA cash rate is unchanged over this period at 3.6%. However the market has shifted from pricing in 30bps of interest rate cuts in 2026 only three months ago to now pricing in around 30bps of interest rate hikes in 2026. And if we look globally, most central banks remain in a cutting cycle with the key US market expected to cut rates by over 50bps in 2026 based on current market pricing.

So I guess the change in the interest rate environment has triggered the market to reassess positioning and the outlook for smaller companies here in Australia given they're typically more sensitive to interest rates and the abroad economy. So looking at this chart here there's two key call outs I'd like to make the ASX 300 resources have significantly outperformed the industrials over the rolling 12 month period by around about 60%.

We can see that more recently as 10 year yields began to grind higher from mid October, resources have rallied around 20% while the industrials are down about 4%. We do think the impact of rising rates has created some compelling opportunities within the industrial space, but it does highlight the

importance of being flexible in our thinking and remaining nimble in positioning the fund and being willing to rotate when we see opportunities.

And so to that point it is worth calling out the significant shift in the sector positioning of the fund over the past six months as our thoughts around I suppose the interest rate outlook and the broader macro settings globally have evolved. I was saying that you've got to be willing to fish where the fish are, which means to move quickly and change things and that stands with me every day this table compares the sector allocations at the end of June versus December 2025.

The key thing we'd call out here is the significant upweight in exposure to materials with a down weighting of more interest rate sensitive components in the market such as industrials and financials. Based on what we could see was happening with prevailing sentiment, this has been a key enabler for the fund in terms of sustaining strong performance across the specific period. Despite what we've seen is significant divergence in the performance of underlying stocks and sectors within the market, particularly over the last three or four months.

Many of the high-flying stocks that we traded within the fund coming out of the, I suppose, tariff tantrum are now sort of 30% to 40% off their highs after some of them doubling and tripling. So we are actively doing work here to see what opportunities are now representing themselves. We've seen a recent update from Codan which the market rewarded very favorably, which had obviously come off with that change in rate sentiment. So yeah, we think there are good opportunities in there. With the February reporting season presenting a key near term catalyst and I guess probably the best measure of the active nature of the fund. I mean, portfolio turnover has increased to 11.3 times in 2025, which is up from 6.7 times in FY2024.

We think capital markets activity will remain positive into 2026. We saw a good uplift in 2025. You know, the fund participated in 72 transactions which compared to around 35 in 2024. 2020, yeah, 24, that's right. In terms of the outlook into 2026, our view is that most of the key themes that dominated the market throughout 2025 are likely to persist. But expectations of a global rate cutting cycle, a solid economic backdrop and incremental demand from energy security, AI and regional on shoring, we think that's a supportive backdrop for equity markets globally. And we remain very positive and seeing good opportunities.

Some of the key themes out there in the market and some stocks that we're seeing within that electrification of the grid, we think will continue to play a key role in the energy transition. And we think that there's compelling opportunities to gain exposure here across the ASX via a picks and shovels approach. Companies such as GenusPlus (ASX: GNP) and Mayfield Group (ASX: MYG) remain in an earnings upgrade cycle in our view, with strong balance sheets to undertake earnings accretive acquisitions.

Artificial intelligence has obviously been a powerful theme over the last 12 months. More recently you've seen the market, I suppose, question some of the returns on capital. We think it's too early to have a firm view here and sentiment will continue to ebb and flow. But what we can say is that there are definitely tangible benefits being delivered by AI. And the hyperscalers are continuing to invest hand over fist, which should provide good tailwinds.

We've got investments in unlisted data centre factory Firmus Technologies and also medtech company Artrya (ASX: AYA), which is leveraging AI to fundamentally change the way that scans performed on the heart. Trump's America first policy agenda will continue to provide opportunities, we think, across critical minerals supply chain reorganisation and on shoring. We like emerging critical minerals producer Lindian Resources (ASX: LIN) here and also Iperionx (ASX: IPX), which both have significant potential near term catalysts regarding offtakes, downstream processing and customer contract awards.

Powering the energy revolution. Where's all this going to come from? Well, we're bullish on commodities into 2026 given the expectations of lower rates, improving global growth and the booming AI infrastructure buildouts. We're holding a number of positions across uranium and base metals within the precious metals complex. We think the tailwinds that drove gold within 2025 are likely to persist into 26.

Rising geopolitical tensions, dollar debasement and central bank buying are likely to continue to provide tailwinds there. And we think stocks such as Genesis and Catalyst look well positioned. And then finally, I'd call out the US midterm elections as well, with Trump clearly pivoting his policy agenda more recently to target, we think, winning effectively the Main street consumer ahead of his midterm elections in November this year.

We've seen recent announcements regarding targeting improving US housing affordability, placing caps on interest rates on credit cards and fees and whatnot, which we think will benefit stocks like Zip Co (ASX: ZIP) and James Hardie Industries (ASX: JHX) and probably just the final one I'd touch on quickly. Clearly he's making a strong push in terms of defence spending recently flagged he's going to try and effectively increase the US defence budget from 1 to 1.5 trillion into FY2027, which obviously follows the commitments that have been made by NATO to lift spending from 2% to 5%.

So Codan's (ASX: CDA) example of a stock in that space that we like as well, That's probably. Yes, that's probably it for now.

**Olivia Harris:** Thanks. Thanks very much for that. Shaun and Oscar. Do we want to move to some stock picks? Oscar?

**Oscar Oberg:** Yeah, why don't I kick off? Shaun touched on Mayfield Group earlier. The ticker there is MYG, so we participated in a recent capital raising for Mayfield. I think it was in November. This business provides critical electrical infrastructure for the data centre rollout, effectively, as Shaun said, artificial intelligence really driving the adoption and expansion of data centres across Australia and globally. So this company is directly exposed There they announced a capital raising where they're looking to acquire another company based in Western Australia which is going to be highly EPS accretive. We'll get details around that acquisition in the coming weeks. So quite like that company and really see the ability for that share price to double or triple in time.

One other company is Stealth Group (ASX: SGI). SGI is the ticker. I think we own around 12% of the company across all the funds. Really like this company. This company is effectively a distributor to the trade sector. Think of distribution of tools and so forth to companies such as Mitre 10. And it bought a buying group called Hardware and Building Traders (HBT). So we think Stealth has the ability to convert some of the members of this buying group to effectively customers for its distribution business and will achieve synergies along the way.

But the company has provided long-term guidance. They think they can achieve over \$50 million of earnings in 2028. The current market capitalisation of the business is about \$150 million. So if they actually achieve that \$50 million, we actually think there's a good chance that again this business could go could increase quite strongly, could easily triple from here if they achieve that target. So really like that company and we own it across all the funds including WAM Active.

**Shaun Weick:** Yeah, and a couple for me that I'm particularly bullish on into 2026. So the first one I'll start out with is Lindian Resources. They're on track to become a globally significant producer of critical rare earth minerals. It controls the third largest deposit globally and is the next key asset into production. Recent China and Japan tensions reinforce our view regarding I suppose the strategic nature of the asset.

We think the company has significant interest for offtake and downstream agreements from key western nations such as the United States, which we think will provide strong near term catalysts.

And then the other one I would call out is an unlisted player. It's fake Firmus. About 5% of the fund is currently invested in Firmus Technologies. So this is an AI factory data centre company with the initial asset located in Tasmania.

We initially invested in the company at around a 1.8 billion valuation and it subsequently received a recent funding round which implies an over 3x uplift on our initial investment. The company is looking to list we think probably in 1Q calendar year 2026. Remains to be seen whether any additional capital will be raised but at this point they'll be run rating around 100 megawatts of installed capacity, which we think implies a run rate of around US \$1.6 billion of EBITDA with effectively a pipeline of 1.6 gigawatts of installed capacity out to 2029 following the recent partnership announcement they made with Canberra Dynas and a solid.

So effectively there's a pathway for a 10x uplifting capacity from that initial number with listed comps trading on seven to nine times EBITDA. We think there's substantial valuation upside in this business over the next few years. So yeah, that's one we'd highlight that we really like.

**Olivia Harris:** Thanks very much, guys. And before we move to questions now, I understand some people had some audio issues in the beginning. So sorry to put you on the spot here, Oscar, but would you mind recapping what you said about your history working with Shaun and the background of WAM Active? Because I think people missed that part when the audio went out and a recording of the call will be made available afterwards to people that missed that.

I felt like that was a good summary. I'm going to back it up. Absolutely. So in terms of the evolution of the fund, for all of you on the call, you'll know how we invest. We invest in undervalued growth companies with the catalyst to see a rerating the share price. Now, Shaun and myself and Tobias and a few of the guys you met over the years, we're across all the four small cap funds at Wilson Asset Management.

And the vast majority of the companies that we own are small cap industrial companies. They're not resources companies, they're industrial companies. Now, in 2022 we saw rapid inflation and we also saw the Russia Ukraine war and this drove up commodity prices through 2022. As a consequence, mining and oil and gas stocks rose quite strongly. Now, the stocks that we owned, unfortunately small cap

industrial companies, they didn't go up. And so for that reason, we underperformed across all the funds that financial year. And WAM Active in particular was hit as well.

Now, at the end of that financial year, we reviewed our performance and what we could have done better and we looked at WAM Active closely. Now, if you have a look back at the initial public offering of WAM Active back in 2008, it was set up as an absolute return product with a very broad mandate across. And when I say broad mandate, it's effectively investing across all the sectors. Now, up until 2022, industrial companies had performed relatively in line with the broader market or resources companies. And it was in 2022 when we saw that huge divergence.

Now, because of that, we didn't want to segment. We looked at it and we said we shouldn't be just segmenting ourselves to industrial companies for this fund. In fact, we should be opening it up to how it always should have been invested in with which is across all the companies at the ASX. Now to do that we needed someone to separately run the fund and Shaun effectively has been with us for six years. He's done a tremendous job across all the funds and is thoroughly deserving of his promotion to Portfolio Manager for WAM Active. So the last three years Shaun does most of his time with all the other funds but has been looking at this fund separately as well.

As a consequence of that, we've got more resources stocks, a lot of resources stocks in Wam Active and it's been a big driver of performance over the last 12 months. Now, in terms of Shaun, who some of you may know, some of you may not know, he hasn't really been on these calls. Shaun I first employed at 6 back in 2015. CLSA is an investment bank. I was previously a research analyst. I employed Shaun from KPMG.

I left him and put him in the deep end after two months because I went to Wilson Asset Management and then Shaun took on all the stocks that I used to cover and did a tremendous job there. And he was lucky enough and got a promote. Well, he got hired by Macquarie which is one of the best investment banks in the market and he became the best small cap analyst in the market. So we were lucky enough to hire Shaun back in January of 2020.

We jumped straight into Covid. It's been a very volatile period as we know since then. But yeah, he's done an amazing job and subsequently he's been promoted as portfolio manager of WAM Active and I guess I'd like to congratulate Shaun on these results because it's been a lot of hard work and yeah, they speak for themselves. So that was round two. How did I go? Was that better than round one?

**Olivia Harris:** That was even better.

**Oscar Oberg:** I thought it was better than round one.

**Olivia Harris:** Yeah, it was pretty good. Thanks to everybody for sending in your questions. We'll get right into the Q and A. Now the first question that we have is from Warren. He's asked what are your top three stock picks for the year ahead and also what are three that you would sell?

**Shaun Weick:** Well, we've probably covered our top three. We've covered probably our top four stock picture of the year. So I probably wouldn't add too much there in terms of what are we looking to sell? I mean there's nothing that I would highlight specifically at the moment. I would say, we're just conscious of how quickly the resource space has moved over the last few weeks in particular. So, you know, we have taken the opportunity to take some profits and trim a few names, you know, over the past week or

so. But, yeah, at this point, yeah, there's nothing that I'd particularly call out, you know, that we're looking to see. Sorry.

**Oscar Oberg:** I think it's worth noting, though, what was six months ago? What was the weighting of resources stocks in the portfolio?

**Shaun Weick:** Yeah, it was 10%.

**Oscar Oberg:** And where is it now?

**Shaun Weick:** It's now 30% to 35%.

**Oscar Oberg:** So if the market changes in terms of the macroeconomic environment, resources could go to. It could be higher, but it could also go down quite a lot. So, this fund can move very quickly. What was the turnover again in 2025? 11, 11 times. So, Shaun's really managing very quickly, so things can change very quickly in this fund.

**Olivia Harris:** Thanks very much, guys. And the next question is from Judith. She has said she's been a shareholder for a long time, since inception, and has also added to her holding via dividends. However, her capital is still less than what she paid. So she's wondering how you calculate that what is returning WIM active, rather is returning 13% per annum since inception.

**Oscar Oberg:** Do you want me to cover that one?

**Olivia Harris:** Yeah.

**Oscar Oberg:** Okay. So there's one thing about performance. Which is that's how we run the funds. Like, every day we're looking at performance to try and outperform. And the share price. Now, unfortunately, sometimes share prices will go to a premium to the net tangible assets, or they'll go to a discount to their net tangible assets. The net tangible assets will move up and down with the portfolio, which is effectively that 13% per annum that you talked about in the question.

But the share price has a life of its own. Now. It's our job across Wilson Asset Management to try and get share prices, keep our share prices at probably a slight premium to their net tangible assets. It's unhealthy when they get too high. We've seen that. Similarly, with WAM Capital as an example. Now, unfortunately, what might have happened in the scenario you're talking about is when you purchase the shares, we're active for a period prior to Covid, around probably 2016 to 2019, traded at quite a decent premium to its net tangible assets. And you may have purchased at that point.

And then after Covid and interest rates going higher and our dividends have stayed relatively flat over that period, that premium unfortunately went to a discount. Now, thankfully, Shaun, through His performance that's now trading at a slight premium. It's not as big as the premium was five or six years ago, but it's still at a slight premium. And you also must take into account the dividends that you received along the way.

O it's one thing to say, oh, the share price is flat over that period, but you've got to add that 6 cents a share that we've been able to achieve or pay out over that period, over that five year period, just to properly calculate the the total shareholder return. So, in summary, what I'm saying is that the 13% per

annum that you asked about in the question, that's the performance of the fund, the share price is separate to that and it all depends on what your entry is.

Is it at a discount to its net tangible assets (NTA) or is it a premium to its NTA? And whether that discount has narrowed or the premium has widened over that period of time depends on what ultimately your total shareholder return is over that period, which can differ from the fund's performance.

**Olivia Harris:** Thanks very much for that, Oscar. And following on to that one, we have a question from Herman, who has said that the recent fiscal performance has been very pleasing. Could you talk a little bit about the relationship between the performance and the increase in the dividends?

**Oscar Oberg:** Yes. Okay. So the performance has been incredibly strong and we're rewarding shareholders with a \$0.01 special dividend. We have a profit reserve of around \$0.29 and on an annualised basis, we're currently paying out 6.4 cents. So let's call it after we pay that dividend, we've got around three and a half years of dividends that we can effectively pay out to our shareholders. Now, what we don't want across all our funds is a situation that we see with WAMP Capital, and you may be a shareholder of wam, where the dividend that we're paying out is unsustainably too high.

The perfect outcome for us, for all shareholders, is that we steadily really increase that dividend and we can keep paying you that dividend even when times are tough. So that is why the board has made the decision. The dividend has gone up a little bit, but relatively, call it stagnant on that 6 cents a share. Now, hopefully if we can continue outperforming, you might see further special dividends potentially or very slight increases. But we don't want a situation where we eat into our profit reserve and that we don't have an adequate buffer for the profit reserve when times get tough. So we can continue paying those dividends.

**Olivia Harris:** Thanks very much for that, Oscar. The next question is from Suzanne. She's asked, what do you think of the uranium miner Boss Energy (ASX: BOE), now that their honeymoon mine in South Australia is downgraded? Buy or sell for that one, she says the world will be needing uranium. What about a uranium etf? Two directors have bought into BOE this week.

**Shaun Weick:** Yeah, I'm a sell on BOE. I honestly think it's uninvestable, so apologies if that's offended anyone, but we really like the uranium space. One of our key holdings is Nexgen Energy (ASX: NXG), which is a North America based uranium deposit which when it comes online in 2029 will be the second largest globally. Uranium prices are continuing to trend high at the moment. As we can see with Boss, getting supply into production is very difficult.

And you can see across the globe demand for uranium is lifting quite significantly as governments look for alternatives and cleaner ways to power what is effectively an AI and an energy revolution. So, yeah, bullish on Uranium and Nexgen's our key pick in the sector with a key catalyst coming in February around the environmental approvals of their mines.

**Olivia Harris:** Thanks, Shaun. And the next question is from Sepp. He's asked for our thoughts on Corporate Travel (ASX: CTD) and what do you think the effect will be on the NTA once corporate travel begins trading again?

You want me to do that one? Yeah, yeah. Look, very difficult. I mean, look, we, I mean we've been vocal in the press. The update in early December was very bad. And yeah, it's both of us. Probably one of our worst stock calls that we've paid across the funds, which does hurt, but we still have a lack of information. Now, the 50% cut that we made to our NTA has some science behind it and clearly we have some aggressive assumptions around what we think that European business, which is the cause of all the problems in terms of our valuation process, we've obviously factored in some significant downside in that European business.

Look, we backed Jamie and the team to speak to their clients and to based off what we know at this point in time, it does feel like it's a European exposed problem, not the rest of the business being in Asia, Australia and the United States. So as long as they can keep their clients. And we saw an actual increase in the cash balance from the last update, from the first update to the last update just before Christmas, around a \$30 million increase in the cash balance, which would imply that we haven't seen customers walk away as yet.

So there's a lot of water under the bridge. On this one and it's very difficult because we've seen in the past companies fall significantly. I remember Forge, which was a mining contractor back in 2013, had a similar scenario where it fell quite significantly and actually rose for about a two or three week period. So whether or not it's very difficult to know. I think the longer it goes, the worse it's going to be when it eventually starts trading.

But we just don't know really until. Until it comes out. So yeah, so we're just in a waiting period really. But the 50% has a lot of science behind it. There was a lot of valuation methodology there and at this juncture, based on all the available information we have, that was the best, what we thought was the most fair valuation.

**Olivia Harris:** Thanks very much for that, Oscar. And the next question is from George. He has said that in the past we have said that we didn't have much exposure to the most mining sectors as we didn't have the expertise in that area. What has changed and do you think that we'll see an increase in mining companies held within the other small cap funds? And do you prefer explorers, developers or producers?

**Oscar Oberg:** How about. I'll let you do the explorers, developers and producers bit because I think it's important to address this which we sort of talked about earlier in the call. Our expertise is in small cap industrial companies. It fits our process to have the catalysts to see re ratings of the share price that is our expertise. It is a huge market in Australia across a variety of sectors and we don't want to.

I should say there's a big team here. It's not just the two of us, there's seven of us in this team. We've got people working all the time, flying across the country, going globally, trying to find the best ideas that we can find in the industrial sector that best fits our investment process. So in terms of WAM Microcap and WAM research, nothing has changed there. The vast majority of companies will be industrial companies because that's our skill set.

Now unfortunately you will have periods where resources goes up instead of industrials and that will be negative for us in the fund. But you'll also have periods when resources go down and industrials go up and that'll be very positive for us and we actually saw it for about three months last year and fantastic for the funds and last three years of performance should show you that. Now moving to WAM Active

Wam Active was previously because we hadn't seen that divergence between industrials and resources really we didn't really see it even through the GFC. It was really back in the tech record 2001.

For the most part, industrial companies largely moved with the market. Then 2022 happened and there was just enormous divergence and we took a step back and said what could we have done better in that 2022 year? And it was interesting because we were sort of sitting there going well, we actually thought we did a pretty good job in the circumstances. But then you read the prospectus of WAM Active and how it should be run and it is an absolute return product that is focused on across all the market.

And we said look, we've got the capabilities internally. Shaun's done an incredible job. Let's get Shaun to run the fund by itself and effectively choose the right sectors and the right stocks across the whole market. And he's done that over the last, call it three, three and a half years. So to answer your question, we have the expertise in Shaun. He's doing more resources work. We also have Cooper who's in our team who does a lot of resources work and is helping him on the trading.

But there's another five people in the team that are working on the industrial stocks and Shaun's still working on industrial stocks as well. Well, I should say too. So we have the expertise now and we're just giving WAM Active. We're just putting WAM Active and managing it the way it basically said it was meant to be managed when the IPO was released almost 20 years ago.

**Shaun Weick:** Yeah, and just to the final part of the question. Yes, we're primarily exposed to developers and producers. We will look at some producers on the. Sorry, some explorers on the basis that, that we can identify catalysts to rewrite. But yeah, at this point we are primarily focused on producing and developers.

**Olivia Harris:** Thanks very much for that guys. And the next question is from George. He says your IT and real estate weightings have reduced significantly. What are your comments there?

**Shaun Weick:** Yeah, I guess this is really a reflection of probably two things. Number one, our overarching views around the interest rate dynamics and then also our views around I guess a re acceleration in global growth where there's a scarcity premium put on structural growth companies through periods where gross low with breadth now sort of broadening out. We think those sectors have been used to fund investments in some of these more cyclical areas.

So yeah, that's probably the key part. And then yeah, just the other. I guess the other overlay would just be where we're seeing bottom up catalysts in companies and when we think they've run too hard and sort of hit our valuation targets. Yeah, we will rotate out.

**Olivia Harris:** Thanks, Shaun. And the next question is from Ian. He's asked if we hold any oil and gas companies and what are your thoughts on oil and gas?

**Shaun Weick:** Yeah, it's an area we're doing work at the moment because this should be reflationary, sort of global growth reacceleration environment should be where oil and gas stocks start working again after what's been a pretty poor sort of five years of consolidation. Now, obviously you've seen the Venezuelan news recently that seems to have given oil a little bit of a kick. But yeah, at this point, the key thing we're focused on is Trump's agenda and he's focused on the consumer in the midterms. He

wants oil prices down and drill behavior, Drill, we think, is going to remain a theme in the near term. So, yeah, with that context, we're sort of cautious around what's the catalyst to rewrite oil.

So, yeah, we're watchful, we're doing work on it. But yeah, we don't see that big catalyst at the moment to rewrite the sector.

**Olivia Harris:** Thanks, Shaun. And the next question is from Serenjit. What is the current premium to NTA for WAM active?

**Oscar Oberg:** I think live would be around 4%.

**Shaun Weick:** Yeah, about 4% live.

**Oscar Oberg:** Is that a good start to the year? So about four.

**Olivia Harris:** Yeah, thanks very much for that, guys. And the next question is from Joe. He says, what's your target price on the Linnies? I think that's. Is that Linden?

**Shaun Weick:** No. Yeah, that'd be Lindian Resources. Yeah. Backsliding the economics, I guess, of the project and comparing it to some of the competitors and peers out there and the fact that we think they're in a very strong position to secure offtake agreements in the US but then also downstream agreements with some other parties and effectively lock in floor prices. The Stock's currently trading mid-40s. We think it's worth upwards of a dollar as these catalysts pay out. So we still see very good upside in that stock.

**Olivia Harris:** Thanks. And the next question is also from Joe. He said, is Artrya a global leading business on the ASX? Is it true that their Sapphire partners could generate US\$350 million at a full run rate?

**Shaun Weick:** Yeah, on our mass, that is true. We're very excited on AYA and the future prospects for that business. We think near term the key catalyst, there will be approval around their heartflow product. We should see some additional Sapphire partners signed up, although they may not necessarily be disclosed to the market. And then over the course of remaining course of 2026, we think there's to be going to be multiple commercial agreement side. And you look at the relative valuation here. This Stock has a 2-3x TAM versus listed peer Lumos Diagnostics Holdings (ASX: LDX) and it trades on a quarter of the market cap. So, yeah, we think AYA looks really appealing here still.

Thanks, Shaun. The next question is from Brian. Oscar, maybe you want to take this one. He said, is the dividend going to drop back to \$0.06 after this special dividend? So maybe talk about the profits reserve again.

**Oscar Oberg:** Yeah, look, I'm not on the board, so I can't speak for the board, but the profit reserve is sitting at around a healthy 29 cents. So after you deduct the 6.4 cents and the 1 cent, effectively, what's that? Just over three years, three and a half years of dividend coverage. So I think you can safely assume that 6.4 cents, at least for the next couple of years is probably locked in, unless we have some existential impact or something like that. But again, I'm not on the board, but I think you can make that assumption because the profit reserve is looking very good.

**Olivia Harris:** Thanks, Oscar. And the next question from Joe, he said that he noticed we're a shareholder in betr Entertainment (ASX: BBT). What do you think of the announcement today and what's the outlook for this stock?

**Shaun Weick:** Yeah, so BBT, it's obviously been a bit disappointing, the performance of that one. More recently, you obviously missed out on the Pointsbet saga, I suppose, with MIXI, but, you know, putting that to one side, you know, they've obviously, you know, gained a pretty material uplift on their investment with the increase in the bid. So, you know, and with the raise they've made, the balance sheet's looking extremely strong.

They've come out and they've announced today they'll undertake a 10% buyback, which we don't think will impede their ability at all to undertake further mergers and acquisitions. There's some really strong opportunities. We know publicly that Entain is obviously on the chopping block. DAZN is looking for an entry into the Australian market. So, yeah, we think there's some potentially really strong catalysts for that one and it's effectively trading just above its cash backing now. So, yeah, we think that one looks really good here.

**Olivia Harris:** Thanks, Shaun. And continuing with some stock picks, the next question is from Bill. What are your thoughts on mining companies like Perenti (ASX: PRN) and GR Engineering (ASX: GNG)?

**Shaun Weick:** Yeah, the market seems to be coming back to the mining Services space a bit more recently which obviously is a reflection of how strong the commodity backdrop is. So valuations in this sector have run hard versus history. If you look at the likes of Monadelphous (ASX: MND) example, we stupidly sold that one too early back in August when it was, we thought it was expensive on 23, 24 times. It's now on 28, 29 times PE.

**Shaun Weick:** So we're mindful of the valuations in the sector. But I'd say as an overarching statement, we think you can continue to make good money in the space in those that can keep upgrading their earnings. So that's where our attention's been focused. The likes of Tasmania we touched on GenusPlus Mayfield has leverage to that space as well. So yeah, there's still good tailwinds there so we do think they're still mating.

**Oscar Oberg:** Yeah, I think Perenti would cheap stock leverage to gold exploration. The risk you take on that stock if something happens in Africa. But I'd say it looks good value here. GR engineering, great management team. We don't own it at the moment across the funds because we've got Tasma (ASX: TEA) and SRG Global (ASX: SRG) and a few other names. But again, very good management team and I think the best in the market are processing plants in gold. So that'd be going well.

**Olivia Harris:** Thanks guys. And the next question is from Paul. He said that healthcare and biotechnology have been a poor performer in 2025. So what's your outlook for those sectors going forward and do you think the poor performance will continue?

**Shaun Weick:** I'd say we're not really looking into those sectors at a sector level. We're looking at them bottom up from a bottom up fundamental perspective and trying to identify those catalysts that can rewrite them. So yeah, as an overarching statement, yeah we're doing work on a number of names across healthcare and biotech. Obviously with the biotech space in particular, you've got to know what you're playing with and you've got to have, you know, strong views around the catalyst. But yeah, we've

got some small positions in the biotech space at the moment that we're doing some work on. So yeah, there could be some opportunities presenting there.

**Olivia Harris:** Thanks John. And the next question is from George. He's asked what are your views on Alcoa Corporation (ASXL AAI), your investment thesis there? Rather.

**Shaun Weick:** Yeah, we're bullish on Alcoa. I guess fundamentally aluminium prices will track copper given itself its position as a replacement commodity. If you look at the caps that have been implemented within the Chinese market, that's been the key catalyst to sort of I suppose rewrite the space and then from an incremental demand point of view clearly aluminium is important to the build out both on the data centre side but also this improvement in effectively economics around solar we're obviously seeing a boom in demand in terms of battery energy storage systems.

Growth there in China is tracking it sort of 60 to 70% year over year at the moment which has been the key driver within the lithium space too. So yeah with those caps in space we think the setup for aluminium looks strong here and Alcoa based on what the price done like the stock price is still cheap so yeah we still like it.

**Olivia Harris:** Thanks Shaun. And the next question is from David. He says he's been a shareholder for a long time in WAM Active and is frustrated at the size given that the fund is so small. Do you have any plans for an SPP similar to WAM Income Maximiser? Oscar, do you want to take that one?

**Oscar Oberg:** Yeah, sure. We'd love to grow the fund. I think Shaun's proof what it can do over the last few years and it's only called \$80 million in size so we'd love to grow it and that's certainly the investor feedback that we've had over the years and that was something that came up around that 22 financial year which I spoke about before was giving the fund a bit more love and we call it rejuvenating it a little bit. So that's certainly what we think we've done or Shaun's done. And so yeah we would love to grow it. We just got to get I guess the premium higher.

**Olivia Harris:** Thanks very much guys. And the next question is from Sarah. Do you have views on Scidev (ASX: SDV)?

**Shaun Weick:** Yeah, no, sort of strong views at this stage. Like we've owned this company on and off for probably what, five, six, seven years and we've always just struggled with it's sort of stop start nature of the business. You're hanging out and you're waiting for the next contract and then they may or may not win it and that's sort of the driver of the share price. So yeah, at this point you know the PFAS areas what the market's getting more excited about for the business but we probably just want to see a few more runs on the board and I guess a broadening out in that contract so it becomes sort of less reliant on each individual contract win would be my view on it.

**Olivia Harris:** Thanks Shaun. And the next question is from William. He's asked what IPOs are you seeing in the year ahead, specifically in terms of sectors?

**Shaun Weick:** Yeah, so we touched on Firmus. That's probably going to be the biggest IPO this year, we think outside of that, we're seeing the resource sector still going to remain pretty buoyant from an IPO perspective, we think, given the backdrop for commodity prices. So we're obviously met a number of those in the pre, sort of due diligence phase. Outside of that, there's some smaller sort of industrial.

**Oscar Oberg:** Yeah, some retailers. Greencross.

**Shaun Weick:** Yeah, Greencross has been talked about. Big company SDR within the aged care space. Yeah. Amart's been one that's been talked about. Yeah, just I guess a number smaller sort of general industrial in that probably \$200 million to \$400 million market cap range is. But you know, the performance of the IPO market towards the back end of last year, to be honest, was pretty disappointing. You know, many of those stocks sort of traded through issues. So we think you're going to need to see a period of rebound and sustain confidence for more IPO activity pick back up again, particularly in the industrial space.

Thanks, guys. And the next question is from Linda. She's asked if you have any significant detractors in the portfolio and what is the plan for those.

For some balance, the largest detractor we're holding at the moment we probably just spoke about is Blue Bet or betr (BBT). But there's signs of life there, we think. You know, obviously announcing the buyback today and then, you know, some really compelling opportunities in terms of M&A activity. And then from a trading perspective, you know, the stock had been weak as well based on the trading update, which, you know, it's pretty well publicised how smashed the bookies got over the spring carnival and football finals period. But pleasingly, you know, we've seen the net win for the business bounce back above that sort of 11% target over that December January period.

**Shaun Weick:** So we're planning to continue to hold that one. You know, we think they're still at this level with the cash backing. We think the upside is asymmetric.

**Oscar Oberg:** But I'd say overall corporate travel is the biggest attractor for the fund.

**Shaun Weick:** Yeah, last six months, 200 basis points.

**Olivia Harris:** Thanks, guys. And the next question is from John. He says there seems to be a lot of capital raisings at the moment. How do you select which ones to participate in For WAM Active, do you need to see a catalyst?

**Shaun Weick:** Yeah, absolutely. There's certain sectors that we're always mindful of. In terms of participation in IPOs, some in the biotech space and whatnot. In particular, we saw over last year, Saluda as an example, came on at a very significant valuation with a very long dated sort of growth profile and I guess, timeline to profitability. And that stock opened down 50%. We didn't participate in that. So, yeah, for us, it's all about just getting out there, meeting management, the usual DD process, speaking to customers, suppliers.

**Shaun Weick:** We'll meet management three or four times before, before the business actually lists. So, yeah, it's very much opportunity by opportunity for us.

**Olivia Harris:** Thanks very much, Shaun. And the next question is from Peter. He's asked, is Lindian the best way to play rare earths in Australia? Are there any other rare earth companies that you're looking at and what is your outlook for rare earths?

**Shaun Weick:** Yeah, I mean, it's the key one that we really like at the moment, given it's effectively the third largest asset globally. And it's the next interpretation, production. We saw the Chinese take out an asset called Peak in Tanzania, and we think that sort of created an underlying groundswell and scramble with this really strong focus around reorganisation of supply chains within critical minerals, which in effect is being driven out of the US as a result of some policy earlier this year from China,

essentially banning the export of rare earths and using that as a leverage point against the US administration.

**Shaun Weick:** So, yeah, we think that's the best way to play the theme. You know, Lyonesse is obviously another way more advanced in terms of where it is in its life cycle. But, yeah, Lindian's the one that we particularly like. And, yeah, we think the sector looks good.

**Olivia Harris:** Thanks very much for that, Shaun. The next question is from George. He said, do you know what the average holding period is for a stock in the WAM active portfolio?

**Shaun Weick:** The bottom up would suggest that it's a couple of months. Yeah, yeah.

**Olivia Harris:** And the next question is from Matthew. He said, Oscar, you said that you need to get the premium at. Before growing the fund. Are you talking about the premium to NTA?

**Oscar Oberg:** Correct? Yes. So we're not too far off at the moment, but, yeah, we'd like it to be accretive to shareholders if we were to raise money.

**Olivia Harris:** And the next question is from Nicholas. I know you have touched on oil a little bit already. He's asked. Oil seems to be the only commodity that hasn't rallied. What is your view on it? Is Woodside or Santos the only way to play it?

**Shaun Weick:** Yeah, that's right. That was exactly to my point before. It literally is the only commodity, it hasn't rallied and it's the type of environment that, you know, oil should be doing better. Yeah. And my fundamental view is that's being directed out of the US, you know, and the leverage points that he has globally to try and drive down oil prices, you know, leading into the midterm election. So it's hard to see in the face of that how, you know, the financial markets in particular get massively excited with oil and gas. But yeah, we think in terms of, you know, the potential, the commodity, the potential for a commodity for upside this year, like it has to be among the highest, but we think it's probably more second half weighted. So we're doing the work on it, we're keeping a really close eye on it because we think it should.

**Shaun Weick:** There should be a good point to own those stocks. They haven't done anything for five years, a lot of them. And yeah, if we were to play it, I think it'd be through, probably through Woodside would be where I'd look to go.

**Olivia Harris:** Thanks, Shaun. And the next question is from. From Maura. She's asked, do you invest in any New Zealand companies?

**Shaun Weick:** Yes, we do. I'm trying to think at the top of my head if we own anything in New Zealand at the moment.

**Oscar Oberg:** Fletcher Building (ASX: FBU)?

**Shaun Weick:** Nah, don't own. Have. Yeah, so definitely the answer is absolutely we do. There's nothing that we're holding right now that is New Zealand listed. But yeah, there's a number of companies over there that we've been actively trading around. Yeah, Fletcher's is one. Somerset is another one that we've actually traded around as well. So, yeah, we're keeping an eye on the space and Freightways is the other one that we have owned as well over the past 12 months. So, yeah, New Zealand, they're

obviously on a different path. From an interest rate point of view, the economy looks like it's bottom improving. You're seeing green shoots and valuations are cheap. So, yeah, we definitely got our eye on it.

**Olivia Harris:** Thanks, Shaun. And actually, speaking about the economy, what are your thoughts? This question is from James. He said, what are your thoughts on the retail in Black Friday Christmas period? Are there any retailers that you're interested in at the moment?

**Shaun Weick:** Yeah, I'd say as an overarching statement, the feedback and the industry data points we've seen suggests that the Black Friday Cyber Monday period itself was strong from a sales point of view. However, the feedback I suppose we've got around margins is probably more mixed. There was a high level of discounting and it did go out for a longer period. And then, yes, some of the commentary out of the RBA around the risk of the next interest rate move being a rise through that December period.

We think that probably took the wind out of the sales of consumers a little bit and we've seen that reflected in some of the trading updates. More recently as an example, super retail, it missed its half year profit number by around 7% or 8% versus analyst expectations and the stock had fallen pretty reasonably on the way into. And they called out, I guess some sales pressure in some pockets and then also margins Endeavour Group (ASX: EDV) yesterday they called out some challenges within the Dan Murphy's business.

So we think there's selective opportunities being thrown up there as I sit here right now in terms of exposure to consumer retail, there's very little in WAM Active. But that could very easily change in the next three weeks because the key catalyst for these stocks is the February reporting season and all these companies will be reporting, you know, from, you know, from that mid February period. And so, yeah, we think there's definitely opportunities there.

**Shaun Weick:** We're doing the work right now to identify. Yeah. Which ones we'll be trading around for results.

**Olivia Harris:** Thanks, John. And the next question is from George. He said how many unlisted companies does WAM active hold and are they all expected to IPO?

**Shaun Weick:** It's got three unlisted companies, Firmus we expect to IPO. It's got pay.com.au which is a domestic payments business that, yeah, we're very, we're very excited about. And then the other one is Xpansiv.

**Oscar Oberg:** Yeah, we should see something, we should see something this year, potentially.

**Shaun Weick:** This year. Yeah, we think this year. Yeah. Which is effectively a commodities trading platform.

**Olivia Harris:** Thanks very much for that, guys. And the next question is from Sam. He says Zip is down a lot at the moment. It seems to be a very volatile stock. What is your view on the company?

**Shaun Weick:** Yeah, we've been buying Zip. Yeah, we think from an overarching point of view, I guess more recently we've been surprised at the market's reaction with the recent and announcements from Trump regarding the cap on interest rates. We actually think that's a good thing for buy now, pay later.

And we don't think it's going to be a sector that will be, I suppose, attacked by the US administration. And then so if you look at what fundamentally we think is going to drive the share price, we think the company's well positioned to upgrade earnings at the February result.

**Shaun Weick:** The momentum through 1Q was obviously really strong. And we saw some data points more recently that suggested that the US adds momentum had sustained double digits through that 2Q period. And then there's been a number of external data points that suggest that Buy Now Pay Later Space had a very strong Black Friday Cyber Monday. So yeah, we like Zip. We think the stock's derated to a level where the valuation's very attractive. And if you look at how it's trading versus its key US peers like Sezzle (NASDAQ: SZL), Affirm (NASDAQ: AFRM) and Klarna (NYSE: KLAR), it's 30% to 40% below where they've sort of rebounded to. So yeah, we think there's a good catch up trade there.

**Olivia Harris:** Thanks, Shaun. The next question is from Greg. He's asked for your thoughts on endeavor. You mentioned Endeavor briefly.

**Shaun Weick:** Yeah, Endeavour. It's not one that we own at the moment. Had a quick look through the result yesterday, struggled to get excited. So yeah, yeah, probably not one for WAM Active at the moment.

**Olivia Harris:** Thanks. And the next question is from Christopher. He's asked how is the portfolio being positioned for downside risk?

**Shaun Weick:** Yeah, so the key obviously thing that we can pull is the cash lever and move to cash quickly. So if you look back, I suppose through the tariff sort of, I guess hiccup or tantrum within the market, the cash level of the fund reached a peak of about 37%. And then also, you know, the positions that were being held were, you know, obviously dialed back from the higher beta, what we call the higher beta or the higher risk areas of the market as well.

**Shaun Weick:** And that cash level is actively managed, you know, constantly throughout intra month periods. So yeah, more recently there was a period when we got a little bit nervous on things back in November where the fund went to 25% cash. But as we sit here today we're seeing about 6% shorting's not something that we've done a lot of in the active fund historically, but it is also something that we can use if we have really strong views that the market's going down.

**Oscar Oberg:** How quickly did you go to cash? If you wanted to go to cash tomorrow, how quickly could you do it?

**Shaun Weick:** Oh, I reckon you could get over 50% cash in a day, two days.

**Olivia Harris:** Well, thanks. The next question is from Angus. He's asked do you own any agricultural companies at the moment and if so, which ones.

**Shaun Weick:** Within WAM Active? No agriculture companies at the moment?

**Olivia Harris:** Thanks very much. And we've had one last question quickly come in. John has asked, he's interested in your reasoning on purchasing WRKR (ASX: WRK) recently.

**Oscar Oberg:** Is that in Active?

**Shaun Weick:** No, that's in WAM Capital.

**Oscar Oberg:** Yeah. So I can answer that. So that would have come up as substantial shareholding. That's across WAM Capital, WAM Research and WAM Microcap. We've owned it in WAM Microcap for almost a year now. So what this business provides is effectively software that can enable superannuation payments to be, I guess, delivered to customers, I guess you'd call it. And there's regulatory changes around Payday super, which effectively will increase the volume of those transactions every year. So they're a big beneficiary of that. They're the leading provider there.

**Oscar Oberg:** They've got a strong balance sheet and they're looking to do acquisitions. And we think there's a Runway for the business to potentially earn around \$30 million of earnings over the next two or three years. So, yeah, we're very bullish on the stock and that's why we went over 5% of the company.

**Olivia Harris:** Thanks very much for that, guys, and thank you to everybody who sent in your questions. That's all we have time for today, but if you have any further questions, please send them in to the team. We will be sure to get back to you. Apologies again for the audio issue. A recording of the webinar will be available on our website shortly. And please don't forget to subscribe via our website to the investment team's insights.

**Olivia Harris:** And Oscar, I'll pass to you for any closing words.

**Oscar Oberg:** No, thank you very much for your time. And obviously, as I said, WAM Active. I've just said this publicly, but it has been this sort of ugly duckling, I guess you could say, of the funds. As I said at the start, has done a tremendous job on the fund. We've got a dedicated portfolio manager. We're investing across all sectors at the moment. We are very active. We participate in a lot of capital raisings and we'd love to grow the fund. So, look, thanks for all your support and no doubt see you in future conference calls and at the road shows later in the year.

**Shaun Weick:** Thank you.