

Investment update

As at 31 July 2017



Snapshot

Pre-tax net tangible assets

\$1.13

Gross assets

\$160.3m

WAM Microcap Limited

ASX code	WMI
Date of listing	June 2017
Gross assets	\$160.3m
Market cap	\$166.6m
Share price	\$1.19
NTA before tax	\$1.13
Shares on issue	140,000,001

Investment objectives

- Deliver investors a stream of fully franked dividends
- Provide capital growth
- Preserve capital

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

WAM Microcap Limited (ASX: WMI) is a listed investment company managed by Wilson Asset Management. Listed in June 2017, WAM Microcap provides investors with diversified exposure to a portfolio of undervalued growth companies with a market capitalisation of less than \$300 million at the time of acquisition.

Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney	29 November
Melbourne	30 November

SAVE THE DATE

Market overview

The S&P/ASX Small Ordinaries Accumulation Index closed up 0.3% for the month. As expected, the Reserve Bank of Australia (RBA) announced its decision to keep the cash rate on hold at 1.5% for the 12th consecutive month. The Australian Bureau of Statistics released its anticipated inflation numbers with the consumer price index over the June quarter coming in below expectations, lowering the probability of the RBA increasing its cash rate in the near term. Consumer sentiment figures released by the Westpac-Melbourne Institute showed a decline of 2.5% over the last 12 months.

Global equity markets rallied after US Federal Reserve chair Janet Yellen indicated further US interest rate increases may be more gradual than previously anticipated, with the Australian dollar hitting a peak of US 80.14 cents, its highest level since May 2015, following the announcement.

Portfolio update

During the month, we continued investing capital raised from the initial public offering into companies that meet our investment criteria. We almost achieved full investment at the end of the month, reaching 71% exposure to equities. The investment portfolio holds 79 companies.

In July, the investment portfolio increased 4.0% outperforming the S&P/ASX Small Ordinaries Accumulation Index which rose 0.3%. Since inception, the portfolio has increased 5.9%.

Net tangible asset (NTA) figures

NTA before tax **112.92c**

NTA after tax and before tax on unrealised gains **113.55c**

NTA after tax **112.03c**

On the initial public offering (28 June 2017), the NTA before tax was 108.16 cents per share and the NTA after tax was 108.71 cents per share.

Performance

Performance at 31 July 2017	1 Mth	Since inception (June-17)
WMI Investment Portfolio*	4.0%	5.9%
S&P/ASX Small Ordinaries Accumulation Index	0.3%	0.3%
Outperformance	+3.7%	+5.6%

*Investment performance and Index returns are before expenses, fees and taxes.

Diversified portfolio

Investment type	June 2017		July 2017	
	\$m	%	\$m	%
Listed equities	62.6	40.6	113.1	70.6
Short portfolio	(0.0)	(0.0)	(0.2)	(0.1)
Fixed interest & cash	91.7	59.4	47.4	29.5
Gross assets	154.3	100.0	160.3	100.0
Total shares on issue	140,000,001		140,000,001	

Holding summary

To provide an understanding to our shareholders of our initial holdings and their corresponding weightings in the portfolio, we have listed all holdings that represent more than 1.0% of gross assets. On a monthly basis, we will revert to providing the top 20 holdings without the percentage weightings.

Code	Company	%	Code	Company	%
IDX	Integral Diagnostics Limited	3.1%	EPD	Empired Limited	1.3%
RKN	Reckon Limited*	2.9%	3PL	3P Learning Limited	1.2%
PAC	Pacific Current Group Limited	2.5%	AVJ	AVJennings Limited	1.2%
RHL	Ruralco Holdings Limited	2.4%	CGR	CML Group Limited	1.1%
PNI	Pinnacle Investment Management Group Limited	2.3%	AQZ	Alliance Aviation Services Limited	1.1%
APX	Appen Limited	2.1%	MXI	MaxiTRANS Industries Limited	1.1%
DTL	Data#3 Limited	2.0%	SFI	Spookfish Limited	1.1%
PSI	PSC Insurance Group Limited	2.0%	EHL	Emeco Holdings Limited	1.0%
TOT	360 Capital Total Return Fund	2.0%	CAJ	Capitol Health Limited	1.0%
JIN	Jumbo Interactive Limited	1.9%	NBL	Noni B Limited	1.0%
SW1	Swift Networks Group Limited	1.8%	MAH	Macmahon Holdings Limited	1.0%
RXP	RXP Services Limited	1.8%	FIG	Freedom Insurance Group Limited	1.0%
CDD	Cardno Limited	1.7%	BIG	Big Un Limited	1.0%
NUH	Nuheara Limited	1.6%	SMX	SMS Management & Technology Limited	1.0%
PPS	Praemium Limited	1.6%	SSG	Shaver Shop Group Limited	1.0%
VTG	Vita Group Limited	1.4%	NZM	NZME Limited	1.0%
FDV	Frontier Digital Ventures Limited	1.3%	OVH	Onevue Holdings Limited	1.0%

*On 4 August 2017, Reckon Limited announced the completion of its de-merger of GetBusy Plc which has been formally admitted for trading to the AIM market of the London Stock Exchange.

Investor conference call

Shareholders have the opportunity to take part in an investor conference call in which the investment team will provide an update on the WAM Microcap investment portfolio, insights from the current reporting season and our equity market outlook. The call will also cover WAM Capital, WAM Leaders, WAM Research, WAM Active and Century Australia.

Date: Wednesday 6 September 2017

Time: 4:30pm – 5:30pm (AEST)

To register, please visit www.waminvestorcall.eventbrite.com.au