

# Investment update

As at 30 April 2018



## Snapshot

Pre-tax net tangible assets

\$1.28

Gross assets

\$181.4m

## WAM Microcap Limited

ASX code	WMI
Date of listing	June 2017
Gross assets	\$181.4m
Market cap	\$196.2m
Share price	\$1.40
NTA before tax	\$1.28
Shares on issue	140,151,337
Annualised fully franked interim dividend (FY2018)	4.0c

## Investment objectives

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

## Wilson Asset Management investment & management team

Geoff Wilson AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

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## Priority allocation in the WAM Global IPO

WAM Global launched its initial public offering (IPO) on 2 May and exceeded the minimum offer proceeds on the same day. The general and priority offers are open and expected to close on 8 June. WAM Microcap shareholders are eligible to take part in the \$165 million priority allocation to the Wilson Asset Management Family.

Visit [www.wilsonassetmanagement.com.au/global](http://www.wilsonassetmanagement.com.au/global) to participate in the IPO.

## May 2018 Shareholder Presentations

This month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations, so we encourage you to stay and talk to the team. **Register now!**

## Market overview

The S&P/ASX Small Ordinaries Accumulation Index increased 2.8% in April driven by the S&P/ASX Small Resources Index, which gained 6.9%. This was due to positive economic data from China and continued supply side disruption, which lifted the spot price of resources. The International Monetary Fund maintained its positive outlook on global economic growth, forecast to be 3.9% in 2018, the best annual growth rate since 2011.

## Net tangible asset (NTA) figures

The following NTA figures are **after** the 2.0 cents per share fully franked interim dividend paid on 27 April 2018.

**NTA before tax** 128.16c\*

**NTA after tax and before tax on unrealised gains** 126.10c

**NTA after tax** 123.17c

\*The NTA before tax figure is after the payment of \$1.08m (0.8 cents per share) in tax during the month.

## Performance

Performance at 30 April 2018	1 mth	3 mths	6 mths	Fin YTD	Since inception (Jun-17)
WMI Investment Portfolio*	-0.4%	-5.4%	7.7%	21.4%	23.6%
S&P/ASX Small Ordinaries Accumulation Index	2.8%	0.4%	7.1%	18.6%	18.5%
<b>Outperformance</b>	<b>-3.2%</b>	<b>-5.8%</b>	<b>+0.6%</b>	<b>+2.8%</b>	<b>+5.1%</b>

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

## Diversified portfolio

Investment type	March 2018		April 2018	
	\$m	%	\$m	%
Listed equities	159.2	85.6	147.4	81.3
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	26.9	14.4	34.0	18.7
<b>Gross assets</b>	<b>186.1</b>	<b>100.0</b>	<b>181.4*</b>	<b>100.0</b>
<b>Total shares on issue</b>	<b>140,000,001</b>		<b>140,151,337**</b>	

\*This figure is after the 2.0 cents per share fully franked interim dividend paid on 27 April 2018 and \$1.08m in tax paid during the month.

\*\*During the month, 151,336 shares were issued under the Dividend Reinvestment Plan (DRP) for the interim dividend.

## Top 20 holdings

Code	Company	Code	Company
ANG	Austin Engineering Limited	OVH	Onewue Holdings Limited
AXL	Axesstoday Limited	PAC	Pacific Current Group Limited
CAB	Cabcharge Australia Limited	PSI	PSC Insurance Group Limited
CDD	Cardno Limited	RKN	Reckon Limited
CGR	CML Group Limited	SPZ	Smart Parking Limited
EHL	Emeco Holdings Limited	SRG	SRG Limited
GDG	Generational Development Group Limited	SW1	Swift Networks Group Limited
IDX	Integral Diagnostics Limited	TOT	360 Capital Total Return Fund
LHC	Lifehealthcare Group Limited	VAH	Virgin Australia Holdings Limited
LYL	Lycopodium Limited	VRS	Veris Limited

The top 20 holdings are presented in alphabetical order.

## Fully franked dividends

On 27 April 2018, the Company paid a maiden fully franked interim dividend of 2.0 cents per share. The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.