

W | A | M *Active*

Focus: market mispricing within the Australian equity market (ASX: WAA)

Portfolio update

The WAM Active investment portfolio decreased by 2.3% in December. Seven Group Holdings (ASX: SVW) and Smartgroup Corporation (ASX: SIQ) were detractors during the month. SVW operates Coates Hire, Caterpillar dealerships and holds investments in Seven West Media (ASX: SWM) and Beach Energy (ASX: BPT). Negative sentiment about the Chinese economy and falling oil prices impacted SVW's share price during the month. SIQ provides salary packaging, fleet management and a range of other employee management services for Australian companies. The continued weakness in Australian new car sales negatively impacted the company's share price in December. The Federal Chamber of Automotive Industries reported that national vehicle sales for December fell by 14.9% compared to the corresponding month in 2017.



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Lead Portfolio Manager

Net tangible asset (NTA) figures

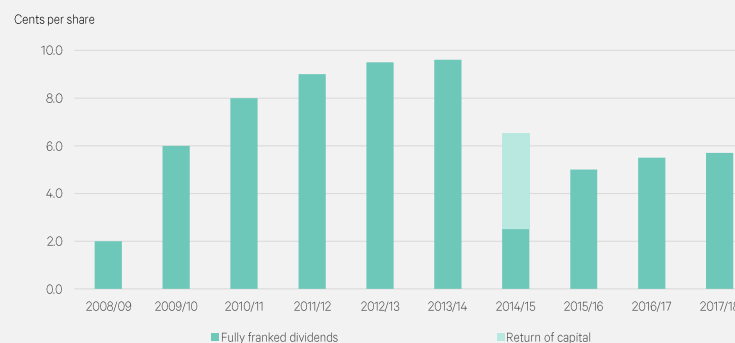
NTA before tax	97.49c
NTA after tax and before tax on unrealised gains	100.65c
NTA after tax	100.63c

Pre-tax net tangible assets	Gross assets	FY18 fully franked dividend yield ^a	Performance (p.a. since January 2008)
97.5c	\$45.0m	5.6%	11.6%

Performance at 31 December 2018	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %p.a. (Jan-08)
WAA Investment Portfolio	-2.3%	-6.5%	-2.7%	7.6%	9.8%	14.0%	11.6%
S&P/ASX All Ordinaries Accumulation Index	-0.4%	-7.3%	-3.5%	6.6%	5.7%	9.1%	3.3%
Outperformance	-1.9%	+0.8%	+0.8%	+1.0%	+4.1%	+4.9%	+8.3%
UBS Bank Bill Index (Cash)	0.2%	1.0%	1.9%	1.9%	2.2%	3.1%	3.5%
Outperformance	-2.5%	-7.5%	-4.6%	+5.7%	+7.6%	+10.9%	+8.1%

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

Fully franked dividends since inception



Top 20 holdings in alphabetical order

Altium Limited	ALU
Aurizon Holdings Limited	AZJ
Challenger Limited	CGF
Cimic Group Limited	CIM
Cleanaway Waste Management Limited	CWY
Collins Foods Limited	CKF
Concentrated Leaders Fund Limited	CLF
CSL Limited	CSL
Downer EDI Limited	DOW
IDP Education Limited	IEL
Macquarie Group Limited	MQG
Macquarie Media Limited	MRN
Pengana International Equities Limited	PIA
Seven Group Holdings Limited	SVW
Smartgroup Corporation Limited	SIQ
Steadfast Group Limited	SDF
Templeton Global Growth Fund Limited	TGG
360 Capital Group Limited	TGP
Westoz Investment Company Limited	WIC
Woolworths Group Limited	WOW

Investment type	November 2018		December 2018	
	\$m	%	\$m	%
Listed equities	29.1	62.1	23.4	52.1
Short portfolio	(0.0)	(0.0)	(0.3)	(0.7)
Fixed interest & cash	17.8	37.9	21.9	48.6
Gross assets	\$46.9m	100.0	\$45.0m*	100.0
Market capitalisation	\$48.3m		\$47.1m	
Total shares on issue	45,969,433		45,969,433	

^aBased on the 31 December 2018 share price of \$1.025 per share and the FY18 fully franked full year dividend of 5.7 cents per share.

*This figure is after the payment of \$724k in tax for FY18 during the month.