

W | A | M *Microcap*

Focus: micro-cap Australian companies
(ASX: WMI)

Portfolio update

The WAM Microcap investment portfolio increased 1.7% in January. Following the additional deployment of capital in February, the investment portfolio's cash weighting is currently 36.1%.

Contributors to the portfolio performance included Spicers (ASX: SRS) and Village Roadshow (ASX: VRL). SRS is a paper, print, packaging and signage business in Australia and New Zealand. We first invested in SRS in August 2018 following a strong FY2018 result, as we believed the company's strategy of cost control and focus on core operations would lead to earnings growth and an improved balance sheet. During January, SRS announced it had entered into a merger agreement with Kokusai Pulp & Paper (TYO: 9274). Shareholders will receive an estimated 7.0 cents per share in cash, which is a 32.1% premium to the pre-announcement share price. SRS was up 21.8% for the month.

VRL owns theme parks, cinemas and film distribution rights. We first invested in VRL following its capital raising in July 2018 as we expected a recovery in theme park earnings and a strong pipeline in movies for the cinema division, leading to an improvement in VRL's stretched balance sheet. With VRL's theme parks experiencing sunny weather over the Christmas period and key movies such as Bohemian Rhapsody and A Star is Born performing strongly, we believe VRL is well placed to deliver a strong first-half result. VRL was up 12.6% for the month.



Oscar Oberg
LLB BBus CFA
Lead Portfolio Manager



Martin Hickson
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Lead Portfolio Manager

Net tangible asset (NTA) figures

NTA before tax	120.98c
NTA after tax and before tax on unrealised gains	120.99c
NTA after tax	119.90c

Based on the 31 January 2019 share price of \$1.24 per share.

Pre-tax net tangible assets

\$1.21

Gross assets

\$174.9m

FY18 fully franked full year dividend

4.0c

FY18 fully franked special dividend

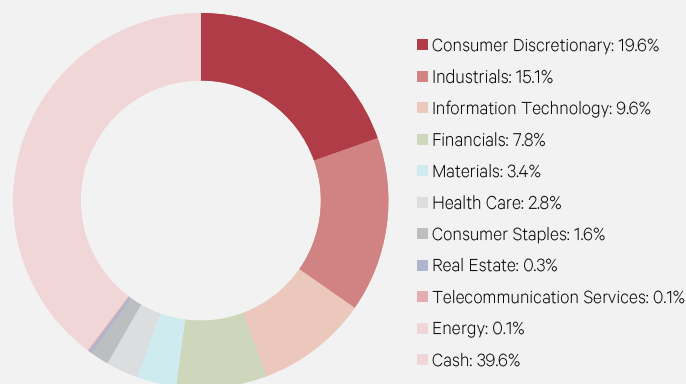
2.0c

Performance at 31 January 2019

	1 mth	Fin YTD	1 yr	Since inception %p.a. (Jun-17)
WMI Investment Portfolio	1.7%	-4.6%	-4.2%	14.4%
S&P/ASX Small Ordinaries Accumulation Index	5.6%	-7.9%	-3.1%	8.4%
Outperformance	-3.9%	+3.3%	-1.1%	+6.0%

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

Portfolio composition by sector



Top 20 holdings in alphabetical order

A2B Australia Limited	A2B
Alliance Aviation Services Limited	AQZ
Baby Bunting Group Limited	BBN
City Chic Collective Limited	CCX
Emeco Holdings Limited	EHL
Experience Co Limited	EXP
Generational Development Group Limited	GDG
Infomedia Limited	IFM
Jumbo Interactive Limited	JIN
Macmahon Holdings Limited	MAH
Macquarie Media Limited	MRN
Noni B Limited	NBL
Over The Wire Holdings Limited	OTW
People Infrastructure Limited	PPE
PSC Insurance Group Limited	PSI
QANTM Intellectual Property Limited	QIP
Reckon Limited	RKN
Spicers Limited	SRS
360 Capital Total Return Fund	TOT
Village Roadshow Limited	VRL

Investment type	December 2018		January 2019	
	\$m	%	\$m	%
Listed equities	104.8	60.9	106.0	60.6
Short portfolio	(0.3)	(0.2)	(0.4)	(0.2)
Fixed interest & cash	67.6	39.3	69.3	39.6
Gross assets	\$172.1m	100.0	\$174.9m	100.0
Market capitalisation	\$178.5m		\$174.3m ¹	
Total shares on issue	140,530,698		140,530,698	