

August 2019 Investment Update

Pre-tax NTA

W | A | M *Capital* \$1.89

W | A | M *Leaders* \$1.25

W | A | M *Global* \$2.43

W | A | M *Microcap* \$1.37

W | A | M *Research* \$1.20

W | A | M *Active* \$1.06

Dear Fellow Shareholders,

August update

Concerns of a global economic downturn increased in August as the United States (US)-China trade tensions escalated and US treasury bond yields collapsed. The US 30-year bond yield fell below 2.0% for the first time in history and the US two-year and 10-year bond yields inverted for the first time since 2007. The US Dollar and gold prices rallied as investors pivoted into safe-haven assets and defensive equity sectors outperformed, while cyclicals and emerging markets lagged. The volatile month saw equity indices track the US-China trade war sentiment closely, as the S&P 500 Index recorded 11 moves of more than 1.0% in the 22 trading sessions during August. The S&P 500 Index decreased 1.6% in local terms, while the MSCI World Index (AUD) increased 0.2% for the month.

Domestically, the S&P/ASX All Ordinaries Accumulation Index, S&P/ASX 200 Accumulation Index and S&P/ASX Small Ordinaries Accumulation Index fell 2.2%, 2.4% and 3.9% respectively, marked by a disappointing reporting season where the strong performance of a handful of companies masked the underlying issues in the Australian economy.

Performance update

As mentioned on our Investor Conference Call this week, all of our listed investment companies (LICs) have outperformed* their respective indices during the financial year to 9 September 2019.

W A M <i>Capital</i>	+6.9%	W A M <i>Microcap</i>	+10.1%
Outperformance	+4.9%	Outperformance	+7.6%
W A M <i>Global</i>	+4.8%	W A M <i>Research</i>	+7.7%
Outperformance	+2.4%	Outperformance	+5.7%
W A M <i>Leaders</i>	+2.1%	W A M <i>Active</i>	+6.2%
Outperformance	+0.5%	Outperformance	+4.2%

WAM Global and WAM Leaders are currently trading at attractive share price discounts to net tangible assets (NTA) of 14.8%* and 5.5%* respectively. As I have mentioned at our Shareholder Presentations over the years, I like to purchase \$1 of value for 80 cents when the opportunity exists and as a result I have increased my holdings in both companies in recent months.

I believe these discounts will close as the solid track records of performance continue and the fully franked dividends increase over time. Both companies' shareholder numbers are increasing and the registers are tightening, demonstrating that this process is underway.

Full year results and fully franked dividends

In July and August, all of our listed investment companies (LICs) announced their full year results and fully franked full year dividends.

WAM Capital ([Full year results | Annual report](#)) will pay a fully franked final dividend of 7.75 cents per share on 25 October 2019 and trade ex-dividend on 17 October 2019. WAM Capital has a profits reserve of 13.0 cents per share as at 31 August 2019.

WAM Leaders ([Full year results | Annual report](#)) will pay an increased fully franked final dividend of 3.0 cents per share on 25 October 2019 and trade ex-dividend on 11 October 2019. WAM Leaders has a profits reserve of 15.0 cents per share as at 31 August 2019.

WAM Global ([Full year results | Financial report](#)) will pay an inaugural fully franked dividend of 2.0 cents per share on 25 October 2019 and trade ex-dividend on 11 October 2019. WAM Global has a profits reserve of 17.7 cents per share as at 31 August 2019.

WAM Microcap ([Full year results | Annual report](#)) will pay an increased fully franked final dividend of 2.25 cents per share, together with an additional special fully franked dividend of 2.25 cents per share on 18 October 2019 and trade ex-dividend on 4 October 2019. WAM Microcap has a profits reserve of 25.3 cents per share as at 31 August 2019.

WAM Research ([Full year results | Annual report](#)) will pay a fully franked final dividend of 4.85 cents per share on 18 October 2019 and trade ex-dividend on 4 October 2019. WAM Research has a profits reserve of 32.1 cents per share as at 31 August 2019.

WAM Active ([Full year results | Annual report](#)) will pay a fully franked final dividend of 2.95 cents per share on 18 October 2019 and trade ex-dividend on 4 October 2019. WAM Active has a profits reserve of 6.8 cents per share as at 31 August 2019.

November 2019 Shareholder Presentations

We are looking forward to seeing you all at our semi-annual Shareholder Presentations. Please feel free to bring guests who have an interest in hearing our views on the Australian and global equity markets, how we invest and how we make a difference for shareholders and the community. You can register for the Shareholder Presentations [here](#).

Investor conference call recording and slides

On Tuesday, 10 September 2019 we held our semi-annual Investor Conference Call. The Lead Portfolio Managers and I discussed our full year results, our investment portfolios' recent outperformance, and our strategies to close the WAM Leaders and WAM Global discounts to NTA. The Lead Portfolio Managers provided updates on the small, mid and large-cap areas of the Australian market and the trends they are watching over the coming months, as well as select investment ideas. WAM Global Lead Portfolio Manager Catriona Burns dialled in from Europe, where she is visiting over 80 companies, to share her insights into the current global environment. If you missed it, you can listen to the [recording](#) and view the [slides](#).

Thank you to all who took the time to complete our survey on our monthly investment update. We greatly appreciate the feedback.

Good luck investing.



Geoff Wilson AO
Chairman &
Chief Investment Officer

*Investment performance and index returns are before expenses, fees and taxes. Investment outperformance is relative to the individual LIC's comparative index.

**Based on 12 September 2019 share price of \$2.07 per share.

***Based on 12 September 2019 share price of \$1.18 per share.



W | A | M Active

Market mispricing opportunities in the Australian market.

Portfolio update

The S&P/ASX All Ordinaries Accumulation Index fell 2.2% in August, while the WAM Active investment portfolio decreased 0.5%.

Significant contributors to the portfolio outperformance included Kogan.com (ASX: KGN) and EML Payments (ASX: EML). KGN announced its FY19 results in August and reported 16.0% growth in EBITDA which beat analyst expectations. We first invested in KGN due to its 1.6 million active customers and the potential for KGN to introduce new products such as Kogan Marketplace. We see a strong outlook for growth for KGN and believe that the business is well placed to take advantage of the online shift for the retail industry. KGN closed up 24.2% in August.

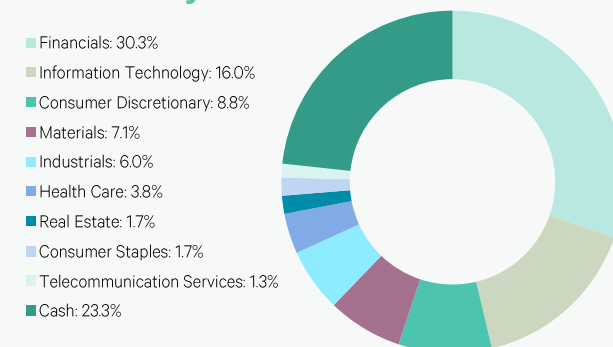
EML is a financial technology company that provides solutions, for payouts, gifts, incentives and rewards and supplier payments. It specialises in using mobile, virtual and physical card solutions operating across 23 countries in North America, Europe and Australia. In August, EML announced its FY19 results and reported that its revenue and EBITDA increased 37.0% and 40.0% respectively, exceeding guidance for both performance measures. We first invested in EML due to its strong tender pipeline and the potential for earnings accretive acquisitions. EML closed up 18.8% for the month.

NTA before tax	Gross assets	Performance (pa since Jan 2008)
105.65c	\$49.5m	12.2%
NTA after tax and before tax on unrealised gains	Listed equities	Fully franked dividend yield
106.21c	\$38.2m	5.5% [#]
NTA after tax	Market capitalisation	Dividends paid since inception (per share)
106.21c	\$49.7m [^]	65.75c

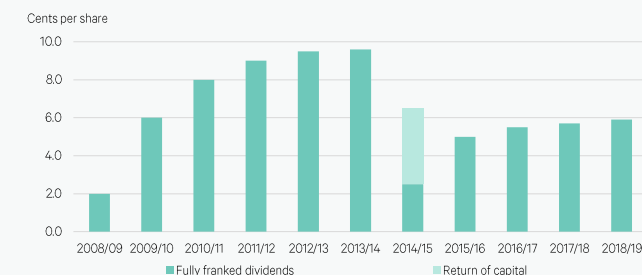
[^]Based on the 30 August 2019 share price of \$1.075 per share and 46,208,095 shares on issue.

[#]Based on the FY19 fully franked full year dividend of 5.9 cents per share.

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

ALU	APT	ASL	BSL	CAR	CKF	ECX	EML	EOF	EQT
IPH	KGN	MP1	MQG	ORI	PIA	REA	SDF	SVW	TGG

Performance at 31 August 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio	-0.5%	3.3%	2.8%	9.8%	10.8%	11.3%	12.2%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	0.7%	8.6%	11.1%	8.1%	8.6%	4.8%
Outperformance	+1.7%	+2.6%	-5.8%	-1.3%	+2.7%	+2.7%	+7.4%
Bloomberg AusBond Bank Bill Index (Cash)	0.1%	0.2%	1.8%	1.8%	2.0%	3.0%	3.4%
Outperformance	-0.6%	+3.1%	+1.0%	+8.0%	+8.8%	+8.3%	+8.8%

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

W | A | M Capital

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The S&P/ASX All Ordinaries Accumulation Index fell 2.2% in August, while the WAM Capital investment portfolio decreased 0.5%.

Research-driven portion of the investment portfolio:

Significant contributors to the portfolio outperformance during the month included Credit Corp Group (ASX: CCP) and A.P. Eagers (ASX: APE). CCP is Australia's largest purchaser of outstanding debt ledgers, operating in Australia, New Zealand and the United States (US). During August, CCP acquired Baycorp Holdings in order to increase its purchased debt collection operations in Australia and New Zealand. The business also upgraded its FY20 guidance due to the acquisition of Baycorp Holdings increasing its net profit after tax guidance to 18.0% over the prior year. We continue to hold CCP as we believe the company has the potential for double-digit earnings growth in Australia and the US over the medium term. CCP closed up 14.5% in August.

APE is one of Australia's largest automotive retail groups with dealerships across Queensland, South Australia, New South Wales, Victoria, Northern Territory and Tasmania. We first invested in APE due to our belief that the sharp declines in new car sales experienced over the last 12 months would begin to stabilise over the second half of this calendar year, assisted by tax and interest rate cuts which would fuel consumer sentiment. In August, APE released its half year results, exceeding its previous earnings guidance. The strong result was largely delivered through prudent cost management and efficiency savings within its car retailing division. APE closed up 10.4% for the month.

Market-driven portion of the investment portfolio:

A significant contributor to the portfolio outperformance was Kogan.com (ASX: KGN). KGN announced its FY19 results in August and reported 16.0% growth in EBITDA which beat analyst expectations. We first invested in KGN due to its 1.6 million active customers and the potential for KGN to introduce new products such as Kogan Marketplace. We see a strong outlook for growth for KGN and believe that the business is well placed to take advantage of the online shift for the retail industry. KGN closed up 24.2% in August.

NTA before tax Gross assets Performance (pa since Aug 1999)

188.78c* \$1,369.3m 16.7%

NTA after tax and before tax on unrealised gains Listed equities Fully franked dividend yield

194.56c** \$1,045.6m 7.3%#

NTA after tax Market capitalisation Dividends paid since inception (per share)

191.30c** \$1,514.1m^ 230.75c

*The NTA before tax is after the payment of \$6.5m (0.91 cents per share) in tax during the month.

**Includes 0.83 cents per share of tax assets resulting from the acquisition of unlisted investment companies.

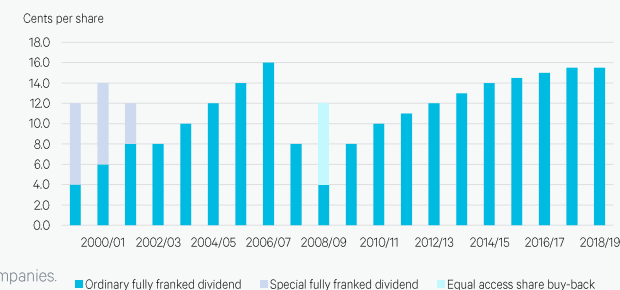
#Based on the 30 August 2019 share price of \$2.11 per share and 717,571,132 shares on issue.

^Based on the FY19 fully franked full year dividend of 15.5 cents per share.

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AMAGROUP	A.P. EAGERS	afterpay	AUSTAL LIMITED	AUSDRILL	Bapcor	carsales.com ltd	Credit Corp Group	eclix	EML
AMA	APE	APT	ASB	ASL	BAP	CAR	CCP	ECX	EML
HARVEY NORMAN HOLDINGS LIMITED	INFOMEDIA	MYER MY STORE	PENGANA INTERNATIONAL SERVICES LIMITED	PSC INSURANCE GROUP	REA Group	Steadfast	servicesstream	TGG	VOCUS GROUP
HVN	IFM	MYR	PIA	PSI	REA	SDF	SSM	TGG	VOC

Performance at 31 August 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Aug-99)
WAM Investment Portfolio	-0.5%	4.1%	2.3%	7.6%	12.5%	14.3%	16.7%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	0.7%	8.6%	11.1%	8.1%	8.6%	8.6%
Outperformance	+1.7%	+3.4%	-6.3%	-3.5%	+4.4%	+5.7%	+8.1%
S&P/ASX Small Ordinaries Accumulation Index	-3.9%	0.5%	0.9%	8.4%	7.8%	4.8%	5.5%
Outperformance	+3.4%	+3.6%	+1.4%	-0.8%	+4.7%	+9.5%	+11.2%

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

W | A | M Leaders

Actively investing in the highest quality Australian companies.

Portfolio update

The WAM Leaders' investment portfolio outperformed the S&P/ASX 200 Accumulation Index by 0.8%, as the Index decreased 2.4% in August. The decline in the market was primarily driven by the escalation in sentiment surrounding the US-China trade war during the month. The volatile Australian reporting season provided a health-check on the corporate sector and overall we were pleased with the positioning of our portfolio. Some of our core holdings reported strong results and confirmed our investment theses, providing us with the opportunity to concentrate a number of our investments.

Significant contributors to the WAM Leaders investment portfolio outperformance for the month included Downer EDI (ASX: DOW), Western Areas (ASX: WSA), Newcrest Mining (ASX: NCM) and Treasury Wine Estates (ASX: TWE). Engineering and construction company DOW's share price closed up 6.8% in August, a three-month high due to its strong FY19 results. DOW reported a 14.7% increase in underlying net profit after tax before amortisation of acquired intangible assets to \$340.1 million, on the back of a 6.6% rise in revenue to \$13.4 billion. We invested in DOW due to the market's overreaction to an announcement on 1 August 2019, that the Murra Warra wind farm would not meet its original profit guidance. We continue to hold DOW as we believe the cyclical upswing from future fiscal stimulus will benefit the business.

We discussed Perth-headquartered nickel mining company WSA in last month's NTA as one of our top performing investments as it rallied 12.0% in July. The share price increased a further 12.7% in August and is up 32.7% month to date in September. The core strengths of the company, such as access to high-grade nickel mines when the resource is a critical manufacturing component in stainless steel and electric vehicle batteries, remains unchanged. The significant news driving the share price performance of WSA was the growing belief that Indonesia would ban exports of the raw material earlier than expected. This proved true, as the Government announced it was bringing forward the ban in early September to begin on 1 January 2020. Indonesia is the largest nickel exporter in the world, accounting for 21.5% of total supply and this export ban has significantly tightened market supply.

Gold mining company NCM released its full year results in August, announcing its FY19 statutory and underlying profits increased 178.0% and 22.0% respectively for the year. The strong result was coupled with the announcement that its free cash-flow increased 34.0% to USD804.0 million and that its net debt of USD395.0 million has reduced by 62.0% from FY18. NCM closed up 4.0% for the month and during September, we have exited some of our holdings to realise this performance. We continue to hold NCM as a gold hedge given the low real interest rate environment and the potential continuation of volatility spikes going forward.

TWE is the world's largest listed wine maker. TWE reported its FY19 results in August, with the business announcing that a growing taste for fine wine has helped lift its full year profit by 16.4% to \$419.5 million. Total revenue rose 15.5% to \$2.9 billion for the 12 months to 30 June 2019 and TWE increased its fully franked final dividend by 3.0 cents, to 20.0 cents per share. We invested in TWE to gain exposure to the growth potential in China due to the company's strong brand names and ability to dominate the prestige market. TWE closed up 5.9% in August.

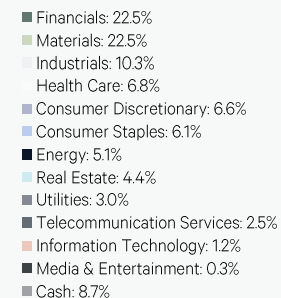
NTA before tax	Gross assets	Performance (pa since May 2016)
124.85c*	\$993.5m	12.2%

NTA after tax and before tax on unrealised gains	Listed equities	Record fully franked full year dividend
124.83c	\$907.0m	5.65c

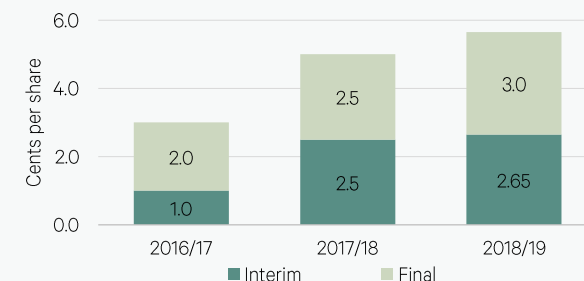
NTA after tax	Market capitalisation	Dividends paid since inception (per share)
122.88c	\$901.5m [^]	10.65c

*The NTA before tax is after the payment of \$2.6m (0.33 cents per share) in tax during the month.
[^]Based on the 30 August 2019 share price of \$1.15 per share and 783,890,791 shares on issue.

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

ALX	APA	BHP	CBA	CSL	DOW	FMG	GMG	IAG	MQG
NAB	NCM	RIO	STO	TCL	TLS	TWE	WBC	WES	WOW

Performance at 31 August 2019

	1 mth	Fin YTD	3 mths	1 yr	2 yrs %pa	Since inception %pa (May-16)
WLE Investment Portfolio	-1.6%	0.6%	5.0%	10.9%	14.0%	12.2%
S&P/ASX 200 Accumulation Index	-2.4%	0.5%	4.2%	9.0%	12.2%	11.0%
Outperformance	+0.8%	+0.1%	+0.8%	+1.9%	+1.8%	+1.2%

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

W | A | M Global

The world's most compelling undervalued growth companies.

Portfolio update

The WAM Global investment portfolio increased 1.8% in August, outperforming the MSCI World Index (AUD) which increased 0.2% and the MSCI World SMID Cap Index in AUD terms which fell 0.7%. The best performing sectors were consumer staples, real estate and utilities, while energy, financials and materials underperformed. Major equity markets fell in local terms: the US S&P 500 Index by 1.6%; UK FTSE 100 Index by 4.1%; Japan's TOPIX Index by 3.4%; Euro Stoxx 50 Index by 1.1% and China's CSI 300 Index by 0.7%. The Australian dollar weakened relative to the US dollar during the month.

August was a tumultuous month, dominated by the trade discussions between the US and China, which appeared to swing back and forth from conciliatory to antagonistic. At the height of the tensions, Trump announced that the US Government was raising tariffs from the originally planned 10.0% to 15.0% on another c.USD300 billion worth of Chinese goods, on top of the USD250 billion which had tariffs applied last year.

The US quarterly reporting season continued throughout August. Cyclical businesses were affected by slowing global growth and trade wars, while technology and healthcare companies generally reported resilient earnings. Our holdings that reported during the month generally performed well.

Significant contributors to the investment portfolio outperformance during the month included Entertainment One (LON: ETO) and CTS Eventim (ETR: EVD).

London-listed Entertainment One received an all-cash takeover offer from US-listed toy and entertainment company Hasbro Inc (NASDAQ: HAS) at £5.60 per share in August. This £3.3 billion deal represented a 31.0% premium to ETO's 30-day volume-weighted average price. The combination of ETO's brands, television and film expertise, and Hasbro's trademark names, toy and game innovation and licensing capabilities is expected to drive faster growth in revenue and profit for both businesses over the medium term. Synergies from the merger of approximately USD130 million are expected to be realised by 2022. We have held ETO in the portfolio since WAM Global's listing in June 2018. As owners of unique standalone content, we saw a highly valuable business in a fragmenting media environment. The ETO Board of Directors recommended the all-cash bid and the shares are currently trading at a premium to the bid price, given speculation of a counter bid. The stock is up over 60% since we first invested.

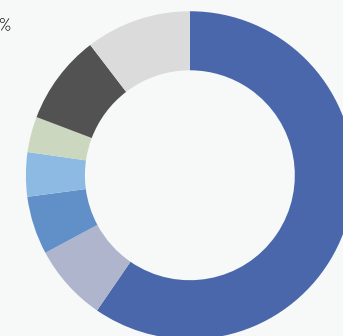
CTS Eventim is a German-listed ticketing and live entertainment business, similar to Ticketek in Australia. EVD is the market leader in Germany, Switzerland, Austria and Italy and during August reported strong second quarter results. Group revenues grew 14.8% and normalised earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 18.7%, ahead of market expectations. Margins have improved in both the ticketing and live entertainment divisions and growth momentum has accelerated across the business. The company has also announced the planned investment in France Billet, the number one ticketing player in France, securing EVD's dominant positioning in ticketing across Europe and providing additional future growth opportunities.

NTA before tax	Gross assets	Performance (pa since June 2018)
243.03c	\$515.3m*	10.8%

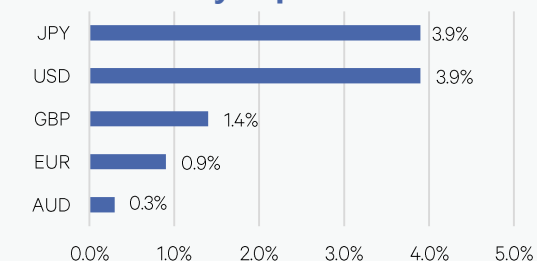
NTA after tax and before tax on unrealised gains	Listed equities	Cash weighting
245.55c	\$461.8m	10.4%

NTA after tax	Market capitalisation	Inaugural fully franked dividend
237.37c	\$425.3m^	2.0c

Portfolio by geographical exposure



Cash currency exposure



*Gross assets exclude the \$4.2m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

^Based on the 30 August 2019 share price of \$2.01 per share and 211,607,623 shares on issue.

Top 20 holdings (in alphabetical order)

AIRBUS	Aon	Couche-Tard	AMERICAN EXPRESS	BD	DANONE ONE PLANET. ONE HEALTH.	CDW	CME Group	Deutsche Börse	DIAGEO
AIR FP	AON US	ATD/B CN	AXP US	BDX US	BN FP	CDW US	CME US	DB1 GY	DGE LN
eOne	eventim	HCA Healthcare	IHS Markit	L3HARRIS FAST. FORWARD.	logitech	Nomad Foods	ThermoFisher SCIENTIFIC	UBISOFT	WAM WORLD MANAGEMENT
ETO LN	EVD GR	HCA US	INFO US	LHX US	LOGN SW	NOMD US	TMO US	UBI FP	WM US

Performance at 31 August 2019

	1 mth	Fin YTD	3 mths	6 mths	1 yr	Since inception %pa (June-18)
WGB Investment Portfolio	1.8%	6.1%	10.4%	16.1%	10.8%	10.8%
MSCI World Index (AUD)	0.2%	2.5%	7.9%	9.5%	7.6%	10.7%
Outperformance	+1.6%	+3.6%	+2.5%	+6.6%	+3.2%	+0.1%
MSCI World SMID Cap Index in AUD terms	-0.7%	1.5%	6.4%	6.0%	1.1%	4.2%
Outperformance	+2.5%	+4.6%	+4.0%	+10.1%	+9.7%	+6.6%

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

W | A | M Microcap

The most exciting undervalued growth opportunities in the Australian micro-cap market.

Portfolio update

The S&P/ASX Small Ordinaries Accumulation Index fell 3.9% in August, while the WAM Microcap investment portfolio decreased 0.2%.

Significant contributors to the portfolio outperformance included Johns Lyng Group (ASX: JLG) and Eneo Group (ASX: EGG). JLG is a construction services group that delivers building and restoration services across Australia. We invested in JLG on the expectation that the natural disasters in Sydney and Townsville in early 2019 would drive a significant pipeline of work and that its strong balance sheet would allow the company to undertake earnings accretive acquisitions. In August, JLG reported its FY19 results, with a 16.8% increase in revenue on the prior year, primarily driven by its core revenue from the Insurance Building and Restoration Services division which increased 39.9%. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 11.6% to \$25.7 million for the year. JLG closed up 15.4% in August.

EGG is an advertising and public relations company that announced its FY19 results in August. The business reported a 24.9% increase in net revenue to \$129.5 million and EBITDA rose 53.3% to \$20.7 million on the prior year, beating analyst expectations. We first invested in EGG in February 2019 due to its strong exposure to the information technology sector in the United States which was driving growth in its public relations business. With the company having zero debt on its balance sheet, EGG is well placed to make earnings accretive acquisitions in the future. EGG closed up 11.1% for the month.

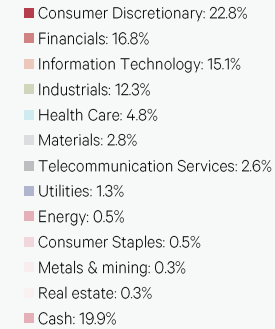
NTA before tax	Gross assets	Performance (pa since June 2017)
136.85c*	\$197.3m	20.1%

NTA after tax and before tax on unrealised gains	Listed equities	Fully franked full year dividend
136.67c	\$158.1m	4.5c

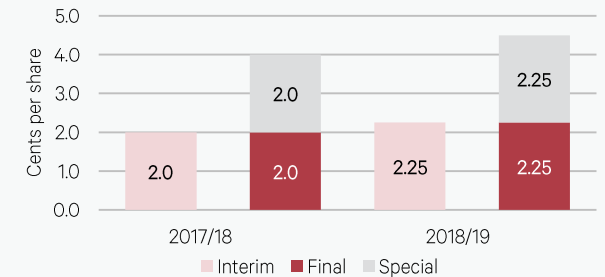
NTA after tax	Market capitalisation	Fully franked special dividend
132.52c	\$191.6m [^]	2.25c

*The NTA before tax is after the payment of \$2.4m (1.71 cents per share) in tax during the month.
[^]Based on the 30 August 2019 share price of \$1.36 per share and 140,861,776 shares on issue.

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AFG AFG	bsa BSA	city chic CCX	CML Group CGR	CIRRUS CNW	CountPlus CUP	Data#3 DTL	eclipx ECX	enero EGG	ECOFIBRE EOF
INFO MEDIA IFM	JOHNS LYNG GROUP JLG	MADER MAD	Mitchell MSV	MYER MYR	prospa PGL	PSC INSURANCE GROUP PSI	THINK TNK	360 Capital TOT	TEMPLE & WEBSTER TPW

Performance at 31 August 2019

	1 mth	3 mths	6 mths	1 yr	Since inception %pa (Jun-17)
WMI Investment Portfolio	-0.2%	8.4%	15.6%	8.0%	20.1%
S&P/ASX Small Ordinaries Accumulation Index	-3.9%	1.4%	4.1%	0.9%	11.3%
Outperformance	+3.7%	+7.0%	+11.5%	+7.1%	+8.8%

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

The most exciting undervalued growth opportunities in the Australian market.

Portfolio update

The S&P/ASX All Ordinaries Accumulation Index fell 2.2% in August, while the WAM Research investment portfolio decreased 0.5%.

Significant contributors to the portfolio outperformance during the month included Credit Corp Group (ASX: CCP) and A.P. Eagers (ASX: APE). CCP is Australia's largest purchaser of outstanding debt ledgers, operating in Australia, New Zealand and the United States (US). During August, CCP acquired Baycorp Holdings in order to increase its purchased debt collection operations in Australia and New Zealand. The business also upgraded its FY20 guidance due to the acquisition of Baycorp Holdings increasing its net profit after tax guidance to 18.0% over the prior year. We continue to hold CCP as we believe the company has the potential for double-digit earnings growth in Australia and the US over the medium term. CCP closed up 14.5% in August.

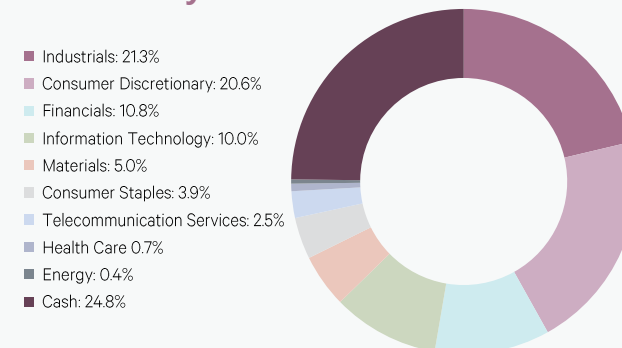
APE is one of Australia's largest automotive retail groups with dealerships across Queensland, South Australia, New South Wales, Victoria, Northern Territory and Tasmania. We first invested in APE due to our belief that the sharp declines in new car sales experienced over the last 12 months would begin to stabilise over the second half of this calendar year, assisted by tax and interest rate cuts which would fuel consumer sentiment. In August, APE released its half year results, exceeding its previous earnings guidance. The strong result was largely delivered through prudent cost management and efficiency savings within its car retailing division. APE closed up 10.4% for the month.

NTA before tax	Gross assets	Performance (pa since July 2010)
119.94c	\$236.6m	16.4%
NTA after tax and before tax on unrealised gains	Listed equities	Fully franked dividend yield
122.98c	\$177.9m	6.9% [#]
NTA after tax	Market capitalisation	Dividends paid since inception (per share)
119.33c	\$267.3m [^]	99.45c

[^]Based on the 30 August 2019 share price of \$1.40 per share and 190,907,874 shares on issue.

[#]Based on the FY19 fully franked full year dividend of 9.7 cents per share.

Portfolio by sector



History of fully franked dividends



Top 20 holdings (in alphabetical order)

AMAGROUP	A.P. EAGERS	AUSTAL LIMITED	Bapcor	BRICKWORKS	Credit Corp Group	city chic	CODAN	CSR	CLEANAWAY
AMA	APE	ASB	BAP	BKW	CCP	CCX	CDA	CSR	CWY
EMECO	Elders	Harvey Norman HOLDINGS LIMITED	INFOMEDIA	MYER MY STORE	PSC INSURANCE GROUP	smart group corporation	servicestream	VOCUS GROUP	xero
EHL	ELD	HVN	IFM	MYR	PSI	SIQ	SSM	VOC	XRO

Performance at 31 August 2019

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since change in investment strategy %pa (Jul-10)
WAX Investment Portfolio	-0.5%	4.9%	3.1%	6.3%	14.2%	17.5%	16.4%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	0.7%	8.6%	11.1%	8.1%	11.0%	9.5%
Outperformance	+1.7%	+4.2%	-5.5%	-4.8%	+6.1%	+6.5%	+6.9%

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