

# W | A | M *Active*

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

## Portfolio update

The WAM Active investment portfolio increased 2.8% in January. Following the additional deployment of capital in February, the investment portfolio's cash weighting is currently 27.3%.

Contributors to the portfolio performance included IDP Education (ASX: IEL) and Cleanaway Waste Management (ASX: CWY). IEL specialises in international education services, such as student placements and English testing. IEL is a co-owner of IELTS, the most popular global English language test. Over the past few years IEL has invested in a new digital platform to introduce computer-delivered IELTS tests. We believe this global platform can drive volumes in new tests and improve IEL's margins over the next few years. IEL was up 15.0% for the month.

CWY is Australia's largest waste management company. We first purchased CWY in August 2018 following a stronger than expected FY2018 result. The catalyst to buy CWY came from a number of contract wins that the business had been awarded over the last 12 months and the potential of this to drive earnings upgrades over the next few years. Furthermore, we identified additional synergies in the Toxfree acquisition which was completed in May 2018. CWY was up 8.4% for the month.



**Martin Hickson**  
BBus BComp M App Fin  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

<b>NTA before tax</b>	<b>100.07c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>102.44c</b>
<b>NTA after tax</b>	<b>102.42c</b>

Based on the 31 January 2019 share price of \$1.00 per share and the FY18 fully franked full year dividend of 5.7 cents per share.

Pre-tax net tangible assets

**\$1.00**

Gross assets

**\$46.2m**

FY18 fully franked dividend yield<sup>a</sup>

**5.7%**

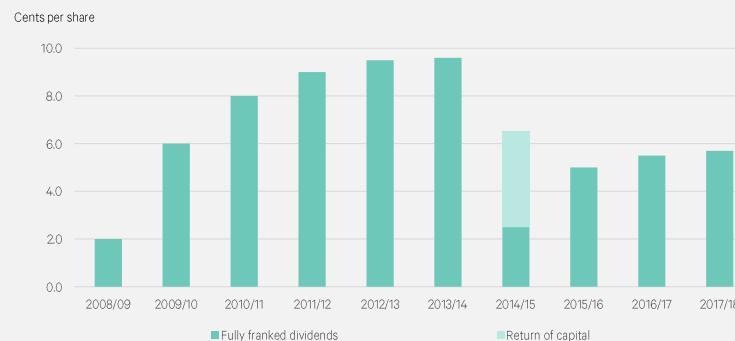
Performance (p.a. since January 2008)

**11.8%**

Performance at 31 January 2019	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %p.a. (Jan-08)
WAA Investment Portfolio	2.8%	-3.8%	-0.6%	9.8%	10.3%	14.5%	11.8%
S&P/ASX All Ordinaries Accumulation Index	4.0%	-3.6%	0.7%	10.0%	7.1%	10.1%	3.6%
<b>Outperformance</b>	<b>-1.2%</b>	<b>-0.2%</b>	<b>-1.3%</b>	<b>-0.2%</b>	<b>+3.2%</b>	<b>+4.4%</b>	<b>+8.2%</b>
UBS Bank Bill Index (Cash)	0.2%	1.2%	2.0%	1.9%	2.1%	3.0%	3.5%
<b>Outperformance</b>	<b>2.6%</b>	<b>-5.0%</b>	<b>-2.6%</b>	<b>+7.9%</b>	<b>+8.2%</b>	<b>+11.5%</b>	<b>+8.3%</b>

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

## Fully franked dividends since inception



## Top 20 holdings in alphabetical order

Appen Limited	APX
CIMIC Group Limited	CIM
Cleanaway Waste Management Limited	CWY
Collins Foods Limited	CKF
CSL Limited	CSL
Goodman Group	GMG
IDP Education Limited	IEL
JB Hi-Fi Limited	JBH
Macquarie Group Limited	MQG
Macquarie Media Limited	MRN
Metcash Limited	MTS
oOh!media Limited	OML
Pengana International Equities Limited	PIA
Seven Group Holdings Limited	SVW
Smartgroup Corporation Limited	SIQ
Steadfast Group Limited	SDF
Templeton Global Growth Fund Limited	TGG
The a2 Milk Company Limited	A2M
Woolworths Group Limited	WOW
WorleyParsons Limited	WOR

Investment type	December 2018		January 2019	
	\$m	%	\$m	%
Listed equities	23.4	52.1	30.8	66.6
Short portfolio	(0.3)	(0.7)	(0.2)	(0.4)
Fixed interest & cash	21.9	48.6	15.6	33.8
<b>Gross assets</b>	<b>\$45.0m</b>	<b>100.0</b>	<b>\$46.2m</b>	<b>100.0</b>
Market capitalisation	\$47.1m		\$46.0m	
Total shares on issue	45,969,433		45,969,433	