

W | A | M Research

Focus: small to mid-cap Australian companies
(ASX: WAX)

Portfolio update

The WAM Research investment portfolio decreased 5.1% in December, as our core small to mid-cap holdings were negatively impacted by the heightened equity market volatility. GTN (ASX: GTN) and Emeco Holdings (ASX: EHL) were detractors during the month. GTN contributed to the underperformance in December with the company providing a disappointing earnings downgrade following weakness in the business' most significant geographic segment, Australia. The company stated that its adjusted earnings before interest, tax, depreciation, tax and amortisation for the six months to 31 December 2018 would be between 10 and 15% lower than the previous half year period. GTN is the largest supplier of traffic information reports to radio stations in Australia, the United Kingdom, Canada and Brazil. EHL is an equipment hire company that services the mining industry. Market participants' concerns about the outlook for global economic growth has led to investors reducing their risk appetite, impacting EHL's share price during the month.



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Lead Portfolio Manager

Net tangible asset (NTA) figures

NTA before tax	108.74c*
NTA after tax and before tax on unrealised gains	109.12c
NTA after tax	110.26c

*The NTA before tax is after the payment of \$3k (0.002 cents per share) in tax during the month.

Based on the 31 December 2018 share price of \$1.46 per share and the FY18 fully franked full year dividend of 9.5 cents per share.

Pre-tax net tangible assets	Gross assets	FY18 fully franked dividend yield [^]	Performance (p.a. since July 2010)
\$1.09	\$206.6m	6.5%	15.3%

Performance at 31 December 2018	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since change in investment strategy %p.a. (Jul-10)
WAX Investment Portfolio	-5.1%	-11.1%	-7.3%	6.1%	12.4%	17.0%	15.3%
S&P/ASX All Ordinaries Accumulation Index	-0.4%	-7.3%	-3.5%	6.6%	5.7%	9.4%	7.9%
Outperformance	-4.7%	-3.8%	-3.8%	-0.5%	+6.7%	+7.6%	+7.4%

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

Fully franked dividends since inception



Top 20 holdings in alphabetical order

A2B Australia Limited	A2B
Austal Limited	ASB
Bravura Solutions Limited	BVS
City Chic Collective Limited	CCX
Codan Limited	CDA
Credit Corp Group Limited	CCP
Emeco Holdings Limited	EHL
Event Hospitality and Entertainment Limited	EVT
GTN Limited	GTN
Index Limited	IMD
IPH Limited	IPH
Lifestyle Communities Limited	LIC
Mayne Pharma Group Limited	MYX
Myer Holdings Limited	MYR
Noni B Limited	NBL
PSC Insurance Group Limited	PSI
Reckon Limited	RKN
Service Stream Limited	SSM
Tabcorp Holdings Limited	TAH
Vocus Group Limited	VOC

Investment type	November 2018		December 2018	
	\$m	%	\$m	%
Listed equities	126.6	58.0	96.5	46.7
Fixed interest & cash	91.7	42.0	110.1	53.3
Gross assets	\$218.3m	100.0	\$206.6m*	100.0
Market capitalisation	\$263.5m		\$276.8m	
Total shares on issue	189,561,267		189,561,267	

*This figure is after the payment of \$3k in tax for FY19 and \$262k in tax for FY18 during the month.