

# W | A | M Research

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

## Portfolio update

The WAM Research investment portfolio increased 2.0% in January. Following the additional deployment of capital in February, the investment portfolio's cash weighting is currently 38.7%.

Contributors to the portfolio performance included Credit Corp (ASX: CCP) and Codan (ASX: CDA). CCP is Australia's largest debt buyer and collector, operating globally, which assists customers to repay outstanding debt balances. During January, CCP announced a 13% increase in net profit after tax for the first half of FY2019, beating analysts' expectations. We believe CCP's US division and consumer lending business can continue to generate double-digit earnings growth over the next few years. CCP was up 17.2% for the month of January.

CDA is a technology company that has a range of products in radio, metal detection, tracking and defence. We first invested in CDA due to a stronger than expected FY2018 result and our belief that sales in metal detection and radio communications products would continue to beat market expectations in FY2019. With \$28.0 million of net cash and zero debt, we believe CDA is well placed to make earnings accretive acquisitions in the near future. CDA was up 8.9% for the month.



**Oscar Oberg**  
LLB BBus CFA  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

<b>NTA before tax</b>	<b>110.85c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>111.34c</b>
<b>NTA after tax</b>	<b>111.74c</b>

<sup>1</sup>Based on the 31 January 2019 share price of \$1.39 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 <sup>1</sup>	Performance (p.a. since July 2010)
<b>\$1.11</b>	<b>\$210.6m</b>	<b>6.8%</b>	<b>15.4%</b>

Performance at 31 January 2019	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	2.0%	-9.3%	-7.0%	7.4%	12.9%	17.0%	15.4%
S&P/ASX All Ordinaries Accumulation Index	4.0%	-3.6%	0.7%	10.0%	7.1%	9.2%	8.3%
<b>Outperformance</b>	<b>-2.0%</b>	<b>-5.7%</b>	<b>-7.7%</b>	<b>-2.6%</b>	<b>+5.8%</b>	<b>+7.8%</b>	<b>+7.1%</b>

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

## Fully franked dividends since inception



## Top 20 holdings in alphabetical order

AMA Group Limited	AMA
Austal Limited	ASB
Bravura Solutions Limited	BVS
Credit Corp Group Limited	CCP
City Chic Collective Limited	CCX
Codan Limited	CDA
Emeco Holdings Limited	EHL
Event Hospitality and Entertainment Limited	EVT
G8 Education Limited	GEM
GTN Limited	GTN
Infomedia Limited	IFM
Imdex Limited	IMD
IPH Limited	IPH
Myer Holdings Limited	MYR
Mayne Pharma Group Limited	MYX
Noni B Limited	NBL
PSC Insurance Group Limited	PSI
Service Stream Limited	SSM
Tabcorp Holdings Limited	TAH
Vocus Group Limited	VOC

Investment type	December 2018		January 2019	
	\$m	%	\$m	%
Listed equities	96.5	46.7	102.5	48.7
Fixed interest & cash	110.1	53.3	108.1	51.3
<b>Gross assets</b>	<b>\$206.6m</b>	<b>100.0</b>	<b>\$210.6m</b>	<b>100.0</b>
Market capitalisation	\$276.8m		\$263.5m	
Total shares on issue	189,561,267		189,561,267	