

# W | A | M Research

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

## Portfolio update

The WAM Research investment portfolio increased 1.3% in March.

Contributors to the portfolio performance included Myer Holdings (ASX: MYR) and AMA Group (ASX: AMA). MYR exceeded market expectations when the retailer reported its 2019 half year results in March. MYR announced earnings before interest, taxes, depreciation and amortisation of \$113.6 million and net profit after tax of \$41.3 million, up 4.9% and 3.1% on the prior corresponding period respectively. We see the potential for cost savings across Myer's store footprint and believe that Myer's management team can improve product and service to drive top line sales growth. MYR closed up 61.0% for the month.

AMA specialises in the vehicle aftercare and accessories market, offering services in panel repair, workshop and performance products, vehicle protection devices and commercial vehicle accessories. Following an unsuccessful takeover bid for AMA in 2018, we invested into the business due to our belief that AMA's new management team would re-focus the business on organic growth and earnings accretive acquisitions to continue to boost market share in the highly fragmented panel-beating sector. The business posted a strong first-half result and with the recent storms in Sydney, we see a strong pipeline of work. AMA closed up 16.0% for the month.



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

## Net tangible asset (NTA) figures

The below NTA figures are **before** the fully franked interim dividend of 4.85 cents per share due to be paid on 26 April 2019. The shares traded ex-dividend on Wednesday, 10 April 2019. Since inception, WAM Research has paid 94.6 cents per share in fully franked dividends to shareholders.

<b>NTA before tax</b>	<b>115.92c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>117.32c</b>
<b>NTA after tax</b>	<b>115.95c</b>

\*Based on the 29 March 2019 share price of \$1.43 per share and the annualised FY2019 fully franked interim dividend of 9.7 cents per share.

Pre-tax net tangible assets

**\$1.16**

Gross assets

**\$220.4m**

Fully franked dividend yield<sup>^</sup>

**6.8%**

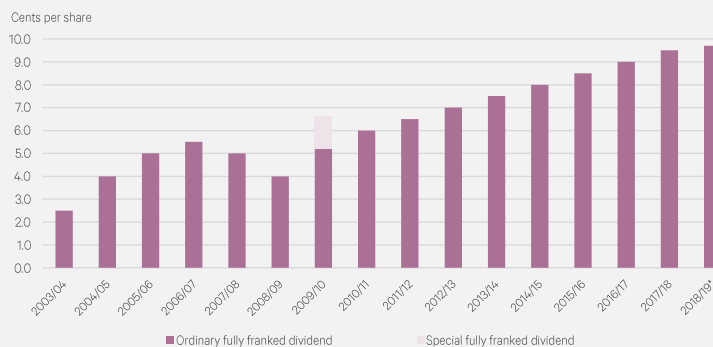
Performance (p.a. since July 2010)

**15.8%**

Performance at 31 March 2019	1 mth	6 mths	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	1.3%	-9.0%	-4.4%	-0.5%	9.3%	132%	16.4%	15.8%
S&P/ASX All Ordinaries Accumulation Index	0.7%	1.1%	3.0%	11.2%	11.3%	7.5%	9.7%	8.9%
<b>Outperformance</b>	<b>+0.6%</b>	<b>-10.1%</b>	<b>-7.4%</b>	<b>-11.7%</b>	<b>-2.0%</b>	<b>+5.7%</b>	<b>+6.7%</b>	<b>+6.9%</b>

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

## Fully franked dividends since inception



\*Annualised interim dividend

## Top 20 holdings in alphabetical order

ALS Limited	ALQ
AMA Group Limited	AMA
Aristocrat Leisure Limited	ALL
Austal Limited	ASB
Bravura Solutions Limited	BVS
City Chic Collective Limited	CCX
Cleanaway Waste Management Limited	CWY
Credit Corp Group Limited	CCP
G8 Education Limited	GEM
Infomedia Limited	IFM
InvoCare Limited	IVC
Link Administration Holdings Limited	LNK
Monadelphous Group Limited	MND
Myer Holdings Limited	MYR
Noni B Limited	NBL
PSC Insurance Group Limited	PSI
The a2 Milk Company Limited	A2M
Viva Energy Group Limited	VEA
Vocus Group Limited	VOC
Xero Limited	XRO

Investment type	February 2019		March 2019	
	\$m	%	\$m	%
Listed equities	146.2	67.1	167.7	76.1
Fixed interest & cash	71.6	32.9	52.7	23.9
<b>Gross assets</b>	<b>\$217.8m</b>	<b>100.0</b>	<b>\$220.4m</b>	<b>100.0</b>
Market capitalisation	\$265.4m		\$271.1m	
Total shares on issue	189,561,267		189,561,267	