

W | A | M Research

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

Portfolio update

The WAM Research investment portfolio decreased 9.0% in October. The broader equity market experienced heightened volatility during the month, in particular small industrial companies, which were hit harder than the overall market, with that Index falling 10.6%. During the month, communications company Codan (ASX: CDA) held its annual general meeting (AGM), reporting a strong first quarter, with a first-half profit of \$20 to \$22 million. Austal (ASX: ASB) also held its AGM, reiterating a strong order book in excess of \$3.4 billion and expansion of shipyards in the Philippines and Henderson, Western Australia. Detractors to performance during the month included Seven West Media (ASX: SWM), Adairs (ASX: ADH) and WorleyParsons (ASX: WOR).



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Lead Portfolio Manager

Net tangible asset (NTA) figures

The below NTA figures are **after** the fully franked final dividend of 4.75 cents per share paid on 26 October 2018. Since inception, WAM Research has paid 94.6 cents per share in fully franked dividends to shareholders.

NTA before tax	117.24c[*]
NTA after tax and before tax on unrealised gains	116.30c
NTA after tax	116.13c

^{*}The NTA before tax is after the payment of \$55k (0.03 cents per share) in tax during the month.

^{*}Based on the 31 October 2018 share price of \$14.85 per share and the FY18 fully franked full year dividend of 9.5 cents per share.

Pre-tax net tangible assets	Gross assets	Fully franked dividend yield [#]	Performance (p.a. since July 2010)
\$1.17	\$223.0m	6.4%	16.7%

Performance at 31 October 2018	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	-9.0%	-4.4%	3.6%	11.1%	13.9%	17.9%	16.7%
S&P/ASX All Ordinaries Accumulation Index	-6.5%	-4.7%	3.1%	8.3%	6.2%	9.0%	8.4%
Outperformance	-2.5%	+0.3%	+0.5%	+2.8%	+7.7%	+8.9%	+8.3%

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

Fully franked dividends since inception



Top 20 holdings in alphabetical order

Accent Group Limited	AX1
Austal Limited	ASB
Bapcor Limited	BAP
Codan Limited	CDA
Credit Corp Group Limited	CCP
Emeco Holdings Limited	EHL
Event Hospitality and Entertainment Limited	EVT
GTN Limited	GTN
Imdex 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
Service Stream Limited	SSM
Seven West Media Limited	SWM
Specialty Fashion Group Limited	SFH
Tabcorp Holdings Limited	TAH
WorleyParsons Limited	WOR

Investment type	September 2018		October 2018	
	\$m	%	\$m	%
Listed equities	200.0	78.9	137.8	61.8
Fixed interest & cash	53.4	21.1	85.2	38.2
Gross assets	\$253.4m	100.0	\$223.0m[^]	100.0
Market capitalisation	\$319.3m		\$281.5m	
Total shares on issue	188,406,337		189,561,267 ^{**}	

^{*}This figure is after the 4.75 cents per share fully franked final dividend paid on 26 October 2018 and \$55k in tax paid during the month.

^{**}During the month, 1,154,930 shares were issued under the Dividend Reinvestment Plan for the final dividend.