

W | A | M Capital

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

Portfolio update

The WAM Capital investment portfolio decreased 1.7% in November.

Research-driven portion of the investment portfolio:

During the month, Trade Me (ASX: TME) announced it had received a preliminary, non-binding, indicative proposal to acquire 100% of the shares on issue at a cash price of NZD\$6.40 per share from UK company Apax Partners. In December, TME also received a second proposal to acquire 100% of shares at a cash price of NZD\$6.45 per share from US private equity company Hellman and Partners. In November, IPH Limited (ASX: IPH) confirmed it had made a number of approaches to buy its listed rival, QANTM IP (ASX: QIP) with a final bid being offered at \$1.80 per share. The QANTM IP Board immediately rejected the indicative bid, believing a proposed merger of equals with competitor Xenith IP (ASX: XIP) would offer shareholders greater value.

Market-driven portion of the investment portfolio:

During the month, Collins Foods (ASX: CKF), announced its results for the half year to 14 October 2018, reporting a 25.9% increase in underlying net profit after tax (NPAT) to \$21.9 million. CKF's KFC Australia business continued to deliver strong results with same-store sales growth improving across all states. CKF's two Taco Bell stores have performed strongly with another 50 stores planned over the next few years. In November, Altium (ASX: ALU) also hosted its annual investor day showcasing ALU's latest technology across its suite of products. The company again reiterated its FY2020 revenue target of \$200 million, an earnings before interest, tax, depreciation and amortisation margin of at least 35% and its vision to have 100,000 software subscribers by 2025.



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Net tangible asset (NTA) figures

The fully franked final dividend of 7.75 cents per share was paid on 26 November 2018. The shares traded ex dividend on 16 November 2018.

NTA before tax, cum dividend	189.07c
NTA before tax, ex dividend	181.32c*
NTA after tax and before tax on unrealised gains	182.80c**
NTA after tax	184.31c**

*The NTA before tax is after the payment of \$43k (0.01 cents per share) in tax during the month.
**Includes 0.55 cents per share of tax assets resulting from the acquisition of listed and unlisted investment companies.

Based on the 30 November 2018 share price of \$2.22 per share and the FY18 fully franked full year dividend of 15.5 cents per share.

Pre-tax net tangible assets

\$1.81

Gross assets

\$1,311.9m

FY18 fully franked dividend yield[^]

7.0%

Performance (p.a. since August 1999)

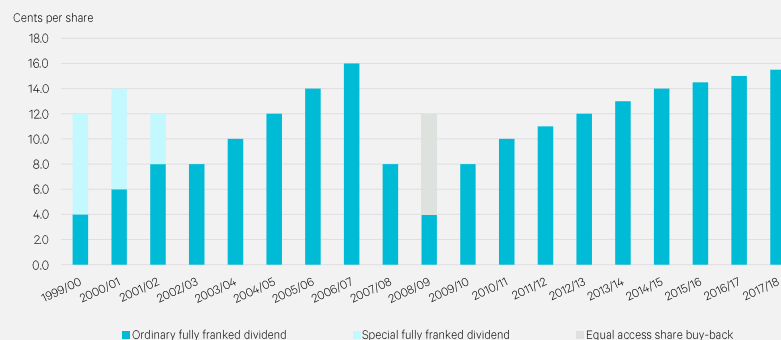
16.7%

Performance at 30 November 2018

	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %p.a. (Aug-99)
WAM Investment Portfolio	-1.7%	-5.8%	-0.4%	9.1%	11.9%	16.7%	16.7%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	-6.9%	-1.1%	7.7%	6.0%	9.2%	7.9%
Outperformance	+0.5%	+1.1%	+0.7%	+1.4%	+5.9%	+7.5%	+8.8%

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
Aristocrat Leisure Limited	ALL
Austal Limited	ASB
Cleanaway Waste Management Limited	CWY
Collins Foods Limited	CKF
CSL Limited	CSL
Downer EDI Limited	DOW
Emeco Holdings Limited	EHL
GTN Limited	GTN
IPH Limited	IPH
Macquarie Group Limited	MQG
Mayne Pharma Group Limited	MYX
Pengana International Equities Limited	PIA
PSC Insurance Group Limited	PSI
Seven Group Holdings Limited	SVW
Smartgroup Corporation Limited	SIQ
Tabcorp Holdings Limited	TAH
Templeton Global Growth Fund Limited	TGG
Wealth Defender Equities Limited	WDE
WorleyParsons Limited	WOR

	October 2018		November 2018	
Investment type	\$m	%	\$m	%
Listed equities	892.8	64.5	857.1	65.3
Short portfolio	(1.0)	(0.1)	(0.1)	(0.0)
Fixed interest & cash	492.3	35.6	454.9	34.7
Gross assets	\$1,384.1m	100.0	\$1,311.9m	100.0
Market capitalisation	\$1,718.9m		\$1,579.0m	
Total shares on issue	707,374,857		711,265,952 [#]	

[#]During the month, 3,891,095 shares were issued via the dividend reinvestment plan.