

Investment update

As at 31 December 2017



Snapshot

Pre-tax net tangible assets

\$1.35

Gross assets

\$191.4m

WAM Microcap Limited

ASX code	WMI
Date of listing	June 2017
Gross assets	\$191.4m
Market cap	\$204.4m
Share price	\$1.46
NTA before tax	\$1.35
Shares on issue	140,000,001

Investment objectives

- Deliver investors a stream of fully franked dividends
- Provide capital growth
- Preserve capital

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

WAM Microcap Limited (ASX: WMI) is a listed investment company managed by Wilson Asset Management. Listed in June 2017, WAM Microcap provides investors with diversified exposure to a portfolio of undervalued growth companies with a market capitalisation of less than \$300 million at the time of acquisition.

Market overview

The S&P/ASX Small Ordinaries Accumulation Index increased 3.2% in December 2017, to close the calendar year up 20.1%. The resources sector was again the main driver of the Index's performance, with the S&P/ASX Small Resources Accumulation Index increasing 8.9% for the month and 4.15% in the six months to 31 December 2017.

During the month, the Reserve Bank of Australia (RBA) left the cash rate unchanged, while reiterating its upbeat outlook for 3% gross domestic product (GDP) growth and rising inflation for the next few years. The Westpac-Melbourne Institute index of consumer sentiment increased to a four-year high, rising 3.6% in December and data from the Australian Bureau of Statistics reported continued and strong growth in Australia's population.

After months of speculation, Amazon officially launched its Australian operations during the month. Domestic retail stocks rallied as the launch failed to inspire confidence in the online retailer.

Net tangible asset (NTA) figures

NTA before tax **134.50c**

NTA after tax and before tax on unrealised gains **134.13c**

NTA after tax **127.39c**

Performance

Performance at 31 December 2017	1 Mth	3 Mths	Fin YTD	Since inception (June-17)
WMI Investment Portfolio*	3.4%	16.2%	25.0%	27.2%
S&P/ASX Small Ordinaries Accumulation Index	3.2%	13.7%	18.7%	18.6%
Outperformance	+0.2%	+2.5%	+6.3%	+8.6%

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

Diversified portfolio

Investment type	November 2017		December 2017	
	\$m	%	\$m	%
Listed equities	148.8	80.3	162.3	84.8
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	36.5	19.7	29.1	15.2
Gross assets	185.3	100.0	191.4	100.0
Total shares on issue	140,000,001		140,000,001	

Top 20 holdings

Code	Company	Code	Company
IDX	Integral Diagnostics Limited	HLO	Helloworld Limited
ACK	Austock Group Limited	PNI	Pinnacle Investment Management Group Limited
RKN	Reckon Limited	PPS	Praemium Limited
EHL	Emeco Holdings Limited	TOT	360 Capital Total Return Fund
PSI	PSC Insurance Group Limited	ANG	Austin Engineering Limited
JLG	Johns Lyng Group Limited	VAH	Virgin Australia Holdings Limited
PAC	Pacific Current Group Limited	JIN	Jumbo Interactive Limited
APX	Appen Limited	LON	Longtable Group Limited
MRM	Mermaid Marine Australia Limited	NTD	National Tyre and Wheel Limited
SW1	Swift Networks Group Limited	BOL	Boom Logistics Limited