

---

April 2019

# Investment Update

---

**W | A | M** *Capital*

**W | A | M** *Leaders*

**W | A | M** *Global*

**W | A | M** *Research*

**W | A | M** *Active*

**W | A | M** *Microcap*

### Dear Fellow Shareholders,

After a strong first quarter, global equity markets continued their rally in April 2019. This year's rebound has been driven by accommodative central banks and the recent fiscal stimulus from China which has started to take effect.

US stock indices recorded their best four-month start to a calendar year in decades. The S&P 500 Index increased 17.5% in local terms over the last four months to record the strongest start to a calendar year since 1987. In AUD terms the S&P 500 Index increased by 4.6% in April and the MSCI World Index (AUD) rose by 4.5%.

The Australian equity market was buoyed by global sentiment, with the S&P/ASX All Ordinaries Accumulation Index increasing four straight weeks to close up 2.5% in April. During the month, evidence of economic weakness continued as the Australian Bureau of Statistics announced that inflation rose at a lower than expected rate of 1.3% through the year to the March 2019 quarter.

In light of recent global macroeconomic developments, we have increased our equity exposure across our listed investment companies (LICs) since the beginning of the year by taking advantage of market volatility to invest in undervalued companies that meet our rigorous investment strategy. At the end of April, the cash weightings of the portfolios were: 18.7% for WAM Capital; 11.3% for WAM Leaders; 11.5% for WAM Global; 19.2% for WAM Research; 19.5% for WAM Active; and 16.4% for WAM Microcap.

Although central bank policies are supportive of equities, we are cautious in our market outlook and remain focused on capital preservation. As such, our redeployment of capital has been highly selective.

### Listed investment company update

On 10 April, WAM Capital, WAM Leaders, WAM Research, WAM Active and WAM Microcap shares traded ex-dividend. Historically, our LICs' share prices have outperformed after the announcement of the dividend and have then decreased by a greater amount than the dividend as investors purchase shares cum dividend and sell them ex-dividend. This was particularly the case for WAM Capital and WAM Research's interim dividends given their significant fully franked dividend yields. The resulting share price movements can present investment opportunities for shareholders with a long-term focus.

Between 31 December 2018 and 3 May 2019, the average premium of LICs with shares trading above their net tangible asset (NTA) backing\* fell from above 7% to almost zero. Given the general decline in LIC premiums, the regular dividend trading is likely to have been compounded by the uncertainty created by the Federal Opposition's proposal to remove franking credit refunds. This factor could be cyclical and may be alleviated once policy clarity is achieved.

In addition to attractive fully franked dividend yields, a share register comprising long-term investors assists LICs in trading relative to their NTA backing. WAM Capital's share registry turned over 60% during its first three years and at different points throughout its history it has traded at premiums and discounts.

WAM Leaders and WAM Global are early in their lives and we believe both companies present significant value at their current share prices. WAM Leaders has outperformed, built its profits reserve and steadily increased its dividend yield since inception in 2016. In June 2018, WAM Global listed immediately prior to an increase in global equity market volatility and significant equity market declines, particularly in the small-to-mid cap segment. In recent months, performance has been solid with WAM Global outperforming the market by 1.3% over the past three months and increasing by 15.5% since 31 December 2018.

WAM Leaders and WAM Global provide investors with exposure to quality portfolios derived from our proven investment strategy and, like WAM Capital, I believe they will deliver for shareholders over the long-term. I have been adding to my holdings in both companies.

### Thanks for your support

Your support for our campaign against the proposal to remove franking credit refunds has secured the policy's position as a key election issue and ensured it has attracted the scrutiny it deserves. Regardless of which political Party wins the upcoming Federal Election, we hope that Labor abandons or drastically changes this inequitable policy. We believe there is cause for hope. For example, nine of the 10 crossbench Senators have committed to blocking the changes if they reach the Senate in their current form and two have adopted our term for the policy: "retirement tax". Last week we released a [policy background](#) and a new [survey](#) on behavioural change - thank you to the 3,591 individuals who have completed the survey so far.

### May 2019 Shareholder Presentations

We are currently travelling across Australia as part of our semi-annual Shareholder Presentations. We look forward to seeing you and your guests to discuss our views on the Australian and global equity markets, how we invest and how we make a difference for shareholders and the community. Please register [here](#).

### Future Generation Investment Forum in Sydney

Eight of Australia's best domestic and global fund managers will present their high conviction stock picks at the Future Generation Investment Forum on Thursday, 23 May 2019. In addition, Hamish Douglass, Chairman and Chief Investment Officer of Magellan will be interviewed by Australian Financial Review Chanticleer columnist Tony Boyd. Claim your free tickets to the Forum [now](#).

### BAF update

We were disappointed to learn last week that Blue Sky Alternative Investments Limited (ASX: BLA) has sought to retain the management of Blue Sky Alternatives Access Fund Limited (ASX: BAF) after previously committing to a transition to a new investment manager. The BAF Board of Directors provided an [update](#) to shareholders last week and we will [continue](#) to work with them.

Good luck investing,



**Geoff Wilson AO**

Chairman & Chief Investment Officer

\*Of the 60 LICs covered by Bell Potter research.



# W | A | M *Microcap*

Focus: micro-cap Australian companies  
(ASX: WMI)

## Portfolio update

The WAM Microcap investment portfolio increased 5.5% in April.

Contributors to the portfolio performance included Bubs Australia (ASX: BUB) and 5G Networks (ASX: 5GN). BUB is an infant formula brand which largely specialises in goats milk based infant formula. During April, BUB announced a four-year strategic alliance with Chemist Warehouse relating to the sale and promotion of its products within its domestic stores and online network. BUB has also recently announced that it had entered into a partnership with Fonterra Australia to produce Australia's first organic grass-fed cow milk infant formula. BUB closed up 4.9.1% for the month of April.

5GN specialises in data networking, cloud hosting and information technology services. We recently bought shares in 5GN after participating in a placement at a discounted price of \$0.80 per share to fund the company's acquisition of a Melbourne data centre to expand its infrastructure footprint. We continue to hold 5GN as a market-driven investment in the portfolio. 5GN closed up 38.2% for April.



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



**Martin Hickson**  
BBus BComp M App Fin  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

The fully franked interim dividend of 2.25 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, WAM Microcap has paid 8.3 cents per share in fully franked dividends to shareholders.

<b>NTA before tax, cum dividend</b>	<b>132.75c</b>
<b>NTA before tax, ex dividend</b>	<b>130.50c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>129.80c</b>
<b>NTA after tax</b>	<b>126.15c</b>

\*Based on the 30 April 2019 share price of \$1.195 per share.

Pre-tax net tangible assets

**\$1.31**

Gross assets

**\$185.4m**

Annualised fully franked interim dividend

**4.5c**

Performance (p.a. since June 2017)

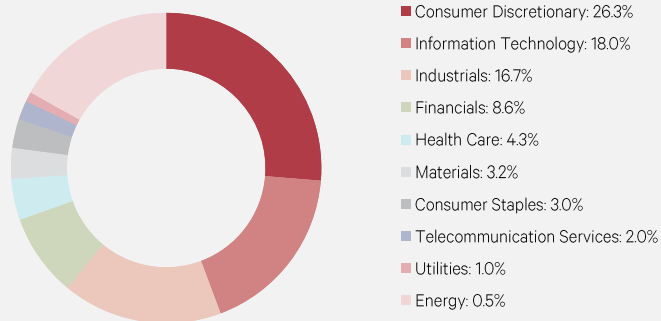
**18.5%**

## Performance at 30 April 2019

	1 mth	Fin YTD	1 yr	Since inception %p.a. (Jun-17)
WMI Investment Portfolio	5.5%	5.5%	12.0%	18.5%
S&P/ASX Small Ordinaries Accumulation Index	4.1%	2.3%	7.2%	13.3%
<b>Outperformance</b>	<b>+1.4%</b>	<b>+3.2%</b>	<b>+4.8%</b>	<b>+5.2%</b>

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

## Portfolio composition by sector



## Top 20 holdings in alphabetical order

Bubs Australia Limited	BUB
City Chic Collective Limited	CCX
Cirrus Networks Holdings Limited	CNX
Data#3 Limited	DTL
Enero Group Limited	EGG
GBST Holdings Limited	GBT
Generational Development Group Limited	GDG
Infomedia Limited	IFM
Johns Lyng Group Limited	JLG
Macquarie Media Limited	MRN
Myer Holdings Limited	MYR
Noni B Limited	NBL
Propel Funeral Partners Limited	PPF
PSC Insurance Group Limited	PSI
QANTM Intellectual Property Limited	QIP
Spicers Limited	SRS
Think Childcare Limited	TNK
360 Capital Total Return Fund	TOT
Village Roadshow Limited	VRL
Vita Group Limited	VTG

Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	142.2	77.8	155.0	83.6
Short portfolio	(0.0)	(0.0)	(0.0)	(0.0)
Fixed interest & cash	40.6	22.2	30.4	16.4
<b>Gross assets</b>	<b>\$182.8m</b>	<b>100.0</b>	<b>\$185.4m*</b>	<b>100.0</b>
Market capitalisation	\$173.6m		\$168.3m*	
Total shares on issue	140,530,698		140,861,776**	

\*This figure is after the payment of \$4.4m (3.1 cents per share) in tax for FY18 and the fully franked interim dividend during the month.

\*\*On 26 April 2019, 331,078 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

# W | A | M Capital

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

## Portfolio update

The WAM Capital investment portfolio increased 4.5% in April.

### Research-driven portion of the investment portfolio:

A key contributor to the portfolio performance included Bravura Solutions (ASX: BVS) a wealth management business that supplies software and professional services for superannuation, pension, life insurance and other financial services institutions. In April, BVS announced a proposal to acquire its listed rival GBST Holdings (ASX: GBT) for \$2.50 per GBST share. We first invested in BVS in September 2017 due to our belief that the business could increase momentum in the United Kingdom wealth management sector and upgrade earnings expectations. BVS closed up 5.5% for the month.

### Market-driven portion of the investment portfolio:

A key contributor for the month was Megaport (ASX: MP1) which connects enterprise customers to cloud computing through their proprietary software defined network. MP1 recently reported its quarterly results with 44% growth in total customers (3QFY19 on 3QFY18) and revenue of \$9.0 million, an increase of 74% compared to the comparative quarter. We recently participated in a MP1 placement at a discounted price of \$4.00 per share to accelerate the company's network expansion and technology innovation. MP1 closed up 39.9% for April.



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



**Martin Hickson**  
BBus BComp M App Fin  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

The fully franked interim dividend of 7.75 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, WAM Capital has paid \$2.31 per share in fully franked dividends to shareholders.

<b>NTA before tax, cum dividend</b>	<b>193.09c</b>
<b>NTA before tax, ex dividend</b>	<b>185.34c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>184.13c*</b>
<b>NTA after tax</b>	<b>186.10c*</b>

\*Includes 0.55 cents per share of tax assets resulting from the acquisition of unlisted investment companies.

Based on the 30 April 2019 share price of \$2.03 per share and the annualised FY2019 fully franked interim dividend of 15.5 cents per share.

Pre-tax net tangible assets

**\$1.85**

Gross assets

**\$1,333.6m**

Fully franked dividend yield\*

**7.6%**

Performance (p.a. since August 1999)

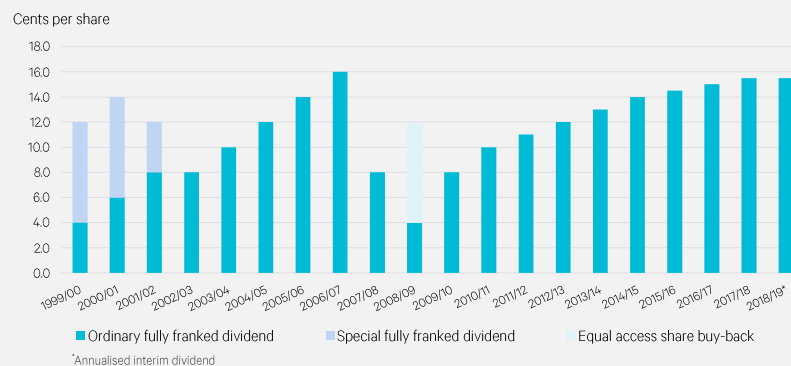
**16.8%**

### Performance at 30 April 2019

	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %p.a. (Aug-99)
WAM Investment Portfolio	4.5%	5.6%	1.2%	4.3%	11.2%	12.8%	16.4%	16.8%
S&P/ASX All Ordinaries Accumulation Index	2.5%	10.8%	5.6%	10.2%	11.0%	7.8%	10.1%	8.4%
<b>Outperformance</b>	<b>+2.0%</b>	<b>-5.2%</b>	<b>-4.4%</b>	<b>-5.9%</b>	<b>+0.2%</b>	<b>+5.0%</b>	<b>+6.3%</b>	<b>+8.4%</b>

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

## Fully franked dividends since inception



## Top 20 holdings in alphabetical order

Afterpay Touch Group Limited	APT
ALS Limited	ALQ
Austal Limited	ASB
Cleanaway Waste Management Limited	CWY
Collins Foods Limited	CKF
Corporate Travel Management Limited	CTD
Credit Corp Group Limited	CCP
G8 Education Limited	GEM
InvoCare Limited	IVC
IDP Education Limited	IEL
Macquarie Group Limited	MQG
Myer Holdings Limited	MYR
Pengana International Equities Limited	PIA
PSC Insurance Group Limited	PSI
Seven Group Holdings Limited	SVW
Steadfast Group Limited	SDF
Templeton Global Growth Fund Limited	TGG
The a2 Milk Company Limited	A2M
Viva Energy Group Limited	VEA
Vocus Group Limited	VOC

Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	968.5	73.2	1,098.2	82.3
Short portfolio	(3.3)	(0.2)	(13.5)	(1.0)
Fixed interest & cash	357.0	27.0	248.9	18.7
<b>Gross assets</b>	<b>\$1,322.2m</b>	<b>100.0</b>	<b>\$1,333.6m*</b>	<b>100.0</b>
Market capitalisation	\$1,591.3m		\$1,456.7m	
Total shares on issue	713,608,947		717,571,132**	

\*This figure is after the fully franked interim dividend of 7.75 cents per share paid on 26 April 2019.

\*\*During the month, 3,962,185 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

# W | A | M Leaders

Focus: large-cap Australian companies  
(ASX: WLE)

## Portfolio update

The WAM Leaders investment portfolio increased 1.7% in April.

Contributors to the portfolio performance included Amcor (ASX: AMC) and CSL (ASX: CSL). AMC produces high-barrier recyclable packaging for the food, beverage, pharmaceutical, medical-device, home and personal-care industries. In April, AMC announced a pro-rata dividend payment of US 12.0 cents per share prior to the completion of its takeover of Bemis (NYSE: BMS). On 2 May, Bemis shareholders voted in favour of AMC's takeover of the business which is a step towards creating the world's largest consumer packaging firm. We first invested in AMC due to share price weakness post the announcement of the Bemis acquisition and continue to hold AMC as we expect trading conditions to improve in the short term and as synergies from the acquisition are realised. AMC closed up 4.2% for the month of April.

We hold CSL as a core holding due to the company's earnings momentum and increased our stake after a strong retracement in shares towards the end of last year. We continue to like CSL's end markets and take comfort in its competitors reporting results which solidifies our view that there is a strong probability of CSL meeting or exceeding its earnings guidance. With strong volumes and pricing in its core business, we continue to hold CSL as a core position in the portfolio. CSL closed up 19% for April.



**Matthew Haupt**  
BCom GradDip App Fin CFA  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

The fully franked interim dividend of 2.65 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, WAM Leaders has paid 10.7 cents per share in fully franked dividends to shareholders.

<b>NTA before tax, cum dividend</b>	<b>123.04c</b>
<b>NTA before tax, ex dividend</b>	<b>120.39c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>118.84c</b>
<b>NTA after tax</b>	<b>117.69c</b>

Based on the 30 April 2019 share price of \$10.95 per share.

Pre-tax net  
tangible assets

\$1.20

Gross assets

\$946.4m

Annualised fully franked  
interim dividend

5.3c

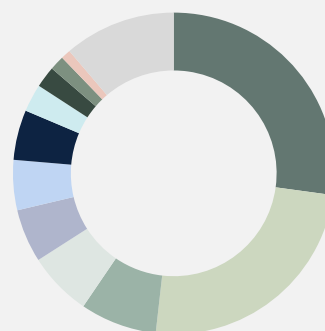
Performance  
(p.a. since May 2016)

11.4%

Performance at 30 April 2019	1 mth	6 mths	Fin YTD	1 yr	Since inception %p.a. (May-16)
WLE Investment Portfolio	1.7%	10.0%	5.2%	8.7%	11.4%
S&P/ASX 200 Accumulation Index	2.4%	10.9%	5.8%	10.4%	10.2%
<b>Outperformance</b>	<b>-0.7%</b>	<b>-0.9%</b>	<b>-0.6%</b>	<b>-1.7%</b>	<b>+1.2%</b>

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

## Portfolio composition by sector



Financials: 27.2%
Materials: 24.6%
Consumer Staples: 7.7%
Consumer Discretionary: 6.4%
Energy: 5.4%
Industrials: 5.0%
Health Care: 5.0%
Information Technology: 2.8%
Telecommunication Services: 2.1%
Utilities: 1.5%
Real Estate: 1.0%
Cash and Fixed Interest: 11.3%

Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	856.4	90.1	839.9	88.7
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	94.3	9.9	106.5	11.3
<b>Gross assets</b>	<b>\$950.7m</b>	<b>100.0</b>	<b>\$946.4m<sup>#</sup></b>	<b>100.0</b>
Market capitalisation	\$876.7m		\$858.4m <sup>^</sup>	
Total shares on issue	782,756,039		783,890,791 <sup>#</sup>	

<sup>#</sup>This figure is after the fully franked interim dividend of 2.65 cents per share paid on 26 April 2019.

<sup>##</sup>During the month, 1,134,752 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

## Top 20 holdings in alphabetical order

Aristocrat Leisure Limited	ALL
Amcor Limited	AMC
Australia & New Zealand Banking Group Limited	ANZ
BHP Group Limited	BHP
Commonwealth Bank of Australia	CBA
Computershare Limited	CPU
CSL Limited	CSL
Macquarie Group Limited	MQG
National Australia Bank Limited	NAB
Northern Star Resources Limited	NST
OZ Minerals Limited	OZL
QBE Insurance Group Limited	QBE
Rio Tinto Limited	RIO
The Star Entertainment Group Limited	SGR
Suncorp Group Limited	SUN
Telstra Corporation Limited	TLS
Treasury Wine Estates Limited	TWE
Westpac Banking Corporation	WBC
Woolworths Group Limited	WOW
Woodside Petroleum Limited	WPL

# W | A | M Global

Focus: small to mid-cap international companies  
(ASX: WGB)

## Portfolio update

The MSCI World Index (AUD) increased 4.5% and the S&P Global Mid Small Index in AUD terms rose 3.5% in April. The best performing sectors in April were financials, information technology, communication services and consumer discretionary, while the healthcare and real estate sectors were the worst. All major equity markets rallied in local terms: the US S&P 500 Index by 3.9%; the Euro Stoxx 50 Index by 4.9%; the UK FTSE 100 Index by 1.9%; Japan's TOPIX by 1.7%; China's CSI 300 Index by 1.1%; and Australia's S&P/ASX All Ordinaries Accumulation Index by 2.5%.

During April, China released economic data that beat expectations and indicated government stimulus implemented since the second half of last year was beginning to have the desired effect of reigniting the economy. Key data points included: gross domestic product at 6.4%, ahead of the expected 6.3%; industrial production jumped 8.5% year-on-year in March, which was above the estimated 5.9%, registering the fastest growth since July 2014; retail sales grew by 8.7% year-on-year in March, beating the projected 8.4%; and fixed asset investment in the first quarter of 2019 increased by 6.3% year-on-year in line with market expectations.

The US earnings season got underway in April and results have generally been positive albeit the low expectations heading into reporting season made positive earnings surprises easier to achieve. Labour tightness and high levels of inventory were raised as issues by corporates. Announcements of cuts in capex from major companies such as Microsoft (NASDAQ: MSFT) and Facebook (NASDAQ: FB) will have flow on effects through their respective supply chains. The US-China trade war negotiations continued to show little progress during April and the related uncertainty continues to weigh on equity markets.

Contributors to the investment portfolio performance during the month included CDW Corporation (NASDAQ: CDW), CME Group (NASDAQ: CME) and United Technologies (NYSE: UTX).

CDW is an information technology (IT) services provider. The company delivered quarterly results that beat expectations and then raised earnings guidance, confirming the strong IT demand environment at present. The management team has a track record of consistently overdelivering. CDW closed up 9.6% in April.

Derivatives exchange operator CME rallied in April after a weak start to the year. The market rally during the March 2019 quarter weighed on the company, given the exposure of its earnings to trading in alternative financial instruments that benefit from heightened equity market volatility. We view CME as a dominant high-quality business with a strong management team that will benefit from multiple earnings drivers for years to come. CME closed up 8.7% for the month.

UTX produces elevators, air conditioners, aerospace components and aircraft engines. UTX's recent quarterly results confirmed our view that the company is executing on its strategy and is well positioned to continue growing earnings. UTX achieved organic growth of 8% and increased its full year 2019 guidance, a mark of confidence early in its financial year. UTX closed up 10.6% in April.



**Catriona Burns**  
BCom MApp Fin CFA  
Lead Portfolio Manager

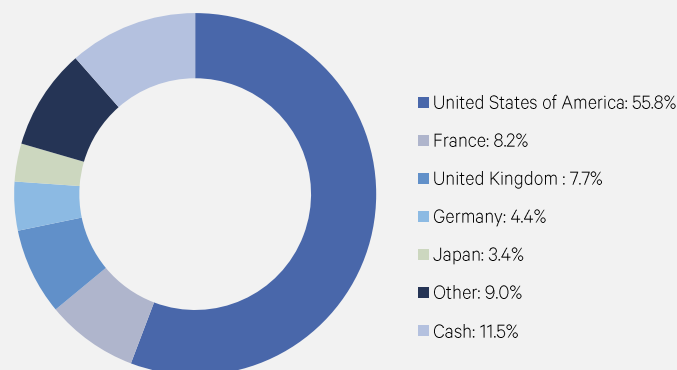
Pre-tax net  
tangible assets

\$2.28

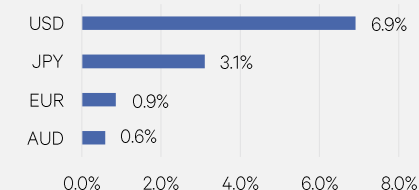
Gross assets

\$478.2m

## Portfolio composition by geographical exposure



## Cash currency exposure (11.5%)



## Top 20 holdings in alphabetical order

Alphabet Inc	GOOG US	USA
American Express Company	AXP US	USA
Bandai Namco Holdings Inc	7832 JP	JPN
Booking Holdings Inc	BKNG US	USA
CDW Corporation	CDW US	USA
CME Group Inc	CME US	USA
CTS Eventim AG & Co KGaA	EVD GR	GER
Danone SA	BN FP	FRA
Diageo PLC	DGE LN	UK
Entertainment One Limited	ETO LN	UK
Harris Corporation	HRS US	USA
HCA Healthcare Inc	HCA US	USA
Kobe Bussan Co Limited	3038 JP	JPN
Logitech International SA	LOGN SW	SUI
LVMH Moët Hennessy Louis Vuitton SE	MC FP	FRA
Reckitt Benckiser Group PLC	RB LN	UK
SS&C Technologies Holdings Inc	SSNC US	USA
Thermo Fisher Scientific Inc	TMO US	USA
United Technologies Corporation	UTX US	USA
Waste Management Inc	WM US	USA

Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	374.5	82.4	423.3	88.5
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	79.7	17.6	54.9	11.5
<b>Gross assets*</b>	<b>\$454.2m</b>	<b>100.0</b>	<b>\$478.2m</b>	<b>100.0</b>
Market capitalisation	\$410.5m		\$405.2m <sup>†</sup>	
Total shares on issue	211,607,623		211,607,623	

\*Gross assets exclude the \$5.2m offer costs receivable balance associated with the Initial Public Offer (repayable by the Investment Manager).

## Net tangible asset (NTA) figures

<b>NTA before tax</b>	<b>227.60c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>233.23c</b>
<b>NTA after tax</b>	<b>225.30c</b>

<sup>†</sup>Based on the 30 April 2019 share price of \$1.915 per share.

# W | A | M Research

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

## Portfolio update

The WAM Research investment portfolio increased 4.9% in April.

Contributors to the portfolio performance included Credit Corp Group (ASX: CCP) and Bravura Solutions (ASX: BVS). CCP is Australia's largest purchaser of outstanding debt ledgers, operating in Australia, New Zealand and the United States. During April, CCP announced a capital raising to accelerate its expansion into the United States and to strengthen its balance sheet to increase its funding flexibility. CCP also upgraded its debt ledger purchasing and consumer lending guidance. We continue to hold CCP as we believe the recent capital raising will fast track its double-digit earnings growth in the United States over the next few years. CCP closed up 7.5% for April.

BVS is a wealth management business that supplies software and professional services for superannuation, pension, life insurance and other financial services institutions. In April, BVS announced a proposal to acquire its listed rival GBST Holdings (ASX: GBT) for \$2.50 per GBST share. We first invested in BVS in September 2017 due to our belief that the business could increase momentum in the United Kingdom wealth management sector and upgrade earnings expectations. BVS closed up 5.5% for the month.



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

## Net tangible asset (NTA) figures

The fully franked interim dividend of 4.85 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, WAM Research has paid 99.5 cents per share in fully franked dividends to shareholders.

<b>NTA before tax, cum dividend</b>	<b>121.53c</b>
<b>NTA before tax, ex dividend</b>	<b>116.68c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>117.95c</b>
<b>NTA after tax</b>	<b>115.07c</b>

<sup>†</sup>Based on the 30 April 2019 share price of \$1.30 per share and the annualised FY2019 fully franked interim dividend of 9.7 cents per share.

Pre-tax net tangible assets

**\$1.17**

Gross assets

**\$223.5m**

Fully franked dividend yield\*

**7.5%**

Performance (p.a. since July 2010)

**16.3%**

Performance at 30 April 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	4.9%	4.9%	0.3%	3.8%	11.1%	14.6%	17.2%	16.3%
S&P/ASX All Ordinaries Accumulation Index	2.5%	10.8%	5.6%	10.2%	11.0%	7.8%	9.9%	9.2%
<b>Outperformance</b>	<b>+2.4%</b>	<b>-5.9%</b>	<b>-5.3%</b>	<b>-6.4%</b>	<b>+0.1%</b>	<b>+6.8%</b>	<b>+7.3%</b>	<b>+7.1%</b>

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

## Fully franked dividends since inception



\*Annualised interim dividend

Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	167.7	76.1	180.6	80.8
Fixed interest & cash	52.7	23.9	42.9	19.2
<b>Gross assets</b>	<b>\$220.4m</b>	<b>100.0</b>	<b>\$223.5m<sup>†</sup></b>	<b>100.0</b>
Market capitalisation	\$271.1m		\$248.2m	
Total shares on issue	189,561,267		190,907,874 <sup>**</sup>	

<sup>†</sup>This figure is after the fully franked interim dividend of 4.85 cents per share paid on 26 April 2019.

<sup>\*\*</sup>During the month, 1,346,607 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

## Top 20 holdings in alphabetical order

ALS Limited	ALQ
AMA Group Limited	AMA
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
Harvey Norman Holdings Limited	HVN
Infomedia Limited	IFM
InvoCare Limited	IVC
Monadelphous Group Limited	MND
Myer Holdings Limited	MYR
Premier Investments Limited	PMV
PSC Insurance Group Limited	PSI
Service Stream Limited	SSM
The a2 Milk Company Limited	A2M
Viva Energy Group Limited	VEA
Vocus Group Limited	VOC
Xero Limited	XRO

# W | A | M Active

Focus: market mispricing within the Australian equity market (ASX: WAA)

## Portfolio update

The WAM Active investment portfolio increased 4.2% in April. Contributors to the portfolio performance included Megaport (ASX: MP1) and McMillan Shakespeare (ASX: MMS). MP1 connects enterprise customers to cloud computing through their proprietary software defined network. MP1 recently reported its quarterly results with 44% growth in total customers (3QFY19 on 3QFY18) and revenue of \$9.0 million, an increase of 74% compared to the comparative quarter. We recently participated in a MP1 placement at a discounted price of \$4.00 per share to accelerate the company's network expansion and technology innovation. MP1 closed up 39.9% for April.

MMS operates in Australia and the United Kingdom providing expertise in novated leasing, salary packaging and retail finance. We first invested into MMS due to our belief that MMS would not proceed with their proposed merger with competitor Eclix Group (ASX: ECX) that was announced in November 2018 - the merger was cancelled in April 2019. Furthermore, our industry feedback suggested that MMS has been performing well and is taking market share in its key novated leasing and salary packaging segments. MMS closed up 10.6% for the month.



**Martin Hickson**  
BBus BComp M App Fin  
Lead Portfolio Manager

## Net tangible asset (NTA) figures

The fully franked interim dividend of 2.95 cents per share was paid on 26 April 2019. The shares traded ex-dividend on 10 April 2019. Since inception, WAM Active has paid 658 cents per share in fully franked dividends to shareholders.

<b>NTA before tax, cum dividend</b>	<b>106.70c</b>
<b>NTA before tax, ex dividend</b>	<b>103.75c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>104.40c</b>
<b>NTA after tax</b>	<b>104.38c</b>

Based on the 30 April 2019 share price of \$0.985 per share and the annualised FY2019 fully franked interim dividend of 59 cents per share.

Pre-tax net tangible assets

**\$1.04**

Gross assets

**\$48.3m**

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

**6.0%**

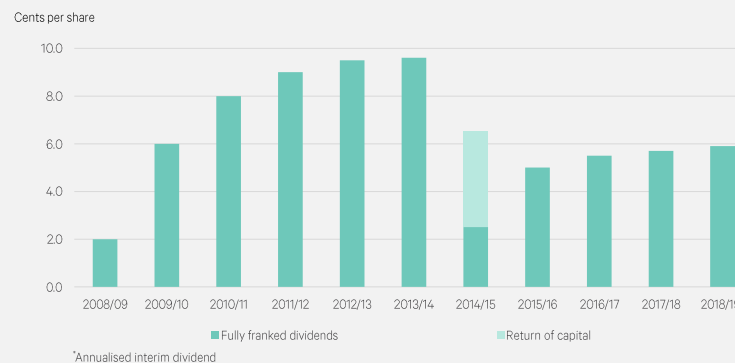
Performance (p.a. since January 2008)

**12.2%**

Performance at 30 April 2019	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %p.a. (Jan-08)
WAA Investment Portfolio	4.2%	6.4%	3.3%	5.9%	11.6%	11.0%	13.9%	12.2%
S&P/ASX All Ordinaries Accumulation Index	2.5%	10.8%	5.6%	10.2%	11.0%	7.8%	10.1%	4.4%
<b>Outperformance</b>	<b>+1.7%</b>	<b>-4.4%</b>	<b>-2.3%</b>	<b>-4.3%</b>	<b>+0.6%</b>	<b>+3.2%</b>	<b>+3.8%</b>	<b>+7.8%</b>
UBS Bank Bill Index (Cash)	0.2%	1.0%	1.7%	2.0%	1.9%	2.1%	3.0%	3.4%
<b>Outperformance</b>	<b>+4.0%</b>	<b>+5.4%</b>	<b>+1.6%</b>	<b>+3.9%</b>	<b>+9.7%</b>	<b>+8.9%</b>	<b>+10.9%</b>	<b>+8.8%</b>

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

## Fully franked dividends since inception



Investment type	March 2019		April 2019	
	\$m	%	\$m	%
Listed equities	33.3	70.0	39.8	82.5
Short portfolio	(0.2)	(0.5)	(0.9)	(2.0)
Fixed interest & cash	14.4	30.5	9.4	19.5
<b>Gross assets</b>	<b>\$47.5m</b>	<b>100.0</b>	<b>\$48.3m*</b>	<b>100.0</b>
Market capitalisation	\$48.3m		\$45.5m	
Total shares on issue	45,969,433		46,208,095**	

\*This figure is after the fully franked interim dividend of 2.95 cents per share paid on 26 April 2019.

\*\*During the month, 238,662 shares were issued under the Dividend Reinvestment Plan for the interim dividend.

## Top 20 holdings in alphabetical order

Afterpay Touch Group Limited	APT
Altium Limited	ALU
Appen Limited	APX
Ausdrill Limited	ASL
Chorus Limited	CNU
Cimic Group Limited	CIM
Collins Foods Limited	CKF
Corporate Travel Management Limited	CTD
Downer EDI Limited	DOW
IDP Education Limited	IEL
Iress Limited	IRE
Macquarie Group Limited	MQG
McMillan Shakespeare Limited	MMS
Megaport Limited	MP1
Nearmap Limited	NEA
Nine Entertainment Co. Holdings Limited	NEC
Pengana International Equities Limited	PIA
Seven Group Holdings Limited	SVW
Steadfast Group Limited	SDF
Templeton Global Growth Fund Limited	TGG



# Investment & management team



**Geoff Wilson AO**  
BSc GMQ FFINSIA FAICD  
Chairman &  
Chief Investment  
Officer



**Kate Thorley**  
BCom CA GAICD  
Chief Executive  
Officer



**Catriona Burns**  
BCom MAppFin FFINSIA  
CFA  
Lead Portfolio  
Manager



**Matthew Haupt**  
BCom GradDipAppFin  
CFA  
Lead Portfolio  
Manager



**Martin Hickson**  
BBus BComp MAppFin  
Lead Portfolio  
Manager



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



**Tobias Yao**  
BCom CFA  
Portfolio Manager



**John Ayoub**  
LLB BA GradCertAppFin  
Portfolio Manager



**Nick Healy**  
BEng (Hons) MBA  
Global Equity  
Analyst



**Sam Koch**  
BBus  
Equity Analyst



**Cooper Rogers**  
BCom GradDipAppFin  
Dealer



**Jesse Hamilton**  
BCom CA  
Chief Financial  
Officer



**James McNamara**  
BJourn MComn GradDipFin  
Head of Corporate  
Affairs