

Investment update

As at 31 March 2018



Snapshot

Pre-tax net tangible assets

\$1.31

Gross assets

\$186.1m

WAM Microcap Limited

ASX code	WMI
Date of listing	June 2017
Gross assets	\$186.1m
Market cap	\$207.2m
Share price	\$1.48
NTA before tax	\$1.31
Shares on issue	140,000,001
Annualised fully franked interim dividend (FY2018)	4.0c

Investment objectives

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

Wilson Asset Management investment & management team

Geoff Wilson AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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.

Shareholder Presentations

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

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Market overview

The S&P/ASX Small Ordinaries Accumulation Index fell 2.9% in March, the first negative month of the 2018 financial year. A solid reporting season for micro-cap companies in February saw investors taking profits in March, with an emerging shift from high performance growth companies into companies presenting favourable valuations.

Internationally, equity markets experience volatility during the month in response to public trade negotiations between the US and China. Domestically, the federal opposition outlined proposed changes to the dividend imputation system that would negatively impact self-funded retirees. Chairman Geoff Wilson spoke to [The Australian](#), [The Australian Financial Review](#), and [Sky News](#) about the policy.

In an article for the [Australian Financial Review](#), Chief Investment Officer Chris Stott recently discussed three sectors and stocks that present value in an expensive and increasingly volatile equity market.

May 2018 Shareholder Presentations

Next month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations so we encourage you to stay and talk to the team. [Register now!](#)

Net tangible asset (NTA) figures

The following NTA figures are before the 2.0 cents per share fully franked interim dividend due to be paid on 27 April 2018. The shares traded ex dividend today, Thursday 12 April 2018.

NTA before tax **130.79c**

NTA after tax and before tax on unrealised gains **128.35c**

NTA after tax **125.05c**

Performance

Performance at 31 March 2018	1 mth	3 mths	6 mths	Fin YTD	Since inception (Jun-17)
WMI Investment Portfolio*	-2.5%	-2.4%	13.4%	22.0%	24.1%
S&P/ASX Small Ordinaries Accumulation Index	-2.3%	-2.8%	10.5%	15.4%	15.3%
Outperformance	-0.2%	+0.4%	+2.9%	+6.6%	+8.8%

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

Diversified portfolio

Investment type	February 2018		March 2018	
	\$m	%	\$m	%
Listed equities	159.8	83.6	159.2	85.6
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	31.4	16.4	26.9	14.4
Gross assets	191.2	100.0	186.1	100.0
Total shares on issue	140,000,001		140,000,001	

Top 20 holdings

Code	Company	Code	Company
ANG	Austin Engineering Limited	NTD	National Tyre and Wheel Limited
CDD	Cardno Limited	OVH	Onevue Holdings Limited
CGR	CML Group Limited	PAC	Pacific Current Group Limited
EHL	Emeco Holdings Limited	PSI	PSC Insurance Group Limited
GDG	Generational Development Group Limited	RKN	Reckon Limited
HLO	Helloworld Travel Limited	SPZ	Smart Parking Limited
IDX	Integral Diagnostics Limited	SW1	Swift Networks Group Limited
LHC	Lifehealthcare Group Limited	TOT	360 Capital Total Return Fund
LYL	Lycopodium Limited	VAH	Virgin Australia Holdings Limited
MYE	Mastermyne Group Limited	VRS	Veris Limited

Fully franked dividends

On 20 February 2018, the Board announced a maiden fully franked interim dividend of 2.0 cents per share. The dividend will be paid on 27 April 2018 and traded ex today, Thursday 12 April 2018. The dividend reinvestment plan (DRP) is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 17 April 2018.

Key dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for DRP	17 April 2018
Payment date	27 April 2018

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.