



2018 Full Year Results

From the Chairman



"The maiden results reflect the strong performance of the investment portfolio, which increased 31.2% during the period"

We are pleased with WAM Microcap's maiden full year 2018 results, with the Company reporting an operating profit before tax of \$42.4 million and an operating profit after tax of \$30.7 million for the period ended 30 June 2018.

WAM Microcap commenced operations on 20 June 2017, following the oversubscribed initial public offering that raised \$154 million. The maiden results reflect the strong performance of the investment portfolio, which increased 31.2% during the period from inception to 30 June 2018, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 7.0%.

The Board is delighted to announce a fully franked full year dividend of 4.0 cents per share, with the maiden fully franked final dividend being 2.0 cents per share, payable on 26 October 2018.

The Board and the Investment Manager are focused on ensuring the Company maintains the optimal amount of capital for its investment strategy and focus on micro-cap companies. As a result, and due to the strong performance of the investment portfolio, the Board has also declared an additional fully franked special dividend of 2.0 cents per share to be paid to shareholders.

The total shareholder return for the Company for the period to 30 June 2018 was 31.4%, driven by strong portfolio performance of 31.2% and the share price premium to NTA.

During the period the execution of our investment process led by Chief Investment Officer Chris Stott and Lead Portfolio Managers Oscar Oberg and Martin Hickson resulted in strong investment portfolio performance.

During the period we invested in 216 individual companies and at 30 June we had investments in 72 companies. The largest contributors to the investment portfolio's outperformance during the period included: Emeco Holdings (ASX: EHL), Specialty Fashion Group (ASX: SFH), Integral Diagnostics (ASX: IDX), Appen (ASX: APX) and Praemium (ASX: PPS).

During the period the S&P/ASX Small Ordinaries Accumulation Index rose 24.2%, driven by the resources sector's stellar run, with the S&P/ASX Small Resources Index increasing 48.3%.

The rise in global interest rates, coupled with the potential for trade wars, will increase volatility and although global economic

growth continues, domestic economic growth remains sluggish.

We are approaching the end of this cycle which is the second-longest bull market in the United States' history.

While we continue to find attractive investment opportunities we remain cautious about the direction of the equity market over the short-to-medium term.

We look forward to providing an update on WAM Microcap at our upcoming Investor Conference Call on 25 September 2018 and meeting you at our next Shareholder Presentations in November. Thank you for your support of WAM Microcap.

Happy investing,

Geoff Wilson AO
Chairman



Highlights

Operating profit before tax

\$42.4m

Investment portfolio performance

+31.2%

Fully franked full year dividend

4.0c

Fully franked special dividend

2.0c

Fully franked dividends

The Board declared a fully franked full year dividend of 4.0 cents per share, with the maiden fully franked final dividend being 2.0 cents per share. The Board also declared a fully franked special dividend of 2.0 cents per share. The DRP will be operating at a 2.5% discount for both the final and special dividends.

Key dividend dates

Dividend ex-date	12 October 2018
Record date	15 October 2018
Last election date for DRP	17 October 2018
Payment date	26 October 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.

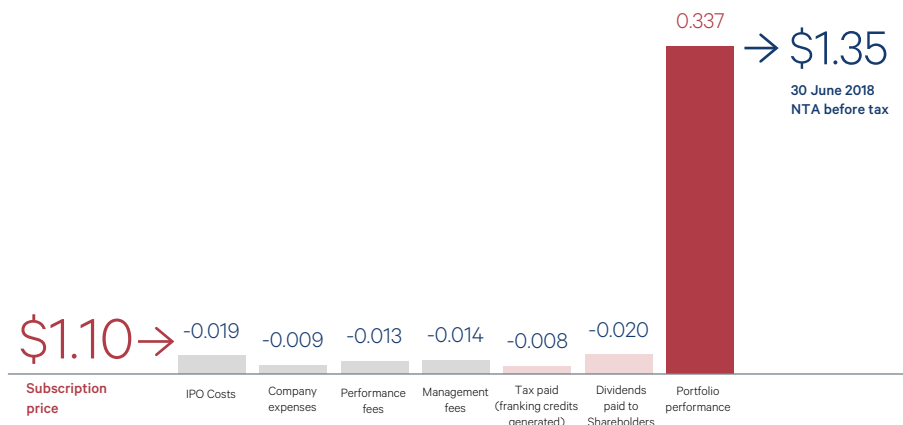
The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. On 27 April 2018, the Company paid an inaugural fully franked interim dividend of 2.0 cents per share to shareholders.

Performance as at 30 June 2018

	6 mths	1 yr	Since inception (Jun-17)
WMI Investment Portfolio*	3.1%	28.9%	31.2%
S&P/ASX Small Ordinaries Accumulation Index	4.7%	24.2%	24.2%
Outperformance	-1.6%	+4.7%	+7.0%

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

NTA before tax performance



Top 20 holdings

Code	Company	% of gross assets	Code	Company	% of gross assets
SFH	Specialty Fashion Group Limited	4.1%	NBL	Noni B Limited	2.2%
GDG	Generational Development Group Limited	3.1%	CDD	Cardno Limited	2.0%
EHL	Emeco Holdings Limited	3.0%	IDX	Integral Diagnostics Limited	2.0%
CGR	CML Group Limited	2.8%	AVG	Australian Vintage Limited	1.9%
PSI	PSC Insurance Group Limited	2.7%	TOT	360 Capital Total Return Fund	1.9%
ADH	Adairs Limited	2.4%	RKN	Reckon Limited	1.8%
PAC	Pacific Current Group Limited	2.3%	AXL	Axesstoday Limited	1.7%
OVH	Onevue Holdings Limited	2.3%	ANG	Austin Engineering Limited	1.5%
CAB	Cabcharge Australia Limited	2.2%	VAH	Virgin Australia Holdings Limited	1.5%
VRS	Veris Limited	2.2%	BOL	Boom Logistics Limited	1.4%