W A M Research

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

Portfolio update

The WAM Research investment portfolio increased 2.0% in January. Following the additional deployment of capital in February, the investment portfolio's cash weighting is currently 38.7%.

Contributors to the portfolio performance included Credit Corp (ASX: CCP) and Codan (ASX: CDA). CCP is Australia's largest debt buyer and collector, operating globally, which assists customers to repay outstanding debt balances. During January, CCP announced a 13% increase in net profit after tax for the first half of FY2019. beating analysts' expectations. We believe CCP's US division and consumer lending business can continue to generate double-digit earnings growth over the next few years. CCP was up 17.2% for the month of January.

CDA is a technology company that has a range of products in radio, metal detection, tracking and defence. We first invested in CDA due to a stronger than expected FY2018 result and our belief that sales in metal detection and radio communications products would continue to beat market expectations in FY2019. With \$28.0 million of net cash and zero debt, we believe CDA is well placed to make earnings accretive acquisitions in the near future. CDA was up 8.9% for the month.



Oscar Oberg LLB BBus CFA Lead Portfolio Manager

Net tangible asset (NTA) figures

NTA before tax	110.85c
NTA after tax and before tax on unrealised gains	111.34c
NTA after tax	111.74c

Pre-tax net tangible assets Gross assets

FY18 fully franked dividend vield[^]

Performance (p.a. since July 2010)

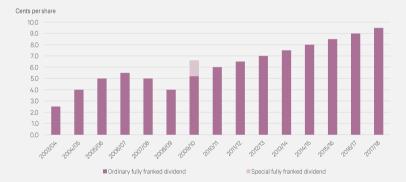
\$1.11

\$210.6m 6.8%

Performance at 31 January 2019	1 mth	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	investment strategy %p.a. (Jul-10)
WAX Investment Portfolio	2.0%	-9.3%	-7.0%	7.4%	12.9%	17.0%	15.4%
S&P/ASX All Ordinaries Accumulation Index	4.0%	-3.6%	0.7%	10.0%	7.1%	9.2%	8.3%
Outperformance	-2.0%	-5.7%	-7.7%	-2.6%	+5.8%	+7.8%	+7.1%

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

Fully franked dividends since inception



	December 2018		January 2019	
Investment type	\$m	%	\$m	%
Listed equities	96.5	46.7	102.5	48.7
Fixed interest & cash	110.1	53.3	108.1	51.3
Gross assets	\$206.6m	100.0	\$210.6m	100.0
Market capitalisation	\$276.8m		\$263.5m	
Total shares on issue	189,561,267		189,561,267	

Top 20 holdings in alphabetical order

AMA Group Limited	AMA
Austal Limited	ASB
Bravura Solutions Limited	BVS
Credit Corp Group Limited	CCP
City Chic Collective Limited	CCX
Codan Limited	CDA
Emeco Holdings Limited	EHL
Event Hospitality and Entertainment Limited	EVT
G8 Education Limited	GEM
GTN Limited	GTN
Infomedia Limited	IFM
Imdex Limited	IMD
IPH Limited	IPH
Myer Holdings Limited	MYR
Mayne Pharma Group Limited	MYX
Noni B Limited	NBL
PSC Insurance Group Limited	PSI
Service Stream Limited	SSM
Tabcorp Holdings Limited	TAH
Vocus Group Limited	VOC