

NTA and Monthly Update – July 2015

Company at a Glance

ASX Code	WMK
Fund Size	AU\$84.2m
Fund Strategy	Equity Market Neutral
Share Price	\$0.88
NTA Before Tax	\$1.03
Shares on Issue	84.1m
Dividend (1H15)	2 cents
Dividend Yield (annualised)	5.1%

Net Tangible Asset (NTA) Backing

	Jun 15	Jul 15
NTA Before Tax	\$0.99	\$1.03
NTA After Tax	\$0.99	\$1.02

Gross Portfolio Structure

	Jun 15	Jul 15
Long Exposure	94.6%	94.9%
Short Exposure	-89.3%	-91.6%
Gross Exposure	183.9%	186.6%
Cash	94.7%	96.7%

Month in Review

July was another strong month for the portfolio, which produced a net return of 4.1%. Against the backdrop of a solid return for the Australian share market, performance came equally from longs and shorts and across a wide range of sectors.

It remains our view that the Australian share market is in trouble. Shares are fully valued and earnings growth is decelerating. At the same time the tailwind from lower interest rates is fading; while short-term rates may move lower, longer-dated bond yields have probably bottomed. In this deflationary environment, we believe shares will offer low returns at best in the medium term. If this proves correct then WMK is well positioned, as active management strategies like long/short investing can create significant value through security selection without the risks of being exposed to the share market.

High-yielding defensive names performed well in July with healthcare and infrastructure particularly strong sectors. Interestingly, it was two short positions in the healthcare sector that were among the largest individual contributors to portfolio returns.

Financial shares rallied in line with the broader market during the month. After two months of significant underperformance due to capital concerns, bank shares finally found support and rallied strongly. APRA has made its much anticipated announcement around mortgage risk weightings for the major banks, which prompted capital raisings from both the ANZ and the Commonwealth Bank. The major banks have also started to reprice their investor lending books in order to slow investor lending as per APRA's directive and also to help offset dilution from higher capital requirements. The Fund has been well positioned to profit from these changes.

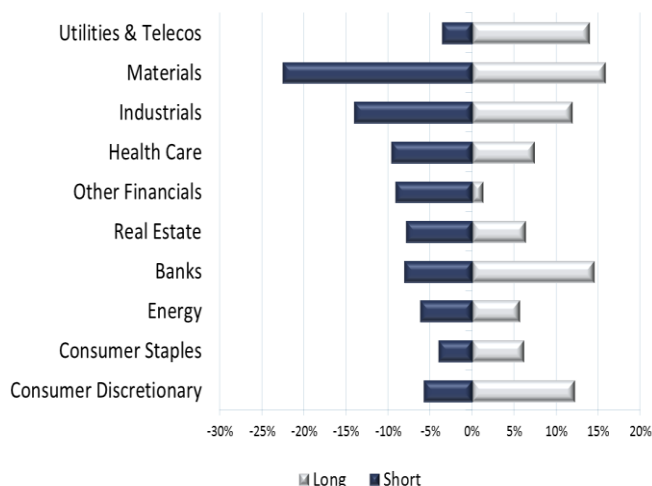
In the cyclical names, news was mixed. The Fund's holding in Qantas contributed strongly again as the company continues to benefit from the falling oil price. Short positions in the much maligned mining services sector also added value. We are expecting a strong set of results in August for retailers, particularly those exposed to the housing cycle. However our medium term outlook is more cautionary, with momentum from the housing boom to taper.

The bear market for commodities continues to weigh on the shares of mining and energy companies. Prices of oil, copper and gold all fell precipitously in July and the Fund benefitted from short exposures in a number of highly leveraged producers. We have used the weakness in the sector to reduce the Fund's net short in resources, opting for a more balanced position for the time being.

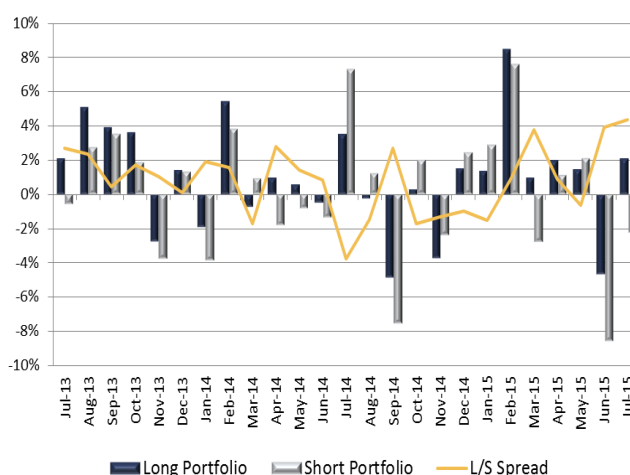
WMK Performance

	1 Mth	6 Mths	1 Yr	S.I. (pa)
Portfolio Return (net)	4.07%	11.79%	6.65%	6.72%
RBA Cash Rate	0.17%	1.06%	2.35%	2.45%
Outperformance (net)	3.90%	10.73%	4.31%	4.27%

Sector Exposures

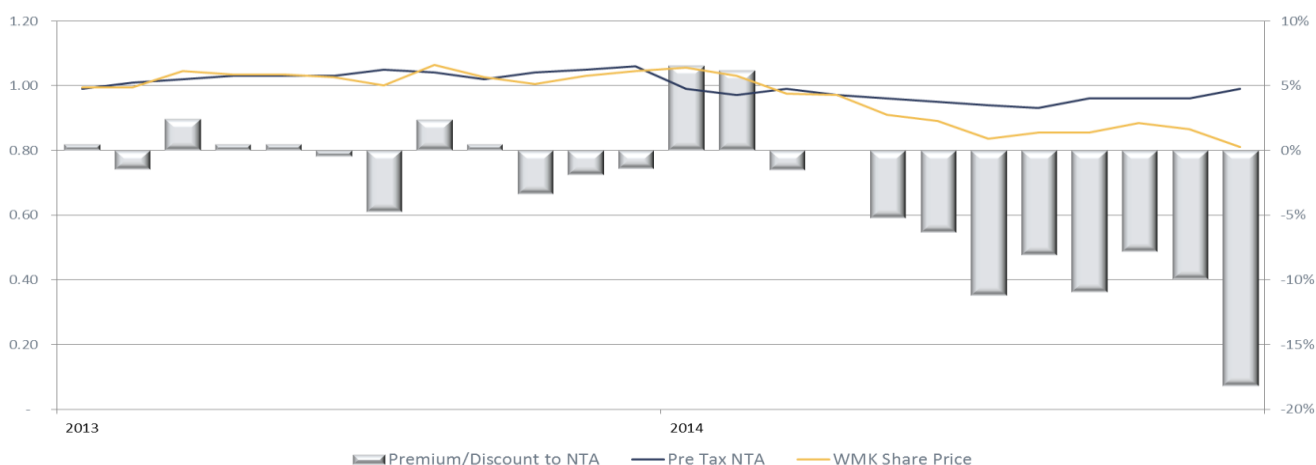


Long Short Spread*



* Long Short spread shows the gross monthly performance of the Company's long and short portfolios. The difference between the two represents the gross performance of the portfolio as a whole. The company will make a profit where the long portfolio outperforms the short portfolio, after the payment of fees and expenses

Premium/Discount to NTA History



Dividend History

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 that it is within prudent business practices. Dividends are paid on a six-monthly basis. From time to time the board will offer a dividend reinvestment plan, although the DRP was suspended in respect of the interim dividend for FY15.

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