

NTA and Monthly Update – September 2015

Company at a Glance

ASX Code	WMK
Fund Size	AU\$91.2m
Fund Strategy	Equity Market Neutral
Share Price	\$0.98
NTA Before Tax	\$1.09
Shares on Issue	84.1m
Dividend (FY15 Final)	2.5 cents
Dividend Yield (annualised)	4.6%

Net Tangible Asset (NTA) Backing

	Aug 15	Sep 15
NTA Before Tax	\$1.06	\$1.09
NTA After Tax	\$1.05	\$1.07
Dividend Declared	(\$0.025)	(\$0.025)
NTA After Tax & Dividend (2.5¢)	\$1.02	\$1.05

Gross Portfolio Structure

	Aug 15	Sep 15
Long Exposure	85.0%	89.8%
Short Exposure	-87.8%	-99.2%
Gross Exposure	172.8%	188.9%
Cash	102.9%	109.4%

Month in Review

Heightened volatility was again a feature in September, with most global share indices posting losses. The Company's portfolio delivered another strong result, increasing in value by 2.6% net of all fees. Positive contributions came from both the long and short portfolios, with short positions in energy and mining companies making an important contribution. A net positive exposure to gold shares also added value. Long positions in consumer staples and healthcare offset losses in the banking sector.

Defensive sectors provided mixed results in the month. Healthcare; a favourite sector in recent years, continues to fall out of favour with investors. Divergences between the relative valuations of domestic and international healthcare companies are presenting opportunities both long and short. The telecom and consumer staples sectors fared better.

Financial shares moved lower, with further declines in the banks and insurers. The banks continue to run into weakness on the back of concerns around capital adequacy, asset quality and expectations that the property cycle has reached a peak.

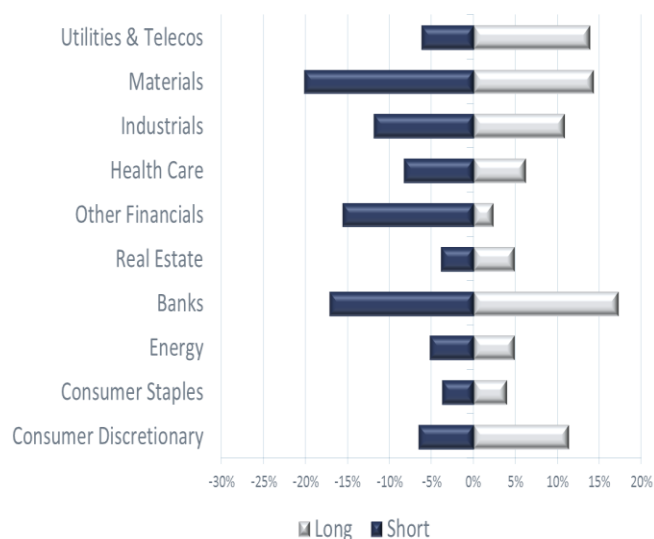
There are clearly multiple forces at play in the domestic economy which are impacting consumer sentiment. Concerns over global growth are weighing on the minds of businesses and consumers alike, while the federal leadership change has boosted confidence locally. Value has emerged in parts of the retail sector. After further falls, Myer presents compelling value on several metrics and is now one of the cheapest department stores in the world.

With some commodity prices having fallen to cash-cost support, there looks to be limited downside for parts of the mining sector. Balance sheet strength will be an increasingly important differentiator for mining companies, as evidenced by the 'flash crash' in the shares of Glencore during the month. With investors spooked by concerns around liquidity and leverage, as well as falls in the copper price to which it is exposed; Glencore shares fell precipitously during September. The Fund has been short Glencore since June. A long term investment in Oil Search also contributed strongly to returns in September following the announcement of Woodside Petroleum's bid for the company.

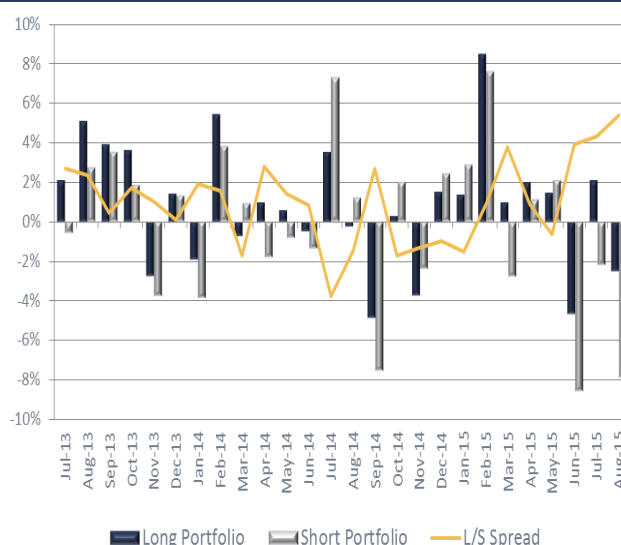
WMK Performance

	1 Mth	6 Mths	1 Yr	S.I. (pa)
Portfolio Return (net)	2.63%	14.74%	12.65 %	9.30%
RBA Cash Rate	0.17%	1.03%	2.26%	2.42%
Outperformance (net)	2.47%	13.71%	10.39%	6.88%

Sector Exposures

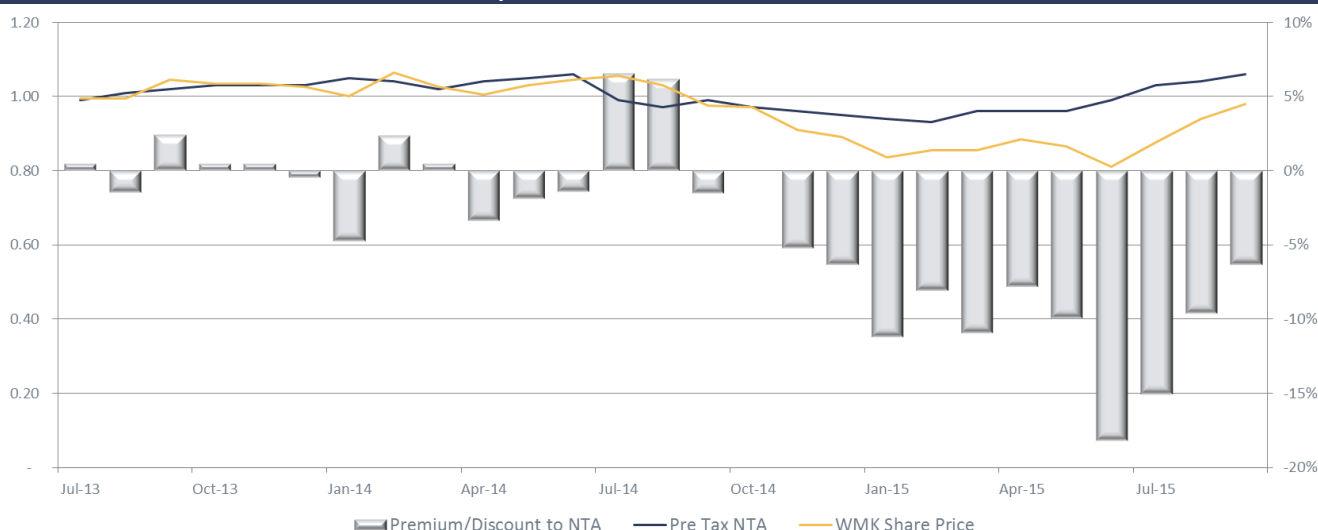


Long Short Spread*



* 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 final dividend for FY15.

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