

NTA and Monthly Update – August 2015

Company at a Glance

ASX Code	WMK
Fund Size	AU\$88.5m
Fund Strategy	Equity Market Neutral
Share Price	\$0.94
NTA Before Tax	\$1.06
Shares on Issue	84.1m
Dividend (FY15 Final)	2.5 cents
Dividend Yield (annualised)	5.3%

Net Tangible Asset (NTA) Backing

	Jul 15	Aug 15
NTA Before Tax	\$1.03	\$1.06
NTA After Tax	\$1.02	\$1.05
Dividend Declared	(\$0.000)	(\$0.025)
NTA After Tax & Dividend (2.5¢)	\$1.02	\$1.02

Gross Portfolio Structure

	Jul 15	Aug 15
Long Exposure	94.9%	85.0%
Short Exposure	-91.6%	-87.8%
Gross Exposure	186.6%	172.8%
Cash	96.7%	102.9%

Month in Review

August saw a marked increase in volatility for global share markets. With escalating concerns over a slowing Chinese economy and the implications for already lethargic global growth, the Australian share market posted its worst monthly performance since October 2008. The Company's portfolio increased in value by 3.9% with performance attribution understandably skewed to the short portfolio. It was also pleasing to see the long portfolio significantly outperform the broader share market.

The FY15 profit reporting season has now concluded with results in aggregate proving underwhelming. The Company was well positioned in anticipation of several weak profit results, with short positions in discretionary retail, building materials, chemicals and banks all making strong individual contributions to performance. A net short exposure to resource companies also added to returns.

Defensive shares weathered the market volatility better than most. While bond yields are low and uncertainty remains as to when the US Federal Reserve may finally lift interest rates, this sector will likely remain a preferred haven for investors looking for defensive growth and income.

Financial shares underperformed in August, led lower by significant falls in the banks. With issues around capital adequacy still being resolved, ANZ's quarterly trading update also revealed deterioration in its asset quality. This confirms our view that we are close to a peak in the asset quality cycle.

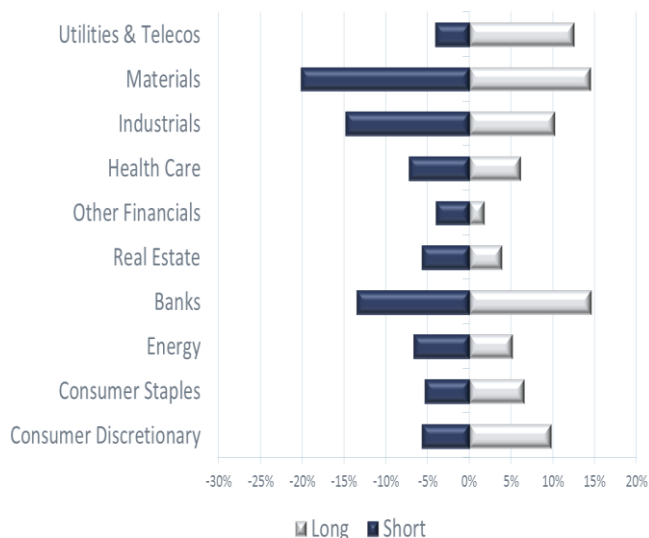
The portfolio benefitted in the month from a handful of cyclical companies which reported strong profit results, although as a whole the sector fell with the broader market. We believe the housing cycle is starting to turn and that this tailwind for an otherwise sluggish domestic economy will abate in the months to come.

The resources sector continues its downward trajectory, with weak economic data out of China weighing on the outlook for commodity demand. Short positions in mining and energy companies with weak balance sheets were a source of positive performance in August and will continue to be a focus during this bear market for resources. Price falls across the sector provided an opportunity to cover selected short positions, bringing the Company's exposure to the sector back to neutral.

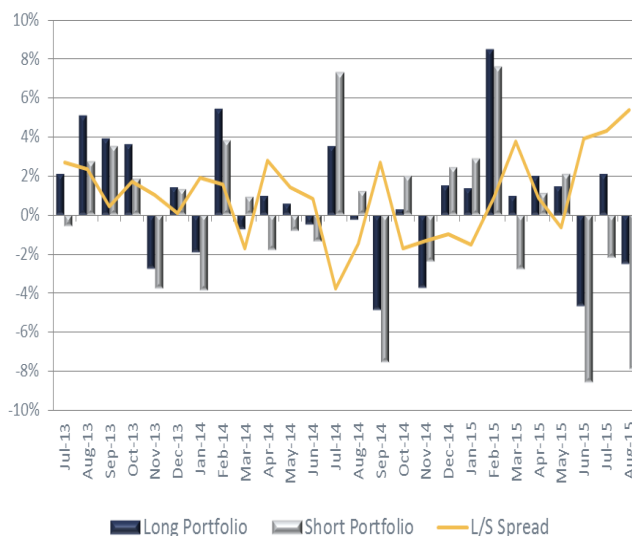
WMK Performance (Net of Fees)

	1 Mth	6 Mths	1 Yr	S.I. (pa)
Portfolio Return (net)	3.90%	15.39%	13.04%	8.35%
RBA Cash Rate	0.17%	1.06%	2.30%	2.43%
Outperformance (net)	3.73%	14.33%	10.74%	5.92%

Sector Exposures

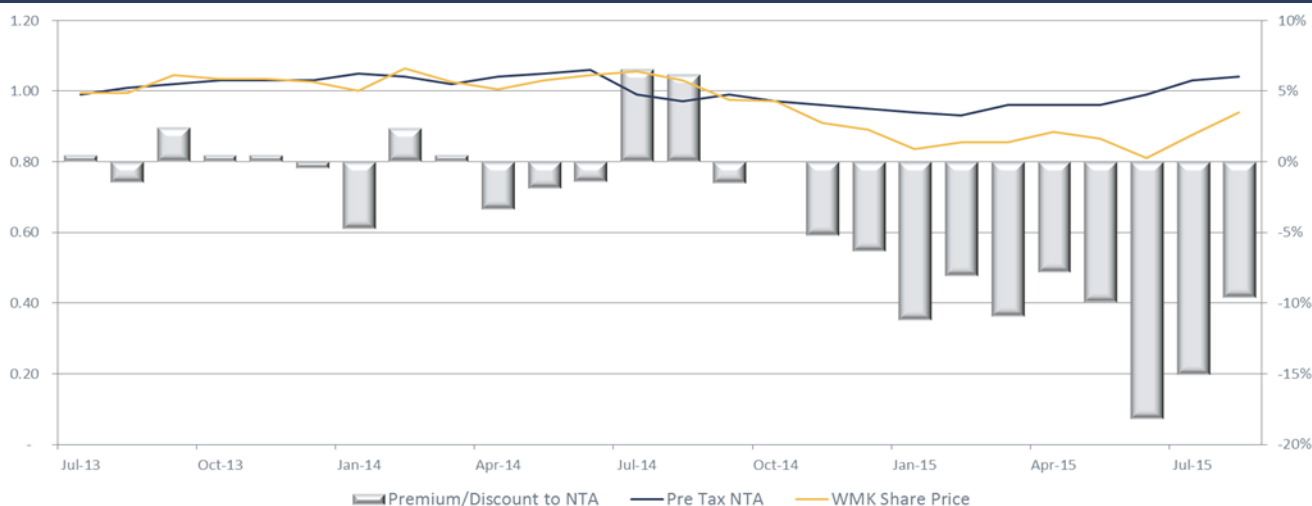


Long Short Spread*



* 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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