

NTA and Monthly Update – November 2015

Company at a Glance

ASX Code	WMK
Fund Size	AU\$88.5m
Fund Strategy	Equity Market Neutral
Share Price	\$0.93
NTA Before Tax	\$1.06
Shares on Issue	84.1m
Dividend (FY15 Final)	2.5 cents
Dividend Yield (annualised)	4.9%

Net Tangible Asset (NTA) Backing

	Oct 15	Nov 15
NTA Before Tax	\$1.04	\$1.06
NTA After Tax	\$1.04	\$1.05

Gross Portfolio Structure

	Oct 15	Nov 15
Long Exposure	115.8%	108.0%
Short Exposure	-124.4%	-105.6%
Gross Exposure	240.2%	213.6%
Cash	108.7%	97.6%

Month in Review

November was a volatile month for global share markets, with large divergences between regions and market sectors. Investors continue to wrestle with mixed messages from central banks and the consequent reactions in debt and foreign exchange markets. It is becoming ever clearer that policy levers such as interest rates and currency devaluation cannot fix problems of deflation and lethargic global growth, and may in fact be exacerbating them.

The Fund delivered a 1.5% return in November after all fees. Pleasingly, performance attribution came from a broad range of positions both long and short. Investments in two new IPO's during the month performed well, while short positions in a number of contractors also contributed. Net short positioning in diversified financial shares detracted from performance, although we feel that this sector will come under increasing pressure if share markets fall.

Shares of domestic healthcare companies continue to perform strongly with most major names in the sector posting gains. This strength was not driven by news flow, nor changes to consensus earnings estimates, but the weight of money rotating into healthcare stocks, one of only a few sectors offering growth. We have initiated a core short position in Grifols SA, whose shares hit an all-time high in November. In our view, increased competition for the company's key IG and plasma portfolios is not reflected in the share price at these levels. Furthermore, the company is particularly vulnerable to competitive forces, with R&D having been curtailed in recent years as a result of its highly geared balance sheet.

Going into Christmas, feedback from retailers has been broadly positive. The Fund's overweight position in this sector has worked well, particularly an investment in Myer Holdings which is experiencing solid sales growth for the first time in several years. Mining contractors continue to struggle along with the broader resources sector. A distressed capital-raising from a core short in this sector was a strong contributor to performance.

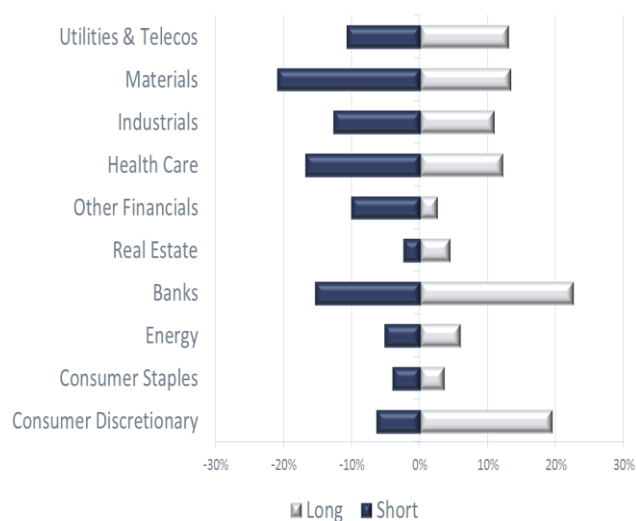
It was a better month for bank shares, with weakness in other sectors prompting a flight back to relative safety. We initiated a position in ABN Amro Group, through its IPO in the Netherlands. The bank has a strong retail franchise with a 25% market share. It is well capitalised relative to its Australian peers and was floated on attractive terms.

Following a short-lived relief rally in October, resource shares continue their downward march led by BHP, which fell over 20% after a tragic tailings dam failure at a mine in Brazil. We have neutralised our weighting in resources, taking profits on a number of highly successful short positions. We remain on the sidelines for now, but are looking for oversold opportunities. Our offshore investment in Tahoe Resources outperformed the gold sector after a positive quarterly update.

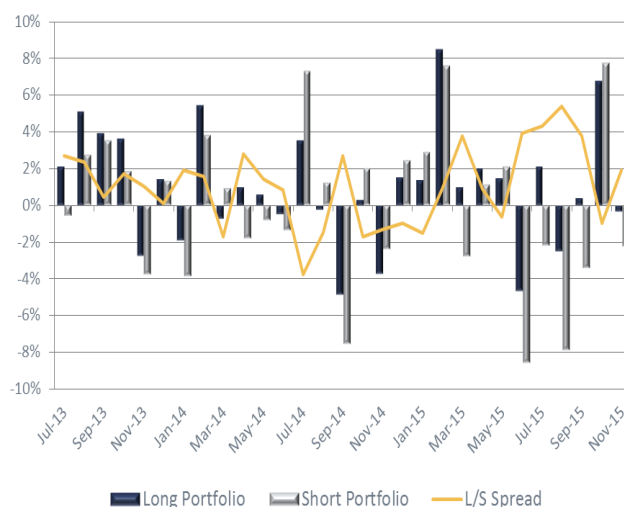
WMK Performance

	1 Mth	6 Mths	1 Yr	S.I. (pa)
Portfolio Return (net)	1.53%	14.15%	15.97%	8.43%
RBA Cash Rate	0.17%	1.01%	2.18%	2.39%
Outperformance (net)	1.36%	13.14%	13.80%	6.04%

Sector Exposures

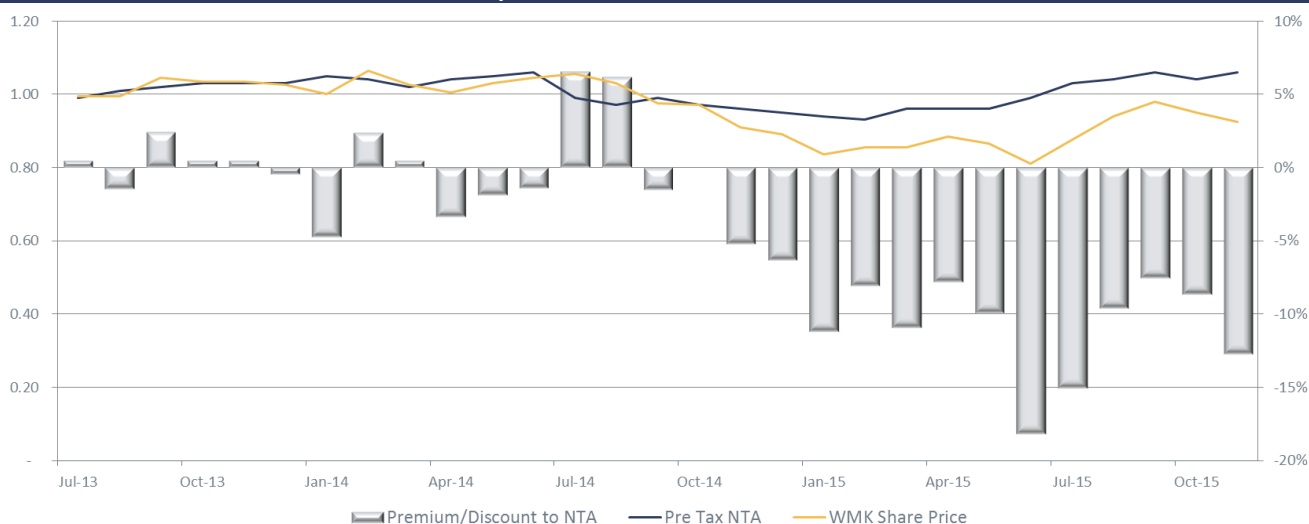


Long Short Spread*



* 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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