



NTA and Monthly Update – November 2016

Company at a Glance

ASX Code	WMK
Fund Size	AU\$89.3m
Fund Strategy	Equity Market Neutral
Share Price	\$1.04
Shares on Issue	87.1m
Dividend (HY17 Interim)	3 cents
Dividend Yield (annualised)	4.8%

Net Tangible Asset (NTA) Backing

	Oct 16	Nov 16
NTA Before Tax	\$1.04	\$1.02
NTA After Tax	\$1.04	\$1.03

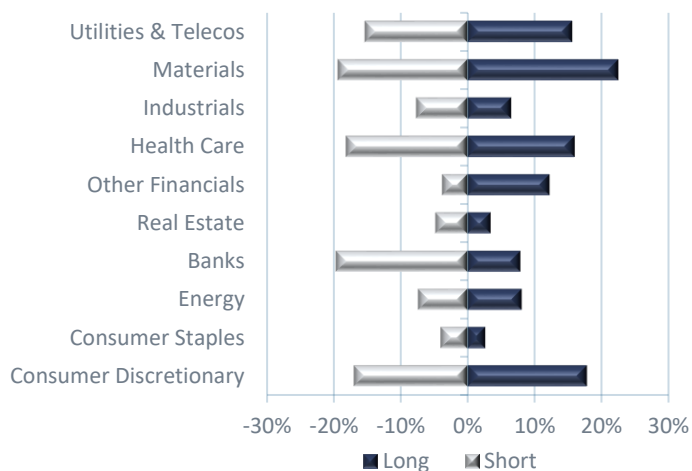
Gross Portfolio Structure

Long Exposure	119.7%	112.7%
Short Exposure	-116.1%	117.2%
Gross Exposure	235.9%	229.8%
Cash	96.4%	104.5%

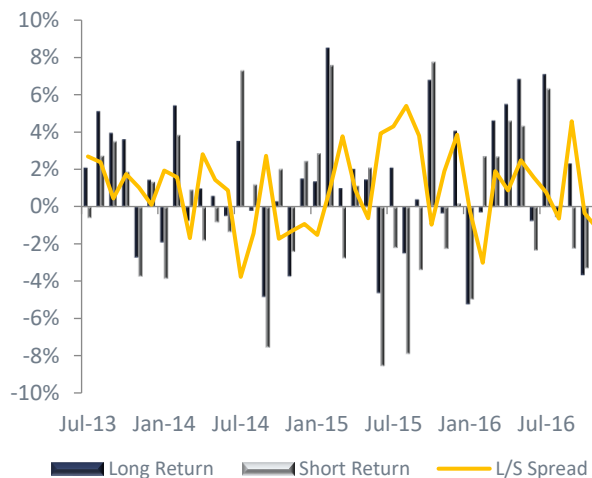
WMK Performance

	1 Mth	6 Mths	FYTD	1 Yr	S.I. (pa)
Portfolio Return (net)	-0.9%	2.5%	1.1%	6.3%	7.8%
RBA Cash Rate	0.1%	0.8%	0.7%	1.8%	2.2%
Outperformance (net)	-1.0%	1.7%	0.4%	4.5%	5.6%

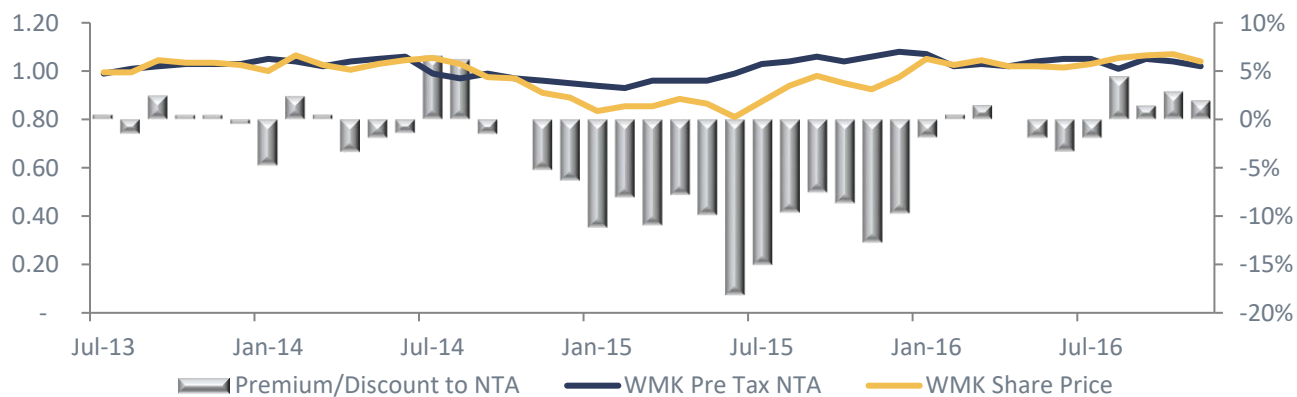
Sector Exposures



Long Short Spread*



Premium/Discount to NTA History





Month in Review

November provided yet another stress-test for our hedged portfolios, with the election of Donald Trump in the United States causing a savage sell-off in global share markets. This was followed by an equally violent rebound as investors digested the implications of a Trump presidency and the platform of aggressive fiscal stimulus that is being promised. Share markets in developed economies rallied into month-end along with the US dollar, while bond prices continued to plummet. The Australian share market also performed well with resource and financial shares continuing to find support at the expense of defensive sectors such as healthcare and telecommunications.

The portfolio performed as expected through the volatility early in the month, neither losing value as markets fell nor materially participating in the recovery. Ultimately, the value of the Company's portfolio fell by 0.9% net of all fees, with losses concentrated in the financials portfolio and an investment in the telecommunications sector. Selected investments in the resources sector performed well along with key international positions in healthcare and energy.

Gaming shares produced the strongest contribution to returns from within the defensive sectors, with an investment in Crown Resorts recovering somewhat after its recent tribulations. With a broadly diversified portfolio of exposures in the healthcare sector, weakness in domestic names was offset by strong contributions from international exposures in Ionis Pharmaceuticals and Celgene Corp. An investment in Vocus Communications proved disappointing with the company flagging a raft of issues in its AGM presentation.

In the cyclical parts of the portfolio, exposures in media and building materials were the strongest performers. An investment in APN Outdoor recovered some of its recent losses while both legs of a pair trade in the building materials sector added value. A handful of short positions in discretionary retailers also contributed well. The Company's portfolio of technology exposures is expanding, with new investments in semi-conductor manufacturers such as Analog Devices Inc and Micron Technology Inc along with core short exposures in Intel and IBM. We have also initiated positions in software security provider Palo Alto Networks and short Checkpoint Systems on the other side.

It was a difficult month for the Financials portfolio. We maintain our circumspect view on the outlook for share markets and have held a net short exposure to asset managers for some time. This positioning worked against the Fund in November as share markets rallied. We are neutral Australian banks, with a negative view on earnings balanced by value emerging in the sector. Banks around the world rallied in response to the US election result, and the prospect a tailwind from rising bond yields. While not exposed to the same benefits from rising bond yields, Australian banks rallied in sympathy with their US peers.

Commodity markets were another beneficiary of the 'Trump bump'. The price of industrial metals and bulk commodities rose in anticipation of increased demand from the massive infrastructure spending program that has been proposed. Continued strength in demand from China also supported prices. With a balanced portfolio in resources, performance overall was modest. Investments in Iluka Resources, Orocobre and Sandfire Resources worked well while a modest net short to a major iron ore producer detracted from performance.

Dividend History

The Board is committed to paying an consistent stream of 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.

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