**Livewire Friday 27 September 2019**

*An interview of Robert Miller, Portfolio Manager at NAOS Asset Management, and Arden Jennings, Co-Portfolio Manager at Ausbil Investment Management. They discussed iSignthis (for both it is a sell), Jumbo (a hold and a sell), EML (a buy and a buy), Phoslock (a sell and a sell) and Afterpay (a buy and a sell).*

*Here is the transcript on Phoslock.*

**James Marlay:** Yeah. Okay. Next stock is, I've been told it on a PE of over a thousand times, Phoslock. Buy, hold or sell?

**Rob Miller:** For us it's a **sell** as well. Water treatment company. I think you've got questionable relationships there in terms of the business visibility of where they're making their money. I also think obviously that valuation is very scary. It's a conceptual business, so you're investing on a concept rather than an underlying core business at the moment. So, for us, it's a sell.

**James Marlay:**Management has been flushing some stock into the market lately. Phoslock, buy, hold or sell?

**Arden Jennings:**Yeah, definitely a **sell** for us too. They're operating in a segment of the market that should be quite attractive, cleaning up polluted waterways through their environmental treatment products. But yeah, as you point out, there's been insider selling lately where they've trimmed their holdings. They've also got links with the Chinese state owned enterprises, through the business, so there is some key man risk there. So yeah, along with the valuation that looks very stretched, we think it's a sell.