

Investment update

As at 30 June 2017



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.06

Fully franked
dividend yield

5.0%

Gross assets

\$42.0m

Performance
(p.a. since January 2008)

12.6%

WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$42.0m
Market cap	\$42.7m
Share price (WAA)	\$1.10
Option price (WAAO)	\$0.015
NTA before tax	\$1.06
Shares on issue	38,802,828
Options on issue	31,680,247
Annualised fully franked interim dividend (FY2017)	5.5c
Fully franked dividend yield	5.0%

Investment objectives

- Deliver shareholders a regular income stream via fully franked dividends
- Provide a positive return with low volatility, after fees, over most periods of time
- Preserve capital

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

WAM Active Limited (ASX: WAA) is a listed investment company managed by Wilson Asset Management. Listed in January 2008, WAM Active provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.3% for the month, to finish the financial year up 13.1%, the best year for the market since 2014. The sectors that drove the advance during FY2017 were materials (+20.6%), utilities (+14.7%), banks (+11.9%) and healthcare (+11.8%).

Global equity markets ended the month down as central banks foreshadowed the end of easy monetary policy. The US Federal Reserve raised interest rates for the third consecutive time to between 1% to 1.25% in response to improving confidence in the US economy.

In Australia, the unemployment rate fell to a lower than expected 5.5% from 5.7% the previous month, the lowest level since February 2013. The political attack on banks continued with the South Australian Government announcing it would introduce a bank tax in addition to the Federal Government's levy. The policy was met by widespread criticism across the industry. In July, the SA opposition announced it would block the tax in parliament.

Stock news

Afterpay Holdings Limited (ASX: AFY) and Touchcorp Limited's (ASX: TCH) scheme of arrangement was approved by shareholders in June to create the new merged entity, Afterpay Touch Group Limited (ASX: APT). We believe the strong management team is capitalising on its first mover advantage into the 'buy now, pay later' space. We have received positive feedback from retailers as part of our on-the-ground research and believe Afterpay Touch's transaction momentum will continue as it increases its market share.

Net tangible asset (NTA) figures

NTA before tax	106.04c
NTA after tax and before tax on unrealised gains	105.07c
NTA after tax	105.02c

The above figures are not adjusted for the 31,680,247 options on issue with an exercise price of \$1.14.

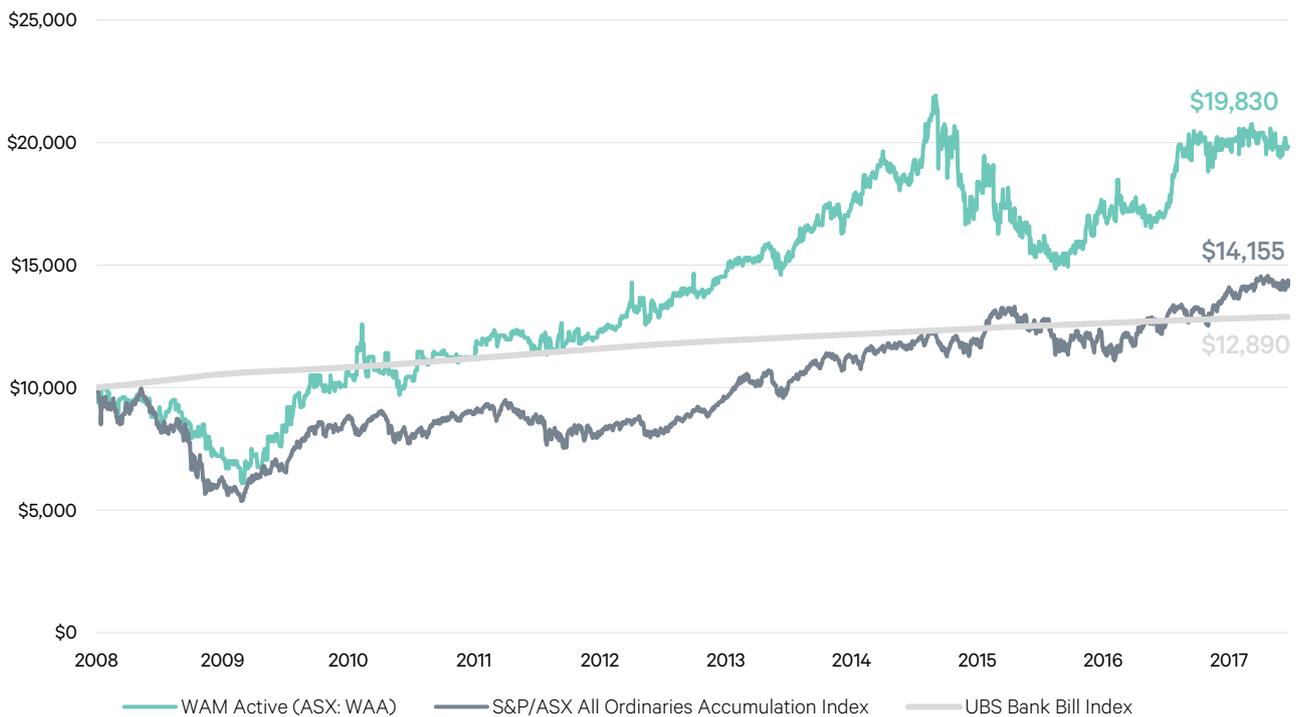
Performance

Performance at 30 June 2017	1 Mth	6 Mth	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	1.1%	3.9%	11.6%	11.6%	13.9%	12.6%
S&P/ASX All Ordinaries Accumulation Index	0.3%	2.9%	13.1%	6.8%	11.6%	3.3%
Outperformance	+0.8%	+1.0%	-1.5%	+4.8%	+2.3%	+9.3%
UBS Bank Bill Index (Cash)	0.1%	0.9%	1.8%	2.2%	2.5%	3.7%
Outperformance	+1.0%	+3.0%	+9.8%	+9.4%	+11.4%	+8.9%

*Investment performance and Index returns are before expenses, fees and taxes.

Growth of \$10,000 investment since inception

WAM Active versus the Index



Notes:

1. The above graph reflects the period from inception in January 2008 to 30 June 2017.
2. WAM Active's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index and the UBS Bank Bill Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Active portfolio.

Diversified portfolio

Investment type	May 2017		June 2017	
	\$m	%	\$m	%
Listed equities	24.9	59.8	32.3	76.8
Short portfolio	(1.2)	(2.9)	(2.7)	(6.3)
Fixed interest & cash	18.0	43.1	12.4	29.5
Gross assets	\$41.7	100.0	\$42.0	100.0
Total shares on issue	38,799,425		38,802,828*	

*During the month, 3,403 options were exercised and allotted.

One-for-one option issue

In August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. Options entitle holders to purchase additional ordinary shares in WAM Active at the exercise price of \$1.14 at any time on or before 17 September 2018. The options trade on the ASX under the code WAAO. The bonus option issue is an effective way to grow the Company and will deliver benefits to shareholders. As the Company's size increases, on-market liquidity for the shares is expected to increase. It will also increase the Company's relevance in the market, improve the prospect of broker and research coverage, and gain interest from financial planners.

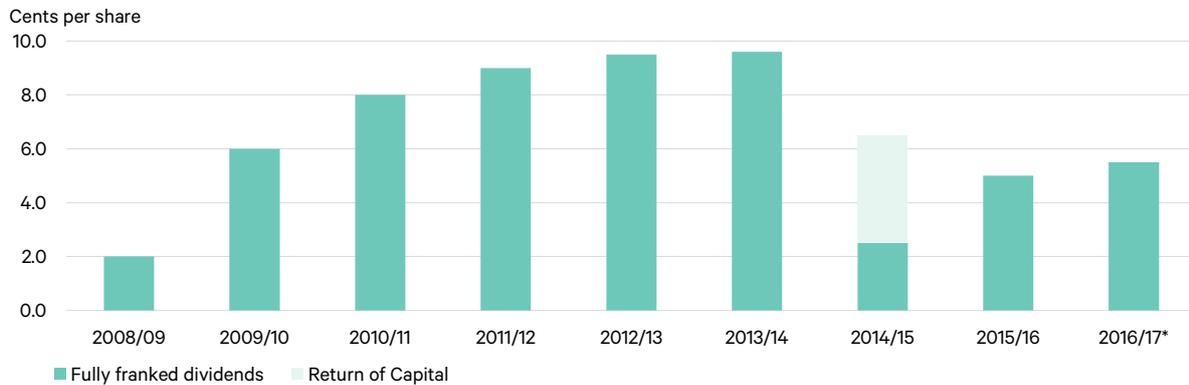
Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	NEC	Nine Entertainment Co Holdings Limited
FLT	Flight Centre Travel Group Limited	QAN	Qantas Airways Limited
TGG	Templeton Global Growth Fund Limited	CSL	CSL Limited
APT	Afterpay Touch Group Limited	JBH	JB Hi-Fi Limited
JHG	Janus Henderson Group PLC	CAJ	Capital Health Limited
CPU	Computershare Limited	DOW	Downer EDI Limited
EHE	Estia Health Limited	FXJ	Fairfax Media Limited
WOW	Woolworths Limited	RMD	ResMed Inc
SGM	Sims Metal Management Limited	MND	Monadelphous Group Limited
SVW	Seven Group Holdings Limited	AAD	Ardent Leisure Group

Fully franked dividends

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 it is within prudent business practices. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

Fully franked dividends since inception



*Annualised interim dividend