

WAM ACTIVE LIMITED

ABN 49 126 420 719

Appendix 4E Preliminary Final Report for the year ended 30 June 2017

Results for Announcement to the Market

All comparisons to the year ended 30 June 2016

	\$	up/down	% mvmt
Revenue from ordinary activities	4,479,902	down	(28.4%)
Profit from ordinary activities before income tax expense	2,685,866	down	(35.5%)
Net profit from ordinary activities after income tax expense	2,065,860	down	(34.2%)

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2017 Final dividend cents per share	2.75c	2.75c	30%
2017 Interim dividend cents per share	2.75c	2.75c	30%

Final dividend dates

Ex dividend date	17 October 2017
Record date	18 October 2017
Last election date for the DRP	20 October 2017
Payment date	27 October 2017

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("DRP") is in operation and the recommended fully franked final dividend of 2.75 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price, calculated as the VWAP (volume weighted average market price) of shares sold on the ASX on the ex date for the relevant dividend and the 3 trading days following that date.

	30 Jun 17	30 Jun 16
Net tangible asset backing (after tax) per share	\$1.05*	\$1.04

*The NTA figures are not adjusted for the outstanding options on issue with an exercise price of \$1.14.

This report is based on the Annual Report which has been audited by Pitcher Partners. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.



Annual Report

For the year ending 30 June 2017

WAM Active Limited

WAM Active Limited (WAM Active or the Company) is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

Directors

Geoff Wilson (Chairman)
Matthew Kidman
John Abernethy
Chris Stott
Kate Thorley

Company Secretary

Linda Vo

Investment Manager

MAM Pty Limited
Level 11, 139 Macquarie Street
Sydney NSW 2000
(part of Wilson Asset Management)

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 11, 139 Macquarie Street
Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001
T: (02) 9247 6755
F: (02) 9247 6855
E: info@wilsonassetmanagement.com.au
W: wilsonassetmanagement.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
T: (02) 9290 9600
F: (02) 9279 0664

For enquiries relating to shareholdings, options, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

Australian Securities Exchange

WAM Active Limited
Ordinary Shares (WAA)
WAM Active Limited
Options (WAAO) expiring 17 Sep 2018
\$1.14 exercise price

Shareholder Presentations 2017

Annual General Meeting and Presentation

Sydney

Wednesday 29 November

AGM: 9.00am – 9.30am

Presentation: 11.30am – 1.30pm

Wesley Centre

220 Pitt Street

Sydney NSW 2000

To be streamed live on our website wilsonassetmanagement.com.au



Adelaide

Monday 20 November

10.00am – 12.00pm

The Playford

120 North Terrace

Adelaide SA 5000

Perth

Tuesday 21 November

10.00am – 12.00pm

Novotel

221 Adelaide Terrace

Perth WA 6000

Brisbane

Friday 24 November

10.00am – 12.00pm

Brisbane Convention & Exhibition

Centre, Cnr Merivale & Glenelg Streets

South Bank QLD 4101

Hobart

Monday 27 November

10.00am – 12.00pm

Best Western

156 Bathurst Street

Hobart TAS 7000

Canberra

Tuesday 28 November

10.00am – 12.00pm

The Mecure

Cnr Ainslie & Limestone Avenues

Braddon ACT 2612

Melbourne

Thursday 30 November

10.00am – 12.00pm

Melbourne Convention & Exhibition

Centre, 1 Convention Centre Place

South Wharf VIC 3006

The Future Generation Presentations will follow all Wilson Asset Management presentations in each city.

Key highlights FY2017

+16.0%

Total shareholder return

+11.6%

Investment portfolio performance

5.5c

Full year fully franked dividend

4 times

Portfolio turnover

Snapshot as at 30 June 2017

Listing date	January 2008
Gross assets	\$42.0m
Market capitalisation	\$42.7m
Share price	\$1.10
Option price	\$0.015
Shares on issue	38,802,828
Options on issue	31,680,247
Net Tangible Assets (pre-tax)	\$1.06
Net Tangible Assets (post-tax)	\$1.05
Fully franked dividends FY2017	5.5 cents
Fully franked FY2017 dividend yield	5.0%

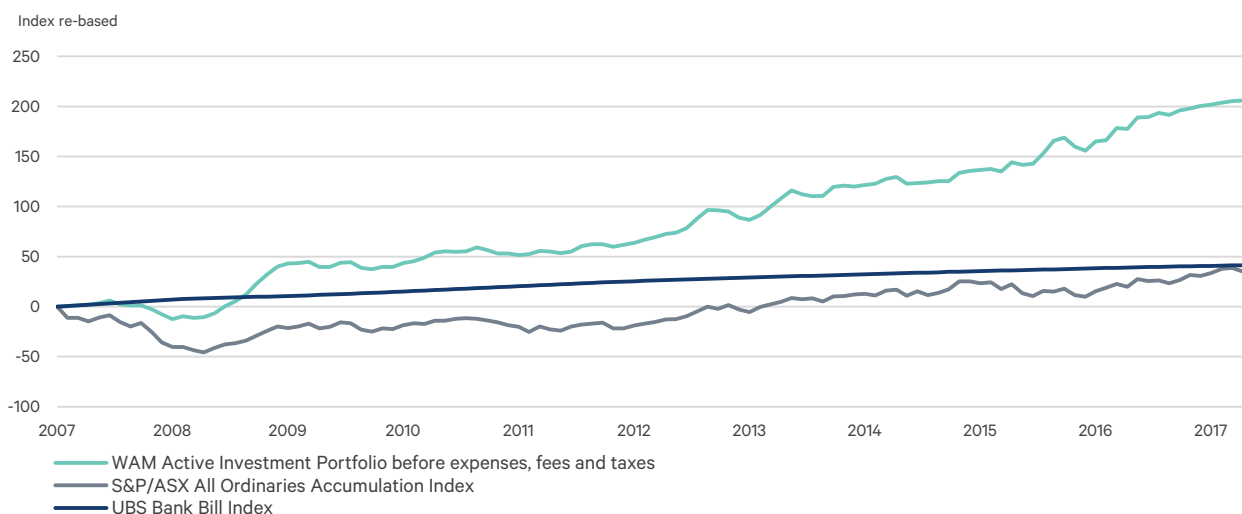
FY2017 results

WAM Active reported an operating profit before tax of \$2,685,866 (FY2016: \$4,166,837) and an operating profit after tax of \$2,065,860 (FY2016: \$3,139,348) for the year to 30 June 2017.

The operating profit for 2017 is reflective of the investment portfolio relative performance of 11.6% during the year. The investment portfolio performance was achieved with an average cash weighting of 34.4%. Over the year, the UBS Bank Bill Index increased 1.8% and the S&P/ASX All Ordinaries Accumulation Index rose 13.1%. The highly active investment process saw the equity component of the investment portfolio turn over four times during the year with 278 individual companies traded.

The Board declared a fully franked full year dividend of 5.5 cents per share, with the fully franked final dividend being 2.75 cents per share.

WAM Active's investment portfolio has returned 12.6% p.a. over 9½ years outperforming the market by 9.3% p.a.



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Chairman's letter

Dear fellow shareholders,

Firstly, I would like to thank you for your support of WAM Active during the 2017 financial year. I would also like to welcome all new shareholders to the Company.

Since listing in 2008, the Company has effectively applied an investment approach which provides investors with exposure to active trading strategies which aim to deliver positive returns in all market cycles. In the 2017 financial year, we continued to focus on identifying and acting on market mispricing opportunities that allowed us to grow the Company's investment portfolio by 11.6%, while taking as little risk as possible. This risk-adjusted investment performance was achieved with an average 65.6% invested in equities, with the investment portfolio recording a standard deviation of 4.2% against the markets 9.2% for the year. The highly active investment process saw the equity component of the investment portfolio turn over four times during the year with 278 individual companies traded. The fully franked full year dividend for the 2017 year was 5.5 cents per share, representing a fully franked 5.0% yield. The total shareholder return for the 2017 financial year was 16.0%.

Company performance

Three key measures we use to evaluate the performance of a listed investment company are investment portfolio performance, net tangible asset (NTA) growth and total shareholder return (TSR). The investment portfolio performance is the growth in the underlying portfolio of equities and cash before expenses, fees and taxes. A key objective of WAM Active is to grow the investment portfolio at a greater rate than the S&P/ASX All Ordinaries Accumulation Index, which is called outperformance. NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax, management and performance fees) and is essentially the realisable value of the Company if it was to be sold. The NTA is announced on the ASX on a monthly basis. TSR measures the value shareholders gain from share price growth and dividends paid over the period. Importantly, TSR does not include the value of franking credits distributed to shareholders by way of fully franked dividends.

1. Investment portfolio performance

WAM Active's investment portfolio increased 11.6% in the 12 months to 30 June 2017, and was achieved while holding on average 34.4% of the investment portfolio in cash. This measure is before tax and all costs and is compared to the S&P/ASX All Ordinaries Accumulation Index which is also before tax and costs. WAM Active has an absolute return approach to investing and therefore we also measure the performance against cash which is shown in the table below.

Performance at 30 June 2017	1 Yr	3 Yrs %pa	5 Yrs %pa	7 Yrs %pa	Since inception %pa (Jan-08)
WAM Active Investment Portfolio*	11.6%	11.6%	13.9%	12.3%	12.6%
S&P/ASX All Ordinaries Accumulation Index	13.1%	6.8%	11.6%	8.8%	3.3%
Outperformance	-1.5%	+4.8%	+2.3%	+3.5%	+9.3%
UBS Bank Bill Index (cash)	1.8%	2.2%	2.5%	3.2%	3.7%
Outperformance	+9.8%	+9.4%	+11.4%	+9.1%	+8.9%

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

Set out below is the performance of WAM Active since listing on a financial year basis. The performance data excludes all expenses, fees and taxes and is used as a guide to how the Company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index over the period.

Financial Year	WAM Active Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
2007/2008	2.2%	-15.2%	+17.4%
2008/2009	9.6%	-22.1%	+31.7%
2009/2010	22.7%	13.8%	+8.9%
2010/2011	11.5%	12.2%	-0.7%
2011/2012	5.5%	-7.0%	+12.5%
2012/2013	15.4%	20.7%	-5.3%
2013/2014	19.4%	17.6%	+1.8%
2014/2015	5.5%	5.7%	-0.2%
2015/2016	18.0%	2.0%	+16.0%
2016/2017	11.6%	13.1%	-1.5%

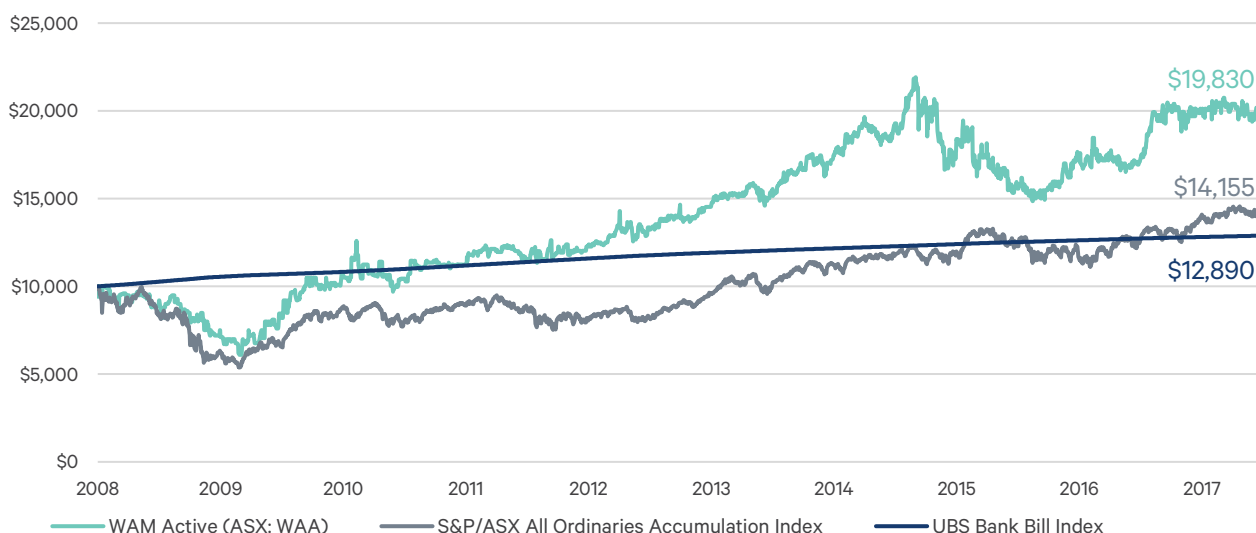
2. NTA growth

WAM Active's before tax NTA, after adjusting for dividends, increased 6.6% for the 12 months to 30 June 2017. This increase is after tax paid of 1.0 cents per share or 1.0%, with 5.25 cents of fully franked dividends being paid during the year. This performance measure shows the change in the value of the assets that belong to the shareholders over the 12-month period. Corporate tax payments made throughout the period and performance fees of 1.7% were the major items of difference between the investment portfolio performance of 11.6% and the net tangible asset performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the year were management fees of 1.0%, other company related and capital raising expenses of 1.7%, being offset by capital raising accretion of 0.4%.

3. Total shareholder return

This measure shows the return to shareholders being the change in share price together with dividends reinvested. The TSR for WAM Active for the year to 30 June 2017 was 16.0%. The TSR was driven by WAM Active's investment portfolio performance of 11.6%, the share price premium to NTA during the year and options on issue. As at 30 June 2017, the share price premium to NTA was 4.7% (2016: discount of 0.9%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Growth of a \$10,000 investment since inception



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 have 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.

Investment portfolio

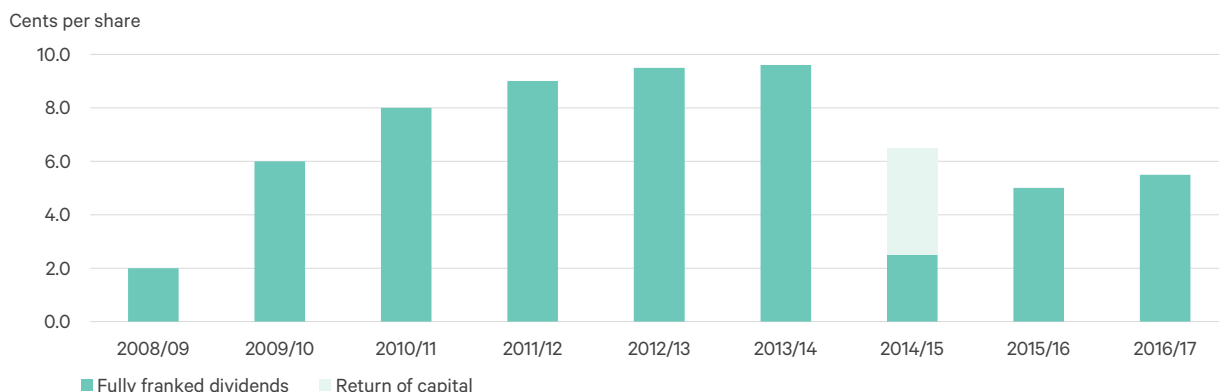
The investment portfolio continued to deliver sound absolute performance, increasing 11.6% over the period while holding on average 34.4% in cash. Over the course of the 2017 financial year, the equity component of the portfolio turned over four times and we traded shares in 278 individual companies. The best five performing investments in FY2017 were Afterpay Touch Group Limited (APT), Century Australia Investments Limited (CYA), Capitol Health Limited (CAJ), Flight Centre Travel Group Limited (FLT) and SAI Global Limited (SAI). We believe investment opportunities will always be available, irrespective of the direction of the overall equity market.

Dividends

The Board declared a fully franked full year dividend of 5.5 cents per share, with the fully franked final dividend being 2.75 cents per share. The dividend reinvestment plan will be operating at a 2.5% discount for the final dividend.

Dividends are usually paid on a six-monthly basis, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

WAM Active dividends and return of capital since inception



Options

On 11 August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. A total of 34,992,362 options were allotted to shareholders on 19 September 2016. The options have an exercise price of \$1.14 per share and can be exercised at any time on or before 17 September 2018. The options are currently trading on the Australian Securities Exchange under the code WAAO. As at 30 June 2017, a total of 3,312,115 options had been exercised for a total consideration of \$3,775,813, with the remaining balance of outstanding options being 31,680,247.

Equity market outlook

We enter the 2018 financial year confident that low-risk trading opportunities will continue to present themselves. Unfortunately like all investments, these opportunities come with a fair degree of risk. We expect the trend of geopolitical event driven volatility experienced in the 2017 financial year to continue and we are well positioned to take advantage of the potential equity market mispricing. We remain focused on identifying and unlocking value in discounted asset plays, particularly within the LIC sector. Wilson Asset Management has a distinct advantage in working with companies to close their share-price discount to NTA and we will continue to take advantage of these opportunities.

Company outlook

WAM Active enters the 2018 financial year with a conservative balance sheet, a high cash weighting, no debt and a flexible and proven investment approach with the patience and expertise of an experienced investment team. The Company will continue to seek opportunities irrespective of market conditions, having achieved outperformance through various market cycles.

Shareholder engagement and communication

Shareholders are the owners of WAM Active. Our job is to manage the Company on their behalf and be available to report to them on a regular basis. We encourage all shareholders to meet with us, and utilise our proactive approach to keeping them informed. We value shareholder engagement and aim to provide total transparency. We do this regularly in many ways, including:

- Weekly investor updates from our Chief Investment Officer;
- Regular investment news and market insights;
- Monthly investment updates;
- Annual and half yearly profits announcements; and
- Semi-annual shareholder briefings across all major Australian cities.

Chairman's letter

WAM Active shareholders are encouraged to use the subscription feature on the Wilson Asset Management website to receive notifications of announcements, investor updates and other important information.

We aim to provide valuable and insightful information to you and welcome all feedback on how we can improve our communication and engagement with you, the owners of the Company – please contact our Head of Corporate Affairs, James McNamara on (02) 9247 6755 or email us at info@wilsonassetmanagement.com.au.

Thank you for your continued support.

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line.

Geoff Wilson
Chairman

Investing with Wilson Asset Management

Established in 1997 by Geoff Wilson, Wilson Asset Management is an independently owned investment manager based in Sydney, Australia. Today, Wilson Asset Management employs twenty-six staff. The investment team comprises eight highly experienced professionals with more than 100 years of combined investment experience and a total focus on managing money.

We take great pride in managing six LICs and more than \$2 billion in shareholder capital for more than 55,000 retail investors. We created and continue to support Future Generation Investment Company Limited and Future Generation Global Investment Company Limited, the only companies to provide:

- Shareholders with exposure to the best Australian and global fund managers without paying management or performance fees;
- Charities with a consistent and growing stream of annual donations; and
- Fund managers with a unique opportunity to make a positive difference to Australia's future generations.

WAM Active has an investment management agreement with Wilson Asset Management. For WAM Active shareholders, that means an experienced team working on your behalf, to achieve your investment aims. Investing with Wilson Asset Management provides the following benefits:

Fully franked dividends. Our LICs have a proven track record of paying fully franked dividends.

Strong performance. We offer a strong track record of performance based on our rigorous research-driven and market-driven investment processes.

Deep diversification. Our LICs hold small positions in many companies, providing shareholders with diversified exposure to opportunities.

Risk-adjusted returns. Our flexible investment mandate allows for above average cash holdings and strong risk-adjusted returns.

Experienced experts. With more than 100 years' combined experience in the Australian equity market, our investment team lives and breathes financial markets.

Full market access. We hold over 1,500 company meetings each year, and our knowledge of and extensive network in the market continually provides valuable intelligence and investment opportunities.

Superior structures. LICs provide a stable, closed-ended pool of capital, allowing a total focus on managing money.

Total transparency. We value shareholder engagement and our LICs adhere to strict corporate governance requirements.

Objectives and investment process

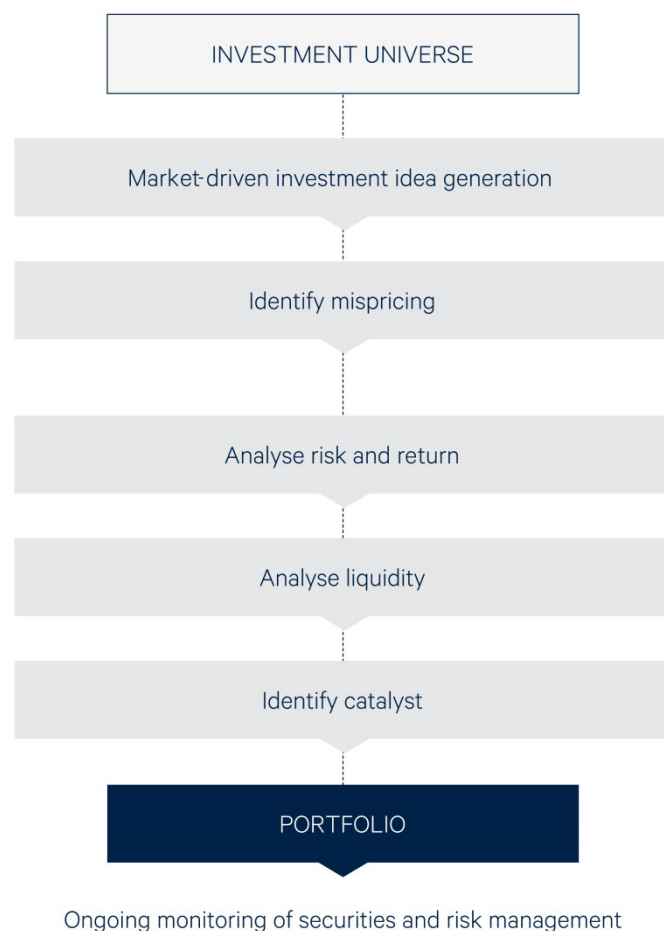
Investment objectives

The investment objectives of WAM Active are to:

- deliver investors a regular income stream in the form of fully franked dividends;
- provide investors with a positive return with low volatility, after fees, over most periods of time; and
- preserve capital in both the short term and long term.

Investment process

WAM Active provides investors with access to Wilson Asset Management's market-driven process, focused on identifying market mispricing opportunities in the Australian equity market. The investment portfolio is actively traded, and as such, opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangements, corporate spin-offs and restructures), arbitrage opportunities, LIC discount arbitrages, short-selling and trading market themes and trends. We also participate in investment opportunities that provide the Company with a yield that is better than our return on cash.



Corporate governance statement

The Board is committed to the Company operating effectively and in the best interests of shareholders. The Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council having regard to the nature of the Company's activities and its size. The Company has adopted the ASX Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) for the 2017 financial year, subject to the exceptions noted below.

Lay solid foundations for management and oversight (Recommendations: 1.1 to 1.7)

The Company has a Board, but no full time employees. Subject at all times to any written guidelines issued by the Board of Directors of WAM Active, the day-to-day management and investment of funds is carried out by MAM Pty Limited (the Manager) pursuant to a management agreement. Consequently, there is no need to delegate functions to senior management or for a process to evaluate the performance of senior executives under Recommendations 1.1, 1.3 and 1.7.

The role of the Board is to set strategic direction, approve capital management initiatives and to be responsible for the overall corporate governance of the Company. This includes:

- overseeing and monitoring the performance of the Manager's compliance with the management agreement and to ensure that the Manager is monitoring the performance of other external service providers;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving the interim and final financial statements and related reports, and generally various other communications to the ASX and shareholders that the Board deems material; and
- setting appropriate business standards and codes for ethical behaviour.

The Board aims to ensure that all Directors and the Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company. The Board aims to act in a manner designed to create and build sustainable value for shareholders.

Each Director has undergone background and other checks before appointment. The Board ensures that all security holders are provided in advance with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term in office are detailed in the Directors' Report.

The Board comprises experienced company directors who have each received a formal letter of engagement and who are fully aware of the terms of their appointment including their roles and responsibilities.

The Board has appointed an experienced Company Secretary who is directly accountable to the Board.

On 21 April 2017, the Company adopted a Diversity Policy which is designed to support its commitment to diversity. As the Company has no full time employees, the Diversity Policy will only apply to the Board.

The Company's Diversity Policy requires the Board to develop measurable objectives and the strategy to meet these objectives, including fostering gender diversity and ensuring 30% female representation on the Board. The Board's composition is reviewed on an annual basis. In the event a vacancy arises, the Board will include diversity in its nomination process. Currently, there is one female on the Board. The Company is not a relevant employer under the Workplace Gender Equality Act. A copy of the Diversity Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The performance of Directors will be assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board shall:

- review its Corporate Governance Charter annually; and
- perform an evaluation of the Board's performance at intervals considered appropriate.

The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Board Policy. During the year, the Board reviewed its performance by discussion and by individual communication with the Chairman and by reference to generally accepted board performance standards. A revised Board Policy was adopted by the Board on 21 April 2017 is contained in the Company's Corporate Governance Charter which is available on the Company's website.

Structure the Board to add value (Recommendations: 2.1 to 2.6)

A nomination committee has not been formed under Recommendation 2.1. The Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise with the aim of achieving the optimal mix of skills and diversity.

The Company supports the appointment of Directors who bring a wide range of business, investment and professional skills and experience. While the Company does not have or disclose a formal skills matrix, it does consider Directors' attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings is included in the Annual Report.

The Board has the following two independent Directors.

- John Abernethy
- Matthew Kidman

These Directors are considered independent as per the criteria outlined in the Company's Board Policy which includes the Company's criteria for independence of Directors. The criteria are in accordance with ASX Corporate Governance Council's Principles.

While the Company agrees with the benefits of a majority of independent Directors, under Recommendation 2.4, it believes that it can better achieve the results of the Company with the

current Board's level of expertise and without burdening shareholders with the additional costs associated with adding further independent Directors.

The appointment dates of each Director are shown in the Directors' Report.

The Chairman is not an independent Director. The Company believes that an independent Chairman, under Recommendation 2.5, does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business and is a sizeable shareholder, as is the case with this Company, it adds value to the Company and all shareholders' benefit. The Company does not employ a Chief Executive Officer, consequently Recommendation 2.5 is not applicable.

Due to the fact that Directors are chosen for their specialist knowledge and experience in their sector, the Board induction process is of an informal nature. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Act ethically and responsibly (Recommendations: 3.1)

The Company adopted a revised Code of Conduct on 21 April 2017 which sets out the Company's key values and how they should be applied within the workplace and in dealings with those outside of the Company. The revised Code of Conduct is contained in the Company's Corporate Governance Charter which is available on the Company's website.

Safeguarding integrity in corporate reporting (Recommendations: 4.1 to 4.3)

The Company has an Audit and Risk Committee consisting of two independent Directors and one non-independent Director. The members of the Audit and Risk Committee are:

- John Abernethy Chairman, Independent Director
- Matthew Kidman Independent Director
- Kate Thorley Non-independent Director

The qualifications of those appointed to the Committee are detailed in the Directors' Report.

The Audit and Risk Committee Charter was reviewed during the year and a revised Charter was adopted by the Board on 21 April 2017. A copy of the Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Committee formally reports to the Board after each meeting. Details of the number of meetings of the Audit and Risk Committee during the 2017 year are set out in the Directors' Report.

The Company's external audit is undertaken by Pitcher Partners and the audit engagement partner is required to be changed at regular intervals. Chris Chandran, a partner of Pitcher Partners, is the partner responsible for the external audit of the Company for the 2017 financial year.

The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the Auditor's Report.

The Company's external accountants, along with the Manager of the Company, provide written confirmations to the Board that the Company's Annual Report presents a true and fair view, in all material respects, of the Company's financial position and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Make timely and balanced disclosure (Recommendations: 5.1)

The Company reviewed the Continuous Disclosure Policy during the year to ensure compliance with the continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*. The policy aims to ensure all investors have equal and timely access to material information concerning the Company and that Company announcements are factual and presented in a clear and balanced way. A revised Continuous Disclosure Policy was adopted by the Board on 21 April 2017 is contained in the Company's Corporate Governance Charter which is available on the Company's website.

Respect the rights of security holders (Recommendations: 6.1 to 6.4)

The Company's Corporate Governance Charter is available on the Company's website.

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Company Secretary is primarily responsible for coordinating the disclosure of information to shareholders and regulators under the direction of the Board.

The Company is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, semi-annual shareholder presentations, ASX releases, annual general meetings and the Company's website;
- complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the *Corporations Act 2001* in Australia; and
- encouraging shareholder participation at annual general meetings.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy. Shareholder information sessions are also held twice a year. These provide an informal forum where shareholders are given the opportunity to raise questions and participate in general discussion about the Company.

The Continuous Disclosure Policy is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Company's registry, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at <https://www.clientonline.com.au>.

Recognise and manage risk (Recommendations: 7.1 to 7.4)

The Company has an Audit and Risk Committee consisting of two independent Directors and one non-independent Director. The members of the Audit and Risk Committee are:

- John Abernethy Chairman, Independent Director
- Matthew Kidman Independent Director
- Kate Thorley Non-independent Director

The qualifications of those appointed to the Committee and their attendance at Audit and Risk Committee meetings are detailed in the Directors' Report. The Audit and Risk Committee Charter is contained in the Company's Corporate Governance Charter which is available on the Company's website.

The Company has an established enterprise risk management program in accordance with the International Risk Standard AS/NZS ISO 31000:2009. It also has an established internal control program based upon the principles set out in the Australian Compliance Standard AS 3806:2006. This enterprise risk management program addresses the material business risks of the Company. Each identified risk is individually assessed in terms of the likelihood of the risk event occurring and the potential consequences should each risk event occur.

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer of the Manager that in their view:

- the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control; and
- the system of risk management and internal control is operating effectively in all material respects in relation to financial reporting risks.

The Board requires the Manager to review and report annually on the operation of internal controls used to manage the Company's material business risk, reviews any external audit commentary with respect to internal controls, and conducts any other investigations it requires in order to report on the effectiveness of the internal control system. In respect of the current financial year, all necessary declarations have been submitted to the Board.

The Company does not have an internal audit function. A summary of financial risks including market, credit, and liquidity risk are included in Note 16 in the Annual Report.

Remunerate fairly and responsibly (Recommendations: 8.1 to 8.3)

A Remuneration Committee has not been formed under Recommendation 8.1. The Board believes that such a committee would not serve to protect or enhance the interests of the shareholders. The Board as a whole considers the issue of remuneration.

The maximum total remuneration of the Directors of the Company has been set at \$110,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report.

All directors of WAM Active are non-executive directors. Accordingly, the requirement under Recommendation 8.2 to distinguish the structure of the remuneration paid to executive and non-executive directors is not applicable to the Company. No equity based remuneration is paid to Directors. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration.

The Chairman of WAM Active is the sole director of MAM Pty Limited. Further detail is provided in the Directors' Report.

Directors' Report to shareholders for the year ended 30 June 2017

The Directors present their report together with the financial report of WAM Active for the financial year ended 30 June 2017.

Principal activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are to deliver a regular income stream of fully franked dividends, to provide a positive return with low volatility and to preserve capital. No change in this activity took place during the year or is likely to in the future.

Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$2,685,866 (2016: \$4,166,837) and an operating profit after tax of \$2,065,860 (2016: \$3,139,348). The operating profit for 2017 is reflective of the investment portfolio relative performance of 11.6% for the year. The investment portfolio performance was achieved whilst holding on average 34.4% in cash.

Under Accounting Standards, realised gains and losses on the investment portfolio and dividend income are added to, or reduced by, changes in the market value of the Company's investments. This can lead to large variations in reported profits between periods. We believe a more appropriate measure of the results is the change in Net Tangible Assets (NTA) per share and the fully franked dividends paid. The before tax NTA, after adjusting for dividends, increased 6.6% for the 12 months to 30 June 2017.

The NTA before tax for each share as at 30 June 2017 amounted to \$1.06 per share (2016: \$1.04). The NTA after tax was \$1.05 per share (2016: \$1.04 cents). These figures are after 5.25 cents of fully franked dividends paid to shareholders during the year (2016: 5.0 cents) and have not been diluted for options outstanding.

The total shareholder return for the financial year was 16.0%. This was driven by WAM Active's investment portfolio performance of 11.6% and the share price's premium to NTA.

Further information on the operating and financial review of the Company is contained in the Chairman's Letter.

Financial position

The net asset value of the Company at as 30 June 2017 was \$40,818,742 (2016: \$36,555,727). Further information on the financial position of the Company is contained in the Chairman's Letter.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2017.

Dividends paid or recommended

Dividends paid or declared are as follows:

	\$
Fully franked FY2016 final dividend of 2.5 cents per share paid on 28 October 2016	887,832
Fully franked FY2017 interim dividend of 2.75 cents per share paid on 26 May 2017	1,061,248

Since year end, the Board has declared a final dividend of 2.75 cents per share fully franked to be paid on 27 October 2017.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

- Geoff Wilson
- Matthew Kidman
- John Abernethy
- Chris Stott
- Kate Thorley

Information on Directors

Geoff Wilson (Chairman – Non-independent)

Experience and expertise

Geoff Wilson has over 37 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company and Future Generation Global Investment Company. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors.

Geoff has been Chairman of the Company since July 2007.

Other current directorships

Geoff Wilson is currently Chairman of WAM Leaders Limited (appointed March 2016), WAM Research Limited (appointed June 2003), WAM Capital Limited (March 1999), WAM Microcap Limited (appointed March 2017) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Global Investment Company Limited (appointed May 2015) and Future Generation Investment Company Limited (appointed July 2014) and a Director of Australian Leaders Fund Limited (appointed October 2003), Clime Capital Limited (appointed September 2003), Global Value Fund Limited (appointed April 2014), Century Australia Investments Limited (appointed September 2014), Incubator Capital Limited (appointed February 2000), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation, Odyssey House McGrath Foundation, the Australian Children's Music Foundation and he is a Member of the Second Bite NSW Advisory Committee. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Geoff Wilson (Chairman – Non-independent) (cont'd)

Former directorships in the last 3 years

Geoff Wilson has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Board.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

Matthew Kidman (Director – independent)

Experience and expertise

In 2015, Matthew Kidman became Principal and Portfolio Manager of Centennial Asset Management Pty Limited. Previously, Matthew Kidman worked as a Portfolio Manager at Wilson Asset Management (International) Pty Limited for 13 years between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between the years 1994 and 1998. In 1997 he was made Business Editor of the paper and was charged with the responsibility of company coverage. He has degrees in Law and Economics and a Graduate Diploma in Applied Finance.

Matthew Kidman has been a Director of the Company since July 2007.

Other current directorships

Matthew Kidman is currently Chairman of Watermark Market Neutral Fund Limited (appointed May 2013). He is a Director of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed May 2002), Incubator Capital Limited (appointed February 2000) and Sandon Capital Investments Limited (appointed October 2013).

Former directorships in the last 3 years

Matthew Kidman is a former Director of Centrepont Alliance Limited (February 2012 to November 2015).

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Matthew Kidman's interests in shares of the Company are included later in this report.

Interests in contracts

Matthew Kidman has no interests in contracts of the Company.

John Abernethy (Director – independent)

Experience and expertise

John Abernethy has over 30 years' experience in funds management and corporate advisory. He spent ten years at NRMA Investments as Head of Equities managing portfolios. In 1994 he joined Poynton Corporate Limited as an Executive Director before forming Clime Investment Management Limited in 1996. John was also appointed Chairman of Clime Capital Limited in July 2009. He has a Bachelor of Law and Commerce from The University of New South Wales.

John Abernethy has been a Director of the Company since November 2007.

Other current directorships

John Abernethy is Chairman of Clime Capital Limited (appointed July 2009). He is an executive Director of Clime Investment Management Limited (appointed July 2000), Director of Clime Private Limited (appointed August 2016), WAM Research Limited (appointed May 2002), Australian Leaders Fund Limited (appointed November 2003), Jasco Holdings Limited, CGB Asset Management Limited and Watermark Market Neutral Fund Limited (appointed June 2013).

Former directorships in the last 3 years

John Abernethy has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Chairman of the Audit and Risk Committee.

Interests in shares of the Company

Details of John Abernethy's interests in shares of the Company are included later in the report.

Interests in contracts

John Abernethy has no interests in contracts of the Company.

Chris Stott (Director – Non-independent)

Experience and expertise

Chris Stott has more than 14 years' experience in the funds management industry. Chris is the Chief Investment Officer and Portfolio Manager of Wilson Asset Management (International) Pty Limited, having joined the company in 2006. Chris was previously employed with Challenger Financial Services Group in various research roles specialising in Australian equities. He holds a Bachelor of Business and a Graduate Diploma in Applied Finance and Investment. He is a member of the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

Chris Stott has been a Director of the Company since July 2014.

Other current directorships

Chris Stott is a Director of WAM Leaders Limited (appointed March 2016), WAM Research Limited (appointed August 2014), WAM Microcap Limited (appointed March 2017), WAM Capital Limited (appointed May 2015) and Century Australia Investments Limited (appointed April 2017).

Former directorships in the last 3 years

Chris Stott has not resigned as a Director from any listed companies within the last three years.

Chris Stott (Director – Non-independent) (cont'd)

Special responsibilities

None

Interests in shares of the Company

Details of Chris Stott's interests in shares of the Company are included later in this report.

Interests in contracts

Chris Stott has no interests in contracts of the Company.

Kate Thorley (Director – Non-independent)

Experience and expertise

Kate Thorley has over 12 years' experience in the funds management industry and more than 18 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Research Limited, WAM Leaders Limited, WAM Capital Limited, WAM Microcap Limited, Future Generation Investment Company Limited and is a non-executive Director of Sandon Capital Opportunities Pty Limited. Kate is also the Company Secretary of WAM Capital Limited and Future Generation Global Investment Company Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CPA. She is a member of the Australian Institute of Company Directors.

Kate Thorley has been a Director of the Company since July 2014.

Other current directorships

Kate Thorley is a Director of WAM Research Limited (appointed August 2014), WAM Leaders Limited (appointed March 2016), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017) and Future Generation Investment Company Limited (appointed April 2015).

Former directorships in the last 3 years

Kate Thorley has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

Interests in contracts

Kate Thorley has no interests in contracts of the Company.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Linda Vo

Linda Vo has over 14 years' experience in financial accounting including more than 10 years in the funds management industry. As the Finance Manager of Wilson Asset Management (International) Pty Limited, Linda oversees finance and accounting for five listed investment companies, WAM Capital Limited, WAM Research Limited, WAM Active Limited, WAM Microcap Limited and WAM Leaders Limited. Linda was appointed Company Secretary of WAM Active Limited in February 2016. Linda is also the Company Secretary of WAM Research Limited, WAM Microcap Limited and WAM Leaders Limited. Linda holds a Bachelor of Commerce and is a fully qualified CPA.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Active Limited.

a) Remuneration of Directors

All Directors of WAM Active are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$110,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

Directors' remuneration received for the year ended 30 June 2017:

Director	Position	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson	Chairman	9,132	868	10,000
Matthew Kidman	Director	27,397	2,603	30,000
John Abernethy	Director	27,397	2,603	30,000
Chris Stott	Director	9,132	868	10,000
Kate Thorley	Director	9,132	868	10,000
		82,190	7,810	90,000

Directors receive a superannuation guarantee contribution required by the government, which was 9.5% of individuals benefits for FY2017 and do not receive any retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

Remuneration Report (Audited) (cont'd)**a) Remuneration of Directors (cont'd)**

The following table reflects the Company's performance and Directors' remuneration over five years:

	2017	2016	2015	2014	2013
Operating profit after tax (\$)	2,065,860	3,139,348	897,681	3,171,203	1,499,202
Dividends (cents per share)	5.5	5.0	2.5	9.6	9.5
After tax net tangible asset (cents per share)	105.02	103.94	99.94	105.97	104.65
Total Directors' remuneration (\$)	90,000	90,000	80,000	70,000	47,397
Shareholder's equity (\$)	40,818,742	36,555,727	34,742,619	36,431,131	27,673,996

As outlined above, Directors' fees are not directly linked to the Company's performance.

b) Director related entities remuneration

All transactions with related entities were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with MAM Pty Limited. Geoff Wilson is the Director of MAM Pty Limited, the entity appointed to manage the investment portfolio of WAM Active Limited. Entities associated with Geoff Wilson also hold 100% of the issued shares of MAM Pty Limited. In its capacity as Manager, and in accordance with the investment management agreement, MAM Pty Limited was paid a management fee of 1% p.a. (plus GST) of gross assets amounting to \$433,909 inclusive of GST (2016: \$403,599). As at 30 June 2017, the balance payable to the Manager was \$38,490 (2016: \$34,742).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the increase in the gross value of the portfolio above the high water mark.

The high water mark is the greater of the:

- The highest gross value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- The gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the gross value of the portfolio falls below a previous high water mark then no further performance fees can be accrued or paid until the loss has been fully recovered. As at 30 June 2017, a performance fee of \$734,975 inclusive of GST was payable to MAM Pty Limited (2016: \$1,139,721).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Active Limited to provide accounting and Company Secretarial services on commercial terms. For the financial year 2017, the accounting services amounted to \$46,200 inclusive of GST (2016: \$38,500) and the Company Secretarial services amounted to \$16,500 inclusive of GST (2016: \$16,500). Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited.

Remuneration Report (Audited) (cont'd)**b) Director related entities remuneration (cont'd)**

These amounts are in addition to the above Director's remuneration. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he/she is a member or with a Company in which he/she has substantial financial interest.

c) Remuneration of executives

There are no executives that are paid by the Company. MAM Pty Limited, the Manager of the Company provides the day to day management of the Company and is remunerated as outlined above.

d) Equity instruments disclosures of Directors and related parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2016	Acquisitions	Disposed	Balance at the date of this report
Geoff Wilson	1,103,892	10,000	-	1,113,892
Matthew Kidman	446,772	21,557	-	468,329
John Abernethy	60,000	-	50,000	10,000
Chris Stott	28,317	5,857	-	34,174
Kate Thorley	37,634	7,166	-	44,800
	1,676,615	44,580	50,000	1,671,195

Options held Directors	Balance at 30 June 2016	Bonus issue allotment	Options exercised/disposed	Balance at the date of this report
Geoff Wilson	-	1,113,892	-	1,113,892
Matthew Kidman	-	446,772	-	446,772
John Abernethy	-	60,000	60,000	-
Chris Stott	-	28,317	-	28,317
Kate Thorley	-	37,634	-	37,634
	-	1,686,615	60,000	1,626,615

Directors and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

- End of Remuneration Report -

Directors' meetings

Director	No. eligible to attend	Attended
Geoff Wilson	4	4
Matthew Kidman	4	4
John Abernethy	4	4
Chris Stott	4	4
Kate Thorley	4	4

Audit and Risk Committee meetings

The main responsibilities of the Audit and Risk Committee are set out in the Corporate Governance section on pages 14 to 15 of the Annual Report.

Director	No. eligible to attend	Attended
Matthew Kidman	4	3
John Abernethy	4	4
Kate Thorley	4	4

After balance date events

Since year end, the Company declared a final dividend of 2.75 cents per share fully franked to be paid on 27 October 2017.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

Future developments

The Company will continue to pursue investment activities – primarily investing in equities listed on the Australian Securities Exchange – to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental Regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and insurance of officers or Auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

During the year Pitcher Partners, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 28 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson
Chairman

Dated in Sydney this 3rd day of August 2017

**Auditor's Independence Declaration
To the Directors of WAM Active Limited
A.B.N. 49 126 420 719**

In relation to the independent audit for the year ended 30 June 2017, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WAM Active Limited during the year.



C I Chandran
Partner

Pitcher Partners
Sydney

3 August 2017

Statement of comprehensive income for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Net realised and unrealised gains on financial assets		2,739,192	4,714,129
Investment revenue	2	1,740,710	1,541,727
Performance fees		(684,863)	(1,062,012)
Management fees		(404,324)	(376,081)
Directors fees		(90,000)	(90,000)
Expenses paid on borrowed stock		(63,423)	(31,703)
Custody fees		(2,976)	(23,272)
ASX listing and chess fees		(49,802)	(43,954)
Share registry fees		(35,464)	(28,486)
Brokerage expense on share purchases		(246,645)	(238,013)
Other expenses from ordinary activities		(216,539)	(195,498)
Profit before income tax		2,685,866	4,166,837
Income tax expense	3(a)	(620,006)	(1,027,489)
Profit after income tax attributable to members of the Company		2,065,860	3,139,348
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,065,860	3,139,348
Basic and diluted earnings per share	15	5.7 cents	9.0 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	13	11,396,915	15,974,380
Trade and other receivables	6	2,130,097	3,139,528
Financial assets	7	32,564,997	20,720,803
Total current assets		46,092,009	39,834,711
Non-current assets			
Deferred tax assets	3(b)	26,026	9,156
Total non-current assets		26,026	9,156
Total assets		46,118,035	39,843,867
Current liabilities			
Financial liabilities	8	2,918,255	938,859
Trade and other payables	9	1,956,648	2,181,895
Current tax liabilities	3(c)	401,327	162,155
Total current liabilities		5,276,230	3,282,909
Non-current liabilities			
Deferred tax liabilities	3(d)	23,063	5,231
Total non-current liabilities		23,063	5,231
Total liabilities		5,299,293	3,288,140
Net assets		40,818,742	36,555,727
Equity			
Issued capital	10	39,409,263	35,263,028
Profits reserve	11	2,727,238	2,610,458
Accumulated losses	12	(1,317,759)	(1,317,759)
Total equity		40,818,742	36,555,727

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2017

	Note	Issued Capital \$	Accumulated Losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2015		34,849,177	(1,250,500)	1,143,942	34,742,619
Profit for the year		-	3,139,348	-	3,139,348
Transfer to profits reserve	11	-	(3,206,607)	3,206,607	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Shares issued via dividend reinvestment plan	10(b)	413,851	-	-	413,851
Dividends paid	4(a)	-	-	(1,740,091)	(1,740,091)
Balance at 30 June 2016		35,263,028	(1,317,759)	2,610,458	36,555,727
Profit for the year		-	2,065,860	-	2,065,860
Transfer to profits reserve	11	-	(2,065,860)	2,065,860	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Shares issued via dividend reinvestment plan	10(b)	419,414	-	-	419,414
Shares issued via exercise of options	10(b)	3,775,813	-	-	3,775,813
Share issue costs (net of tax)	10(b)	(48,992)	-	-	(48,992)
Dividends paid	4(a)	-	-	(1,949,080)	(1,949,080)
Balance at 30 June 2017		39,409,263	(1,317,759)	2,727,238	40,818,742

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Proceeds from sale of investments		148,259,388	127,497,375
Payments for purchase of investments		(154,392,386)	(120,269,306)
Dividends received		891,468	805,774
Interest received		255,940	231,199
Trust distributions received		773,242	331,647
Underwriting fees received		9,475	18,287
Management fees (inclusive of GST)		(430,161)	(468,195)
Performance fees (inclusive of GST)		(1,139,721)	(267,313)
Brokerage expense on share purchases (inclusive of GST)		(264,561)	(255,240)
Payments for administration expenses (inclusive of GST)		(488,924)	(424,041)
GST on brokerage expense on share sales		(14,795)	(15,857)
Net GST received from the ATO		146,287	88,025
Income tax paid		(358,875)	(663,189)
Net cash (used in)/provided by operating activities	14	(6,753,623)	6,609,166
Cash flows from financing activities			
Dividends paid – net of reinvestment		(1,529,666)	(1,326,241)
Shares issued via exercise of options		3,775,813	-
Share issue costs		(69,989)	-
Net cash provided by/(used in) financing activities		2,176,158	(1,326,241)
Net (decrease)/increase in cash and cash equivalents held		(4,577,465)	5,282,925
Cash and cash equivalents at beginning of financial year		15,974,380	10,691,455
Cash and cash equivalents at end of financial year	13	11,396,915	15,974,380
Non-cash transactions:			
Shares issued via dividend reinvestment plan		419,414	413,851

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2017

1. Significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

WAM Active Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 3 August 2017 by the Board of Directors.

WAM Active Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of financial assets and certain other financial assets and liabilities which have been measured at fair value.

a) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments.

1. Significant accounting policies

a) Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

The Company classifies its financial instruments into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets are classified “at fair value through the profit or loss” when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities such as borrowed stock is classified “at fair value through profit or loss”. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in which they arise.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party, whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of comprehensive income.

b) Income tax

The charge of current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the end of the current financial year. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

1. Significant accounting policies (cont'd)

b) Income tax (cont'd)

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and other term deposits maturing within four months or less.

d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

e) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at their amortised cost less the provision for impairment. Please refer to Note 1(g) for further detail.

f) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at their amortised cost.

g) Impairment of assets

At each reporting date, the Company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of comprehensive income.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of financial position.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1. Significant accounting policies (cont'd)

i) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

j) Critical accounting estimates and judgments

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

There are no estimates or judgements that have a material impact on the financial results of the Company for the year ended 30 June 2017. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgements are required in respect to their valuation.

k) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

l) Dividends

Dividends are recognised when declared during the financial year.

m) New standards and interpretations not yet adopted

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company will not early adopt the new and amended pronouncements at this point in time. A new and amended pronouncement that is relevant to the Company, but applicable in future reporting periods is AASB 9: *Financial Instruments and its associated amending standards*.

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 (AASB 139) - *Financial Instruments: Recognition and Measurement*. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Company has not early adopted AASB 9. This is not expected to have a significant impact on the Company's financial statements as the Company does not expect to elect any investments as not held for trading.

2. Investment revenue

	2017 \$	2016 \$
Australian sourced dividends	688,103	943,813
Interest	236,247	237,438
Trust distributions	749,693	339,203
Foreign sourced dividends	55,441	4,063
Underwriting fees	8,099	17,210
Other income	3,127	-
	1,740,710	1,541,727

3. Taxation

a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2017 \$	2016 \$
Prima facie tax on profit before income tax at 30% (2016: 30%)	805,760	1,250,051
Imputation credit gross up	98,779	74,866
Foreign income tax offset gross up	504	215
Imputation credit offset	(329,264)	(249,553)
Foreign income tax offset	(1,680)	(717)
Other non-assessable items*	45,907	(47,373)
	620,006	1,027,489
Effective tax rate	23.1%	24.7%

The effective tax rate reflects the benefit to the Company of franking credits received on dividend income. The decrease in the effective tax rate from the comparative year is reflective of the higher proportion of franked dividend income received in comparison to the net profit before tax for the period.

*Other non-assessable items relate to timing differences on dividends received.

Total income tax expense results in a:

Current tax liability	598,047	1,022,505
Deferred tax liability	17,832	420
Deferred tax asset	4,127	4,564
	620,006	1,027,489

3. Taxation (cont'd)

b) Deferred tax assets

	2017 \$	2016 \$
Provisions	8,085	7,194
Capitalised share issue costs	17,941	1,962
	26,026	9,156
Movement in deferred tax assets		
Balance at the beginning of the year	9,156	13,720
Capitalised share issue costs	20,997	-
Charged to the Statement of comprehensive income	(4,127)	(4,564)
At reporting date	26,026	9,156

c) Current tax liabilities

	2017 \$	2016 \$
Balance at the beginning of the year	162,155	(203,180)
Current year income tax expense on operating profit	598,047	1,022,505
Income tax paid	(358,875)	(663,190)
Underprovision in prior period	-	6,020
At reporting date	401,327	162,155

d) Deferred tax liabilities

	2017 \$	2016 \$
Fair value adjustments	21,466	5,163
Income provisions	1,597	68
	23,063	5,231
Movement in deferred tax liabilities		
Balance at the beginning of the year	5,231	10,830
Overprovision in prior period	-	(6,019)
Charged to the Statement of comprehensive income	17,832	420
At reporting date	23,063	5,231

4. Dividends

a) Ordinary dividends paid during the year

	2017 \$	2016 \$
Final Dividend FY2016: 2.5 cents per share fully franked at 30% tax rate paid 28 October 2016 (Final dividend FY2015: 2.5 cents per share fully franked)	887,832	867,346
Interim Dividend FY2017: 2.75 cents per share fully franked at 30% tax rate paid 26 May 2017 (Interim dividend FY2016: 2.5 cents per share fully franked)	1,061,248	872,745
Dividends paid by the Company	1,949,080	1,740,091

b) Dividends not recognised at year end

	2017 \$	2016 \$
In addition to the above dividends, since the end of the year, the Directors have declared the following dividend which has not been recognised as a liability at the end of the financial year:		
Final dividend for the year ended 30 June 2017 of 2.75 cents per share fully franked at 30% tax rate payable 27 October 2017 (FY2016: 2.5 cents fully franked)	1,067,078	887,832

c) Dividend franking account

	2017 \$	2016 \$
Balance of franking account at year end	84,132	231,314

d) Adjustments to franking account after year end

	2017 \$	2016 \$
Balance of franking account at year end	84,132	231,314
Estimated income tax payable	401,327	162,155
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in Note 4 (b):	(457,319)	(376,176)
	28,140	17,293

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax.

5. Auditor's remuneration

	2017 \$	2016 \$
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial report	50,111	36,831
Other services provided by a related practice of the auditor:		
Taxation services	7,700	7,480
Other non-assurance services	3,973	3,300
	61,784	47,611

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

6. Trade and other receivables

	2017 \$	2016 \$
Outstanding settlements	2,016,117	2,815,657
Investment income receivable	40,390	229,805
GST receivable	67,182	94,066
Other receivables	6,408	-
	2,130,097	3,139,528

Outstanding settlements are on the terms of operating in the securities industry. These are non-interest bearing and require the settlement within two days of the date of a transaction. Investment income receivable relates to interest, sub-underwriting fees, dividend, and trust distributions receivable at the end of the reporting period.

7. Financial assets

	2017 \$	2016 \$
Listed investments at fair value	32,005,726	20,253,481
Unlisted investments at fair value	559,271	467,322
	32,564,997	20,720,803

The market values of individual investments as at 30 June 2017 are disclosed on page 58 of the Annual Report.

8. Financial liabilities

	2017 \$	2016 \$
Borrowed stock	2,918,255	938,859

Borrowed stock is carried at fair value. The Company provides cash collateral backing of 105% of the fair value of the borrowed stock to the stock lender. The level of borrowed stock plus other borrowings cannot exceed 50% of the gross value of the Portfolio of the Company as outlined in the Management Agreement.

9. Trade and other payables

	2017 \$	2016 \$
Outstanding settlements	1,094,506	901,438
Management fee payable	38,490	34,742
Performance fee payable	734,975	1,139,721
Sundry payables	88,677	105,994
	1,956,648	2,181,895

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days of the date of the transaction. Sundry payables are settled within the terms of payment offered. No interest is applicable on these accounts.

10. Issued capital

a) Paid-up capital

	2017 \$	2016 \$
38,802,828 ordinary shares fully paid (2016: 35,109,715)	39,409,263	35,263,028

b) Ordinary shares

	2017 \$	2016 \$
Balance at the beginning of the year	35,263,028	34,849,177
175,879 ordinary shares issued on 28 October 2016 under a dividend reinvestment plan	197,299	-
205,119 ordinary shares issued on 26 May 2017 under a dividend reinvestment plan	222,115	-
3,312,115 ordinary shares issued from the exercise of options at \$1.14	3,775,813	-
Share issue costs (net of tax)	(48,992)	-
215,968 ordinary shares issued on 30 October 2015 under a dividend reinvestment plan	-	208,389
199,987 ordinary shares issued on 29 April 2016 under a dividend reinvestment plan	-	205,462
At reporting date	39,409,263	35,263,028

10. Issued capital (cont'd)

b) Ordinary shares (cont'd)

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings; otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

c) Options

On 11 August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. A total of 34,992,362 options were allotted to shareholders on 19 September 2016. The options have an exercise price of \$1.14 per share and can be exercised at any time on or before 17 September 2018. The options are currently trading on the Australian Securities Exchange under the code WAAO. As at 30 June 2017, a total of 3,312,115 options had been exercised for a total consideration of \$3,775,813, with the remaining balance of outstanding options being 31,680,247.

11. Profits reserve

	2017 \$	2016 \$
Profits reserve	2,727,238	2,610,458

The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments.

	2017 \$	2016 \$
Movement in profits reserve		
Balance at the beginning of the year	2,610,458	1,143,942
Transfer of profits during the period	2,065,860	3,206,607
Final dividend paid (refer to note 4a)	(887,832)	(867,346)
Interim dividend paid (refer to note 4a)	(1,061,248)	(872,745)
At reporting date	2,727,238	2,610,458

12. Accumulated losses

	2017 \$	2016 \$
Balance at the beginning of the year	(1,317,759)	(1,250,500)
Transfer to profits reserve	(2,065,860)	(3,206,607)
Profit for the year attributable to members of the Company	2,065,860	3,139,348
At reporting date	(1,317,759)	(1,317,759)

13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2017 \$	2016 \$
Cash at bank and on hand	6,491,133	11,967,999
Term deposits	1,841,385	2,953,982
Cash collateral for borrowed stock	3,064,397	1,052,399
	11,396,915	15,974,380

The weighted average interest rate for cash and term deposits as at 30 June 2017 is 1.88% (2016: 2.19%). The term deposits have an average maturity of 28 days (2016: 59 days). All the term deposits are invested with major Australian banks and their 100% owned banking subsidiaries that have Standard & Poor's A-1+ rating.

14. Cash flow information

	2017 \$	2016 \$
Reconciliation of operating profit after income tax:		
Profit after income tax	2,065,860	3,139,348
Fair value gains and movements in financial assets	(8,872,190)	2,513,940
Changes in assets and liabilities:		
Decrease/(increase) in receivables	209,891	(212,325)
Decrease in deferred tax assets	4,127	4,564
(Decrease)/increase in payables	(418,315)	803,903
Increase in current tax liabilities	239,172	365,335
Increase/(decrease) in deferred tax liabilities	17,832	(5,599)
Cash (outflow)/inflow from operating activities	(6,753,623)	6,609,166

15. Earnings per share

	2017 Cents per share	2016 Cents per share
Basic and diluted earnings per share	5.7	9.0
	2017 \$	2016 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	2,065,860	3,139,348

15. Earnings per share (cont'd)

	2017 No.	2016 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	36,065,124	34,883,043

The Company currently has outstanding options which have the potential to convert to ordinary shares. As the average share price from option issue date (19 September 2016) to 30 June 2017 is less than the option exercise price, they are currently not dilutive in amount and therefore have not been considered for the diluted earnings per share calculation.

16. Financial risk management

The Company's financial instruments consist of listed and unlisted investments, trade receivables, trade payables and borrowed stock. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks from the previous period.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks daily. On a formal basis, the investment team meet on a weekly basis to monitor and manage the below risks as appropriate.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging them.

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Statement of financial position, is the carrying amount net of any provision for impairment of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk.

Credit risk is not considered to be a major risk to the Company as the majority of cash and term deposits held by the Company or in its portfolios are invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short rating A-1+ and long term rating of AA-. Also the majority of maturities are within one month.

None of the assets exposed to credit risk are overdue or considered to be impaired.

16. Financial risk management (cont'd)

b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed respectively by the Manager and the Board.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received and the exercise of options or other capital management initiatives that may be implemented by the Board from time to time.

The Manager monitors the Company's cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount the Company can alter its cash outflows as appropriate. The Company also holds a portion of its portfolio in cash and term deposits sufficient to ensure that it has cash readily available to meet all payments. Furthermore, the assets of the Company are largely in the form of tradeable securities which, if liquidity is available, can be sold on market when, and if required.

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

30 June 2017	>1 month \$	<1 month \$	Total \$
Liabilities			
Financial liabilities	-	2,918,255	2,918,255
Trade and other payables	-	1,956,648	1,956,648
Total	-	4,874,903	4,874,903
30 June 2016	>1 month \$	<1 month \$	Total \$
Liabilities			
Financial liabilities	-	938,859	938,859
Trade and other payables	-	2,181,895	2,181,895
Total	-	3,120,754	3,120,754

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments.

16. Financial risk management (cont'd)

c) Market risk (cont'd)

By its nature, as a listed investment company that invests in tradable securities, the Company will always be subject to market risk as it invests in securities which are not risk free, as the market price of these securities can fluctuate.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company however is not materially exposed to interest rate risk as the majority of its term deposits mature within one month. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

At the end of the reporting period, the Company's exposure to interest rate risk and the effective weighted average interest rate was as follows:

30 June 2017	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	1.88%	11,396,915	-	11,396,915
Trade and other receivables		-	2,130,097	2,130,097
Financial assets		-	32,564,997	32,564,997
Total		11,396,915	34,695,094	46,092,009
Liabilities				
Financial liabilities		-	2,918,255	2,918,255
Trade and other payables		-	1,956,648	1,956,648
Total		-	4,874,903	4,874,903
30 June 2016	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	2.19%	15,974,380	-	15,974,380
Trade and other receivables		-	3,139,528	3,139,528
Financial assets		-	20,720,803	20,720,803
Total		15,974,380	23,860,331	39,834,711
Liabilities				
Financial liabilities		-	938,859	938,859
Trade and other payables		-	2,181,895	2,181,895
Total		-	3,120,754	3,120,754

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's investments are carried at fair value with fair value changes recognised in the Statement of comprehensive income, all changes in market conditions will directly affect net investment income. Due to the short-term nature of receivables and payables, the carrying amounts of these financial assets and financial liabilities approximate their fair values.

The Manager seeks to manage and reduce the market risk of the Company by diversification of the investment portfolio across numerous stocks and multiple industry sectors. The relative weightings of the individual securities and market sectors are reviewed daily and the risk managed on a daily basis. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The Company's industry sector weighting of the gross assets as at 30 June is as below:

Industry sector	2017 %	2016 %
Financials	25.6%	29.0%
Consumer Discretionary	14.9%	8.4%
Information Technology	10.8%	5.8%
Health Care	9.2%	5.2%
Industrials	9.6%	4.3%
Consumer staples	4.0%	-
Materials	2.8%	-
Energy	0.5%	-
Utilities	-	1.9%
Total	77.4%	54.6%

Securities representing over 5 per cent of the gross assets at 30 June were:

Company name	2017 %	2016 %
Hunter Hall Global Value Limited	5.4%	7.7%

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk

Sensitivity analysis

For investments held by the Company at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to market risk. This analysis demonstrates the effect on current year net assets after tax as a result of a reasonably possible change in the risk variable. The sensitivity assumes all other variables to remain constant.

Investments represent 77.4% (2016: 54.6%) of gross assets at year end. A 5% movement in the market value of each of the investments within the portfolio would result in a 2.5% (2016: 1.9%) movement in the net assets after tax. This would result in the 30 June 2017 net asset backing after tax moving by 2.7 cents per share (2016: 2.0 cents per share).

d) Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The investments included in Level 2 of the hierarchy for this financial year include unlisted investments which have been valued using the net asset backing per share to determine fair value (FY2016: the majority of the investments included in Level 2 of the hierarchy were related to Initial Public Offerings).

30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	32,005,726	559,271	-	32,564,997
Financial liabilities	(2,918,255)	-	-	(2,918,255)
Total	29,087,471	559,271	-	29,646,742
30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	20,253,481	467,322	-	20,720,803
Financial liabilities	(938,859)	-	-	(938,859)
Total	19,314,622	467,322	-	19,781,944

17. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 5,407 (2016: 3,628). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$449,464 (2016: \$458,740).

18. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable operating segments.

19. Capital commitments

There are no capital commitments as at 30 June 2017 (2016: nil).

20. Contingent liabilities

There are no contingent liabilities as at 30 June 2017 (2016: nil).

21. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Geoff Wilson Chairman
- Matthew Kidman Director
- John Abernethy Director
- Chris Stott Director
- Kate Thorley Director

a) Remuneration

There are no executives that are paid by the Company. Individual Directors' remuneration disclosures are provided in the Remuneration Report of the Directors' Report on page 23, as required by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2017	82,190	7,810	90,000
Total Directors remuneration paid by the Company for the year ended 30 June 2016	82,190	7,810	90,000

21. Key management personnel compensation (cont'd)**b) Share and option holdings**

At 30 June 2017, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2016	Acquisitions	Disposed	Balance at 30 June 2017
Geoff Wilson	1,103,892	10,000	-	1,113,892
Matthew Kidman	446,772	21,557	-	468,329
John Abernethy	60,000	-	50,000	10,000
Chris Stott	28,317	5,857	-	34,174
Kate Thorley	37,634	7,166	-	44,800
	1,676,615	44,580	50,000	1,671,195

Options held Directors	Balance at 30 June 2016	Bonus issue allotment	Options exercised/disposed	Balance at 30 June 2017
Geoff Wilson	-	1,113,892	-	1,113,892
Matthew Kidman	-	446,772	-	446,772
John Abernethy	-	60,000	60,000	-
Chris Stott	-	28,317	-	28,317
Kate Thorley	-	37,634	-	37,634
		1,686,615	60,000	1,626,615

At 30 June 2016, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2015	Acquisitions	Disposals	Balance at 30 June 2016
Geoff Wilson	1,026,498	77,394	-	1,103,892
Matthew Kidman	425,144	21,628	-	446,772
John Abernethy	60,000	-	-	60,000
Chris Stott	22,852	5,465	-	28,317
Kate Thorley	30,731	6,903	-	37,634
	1,565,225	111,390	-	1,676,615

22. Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with MAM Pty Limited. Geoff Wilson is the Director of MAM Pty Limited, the entity appointed to manage the investment portfolio of WAM Active Limited. Entities associated with Geoff Wilson also hold 100% of the issued shares of MAM Pty Limited. In its capacity as Manager, and in accordance with the investment management agreement, MAM Pty Limited was paid a management fee of 1% p.a (plus GST) of gross assets amounting to \$433,909 inclusive of GST (2016: \$403,599). At 30 June 2017, the balance payable to the Manager was \$38,490 (2016: \$34,742).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the increase in the gross value of the portfolio above the high water mark.

The high water mark is the greater of the:

- The highest gross value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- The gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the gross value of the portfolio falls below a previous high water mark then no further performance fees can be accrued or paid until the loss has been fully recovered. At 30 June 2017, a performance fee of \$734,975 inclusive of GST was payable to MAM Pty Limited (2016: \$1,139,721).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Active Limited to provide accounting and Company Secretarial services on commercial terms. For the financial year 2017, the accounting services amounted to \$46,200 inclusive of GST (2016: \$38,500) and the Company Secretarial services amounted to \$16,500 inclusive of GST (2016: \$16,500). Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he/she is a member or with a Company in which he/she has substantial financial interest.

23. Events subsequent to reporting date

Since year end, the Board has declared a final dividend of 2.75 cents per share fully franked to be paid on 27 October 2017.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

The Directors of WAM Active Limited declare that:

- 1) The financial report as set out in pages 29 to 51 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 23 to 25, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2017 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date; and
- 2) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Manager, MAM Pty Limited declaring that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson
Chairman

Dated in Sydney this 3rd day of August 2017

**Independent Auditor's Report
to the Members of WAM Active Limited
A.B.N. 49 126 420 719**

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of WAM Active Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Opinion

In our opinion

- a) the financial report of WAM Active Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibility* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have communicated the key audit matters to the Audit and Risk Committee, but they are not a comprehensive reflection of all matters that were identified by our audit and that were discussed with the Committee. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
<i>Existence, Completeness, Valuation, and Classification of Financial Assets and Financial Liabilities</i> <i>Refer to Note 7: Financial Assets, Note 8: Financial Liabilities and Note 16 d): Financial Instruments measured at fair value</i>	
<p>We focused our audit effort on the valuation, existence and completeness of the Company's financial assets and financial liabilities as they are its largest asset and liability and represent the most significant driver of the Company's net tangible assets and profits.</p> <p>The quantum of investments held inherently makes financial assets and financial liabilities a key audit matter, in addition however, there may be judgements involved in determining the fair value of investments.</p> <p>In relation to investments, there can be a risk that these are not owned by the Company.</p> <p>We therefore identified the valuation, existence and completeness of investments as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding of the investment management process and controls; ▪ We reviewed the independent audit report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the period 1 July 2016 to 31 December 2016 for the Custodian, and obtained a bridging letter for the residual 6 months; ▪ We agreed the investment holdings to a confirmation obtained directly from the Custodian; ▪ We assessed the Company's valuation of individual investment holdings to independent sources where readily observable data was available. For investments where there was little or less observable market data, we obtained and assessed other relevant valuation data; ▪ We evaluated the appropriateness of the accounting treatment of revaluations of financial assets for current/deferred tax and realised/unrealised gains or losses; ▪ We assessed the adequacy of disclosures in the financial statements.

<i>Accuracy and Completeness of Management and Performance Fees</i> <i>Refer to Note 9: Trade and other payables, Note 22: Related party transactions and Remuneration Report</i>	
<p>We focused our audit effort on the accuracy and completeness of management and performance fees as they are significant expenses of the Company and their calculation may require adjustments for events in accordance with the Investment Management Agreement between the Company and the Investment Manager.</p> <p>In addition to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.</p> <p>We therefore identified the accuracy and completeness of management and performance fees as an area of focus.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Making enquiries with the Investment Manager and the Directors with respect to any significant events during the period and associated adjustments made as a result, in addition to having reviewed ASX announcements; ▪ Considered the treatment of events that may be significant to the calculation of management and performance fees; ▪ In order to verify the Company's calculation, we recalculated management and performance fees in accordance with our understanding of the Investment Management Agreement; ▪ Tested key inputs used in the calculation of the management and performance fees and performed a reasonableness test; ▪ We also assessed the adequacy of disclosures made in the financial statements in relation to these related party transactions.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The Directors of WAM Active Limited are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 23 to 25 of the Directors' Report for the year ended 30 June 2017. In our opinion, the Remuneration Report of WAM Active Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of WAM Active Limited are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Pitcher Partners



C I Chandran
Partner

Dated in Sydney this 3rd day of August 2017

Investments at market value as at 30 June 2017

Company Name	Code	Market Value \$	% of Gross Assets
Financials			
Hunter Hall Global Value Limited	HHV	2,259,272	5.4%
Templeton Global Growth Fund Limited	TGG	1,604,393	3.8%
Janus Henderson Group PLC	JHG	1,266,195	3.0%
360 Capital Group Limited	TGP	610,602	1.4%
Westoz Investment Company Limited	WIC	607,602	1.4%
AMP Capital China Growth Fund*	AGF	545,942	1.3%
Perpetual Equity Investment Company Limited	PIC	509,367	1.2%
Wealth Defender Equities Limited	WDE	420,620	1.0%
IOOF Holdings Limited	IFL	419,842	1.0%
Contango Microcap Limited	CTN	416,199	1.0%
HFA Holdings Limited	HFA	356,266	0.8%
Cedar Woods Properties Limited	CWP	222,634	0.5%
Keybridge Capital Limited	KBC	191,758	0.5%
Autosports Group Limited	ASG	161,216	0.4%
Peet Limited	PPC	156,405	0.4%
Aberdeen Leaders Limited	ALR	152,411	0.4%
Hastings High Yield Fund	HHY	142,184	0.3%
Credit Corp Group Limited	CCP	139,944	0.3%
IPE Limited	IPE	123,613	0.3%
Acorn Capital Investment Fund Limited	ACQ	98,184	0.2%
NAOS Absolute Opportunities Co Limited	NAC	94,464	0.2%
Steadfast Group Limited	SDF	81,106	0.2%
8IP Emerging Companies Limited	8EC	74,947	0.2%
Ozgrowth Limited	OZG	67,441	0.2%
Ironbark Capital Limited	IBC	34,815	0.1%
Ask Funding Limited	AKF	32,191	0.1%
Ozgrowth Limited Options	OZGOB	126	0.0%
Westoz Investment Company Limited Options	WICOB	63	0.0%
		10,789,802	25.6%
Consumer Discretionary			
Flight Centre Travel Group Limited	FLT	1,621,278	3.9%
Nine Entertainment Co Holdings Limited	NEC	881,623	2.1%
JB Hi-Fi Limited	JBH	827,976	2.0%
Fairfax Media Limited	FXJ	795,774	1.9%
Ardent Leisure Group	AAD	708,888	1.7%
Super Retail Group Limited	SUL	695,983	1.7%
Premier Investments Limited	PMV	612,138	1.4%
RCG Corp Limited	RCG	51,600	0.1%
APN Outdoor Group Pty Limited	APO	44,002	0.1%
		6,239,262	14.9%
Information Technology			
Afterpay Touch Group Limited	APT	1,520,236	3.6%
Computershare Limited	CPU	1,229,501	2.9%
iSentia Group Limited	ISD	637,178	1.5%
Codan Limited	CDA	493,728	1.2%
MYOB Group Limited	MYO	412,596	1.0%

Company Name	Code	Market Value \$	% of Gross Assets
Information Technology (cont'd)			
Appen Limited	APX	213,541	0.5%
Megaport Limited	MP1	48,899	0.1%
		4,555,679	10.8%
Health Care			
Estia Health Limited	EHE	1,115,895	2.7%
CSL Limited	CSL	828,180	2.0%
Capitol Health Limited	CAJ	810,764	1.9%
ResMed Inc	RMD	777,146	1.8%
Integral Diagnostics Limited	IDX	152,519	0.4%
Virtus Health Limited	VRT	97,846	0.2%
Monash IVF Group Limited	MVF	88,569	0.2%
		3,870,919	9.2%
Industrials			
Seven Group Holdings Limited	SVW	900,548	2.1%
Qantas Airways Limited	QAN	858,000	2.0%
Downer EDI Limited	DOW	799,833	1.9%
Monadelphous Group Limited	MND	737,847	1.8%
Southern Cross Electrical Engineering Limited	SXE	312,092	0.7%
SG Fleet Group Limited	SGF	276,693	0.7%
Global Construction Services Limited	GCS	64,670	0.2%
Greatcell Solar Limited	GSL	32,949	0.1%
Kelly Partners Group Holdings Limited	KPG	25,498	0.1%
DMX Corporation Limited*	DMX	13,329	0.0%
		4,021,459	9.6%
Consumer Staples			
Woolworths Limited	WOW	1,074,544	2.5%
Costa Group Holdings Limited	CGC	410,970	1.0%
Blackmores Limited	BKL	188,230	0.4%
BWX Limited	BWX	24,249	0.1%
		1,697,993	4.0%
Materials			
Sims Metal Management Limited	SGM	907,703	2.1%
Orora Limited	ORA	224,464	0.5%
Pilbara Minerals Limited	PLS	53,843	0.2%
		1,186,010	2.8%
Energy			
Cooper Energy Limited	COE	203,873	0.5%
		203,873	0.5%
Total long portfolio		32,564,997	77.4%
Total cash, income receivable and net outstanding settlements		12,409,133	29.5%
Total short portfolio		(2,918,255)	(6.9%)
Gross assets		42,055,875	

*Unlisted investment.

The total number of stocks held at the end of the financial period was 69.

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (at 30 June 2017) - there are currently no substantial shareholders.

On-market buy back (at 30 June 2017) - there is no current on-market buy back.

Distribution of shareholders (as at 30 June 2017)

Category	No. of shareholders Ordinary shares	No. of option holders Options
1 – 1,000	186	161
1,001 – 5,000	425	328
5,001 – 10,000	308	196
10,001 – 100,000	744	487
100,001 and over	57	50
	1,720	1,222

The number of shareholdings held in less than marketable parcels is 44.

Twenty largest shareholders – Ordinary shares (as at 30 June 2017)

Name	Number of ordinary shares held	Percentage of issued capital held
Entities associated with Mr Geoff Wilson	1,093,892	2.8%
Sanolu Pty Limited	722,153	1.9%
Entities associated With Mr Matthew Kidman	468,329	1.2%
Edington Pty Limited	461,000	1.2%
Trophy Components Distributors Pty Limited	400,000	1.0%
Mr R Tooher	333,519	0.9%
I & R Simpson Super Pty Limited	319,059	0.8%
Mr PM & Mrs VM Antaw	283,009	0.7%
Distad Pty Limited	220,000	0.6%
Mr GL & Mrs J Herring	219,039	0.6%
Cooltrac Pty Limited	211,273	0.5%
Mr R Miller	210,000	0.5%
Mr KA & Mrs BM Tunks	200,250	0.5%
Uplands Holdings Pty Limited	200,000	0.5%
Vohra Holdings Pty Limited	200,000	0.5%
Ichiban Superannuation Pty Limited	200,000	0.5%
NGC Superannuation Pty Limited	183,322	0.5%
Mr C & Mrs L Sartori	178,916	0.5%
Graham Port Phillip Pty Limited	176,000	0.5%
Kindl Holding Pty Limited	175,000	0.5%
	6,454,761	16.7%

Twenty largest option holders – Options (as at 30 June 2017)

Name	Number of options held	Percentage of options held
BNP Paribas Nominees Pty Limited	1,588,277	5.0%
Entities associated with Mr Geoff Wilson	1,093,892	3.5%
Sanolu Pty Limited	722,153	2.3%
Edington Pty Limited	461,000	1.5%
Mr PJ & Mrs W Kennon	565,000	1.8%
Entities associated with Mr Matthew Kidman	446,772	1.4%
Trophy Components Distributors Pty Limited	400,000	1.3%
Mr PM & Mrs VM Antaw	395,053	1.2%
Matrician Super Pty Limited	347,729	1.1%
Twinlight Super Pty Limited	300,000	0.9%
Takita Exploration Pty Limited	270,392	0.9%
Mrs LJ & Mr JN Mason	270,000	0.9%
Mr M Woodhart	240,000	0.8%
Gracent Holdings Pty Limited	230,000	0.7%
Distad Pty Limited	220,000	0.7%
Mr GL & Mrs J Herring	219,039	0.7%
Mr J & Mrs BL Wilson	200,000	0.6%
Uplands Holdings Pty Limited	200,000	0.6%
Vohra Holdings Pty Limited	200,000	0.6%
Mr RJ & Mrs KJ Hawes	193,000	0.6%
	8,562,307	27.1%

Stock Exchange Listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

Wilson

Asset Management

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