

# Investment Update & Net Tangible Assets Report

AS AT 30 JUNE 2015



## Performance

Performance at 30 June 2015	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-1.0%	4.2%	5.5%	13.3%	11.3%	12.1%
S&P/ASX All Ordinaries Accumulation Index	-5.4%	3.3%	5.7%	14.5%	9.4%	2.2%
<b>Outperformance</b>	<b>+4.4%</b>	<b>+0.9%</b>	<b>-0.2%</b>	<b>-1.2%</b>	<b>+1.9%</b>	<b>+9.9%</b>
UBS Bank Bill Index	0.2%	1.2%	2.6%	2.9%	3.6%	4.2%
<b>Outperformance</b>	<b>-1.2%</b>	<b>+3.0%</b>	<b>+2.9%</b>	<b>+10.4%</b>	<b>+7.7%</b>	<b>+7.9%</b>

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

## Net Tangible Assets (NTA) figures

NTA before tax	<b>99.29c</b>
NTA after tax and before tax on unrealised gains	<b>99.93c*</b>
NTA after tax	<b>99.90c**</b>

\*Includes tax assets of 0.64 cents per share.

\*\*Includes the net effect of 0.64 cents of tax assets and 0.03 cents of tax liabilities

## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 5.4% in June leading to a below average return for the financial year of 6%. The index suffered from a fall in oil and iron ore prices, earnings downgrades and international uncertainty arising from the ongoing Greek debt crisis. Having fallen 8% since the late April highs, the Australian market is approaching a technical correction.

International equity markets were highly volatile over the month as the Eurozone instability forced a global sell off in equities. Greece and its European Union and International Monetary Fund (IMF) creditors failed to break their deadlock in the lead up to a 30 June 2015 payment deadline. Greece then became the first developed nation to default on an IMF loan when it missed the deadline. European markets fared worst as a result with the FTSE100 losing 6.7% and the German DAX down 4.1% for the month. In the US the S&P500 fell 2.1% while the Dow Jones dropped 2.2% despite the release of positive economic data and the potential further delay of monetary tightening from the US Federal Reserve.

Notwithstanding the market's recent weakness, we believe valuations remain full. With our above average cash levels, we remain well positioned to seize on opportunities as they arise.

## Future Generation Global priority offer to WAM Active shareholders

Future Generation Global Investment Company Limited was launched recently with the prospectus to invest in the company now available at [www.futuregeninvest.com.au/global](http://www.futuregeninvest.com.au/global). See further details below.

### WAM Active Limited

ASX Code	<b>WAA</b>
Listed	<b>Jan 2008</b>
Gross assets	<b>\$35.0m</b>
Market cap	<b>\$34.2m</b>
Share price	<b>\$0.985</b>
NTA before tax	<b>\$0.993</b>
Shares on issue	<b>34,693,760</b>
Capital return (1HFY2015)	<b>4.0c</b>

### Investment objectives

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

### Company overview

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

### Investment & Management Team

#### Geoff Wilson

Chairman/Portfolio Manager

#### Kate Thorley

Chief Executive Officer/  
Company Secretary

#### Chris Stott

Chief Investment Officer/  
Portfolio Manager

#### Martin Hickson

Senior Equity Analyst/Dealer

#### Matthew Haupt

Senior Equity Analyst

#### Tobias Yao

Equity Analyst

#### James McNamara

Communications Manager

# Investment Update & Net Tangible Assets Report

AS AT 30 JUNE 2015



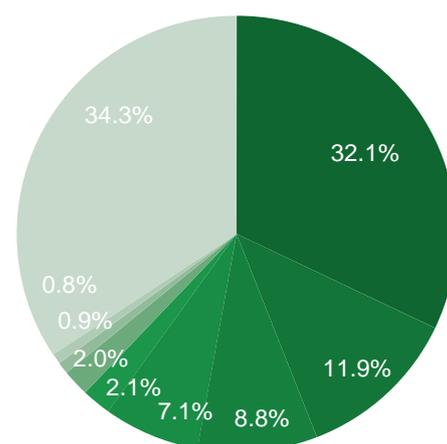
## Diversified portfolio

Investment Type	May 2015		June 2015	
	\$m	%	\$m	%
Listed Equities	24.2	67.3	23.0	65.7
Fixed Interest & Cash	11.8	32.7	12.0	34.3
Long Portfolio	36.0	100.0%	35.0	100.0%
Short Portfolio	(0.6)	(1.7)	(0.0)	(0.0)
Gross Assets	\$35.4m		\$35.0m	
Total shares on issue	34,693,760		34,693,760	

## Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,532,847	7.2%
CYA	Century Australia Investments Limited	1,558,176	4.5%
BAP	Burson Group Limited	1,301,180	3.7%
HVN	Harvey Norman Holdings Limited	1,177,011	3.4%
QAN	Qantas Airways Limited	1,056,890	3.0%
MYX	Mayne Pharma Group Limited	1,017,212	2.9%
SGF	SG Fleet Group Limited	906,633	2.6%
MMS	McMillan Shakespeare Limited	815,471	2.3%
GTY	Gateway Lifestyle Group	781,663	2.2%
PMV	Premier Investments Limited	746,372	2.1%
SDG	Sunland Group Limited	738,913	2.1%
PRY	Primary Health Care Limited	720,992	2.1%
IIN	iiNet Limited	692,599	2.0%
BKL	Blackmores Limited	689,925	2.0%
ADH	Adairs Limited	662,484	1.9%
TGG	Templeton Global Growth Fund Limited	655,414	1.9%
ECX	Eclipx Group Limited	643,183	1.8%
GJT	Galileo Japan Trust	639,885	1.8%
BTT	BT Investment Management Limited	627,835	1.8%
AOG	Aveo Group	570,324	1.6%

## Sector allocation



- Financials 32.1%
- Consumer Discretionary 11.9%
- Industrials 8.8%
- Health Care 7.1%
- Telecommunication Services 2.1%
- Consumer Staples 2.0%
- Materials 0.9%
- Information Technology 0.8%
- Cash and Fixed Interest 34.3%

# Investment Update & Net Tangible Assets Report

AS AT 30 JUNE 2015



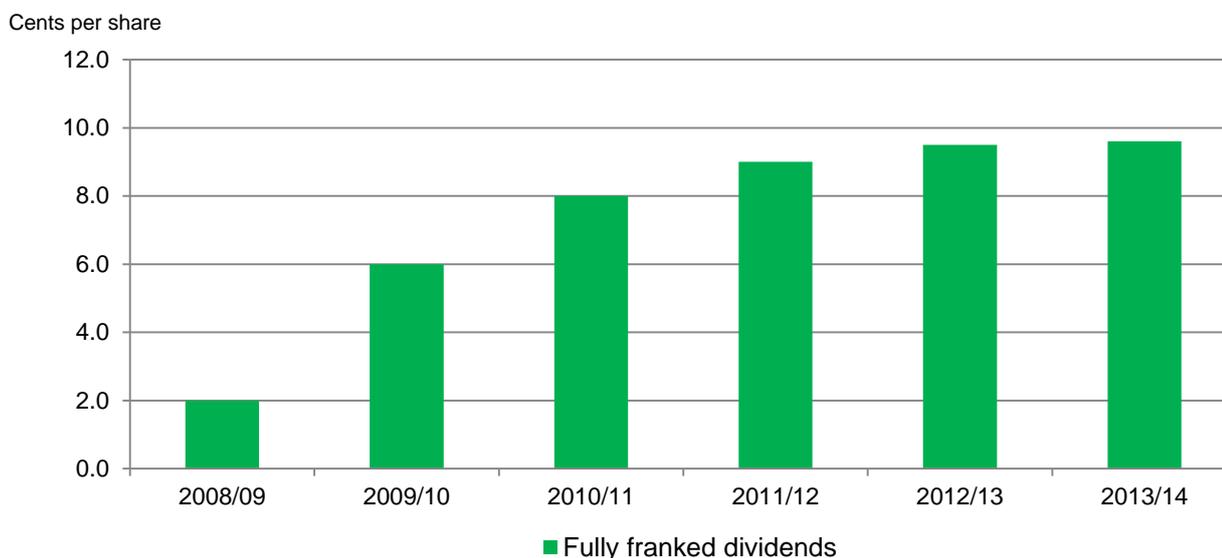
## Capital Management – Return of Capital

On 26 February 2015, the Board of WAM Active announced the intention to pay shareholders a 4.0 cents per share Return of Capital. As at 31 December 2014, the Company's net assets were less than issued capital. The Directors recognise investors have cash flow needs and therefore declared a 4.0 cents per share Return of Capital, which was approved by shareholders at an Extraordinary General Meeting held in Sydney on 19 May 2015. WAM Active traded ex-Return of Capital on 21 May 2015 and the payment was made on 1 June 2015.

## Dividends

The Board did not declare an interim dividend for the half year to 31 December 2014. While the Board is committed to paying an increasing stream of fully franked dividends to shareholders, this is dependent on the Company having sufficient profit reserves and the payment being within prudent business practices. When a dividend is declared, it is usually paid on a six-monthly basis.

### WAM Active dividends since inception



## Priority offer to WAM Active shareholders in Future Generation Global Investment Company Limited

WAM Active shareholders are entitled to share in the \$110 million priority allocation to the Future Generation Global Investment Company Limited (FGG) initial public offering (IPO). FGG will be Australia's first internationally focused listed investment company with the dual objectives of providing shareholders with diversified exposure to selected global equities and changing the lives of young Australians affected by mental illness. FGG will charge shareholders 0.0% management fees and 0.0% performance fees as the participating fund managers will manage the capital on a pro bono basis. This arrangement allows the company to donate 1.0% of its net tangible assets each year to selected Australian non-profits working to improve the mental health of young Australians. Further information, including the prospectus and online application form, is available at [www.futuregeninvest.com.au/global](http://www.futuregeninvest.com.au/global).

WAM Active shareholders are invited to attend the final FGG presentations this week in Brisbane and Canberra.

**Brisbane:** Wednesday 15 July 2015, 10am – 11am, Mercure Hotel, 85-87 North Quay, Brisbane

**Canberra:** Friday 17 July 2015, 10am – 11am, Belconnen Premier Hotel, 110 Benjamin Way, Belconnen

To RSVP, call (02) 9247 9202 or email [info@futuregeninvest.com.au](mailto:info@futuregeninvest.com.au)