

For personal use only

**W | A | M** *Active*



---

**Annual Report**

For the year ending 30 June 2016

## 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  
Kate Thorley  
Chris Stott

### Company Secretary

Linda Vo

### Investment Manager

MAM Pty Limited  
Level 11, 139 Macquarie Street  
Sydney NSW 2000

### 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](mailto:info@wilsonassetmanagement.com.au)  
W: [wilsonassetmanagement.com.au](http://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, 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)

## Shareholder Presentations 2016

### Annual General Meeting and Presentation Sydney

#### Wednesday 23 November

The Hilton  
488 George Street  
Sydney NSW 2000  
AGM: 9.00am – 9.30am

Presentation: 11.00am – 1.00pm. To be streamed live on our website [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)



#### Adelaide

##### Wednesday 16 November

The Playford  
120 North Terrace  
Adelaide SA 5000  
10.00am – 12.00pm

#### Perth

##### Thursday 17 November

The Duxton  
1 St Georges Terrace  
Perth WA 6000  
10.00am – 12.00pm

#### Canberra

##### Monday 21 November

The Mercure  
Cnr Ainslie & Limestone Avenues  
Braddon ACT 2612  
10.00am – 12.00pm

#### Brisbane

##### Thursday 24 November

Brisbane Convention & Exhibition  
Centre, Cnr Merivale & Glenelg Streets  
South Bank QLD 4101  
10.00am – 12.00pm

#### Melbourne

##### Friday 25 November

Melbourne Convention & Exhibition  
Centre, 1 Convention Centre Place  
South Wharf VIC 3006  
10.00am – 12.00pm

#### Future Generation presentations

To follow all Wilson Asset Management presentations in each city

## Key highlights FY2016

+18.0%

Investment portfolio performance

5.0c

Full year fully franked dividend

+16.0%

Investment portfolio outperformance

5 times

Portfolio Turnover

### Snapshot as at 30 June 2016

Listing date	January 2008
Market cap	\$36.2m
Share price	\$1.03
Shares on issue	35,109,715
Net Tangible Assets (pre-tax)	\$1.04
Net Tangible Assets (post-tax)	\$1.04
Gross assets	\$38.0m
Fully franked dividends FY2016	5.0 cents
Fully franked FY2016 dividend yield	4.9%

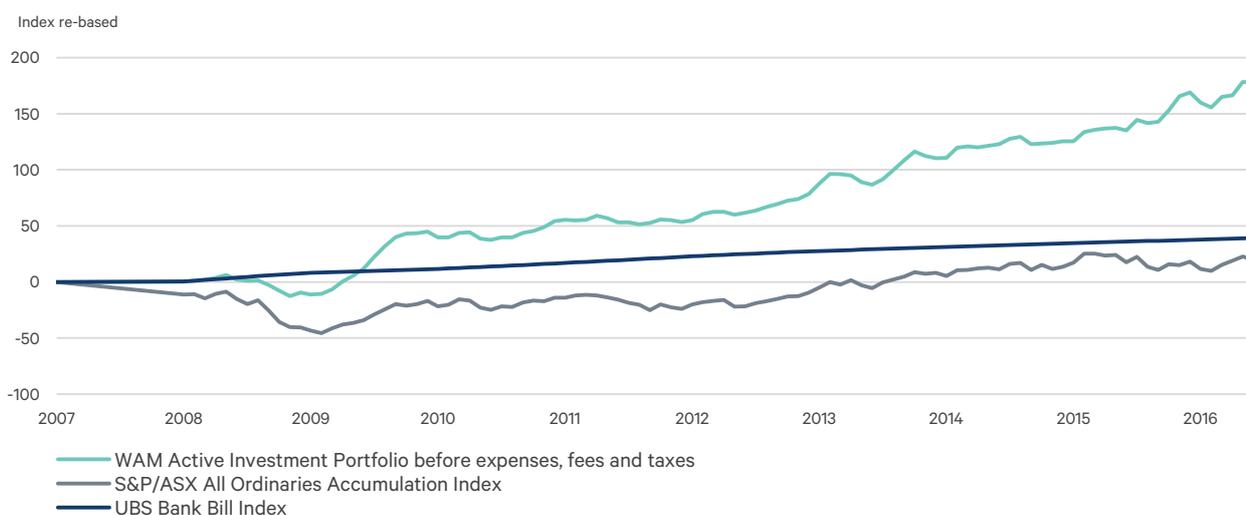
### FY2016 results

WAM Active reported a 365.0% increase in operating profit before tax to \$4,166,837 (2015: \$896,077) and an operating profit after tax of \$3,139,348 (2015: \$897,681) for the year to 30 June 2016.

The increase in profit is a result of the investment portfolio performance, which returned 18.0% (FY2015: 5.5%). The investment portfolio, while being on average 69.5% invested in equities, outperformed the S&P/ASX All Ordinaries Accumulation Index by 16.0% and the UBS Bank Bill Index by 15.8%. Over the course of the 2016 financial year, the equity component of the portfolio turned over 5 times and traded shares in 254 individual companies.

The Board declared a fully franked full year dividend of 5.0 cents per share, with the fully franked final dividend being 2.5 cents per share.

### WAM Active's investment portfolio has returned 12.8% p.a. over 8½ years



## Contents

Chairman's letter	5
Investing with Wilson Asset Management	10
Objectives and investment process	11
Corporate governance statement	13
Directors' Report to shareholders	19
Auditor's Independence Declaration	29
Statement of comprehensive income	30
Statement of financial position	31
Statement of changes in equity	32
Statement of cash flows	33
Notes to the financial statements	34
Directors' Declaration	53
Independent Auditor's Report	54
Investments at market value	56
ASX additional information	59

## Chairman's letter

Dear Fellow Shareholders,

Firstly, I would like to thank you for your support of WAM Active during the 2016 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 2016 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 18.0%, while taking as little risk as possible. Over the year the cash holding averaged 30.5%. The highly active investment process saw the investment portfolio turned over five times during the period. The fully franked full year dividend for the 2016 year was 5.0 cents per share, representing a fully franked 4.9% yield.

### 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 costs. 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.

#### 1. Investment portfolio performance

WAM Active's investment portfolio increased 18.0% for the 12 months to 30 June 2016 while the S&P/ASX All Ordinaries Accumulation Index increased by 2.0% over the same period. 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 2016	1 Yr	3 Yrs %pa	5 Yrs %pa	7 Yrs %pa	Since inception %pa (Jan-08)
WAM Active Investment Portfolio*	18.0%	14.1%	12.6%	13.8%	12.8%
S&P/ASX All Ordinaries Accumulation Index	2.0%	8.2%	7.3%	8.9%	2.2%
<b>Outperformance</b>	<b>+16.0%</b>	<b>+5.9%</b>	<b>+5.3%</b>	<b>+4.9%</b>	<b>+10.6%</b>
UBS Bank Bill Index (cash)	2.2%	2.5%	3.1%	3.5%	4.0%
<b>Outperformance</b>	<b>+15.8%</b>	<b>+11.6%</b>	<b>+9.5%</b>	<b>+10.3%</b>	<b>+8.8%</b>

\*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 which, is also before tax and expenses.

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%

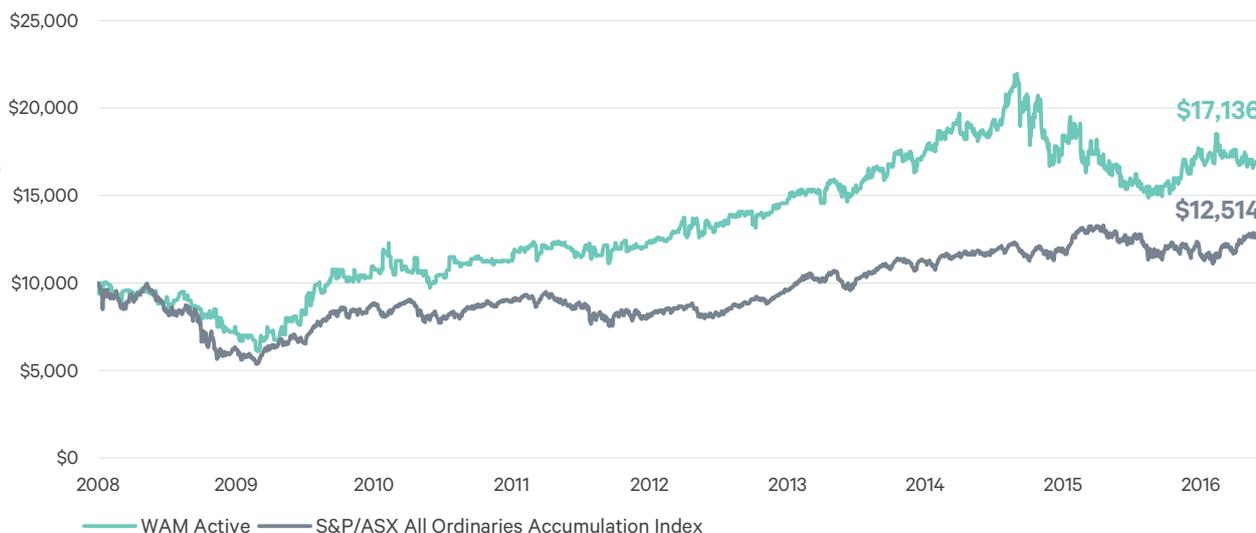
## 2. NTA growth

WAM Active's after tax NTA, adjusted for dividends, increased 9.2% for the 12 months to 30 June 2016. This increase is after 2.4 cents per share of tax paid and 5.0 cents of fully franked dividends 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 (30%) and performance fees payable are significant items of difference between the investment portfolio and the net tangible asset performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

## 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 2016 was 9.9%. The TSR was driven by WAM Active's investment portfolio outperformance of 16.0% relative to the index and the share price premium and discount to NTA during the year. This measure does not value the potential benefit of franking credits.

## Growth of a \$10,000 investment since inception



### Investment portfolio

Over the course of the 2016 financial year, the equity component of the portfolio turned over 5 times and we traded shares in 254 individual companies. The best performing strategies employed were trades based on relative value arbitrage, oversold positions, earnings momentum/surprise, market themes/trends, and takeover arbitrage. The top contributing stocks for FY2016 were: Blackmores Limited (BKL), Hunter Hall Global Value Limited (HHV), Medical Developments International Limited (MVP), SG Fleet Group Limited (SGF) and Galileo Japan Trust (GJT).

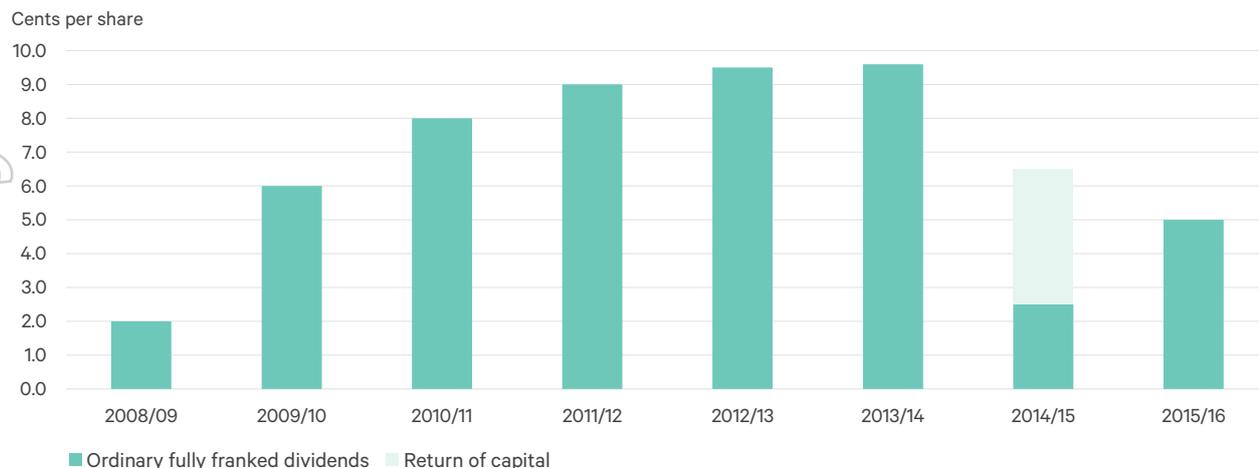
### Dividends

The Board declared a fully franked full year dividend of 5.0 cents per share, with the fully franked final dividend being 2.5 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.

For personal use only

## WAM Active dividends and return of capital since inception



### Equity market outlook

We are cautious about the direction of the equity market in the 2017 financial year. The recent reporting season provided mixed results, pointing to the negative effects of the extended federal election and difficult trading conditions. Looking forward, many companies provided guarded outlook statements.

Record low global interest rates have driven asset values to unsustainably high levels. We are wary of the impact a change in the current 'easy money' policy will have on equity valuations. We believe interest rates will remain low in the medium term and expect to see continued merger and acquisition activity and initial public offerings.

Against these conditions, the Australian economy is beginning to show some signs of strength, with gross domestic product numbers released in September pointing to year-on-year growth rate of 3.3%, the strongest growth rate in four years.

Despite the mixed outlook, we continue to find investment opportunities and our current cash weightings ensure we are well positioned to seize opportunities as and when they arise.

### Company outlook

WAM Active enters the 2017 financial year with a conservative balance sheet, a high cash weighting, no debt and a flexible and proven investment approach. The Company will continue to seek opportunities irrespective of market conditions, having achieved outperformance through various market cycles.

### Public policy and advocacy – fairness in capital raisings

Wilson Asset Management continues to engage in public policy discussions and advocate on behalf of all shareholders regarding issues of importance. Wilson Asset Management recently made a submission to the Australian Securities Exchange (ASX) in response to proposed changes to its admission requirements for listed entities. Proposed changes set out in the ASX's public consultation paper, included amendments to the listing rules that whereby only shareholders with at least \$5,000 of shares (up from \$2,000) would be counted towards the 'spread test' admission requirement.

We recommended the ASX retain the current \$2,000 minimum threshold as, in our view, initial public offerings (IPOs) with a minimum subscription amount of \$5,000 would deter retail investors and act as a

barrier to entering the share market. Our submission also made recommendations relating to proposed changes to the market capitalisation assets test and the planned introduction of a formal free float test. Over coming months we will monitor the ASX's public consultation process regarding the proposed changes and engage in the public debate.

### Shareholder engagement and communication

Shareholders are the owners of WAM Active. That's why we encourage all shareholders to meet with us, and utilise our proactive approach to keeping them informed about WAM Active. 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
- Semi-annual shareholder briefings across all major Australian cities
- Our website [www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au).

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 communications and welcome all feedback on how we can improve our communication and engagement with shareholders – please contact our Head of Corporate Affairs, James McNamara on (02) 9247 6755 or email us at [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au).

Thank you for your continued support.



**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 one staff. The investment team comprises seven highly experienced professionals with almost 100 years of combined investment experience and a total focus on managing money.

As an investment manager, our natural purpose is to safeguard the financial futures of our shareholders. Our passion and dedication makes us different. We're also deeply committed to investing our time and resources to empower positive change in the community.

### To find the best opportunities, we created our own.

We take great pride in managing four LICs and more than \$2 billion in shareholder capital. We created and continue to support Future Generation Investment Company Limited and Future Generation Global Investment Company Limited, Australia's first philanthropic wealth creation vehicles with the dual purpose of creating shareholder wealth and investing in our future generation.

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:

**Full 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 above average cash holdings and strong, risk-adjusted returns.

**Experienced experts.** With almost 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, after fees, over most periods of time; and
- preserve capital in both the short term and long term.

### Our unique approach to investing

WAM Active provides investors with access to Wilson Asset Management's market-driven process, focused on identifying market mispricing opportunities. This investment process takes advantage of short-term mispricing opportunities in the Australian equity market. This part of 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.



### Our Style

Our investment style can be summarised as:

- absolute return focus, benchmark unaware
- fundamental bottom-up approach
- quick decision making resulting from a flat organisational structure
- increased flexibility due to the relatively small funds under management and flexible mandates
- a focus on risk adjusted returns with above average cash positions.

### Investment Process

To achieve the Company's objectives, we employ the following investment process:

#### Market Driven Investing

We take advantage of relative short-term arbitrages and mis-pricings in the Australian equities market, rather than investing in any individual companies or portfolio of companies for a prolonged period of time. We utilise our extensive information network in the investment community to help generate investment ideas.

We scour the market for opportunities including:

- initial public offerings
- capital raisings
- block trades
- oversold positions
- takeovers
- Listed investment companies ('LICs') trading at a discount to their Net Tangible Assets (NTA)
- other companies trading at a discount to their NTA
- earnings momentum / surprise
- short selling
- 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 2016 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 or for a diversity policy under Recommendations 1.1, 1.3, 1.5 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 which includes:

- To oversee and monitor 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.

As the Company has no full time employees, a diversity policy has not been established under Recommendation 1.5. 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 woman on the Board. The Company is not a relevant employer under the Workplace Gender Equality Act.

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 Corporate Governance Charter. The Board will review its performance by discussion and by individual communication with the Chairman and by reference to generally accepted board performance standards. A copy of the Corporate Governance Charter can be found at the Corporate Governance section of 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 Board of Directors Charter which includes the Company's criteria for independence of Directors, and can be found in the Corporate Governance section of the Company's website. The criteria is in accordance with ASX Corporate Governance Council's Principles.

Whilst 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 in the Annual 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.

Under the Board of Directors Charter, the performance of each Director was reviewed by the Chairman during the year and the Board undertook the annual review of the performance of the Chairman to ensure the Board's activities continue to be efficiently organised and conducted. At every Annual General Meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

Due to the fact that Directors are chosen for their specialist knowledge of 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 has established a Directors' Code of Conduct 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 Directors' Code of Conduct can be found in the Corporate Governance section of the Company's website.

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

The Company has formed an Audit & Risk Committee consisting of two Independent Directors. This is considered adequate given the size of the Board and the nature of the Company. The members of the Audit & 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 & Risk Committee Charter can be found in the Corporate Governance section of the Company's website.

The Committee formally reports to the Board after each meeting. Details of the number of meetings of the Audit & Risk Committee during the 2016 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. Scott Whiddett, a partner of Pitcher Partners, is the partner responsible for the external audit of the Company for the 2016 financial year. As required by the Corporations Act, Scott is due for rotation at the end of the 30 June 2016 engagement.

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 Financial Reports present a true and fair view, in all material respects, of the Company's financial condition 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 has established a continuous disclosure policy 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. The Continuous Disclosure Policy can be found in the Corporate Governance section of 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, Investor 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 in Australia; and
- encouraging shareholder participation at annual general meetings.

The Board encourages full participation of shareholders at the Annual General Meeting (AGM) 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 Communications Policy can be found in the Corporate Governance section of the Company's website.

The Company's registrar, 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 formed an Audit & Risk Committee consisting of two Independent Directors. This is considered adequate given the size of the Board and the nature of the Company.

The members of the Audit & 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 & Risk Committee Charter can be found in the Corporate Governance section of the Company's website.

The Company, in conjunction with the Manager, 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.

The Company's enterprise risk management program addresses its material business risks. Each identified risk is individually assessed in terms of the likelihood of the risk event occurring and the potential consequences in the event that the risk event was to occur. The CompliSpace Assurance software has been implemented through which material business risks and the mitigating controls can be monitored in real time. It also ensures transparency of data and ease of reporting to the Board on the performance of its enterprise risk and compliance programs.

The Manager has provided to the Board a report as to the overall effectiveness of the Company's management of its material business risks.

The Board has received assurance from the Director and Chief Executive 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 report annually on the operation of internal controls to manage the Company's material business risk, reviews any external audit commentary in 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.

The Manager is primarily responsible for recognising and managing operational risk issues such as legal and regulatory risk, systems and process risk and outsourcing risk. The Company outsources its administrative functions to service providers: Wilson Asset Management (International) Pty Limited (accounting and compliance), RBC Investor Services (custody) and Boardroom Pty Limited (share registry) and accordingly risk issues associated with these activities are handled in accordance with the service provider's policies and procedures.

MAM Pty Limited, the Manager, is required to act in accordance with the investment management agreement and reports to the Board regularly on the Company's performance and any material actions that have occurred in the period.

**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 2016

The Directors present their report together with the financial report of WAM Active for the financial year ended 30 June 2016.

### 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 in the future.

### Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$4,166,837 (2015: \$896,077) and an operating profit after tax of \$3,139,348 (2015: \$897,681). The change in profit in comparison to the previous year is a reflection of the investment portfolio returning 18.0% compared to 5.5% in FY2015.

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. We believe a more appropriate measure of the results is the change in Net Tangible Assets (NTA) per share. WAM Active's after tax NTA, adjusted for dividends, increased 9.2% for the 12 months to 30 June 2016. This increase is after tax paid of 2.4 cents per share.

The NTA after tax for each share as at 30 June 2016 amounted to 103.94 cents per share (2015: 99.94 cents). The NTA before tax was 104.39 cents per share (2015: 99.35 cents). These figures are after 5.0 cents of fully franked dividends paid to shareholders during the year (2015: 4.0 cents return of capital and 4.8 cents fully franked final dividend).

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 2016 was \$36,555,727 (2015: \$34,742,619). 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 2016.

### Dividends paid or recommended

Dividends paid or declared are as follows:

	\$
Fully franked FY2015 final dividend of 2.5 cents per share was paid on 30 October 2015	867,346
Fully franked FY2016 interim dividend of 2.5 cents per share paid on 29 April 2016	872,745

Since year end the Board has declared a final dividend of 2.5 cents per share fully franked to be paid on 28 October 2016.

## Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, except as otherwise noted:

- 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 36 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) 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 November 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.

#### 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 the Principal and Portfolio Manger 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 Centrepnt Alliance Limited (February 2012 to November 2015).

#### Special responsibilities

Member of the Audit & 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 University of NSW.

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), WAM Research Limited (appointed May 2002), Australian Leaders Fund Limited (appointed November 2003), Jasco Holdings Limited and Watermark Market Neutral Fund Limited (appointed June 2013)..

**John Abernethy (Director – independent) (cont'd)**

**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 & 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 over 13 years experience in the funds management industry. Chris is the Chief Investment Officer and Portfolio Manager of Wilson Asset Management (International) Pty Limited and is responsible for the research, management and construction of the company's portfolios. Previously, Chris was employed at Challenger Financial Services Group for four years in various research and administrative 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) and WAM Capital Limited (appointed May 2015).

**Former directorships in the last 3 years**

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

**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**

Details of Chris Stott's interest in contracts of the company are included later in this report.

### **Kate Thorley (Director – Non-independent)**

#### Experience and expertise

Kate Thorley has over 10 years experience in the funds management industry and more than 15 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 and Future Generation Investment Company 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 and the Financial Services Institute of Australasia.

Kate Thorley has been a Director of the Company since July 2014 and Company Secretary since November 2007.

#### 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), Future Generation Investment Company Limited (appointed April 2015), and is a non-executive Director of Sandon Capital Opportunities Pty Limited.

#### 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 & 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

Details of Kate Thorley's interest in contracts of the company are included later in this report.

#### Company Secretary

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

#### **Linda Vo**

Linda Vo has over 13 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 Wilson Asset Management's four listed investment companies, WAM Capital Limited, WAM Research Limited, WAM Active Limited and WAM Leaders Limited. Linda is also the Company Secretary of WAM Research Limited and WAM Leaders Limited. Linda holds a Bachelor of Commerce and is a fully qualified CPA. Linda was appointed Company Secretary of WAM Active Limited in February 2016.

**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 Shareholders 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 2016:

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
		<b>82,190</b>	<b>7,810</b>	<b>90,000</b>

Directors receive a superannuation guarantee contribution required by the government, which was 9.5% of individuals benefits for FY2016 and do not receive any retirement benefits.

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

	2016	2015	2014	2013	2012
Operating profit after tax (\$)	3,139,348	897,681	3,171,203	1,499,202	394,535
Dividends (cents per share)	5.0	2.5	9.6	9.5	9.0
After tax net tangible asset (cents per share)	103.94	99.94	105.97	104.65	106.47
Total Directors' remuneration (\$)	90,000	80,000	70,000	47,397	71,000
Shareholder's equity (\$)	36,555,727	34,742,619	36,431,131	27,673,996	17,402,006

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

## Remuneration Report (Audited) (cont'd)

### b) Director related entities remuneration

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

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. 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 \$403,599 inclusive of GST (2015: \$398,597). As at 30 June 2016, the balance payable to the Manager was \$34,742 (2015: \$99,338).

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 2016, a performance fee of \$1,139,721 inclusive of GST is payable to MAM Pty Limited (2015: \$267,314).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Active to provide accounting and Company Secretarial services on commercial terms. For the financial year 2016, the accounting services amounted to \$38,500 inclusive of GST (2015: \$38,500) and the Company Secretarial services amounted to \$16,500 inclusive of GST (2015: \$15,000 GST free). Wilson Asset Management (International) Pty Limited is a Director associated entity.

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 is a member or with a Company in which he has substantial financial interest.

## Remuneration Report (Audited) (cont'd)

### c) Remuneration of executives

There are no executives that are paid by the Company. MAM Pty Limited, the investment manager of the Company 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:

Directors	Ordinary Shares	Options
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

For further details, please refer to Note 21 of the financial statements.

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 & Risk Committee meetings

The main responsibilities of the Audit & Risk Committee are set out in the Corporate Governance section on pages 15 to 16 of the Annual Report.

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

For personal use only

### After balance date events

Since year end the Company declared a final dividend of 2.5 cents per share fully franked to be paid on 28 October 2016.

On 11 August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. Options entitle holders to purchase additional ordinary shares in WAM Active at the exercise price of \$1.14 at any time before they expire on or before 17 September 2018. The options are currently trading on the ASX under the code WAAO.

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 services to 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 & 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 & 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.

### 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 29 of this Annual Report.

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



**Geoff Wilson**  
**Chairman**

Dated in Sydney this 30<sup>th</sup> day of September 2016

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF WAM ACTIVE LIMITED  
ABN 49 126 420 719**

In relation to the independent audit for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WAM Active Limited.



SM WHIDDETT  
Partner

PITCHER PARTNERS  
Sydney

30 September 2016

For personal use only

## Statement of comprehensive income for the year ended 30 June 2016

	Note	2016 \$	2015 \$
Net realised and unrealised gains on financial assets		4,714,129	252,687
Investment revenue	2	1,541,727	1,909,930
Performance fees		(1,062,012)	(249,088)
Management fees		(376,081)	(371,420)
Directors fees		(90,000)	(80,000)
Expenses paid on borrowed stock		(31,703)	(59,949)
Custody fees		(23,272)	(42,157)
ASX listing and chess fees		(43,954)	(43,711)
Share registry fees		(34,480)	(31,669)
Brokerage expense on share purchases		(238,013)	(240,210)
Payroll tax		(27,295)	-
Other expenses from ordinary activities		(162,209)	(148,336)
<b>Profit before income tax</b>		<b>4,166,837</b>	<b>896,077</b>
Income tax (expense)/benefit	3(a)	(1,027,489)	1,604
<b>Profit attributable to members of the Company</b>		<b>3,139,348</b>	<b>897,681</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>3,139,348</b>	<b>897,681</b>
<b>Basic earnings per share</b>	15	<b>9.0 cents</b>	<b>2.6 cents</b>
<b>Diluted earnings per share</b>	15	<b>9.0 cents</b>	<b>2.6 cents</b>

The accompanying notes form part of these financial statements.

For personal use only

## Statement of financial position as at 30 June 2016

	Note	2016 \$	2015 \$
<b>Assets</b>			
Cash and cash equivalents	13	15,974,380	10,691,455
Trade and other receivables	6	3,139,528	2,419,411
Financial assets	7	20,720,803	23,244,138
Current tax assets	3(c)	-	203,180
Deferred tax assets	3(b)	9,156	13,720
<b>Total assets</b>		<b>39,843,867</b>	<b>36,571,904</b>
<b>Liabilities</b>			
Financial liabilities	8	938,859	248,935
Trade and other payables	9	2,181,895	1,569,520
Current tax liabilities	3(c)	162,155	-
Deferred tax liabilities	3(d)	5,231	10,830
<b>Total liabilities</b>		<b>3,288,140</b>	<b>1,829,285</b>
<b>Net assets</b>		<b>36,555,727</b>	<b>34,742,619</b>
<b>Equity</b>			
Issued capital	10(a)	35,263,028	34,849,177
Reserves	11	2,610,458	1,143,942
Accumulated losses	12	(1,317,759)	(1,250,500)
<b>Total equity</b>		<b>36,555,727</b>	<b>34,742,619</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity for the year ended 30 June 2016

	Note	Issued Capital \$	Accumulated Losses \$	Profits reserve \$	Total equity \$
<b>Balance at 1 July 2014</b>		<b>35,788,177</b>	<b>(1,016,459)</b>	<b>1,659,413</b>	<b>36,431,131</b>
Profit for the year		-	897,681	-	897,681
Transfer to profits reserve	11	-	(1,131,722)	1,131,722	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Shares issued via dividend reinvestment plan	10(b)	448,750	-	-	448,750
Return of capital	10(b)	(1,387,750)	-	-	(1,387,750)
Dividends paid	4(a)	-	-	(1,647,193)	(1,647,193)
<b>Balance at 30 June 2015</b>		<b>34,849,177</b>	<b>(1,250,500)</b>	<b>1,143,942</b>	<b>34,742,619</b>
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)
<b>Balance at 30 June 2016</b>		<b>35,263,028</b>	<b>(1,317,759)</b>	<b>2,610,458</b>	<b>36,555,727</b>

The accompanying notes form part of these financial statements.

For personal use only

## Statement of cash flows for the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Proceeds from sale of investments		127,497,375	115,294,695
Payments for purchase of investments		(120,269,306)	(119,163,416)
Dividends received		805,774	1,170,491
Interest received		231,199	490,624
Trust distributions received		331,647	240,792
Underwriting fees received		18,287	24,014
Management fees (inclusive of GST)		(468,195)	(402,403)
Performance fees (inclusive of GST)		(267,313)	(1,144,533)
Brokerage expense on share purchases (inclusive of GST)		(255,240)	(257,704)
Payments for administration expenses (inclusive of GST)		(424,041)	(429,017)
GST on brokerage expense on share sales		(15,857)	(15,803)
Net GST received from the ATO		88,025	146,467
Income tax paid		(663,189)	(222,983)
<b>Net cash provided by/(used in) operating activities</b>	<b>14</b>	<b>6,609,166</b>	<b>(4,268,776)</b>
<b>Cash flows from financing activities</b>			
Dividends paid – net of reinvestment		(1,326,241)	(1,198,443)
Return of Capital paid		-	(1,387,750)
<b>Net cash used in financing activities</b>		<b>(1,326,241)</b>	<b>(2,586,193)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>5,282,925</b>	<b>(6,854,969)</b>
Cash and cash equivalents at beginning of financial year		10,691,455	17,546,424
<b>Cash and cash equivalents at end of financial year</b>	<b>13</b>	<b>15,974,380</b>	<b>10,691,455</b>
<b>Non-cash transactions:</b>			
Shares issued via dividend reinvestment plan		413,851	448,750

The accompanying notes form part of these financial statements.

For personal use only

# Notes to the financial statements for the year ended 30 June 2016

## 1. Summary of 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 30 September 2016 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.

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.

The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the 30 June 2015 Annual Report.

### 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. Summary of significant accounting policies (cont'd)

### 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. Summary of 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 losses (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. Summary of 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 2016. 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 and no longer at the discretion of the Company.

### 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 has decided not to adopt any of the new and amended pronouncements. 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

	2016 \$	2015 \$
Australian sourced dividends	943,813	1,171,480
Interest	237,438	447,680
Trust distributions	339,203	260,166
Foreign sourced dividends	4,063	4,137
Underwriting fees	17,210	26,467
	<b>1,541,727</b>	<b>1,909,930</b>

## 3. Taxation

### a) Income tax expense/(benefit)

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

	2016 \$	2015 \$
Prima facie tax on profit before income tax at 30% (2015: 30%)	1,250,051	268,823
Imputation credit gross up	74,866	115,476
Foreign income tax offset gross up	215	422
Imputation credit offset	(249,553)	(384,920)
Foreign income tax offset	(717)	(1,405)
Other non-assessable items*	(47,373)	-
	<b>1,027,489</b>	<b>(1,604)</b>

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

Effective tax rate	24.7%	(0.2%)
--------------------	-------	--------

The effective tax rate reflects the benefit to the Company of franking credits received on dividend income during the year.

### Total income tax expense/(benefits) results in a:

Current tax expense	1,022,505	27,697
Deferred tax liability	420	(28,205)
Deferred tax asset	4,564	(1,096)
	<b>1,027,489</b>	<b>(1,604)</b>

**3. Taxation (cont'd)****b) Deferred tax assets**

	2016 \$	2015 \$
Provisions	7,194	8,729
Capitalised costs	1,962	4,991
	<b>9,156</b>	<b>13,720</b>
<b>Movement in deferred tax assets</b>		
Balance at the beginning of the year	13,720	12,624
(Charged)/Credited to the Statement of comprehensive income	(4,564)	1,096
At reporting date	<b>9,156</b>	<b>13,720</b>

**c) Current tax liabilities/(assets)**

	2016 \$	2015 \$
Balance at the beginning of the year	(203,180)	(7,895)
Current year income tax expense on operating profit	1,022,505	27,697
Net income tax paid	(663,190)	(222,979)
Underprovision in prior period	6,020	(3)
At reporting date	<b>162,155</b>	<b>(203,180)</b>

**d) Deferred tax liabilities**

	2016 \$	2015 \$
Fair value adjustments	5,163	-
Income provisions	68	10,830
	<b>5,231</b>	<b>10,830</b>
<b>Movement in deferred tax liabilities</b>		
Balance at the beginning of the year	10,830	39,035
Overprovision in prior period	(6,019)	-
Credited to the Statement of comprehensive income	420	(28,205)
At reporting date	<b>5,231</b>	<b>10,830</b>

#### 4. Dividends

##### a) Ordinary dividends paid during the year

	2016 \$	2015 \$
Final Dividend FY2015: 2.5 cents per share fully franked at 30% tax rate paid 30 October 2015 (Final dividend FY2014: 4.8 cents per share fully franked)	867,346	1,647,193
Interim Dividend FY2016: 2.5 cents per share fully franked at 30% tax rate paid 29 April 2016 (Interim dividend FY2015: no dividend declared)	872,745	-
<b>Dividends paid by the Company</b>	<b>1,740,091</b>	<b>1,647,193</b>

##### b) Dividends not recognised at year end

	2016 \$	2015 \$
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 2016 of 2.5 cents per share fully franked at 30% tax rate payable 28 October 2016 (FY2015: 2.5 cents fully franked)	<b>877,743</b>	<b>867,344</b>

##### c) Dividend franking account

	2016 \$	2015 \$
Balance of franking account at year end	<b>231,314</b>	<b>64,324</b>

##### (d) Adjustments to franking account after year end

	2016 \$	2015 \$
Balance of franking account at year end	231,314	64,324
Estimated income tax payable/(refund due)	162,155	(203,180)
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in b) above as follows:	(376,176)	(371,719)
	<b>17,293</b>	<b>(510,575)</b>

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

	2016 \$	2015 \$
<b>Remuneration of the auditor of the Company for:</b>		
Auditing or reviewing the financial report	36,831	36,512
Other assurance services	-	1,017
Other services provided by a related practice of the auditor:		
Taxation Services	7,480	7,260
Other non-assurances services	3,300	-
	<b>47,611</b>	<b>44,789</b>

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

## 6. Trade and other receivables

	2016 \$	2015 \$
Outstanding settlements	2,815,657	2,307,865
Income receivable	229,805	74,985
GST receivable	94,066	36,561
	<b>3,139,528</b>	<b>2,419,411</b>

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. Income receivable relates to interest, sub-underwriting fees, dividend, and trust distributions receivable at the end of the reporting period.

## 7. Financial assets

	2016 \$	2015 \$
Listed investments at fair value	20,253,481	23,010,511
Unlisted investments at fair value	467,322	233,627
	<b>20,720,803</b>	<b>23,244,138</b>

The majority of unlisted investments held at 30 June 2016 relate to Initial Public Offerings that have listed on the Australian Securities Exchange since year end. The market values of individual investments as at 30 June 2016 are disclosed on pages 56 to 58 of the Annual Report.

**8. Financial liabilities**

	2016 \$	2015 \$
Borrowed stock	<b>938,859</b>	<b>248,935</b>

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 Company's Management Agreement.

**9. Trade and other payables**

	2016 \$	2015 \$
Outstanding settlements	901,438	1,092,965
Management fee payable	34,742	99,338
Performance fee payable	1,139,721	267,314
Sundry payables	105,994	109,903
	<b>2,181,895</b>	<b>1,569,520</b>

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**

	2016 \$	2015 \$
35,109,715 ordinary shares fully paid (2015: 34,693,760)	<b>35,263,028</b>	<b>34,849,177</b>

**b) Ordinary shares**

	2016 \$	2015 \$
Balance at the beginning of the year	34,849,177	35,788,177
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	-
377,228 ordinary shares issued on 24 October 2014 under a dividend reinvestment plan	-	448,750
4.0 cents per share Return of Capital paid 1 June 2015	-	(1,387,750)
At reporting date	<b>35,263,028</b>	<b>34,849,177</b>

**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) Capital management**

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share and option issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to control the capital of the Company since the prior year. The Company is not subject to any externally imposed capital requirements.

**d) 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.

**11. Reserves**

	2016 \$	2015 \$
Profits reserve	<b>2,610,458</b>	<b>1,143,942</b>

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

	2016 \$	2015 \$
<b>Movement in profits reserve</b>		
Balance at the beginning of the year	1,143,942	1,659,413
Transfer of profits during the period	3,206,607	1,131,722
Final dividend paid (refer to note 4a)	(867,346)	(1,647,193)
Interim dividend paid (refer to note 4a)	(872,745)	-
At reporting date	<b>2,610,458</b>	<b>1,143,942</b>

**12. Accumulated losses**

	2016 \$	2015 \$
Balance at the beginning of the year	(1,250,500)	(1,016,459)
Transfer to profits reserve	(3,206,607)	(1,131,722)
Profit for the year attributable to members of the Company	3,139,348	897,681
At reporting date	<b>(1,317,759)</b>	<b>(1,250,500)</b>

**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:

	2016 \$	2015 \$
Cash at bank and on hand	11,967,919	458,777
Cash at call	80	7,232,678
Term deposits	4,006,381	3,000,000
	<b>15,974,380</b>	<b>10,691,455</b>

The weighted average interest rate for cash and term deposits as at 30 June 2016 is 1.76% (2015: 2.53%). The term deposits have an average maturity of 59 days (2015: 100 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. The term deposits also includes the cash collateral for the borrowed stock (refer Note 8).

**14. Cash flow information**

	2016 \$	2015 \$
<b>Reconciliation of operating profit after income tax:</b>		
Profit after income tax	3,139,348	897,681
Fair value gains/(losses) on financial assets	3,213,259	(3,276,355)
<b>Changes in assets and liabilities:</b>		
Increase in receivables	(720,117)	(569,488)
Decrease/(increase) in deferred tax assets	4,564	(1,096)
Increase/(decrease) in payables	612,376	(1,096,027)
Decrease/(increase) in current tax assets	365,335	(195,286)
Decrease in deferred tax liabilities	(5,599)	(28,205)
Cash flow from operating activities	<b>6,609,166</b>	<b>(4,268,776)</b>

**15. Earnings per share**

	2016 \$	2015 \$
Basic earnings per share	9.0	2.6

	2016 \$	2015 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	3,139,348	897,681

	2016 No.	2015 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive earnings per share	34,883,043	34,590,997

There are no outstanding securities that are potentially dilutive in nature for the Company.

**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.

For personal use only

## 16. Financial risk management (cont'd)

### a) Credit risk (cont'd)

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 three months.

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

### 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 Company options that may be on issue 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 2016	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Financial liabilities	-	938,859	938,859
Trade and other payables	-	2,181,895	2,181,895
<b>Total</b>	-	<b>3,120,754</b>	<b>3,120,754</b>

30 June 2015	>1 month \$	<1 month \$	Total \$
<b>Liabilities</b>			
Financial liabilities	-	248,935	248,935
Trade and other payables	-	1,569,520	1,569,520
<b>Total</b>	-	<b>1,818,455</b>	<b>1,818,455</b>

### 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 its capital 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 three months. 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 2016	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	1.76%	15,974,380	-	15,974,380
Trade and other receivables		-	3,139,528	3,139,528
Financial assets		-	20,720,803	20,720,803
<b>Total</b>		<b>15,974,380</b>	<b>23,860,331</b>	<b>39,834,711</b>
<b>Liabilities</b>				
Financial liabilities		-	938,859	938,859
Trade and other payables		-	2,181,895	2,181,895
<b>Total</b>		<b>-</b>	<b>3,120,754</b>	<b>3,120,754</b>
30 June 2015	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Cash and cash equivalents	2.53%	10,691,455	-	10,691,455
Trade and other receivables		-	2,622,591	2,622,591
Financial assets		-	23,244,138	23,244,138
<b>Total</b>		<b>10,691,455</b>	<b>25,866,729</b>	<b>36,558,184</b>
<b>Liabilities</b>				
Financial liabilities		-	248,935	248,935
Trade and other payables		-	1,569,520	1,569,520
<b>Total</b>		<b>-</b>	<b>1,818,455</b>	<b>1,818,455</b>

## 16. Financial risk management (cont'd)

### c) Market risk (cont'd)

#### (ii) Other price risk

Other market 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.

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	2016 %	2015 %
Financials	29.0%	31.8%
Consumer Discretionary	8.4%	12.6%
Information Technology	5.8%	0.8%
Health Care	5.2%	7.0%
Industrials	4.3%	8.8%
Utilities	1.9%	-
Materials	-	0.9%
Telecommunication Services	-	2.1%
Consumer Staples	-	2.0%
<b>Total</b>	<b>54.6%</b>	<b>66.0%</b>

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

Company name	2016 %	2015 %
Hunter Hall Global Value Limited	7.7%	7.2%

## 16. Financial risk management (cont'd)

### c) Market risk (cont'd)

#### (ii) Other price risk (cont'd)

##### 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 54.6% (2015: 66%) 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 2.7% (2015: 3.3%) movement in the net assets after tax. This would result in the 30 June 2016 net asset backing after tax moving by 2.8 cents per share (2015: 3.3 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 majority of the investments included in Level 2 of the hierarchy for the current and previous financial year include amounts in relation to Initial Public Offerings and Placements. These investments have not listed on the Australian Securities Exchange at the end of the reporting period and therefore represent investments in an inactive market. In valuing these unlisted investments, included in Level 2 of the hierarchy, the fair value has been determined using the valuation technique of the subscription price and the amount of securities subscribed for by the Company under the relevant offers. The remaining investments included in Level 2 of the hierarchy are unlisted securities which have been valued using techniques such as comparisons to similar investments for which market observable prices are available or the last sale price have been adopted to determine the fair value of these investments.

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)
<b>Total</b>	<b>19,314,622</b>	<b>467,322</b>	<b>-</b>	<b>19,781,944</b>

**16. Financial risk management (cont'd)****d) Financial instruments measured at fair value (cont'd)**

30 June 2015	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	23,010,511	233,627	-	23,244,138
Financial liabilities	(248,935)	-	-	(248,935)
<b>Total</b>	<b>22,761,576</b>	<b>233,627</b>	<b>-</b>	<b>22,995,203</b>

**17. Investment transactions**

The total number of contract notes that were issued for transactions in securities during the financial year was 3,628 (2015: 2,880). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$458,740 (2015: \$458,601).

**18. Segment reporting**

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

**19. Capital commitments**

There are no capital commitments as at 30 June 2016 (2015: nil).

**20. Contingent liabilities**

There are no contingent liabilities as at 30 June 2016 (2015: \$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

**21. Key management personnel compensation (cont'd)****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 24, as permitted 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 2016	82,190	7,810	<b>90,000</b>
Total Directors remuneration paid by the Company for the year ended 30 June 2015	73,058	6,942	<b>80,000</b>

**b) Share and option holdings**

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
	<b>1,565,225</b>	<b>111,390</b>	-	<b>1,676,615</b>

At 30 June 2015, 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 2014	Acquisitions/ Balance held on appointment	Disposals	Balance at 30 June 2015
Geoff Wilson	1,020,000	6,498	-	1,026,498
Matthew Kidman	408,654	16,490	-	425,144
John Abernethy	60,000	-	-	60,000
Chris Stott*	-	22,852	-	22,852
Kate Thorley*	-	30,731	-	30,731
	<b>1,488,654</b>	<b>76,571</b>	-	<b>1,565,225</b>

\*Chris Stott and Kate Thorley were both appointed as Directors of WAM Active on 1 July 2014. On this date, Chris held 18,601 ordinary shares and Kate held 29,539 ordinary shares in the Company.

For personal use only

## 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 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 \$403,599 inclusive of GST (2015: \$398,597). At 30 June 2016, the balance payable to the Manager was \$34,742 (2015: \$99,338).

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 2016, a performance fee of \$1,139,721 inclusive of GST was payable to MAM Pty Limited (2015: \$267,314).

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 2016, the accounting services amounted to \$38,500 inclusive of GST (2015: \$38,500) and the Company Secretarial services amounted to \$16,500 inclusive of GST (2015: \$15,000 GST free). Wilson Asset Management (International) Pty Limited is a Director associated entity.

These amounts are in addition to the Directors' remuneration detailed in note 21(a). 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 is a member or with a Company in which he has substantial financial interest.

## 23. Events subsequent to reporting date

Since year end the Board has declared a final dividend of 2.5 cents per share fully franked to be paid on 28 October 2016.

On 11 August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. Options entitle holders to purchase additional ordinary shares in WAM Active at the exercise price of \$1.14 at any time before they expire on or before 17 September 2018. The options are currently trading on the ASX under the code WAAO.

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 30 to 52 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 24 to 26, 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 2016 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 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 30<sup>th</sup> day of September 2016

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WAM ACTIVE LIMITED  
ABN 49 126 420 719**

**Report on the Financial Report**

We have audited the accompanying financial report of WAM Active Limited, which comprises the financial position as at 30 June 2016, 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 of the company.

*Directors' Responsibility for the Financial Report*

The directors of WAM Active Limited are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards (IFRS).

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. 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.

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 controls relevant to the entity'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 entity's 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

For personal use only

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WAM ACTIVE LIMITED  
ABN 49 126 420 719**

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*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 entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 24 to 26 of the directors' report for the year ended 30 June 2016. 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.

*Opinion*

In our opinion the Remuneration Report of WAM Active Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.



S M WHIDDETT  
Partner

30 September 2016



PITCHER PARTNERS  
Sydney

## Investments at market value as at 30 June 2016

Company Name	Code	Market Value \$	% of Gross Assets
<b>Financials</b>			
Hunter Hall Global Value Limited	HHV	2,931,552	7.5%
Century Australia Investments Limited	CYA	1,513,549	3.9%
AMP Capital China Growth Fund	AGF	1,053,155	2.7%
Templeton Global Growth Fund Limited	TGG	789,166	2.0%
Astro Japan Property Group Limited	AJA	528,674	1.4%
Westoz Investment Company Limited	WIC	522,158	1.3%
AUB Group Limited	AUB	508,363	1.3%
IPE Limited	IPE	404,460	1.0%
Aspen Group Limited	APZ	360,388	0.9%
Galileo Japan Trust	GJT	344,240	0.9%
Keybridge Capital Limited	KBC	300,206	0.8%
Cedar Woods Properties Limited	CWP	223,342	0.6%
Aveo Group	AOG	181,343	0.5%
Scottish Pacific Group Limited	SCO	180,749	0.5%
Wealth Defender Equities Limited	WDE	175,351	0.5%
Hastings High Yield Fund	HHY	154,050	0.4%
Bailador Technology Investments Limited	BTI	149,958	0.4%
NAOS Emerging Opportunities Company Limited	NCC	127,598	0.3%
Australian Unity Office Property Fund	AOF	115,659	0.3%
Aberdeen Leaders Limited	ALR	108,164	0.3%
Acorn Capital Investment Fund Limited	ACQ	82,911	0.2%
National Storage REIT	NSR	75,960	0.2%
Perpetual Equity Investment Company Limited	PIC	63,130	0.2%
Ozgrowth Limited	OZG	56,903	0.1%
Investore Property Limited	IPLNZ	32,197	0.1%
Ask Funding Limited	AKF	20,387	0.1%

For personal use only

Investments at market value as at 30 June 2016

Company Name	Code	Market Value \$	% of Gross Assets
<b>Financials (cont'd)</b>			
Ironbark Capital Limited	IBC	19,174	0.0%
Contango Microcap Limited	CTN	3,468	0.0%
Ozgrowth Limited Options expiring 31 August 2016	OZGOA	255	0.0%
Westoz Investment Company Limited Options expiring 31 August 2016	WICOA	66	0.0%
		<b>11,026,576</b>	<b>28.4%</b>
<b>Consumer Discretionary</b>			
APN News & Media Limited	APN	1,268,105	3.3%
WPP Aunz Limited	WPP	518,221	1.3%
Greencross Limited	GXL	480,731	1.2%
Harvey Norman Holdings Limited	HVN	315,850	0.8%
Shaver Shop Group Limited	SSG	238,589	0.6%
NZME Limited	NZM	231,360	0.6%
Automotive Group Holdings Limited	AHG	68,037	0.2%
Southern Cross Media Group Limited	SXL	61,725	0.2%
		<b>3,182,618</b>	<b>8.2%</b>
<b>Information Technology</b>			
Adacel Technologies Limited	ADA	839,303	2.2%
Touchcorp Limited	TCH	520,132	1.3%
Afterpay Holdings Limited	AFY	429,430	1.1%
NEXTDC Limited	NXT	253,061	0.6%
Primary Opinion Limited	POP	77,723	0.2%
Dyesol Limited	DYE	59,944	0.2%
		<b>2,179,593</b>	<b>5.6%</b>
<b>Health Care</b>			
Medical Developments International Limited	MVP	939,351	2.4%
Mayne Pharma Group Limited	MYX	531,933	1.4%
Estia Health Limited*	EHE	426,443	1.1%
Nanosonics Limited	NAN	83,660	0.2%
		<b>1,981,387</b>	<b>5.1%</b>

\*Borrowed stock at 30 June 2016.

For personal use only

Investments at market value as at 30 June 2016

Company Name	Code	Market Value \$	% of Gross Assets
<b>Industrials</b>			
Macquarie Atlas Roads Group	<b>MQA</b>	672,209	1.7%
Southern Cross Electrical Engineering Limited	<b>SXE</b>	577,184	1.5%
MACA Limited	<b>MLD</b>	207,363	0.5%
Macmahon Holdings Limited	<b>MAH</b>	65,447	0.2%
Perseus Mining Limited	<b>PRU</b>	93,990	0.2%
DMX Corporation Limited	<b>DMX</b>	15,465	0.0%
		<b>1,631,658</b>	<b>4.1%</b>
<b>Utilities</b>			
Infigen Energy Limited	<b>IFN</b>	718,971	1.8%
		<b>718,971</b>	<b>1.8%</b>
<b>Total Long Portfolio</b>		<b>20,720,803</b>	<b>53.2%</b>
<b>Total Cash, income receivable and net outstanding settlements</b>		<b>18,212,470</b>	<b>46.8%</b>
<b>Total Short portfolio</b>		<b>(938,859)</b>	<b>-2.4%</b>
<b>Gross Assets</b>		<b>\$37,994,414</b>	

For personal use only

## 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 31 August 2016)** - there are currently no substantial shareholders.

**On-market buy back (at 31 August 2016)** - there is no current on-market buy back.

### Distribution of shareholders (as at 31 August 2016)

Category	No. of shareholders Ordinary Shares	%
1 – 1,000	202	0.4
1,001 – 5,000	427	3.8
5,001 – 10,000	312	7.2
10,001 – 100,000	661	62.3
100,001 and over	48	26.3
	<b>1,650</b>	<b>100.00</b>

The number of shareholdings held in less than marketable parcels is 39.

### Twenty largest shareholders – Ordinary shares (as at 31 August 2016)

Name	Number of ordinary shares held	Percentage of issued capital held
Entities associated with Mr Geoff Wilson	1,093,892	3.1%
Sanolu Pty Limited	734,112	2.1%
Edington Pty Limited	461,000	1.3%
Entities associated with Mr Matthew Kidman	446,772	1.3%
Trophy Components Distributors Pty Limited	400,000	1.1%
Graham Evans Investments Pty Limited	230,000	0.7%
Distad Pty Limited	220,000	0.6%
Mr & Mrs GL Herring	219,039	0.6%
Cooltrac Pty Limited	211,273	0.6%
Mr & Mrs KA Tunks	200,250	0.6%
Uplands Holdings Pty Limited	200,000	0.6%
Vohra Holdings Pty Limited	200,000	0.6%
Ichiban Superannuation Pty Limited	200,000	0.6%
Selman Pty Limited	190,800	0.5%
Mr & Mrs C Sartori	178,916	0.5%
Graham Port Phillip Pty Limited	176,000	0.5%
Kindl Holdings Pty Limited	175,000	0.5%
NGC Superannuation Pty Limited	174,884	0.5%
Mr & Mrs LA Jordan	170,000	0.5%
I & R Simpson Super Pty Limited	169,849	0.5%
	<b>6,051,787</b>	<b>17.3%</b>

### Stock Exchange Listing

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

For personal use only

---

[wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)  
Telephone. + 61 2 9247 6755  
Fax. +61 2 9247 6855

[info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)  
Level 11, 139 Macquarie Street  
Sydney NSW 2000 Australia