

# Investment update

As at 28 February 2017



wilsonassetmanagement.com.au  
ABN 49 126 420 719

## Snapshot

Pre-tax net tangible assets

**\$1.07**

Fully franked  
dividend yield

**4.8%**

Gross assets

**\$39.0m**

Performance  
(p.a. since January 2008)

**12.8%**

## WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$39.0m
Market cap	\$41.1m
Share price (WAA)	\$1.15
Option price (WAAO)	\$0.044
NTA before tax	\$1.07
Shares on issue	35,711,407
Options on issue	34,566,549
Annualised fully franked interim dividend (FY2017)	5.5c
Fully franked dividend yield	4.8%

## Investment objectives

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

## Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Head of Trading
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Senior Equity Analyst

## Company overview

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

## Key dividend dates

Ex date	16 May 2017
Record date	17 May 2017
Last election date for DRP	19 May 2017
Payment date	26 May 2017
Last day to exercise options to be eligible for the dividend	11 May 2017

## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 2.1% for the month. Company reporting season was the most positive for many years with a return to earnings growth, particularly in the resources sector. Overall, domestic economic conditions are improving, the housing market remains strong and the short-term outlook for the sharemarket is positive. However, our positive market outlook is tempered by the potential for further volatility caused by geopolitical risks over the calendar year.

## Stock news

During the month, Woolworths Limited (ASX: WOW) announced its half year results, reporting sales growth in its Australian Food category of 2.8%, an increase from 1.9% on the prior corresponding period and in line with expectations. CEO Bradford Banducci has concentrated on improving the core grocery network, repairing operational issues and reinvesting in the store network, which have been instrumental to the company's turnaround thus far.

## Net tangible asset (NTA) figures

NTA before tax	107.10c
NTA after tax and before tax on unrealised gains	105.90c
NTA after tax	105.90c

The above figures are not adjusted for the 34,566,549 options on issue with an exercise price of \$1.14.

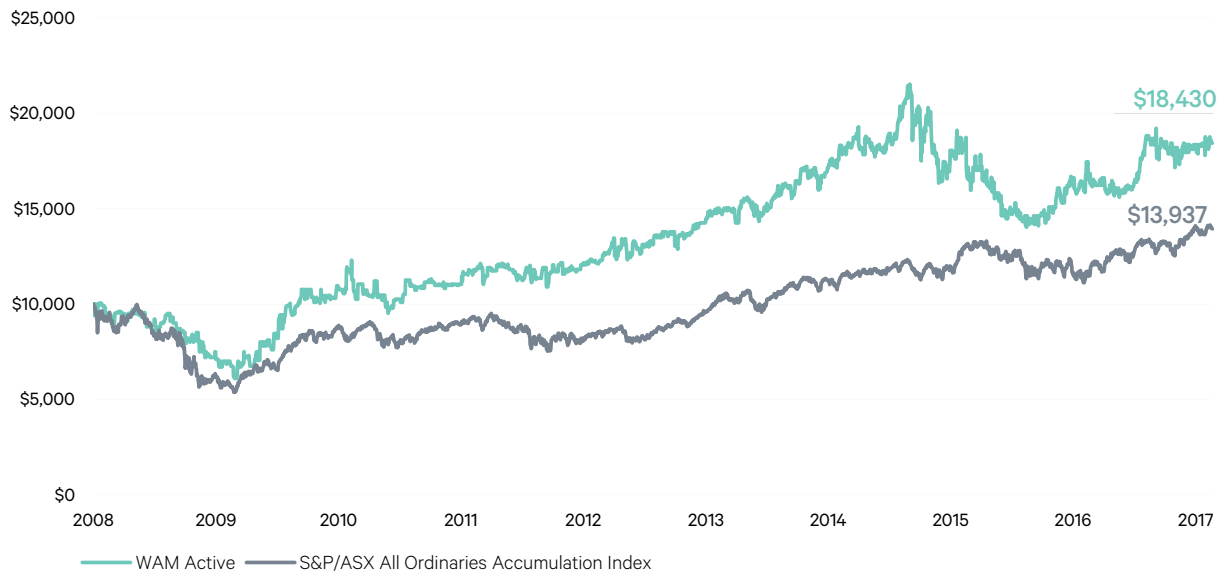
## Performance

Performance at 28 February 2017	1 Mth	6 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.4%	4.3%	8.8%	18.0%	11.2%	13.4%	12.8%
S&P/ASX All Ordinaries Accumulation Index	2.1%	6.2%	11.4%	21.3%	6.5%	10.2%	3.2%
<b>Outperformance</b>	<b>-1.7%</b>	<b>-1.9%</b>	<b>-2.6%</b>	<b>-3.3%</b>	<b>+4.7%</b>	<b>+3.2%</b>	<b>+9.6%</b>
UBS Bank Bill Index (Cash)	0.1%	0.9%	1.2%	2.0%	2.3%	2.7%	3.8%
<b>Outperformance</b>	<b>+0.3%</b>	<b>+3.4%</b>	<b>+7.6%</b>	<b>+16.0%</b>	<b>+8.9%</b>	<b>+10.7%</b>	<b>+9.0%</b>

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

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

### WAM Active versus the Index



## Diversified portfolio

Investment type	January 2017		February 2017	
	\$m	%	\$m	%
Listed equities	22.7	58.4	22.8	58.6
Short portfolio	(0.4)	(1.1)	(0.3)	(0.9)
Fixed interest & cash	16.6	42.7	16.5	42.3
<b>Gross assets</b>	<b>\$38.9m</b>	<b>100.0</b>	<b>\$39.0</b>	<b>100.0</b>
<b>Total shares on issue</b>	<b>35,698,303</b>		<b>35,711,407*</b>	

\*During the month, 13,104 options were exercised.

## One-for-one option issue

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

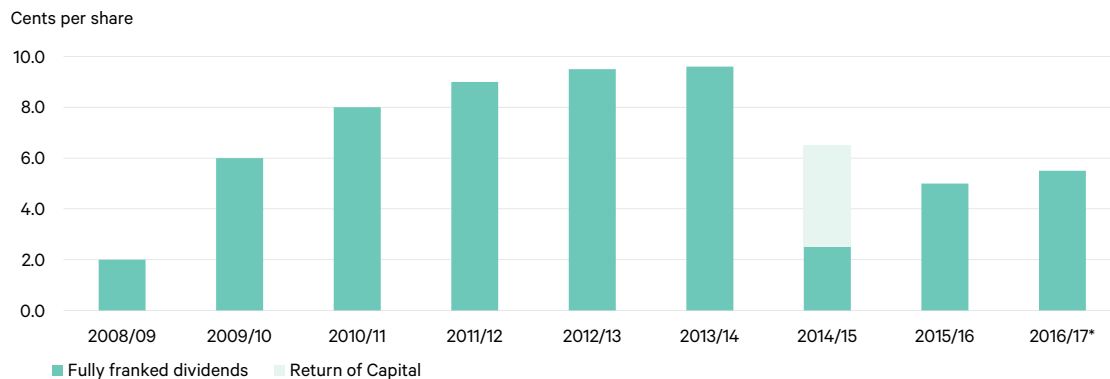
## Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	MND	Monadelphous Group Limited
CYA	Century Australia Investments Limited	TWE	Treasury Wine Estates Limited
CVO	Cover-More Group Limited	PMV	Premier Investments Limited
TGG	Templeton Global Growth Fund Limited	QBE	QBE Insurance Group Limited
AFY	Afterpay Holdings Limited	RCR	RCR Tomlinson Limited
ALL	Aristocrat Leisure Limited	WIC	Westoz Investment Company Limited
LLC	Lend Lease Group	MYX	Mayne Pharma Group Limited
HGG	Henderson Group Plc	AGF	AMP Capital China Growth Fund
WOW	Woolworths Limited	REA	REA Group Limited
CPU	Computershare Limited	PIC	Perpetual Equity Investment Company Limited

## Fully franked dividends

On 15 February 2017, the Board announced a fully franked interim dividend of 2.75 cents per share, an increase on last year's fully franked 2.5 cents per share interim dividend. The interim dividend will be paid on 26 May 2017 and will trade ex on 16 May 2017. The dividend reinvestment plan (DRP) is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 19 May 2017. Shareholders who exercise their options before 11 May 2017 will be eligible to receive the fully franked interim dividend.

### Fully franked dividends since inception



\*Annualised interim dividend

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.