

# Investment update

As at 31 July 2017



[wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

ABN 49 126 420 719

## Snapshot

Pre-tax net tangible assets

**\$1.06**

Fully franked  
dividend yield

**5.0%**

Gross assets

**\$42.7m**

Performance  
(p.a. since January 2008)

**12.7%**

## WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$42.7m
Market cap	\$42.5m
Share price (WAA)	\$1.095
Option price (WAAO)	\$0.013
NTA before tax	\$1.06
Shares on issue	38,802,828
Options on issue	31,680,247
Fully franked dividends (FY2017)	5.5c
Fully franked dividend yield	5.0%

## Investment objectives

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

## Wilson Asset Management investment & management team

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

## Company overview

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

## Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

**SAVE THE DATE**

## FY2017 full year results and increased fully franked dividend

On 3 August 2017, WAM Active reported an operating profit before tax of \$2.7 million and operating profit after tax of \$2.1 million for the full year to 30 June 2017. The company announced a fully franked final dividend of 2.75 cents per share, bringing the full year fully franked dividend to 5.5 cents per share. The total shareholder return for the 2017 financial year was 16.0%.

Option holders are able to receive the 2.75 cents per share fully franked final dividend on options exercised on or before 11 October 2017. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend.

## Key dividend dates

Dividend ex-date	17 October 2017
Record date	18 October 2017
Last election date for DRP	20 October 2017
Payment date	27 October 2017

## Market overview

The S&P/ASX Ordinaries Accumulation Index closed up 0.2% for the month. As expected, the Reserve Bank of Australia (RBA) announced its decision to keep the cash rate on hold at 1.5% for the 12<sup>th</sup> consecutive month. The Australian Bureau of Statistics released its anticipated inflation numbers with the consumer price index over the June quarter coming in below expectations, lowering the probability of the RBA increasing its cash rate in the near term. Consumer sentiment figures released by the Westpac-Melbourne Institute showed a decline of 2.5% over the last 12 months.

## Net tangible asset (NTA) figures

NTA before tax	106.25c*
NTA after tax and before tax on unrealised gains	105.98c
NTA after tax	105.88c

The above figures are not adjusted for the 31,680,247 options on issue with an exercise price of \$1.14.  
\*The NTA before tax is after the payment and provision of tax of \$401k (1.0 cps) for the 2017 financial year.

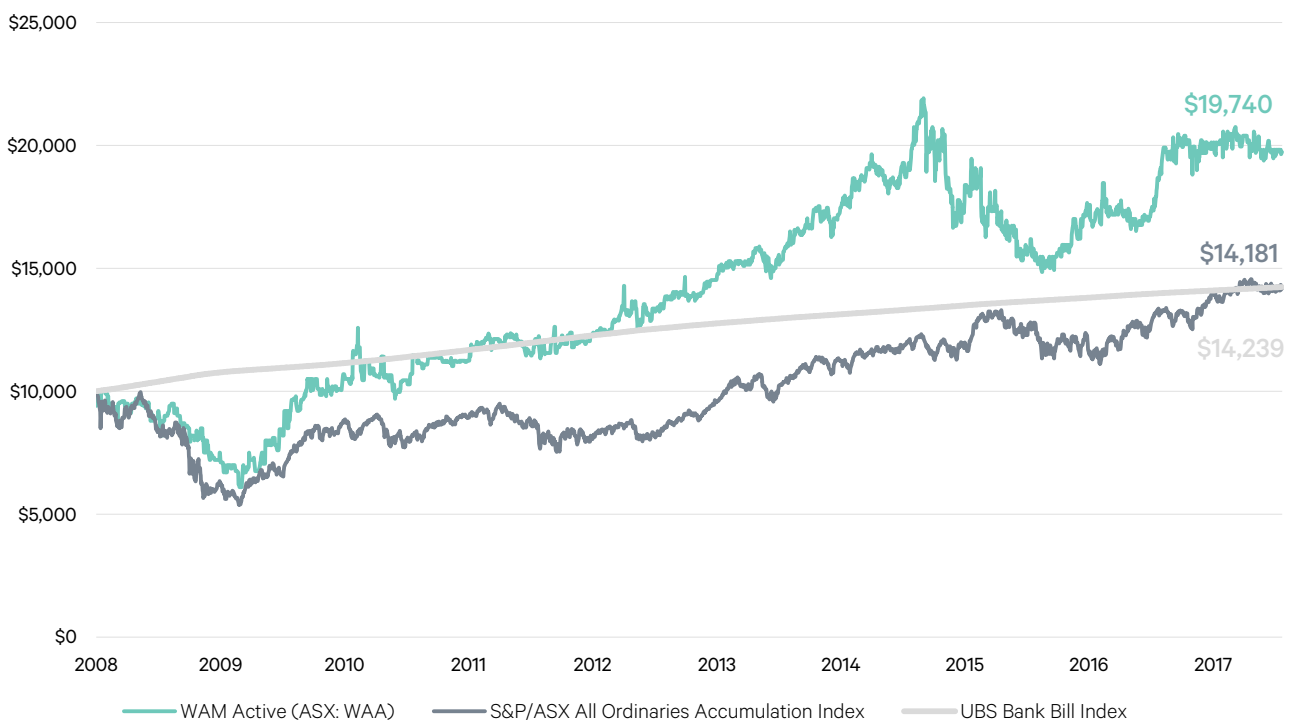
## Performance

Performance at 31 July 2017	1 Mth	6 Mth	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception (Jan-08) %pa
WAA Investment Portfolio*	1.7%	4.7%	8.9%	11.4%	14.0%	12.7%
S&P/ASX All Ordinaries Accumulation Index	0.2%	3.9%	6.6%	5.3%	10.8%	3.2%
<b>Outperformance</b>	<b>+1.5%</b>	<b>+0.8%</b>	<b>+2.3%</b>	<b>+6.1%</b>	<b>+3.2%</b>	<b>+9.5%</b>
UBS Bank Bill Index (Cash)	0.1%	0.9%	1.8%	2.2%	2.5%	3.7%
<b>Outperformance</b>	<b>+1.6%</b>	<b>+3.8%</b>	<b>+7.1%</b>	<b>+9.2%</b>	<b>+11.5%</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



#### Notes:

1. The above graph reflects the period from inception in January 2008 to 31 July 2017.
2. WAM Active's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index and the UBS Bank Bill Index have been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Active portfolio.

## Diversified portfolio

Investment type	June 2017		July 2017	
	\$m	%	\$m	%
Listed equities	32.3	76.8	38.5	90.1
Short portfolio	(2.7)	(6.3)	(3.3)	(7.6)
Fixed interest & cash	12.4	29.5	7.5	17.5
<b>Gross assets</b>	<b>\$42.0</b>	<b>100.0</b>	<b>\$42.7</b>	<b>100.0</b>
Total shares on issue	38,802,828		38,802,828	

## 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.

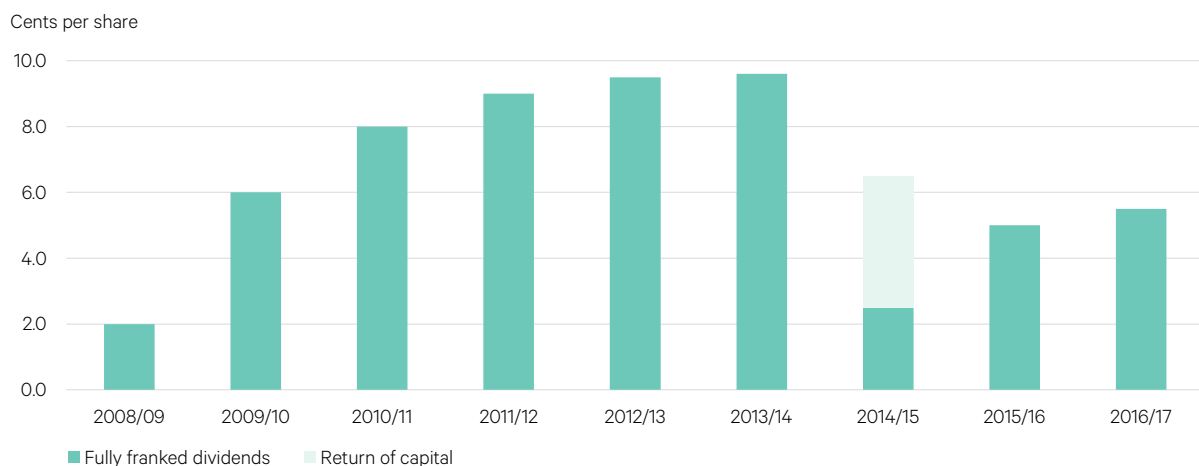
## Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	JBH	JB Hi-Fi Limited
APT	Afterpay Touch Group Limited	MND	Monadelphous Group Limited
FXJ	Fairfax Media Limited	CAJ	Capitol Health Limited
TGG	Templeton Global Growth Fund Limited	FLT	Flight Centre Travel Group Limited
NEC	Nine Entertainment Co Holdings Limited	DOW	Downer EDI Limited
CPU	Computershare Limited	CTD	Corporate Travel Management Limited
JHG	Janus Henderson Group PLC	LLC	Lendlease Group
EHE	Estia Health Limited	SGM	Sims Metal Management Limited
SVW	Seven Group Holdings Limited	SUL	Super Retail Group Limited
WOW	Woolworths Limited	STO	Santos Limited

## Fully franked dividends

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

### Fully franked dividends since inception



## Investor conference call

Shareholders have the opportunity to take part in an investor conference call in which the investment team will provide an update on the WAM Active investment portfolio, insights from the current reporting season and our equity market outlook. The call will also cover WAM Leaders, WAM Microcap, WAM Research, WAM Capital and Century Australia.

**Date:** Wednesday 6 September 2017

**Time:** 4:30pm – 5:30pm (AEST)

To register, please visit [www.waminvestorcall.eventbrite.com.au](http://www.waminvestorcall.eventbrite.com.au)