

Investment update

As at 30 November 2017

Snapshot

Pre-tax net tangible assets

\$1.01

Gross assets

\$95.1m

ABN: 11 107 772 761

wilsonassetmanagement.com.au

Century Australia

ASX code	CYA
Listed	April 2004
Gross assets	\$95.1m
Market cap	\$90.0m
Share price	\$0.955
NTA before tax	\$1.01
Shares on issue	94,268,790

Investment objectives

- Deliver a regular income stream via fully franked dividends
- Provide capital growth over the medium-to-long term
- Preserve capital

Wilson Asset Management investment and 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

On 18 April 2017, shareholders of Century Australia Investments Limited (ASX: CYA) approved the appointment of MAM Pty Limited, a member of the Wilson Asset Management Group, as the new investment manager. Century will provide investors with access to a portfolio predominately comprised of large-cap companies in the S&P/ASX 300 Index and the investment management expertise of Wilson Asset Management.

Market overview

The investment portfolio increased 2.4% in November 2017, outperforming the S&P/ASX 300 Accumulation Index, which rose 1.7%. The Index's best performing sectors included real estate investment trusts (REITs), up 5.3% and energy, up 4.3%.

The Australian government caved to mounting pressure for a Royal Commission into the financial services sector, which saw the banks underperform (-3.2%) through the month. The NAB Business survey reported yet another strong outcome in October 2017, with conditions soaring to an all-time high. In contrast, the Westpac-Melbourne Institute index of consumer sentiment registered a 1.7% fall in November 2017. Data from the Australian Bureau of Statistics (ABS) reported Australia's unemployment rate fell to a near five-year low.

Globally, stock markets continued to push through record highs during the month with the MSCI All World Index hitting an all-time high along with United States indices. The Australian market pushed through 6,000 point mark for the first time since the global financial crisis, largely driven by the energy and mining sectors. The oil price rose 5.1% for the month in anticipation of an extension of production cuts at the Organization of the Petroleum Exporting Countries meeting on 30 November 2017.

November 2017 Shareholder Presentations

Thank you to those who attended our Shareholder Presentations, we greatly enjoyed the opportunity to meet over 3,000 of our shareholders. If you were unable to attend, you can access the full recording of our Sydney [presentation](#) and the presentation [slides](#), also available on our website.

Performance

Performance at 30 November 2017	1 Mth	3 Mths	Fin YTD	6 Mths	Since appointment of new investment manager (April-17)
CYA Investment Portfolio*	2.4%	7.0%	7.7%	8.3%	8.4%
S&P/ASX 300 Accumulation Index	1.7%	5.8%	6.6%	6.9%	5.5%
Outperformance	+0.7%	+1.2%	+1.1%	+1.4%	+2.9%

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

Net Tangible Assets (NTA) figures

NTA before tax	100.5c
Deferred tax asset on carry forward realised losses	6.2c
Deferred tax liability on unrealised income and gains	(1.6)c
NTA after tax	105.1c

In addition to the deferred tax assets of 6.2 cents per share recorded in the accounts there is a further \$1.9 million or 2.1 cents per share of tax benefit on realised losses that is not carried on the company's balance sheet and is available to be offset against future taxation liabilities.

The fact that Century Australia is currently not liable to pay tax means that the level of franked dividends paid is reliant on the level of franking credits received by way of fully franked dividend income. Once the total carry forward losses are utilised, Century Australia will return to paying tax on any realised gains. Tax payments will generate additional franking credits from which franked dividends can be paid.

Portfolio update

The investment portfolio's outperformance during the month was driven by solid performance across the majority of holdings in the investment portfolio. Largest contributors included News Corporation (ASX: NWS) after delivering a solid quarterly update during the month; Origin Energy (ASX: ORG), which announced it will cut \$500 million of costs from its Queensland Australia Pacific LNG joint venture over the next 18 months and Tabcorp Holdings (ASX: TAH) following an approval from the Australian Competition Tribunal to complete a merger with Tatts. Other strong performers included Boral (ASX: BLD), Primary Healthcare (ASX: PRY), James Hardie Industries (ASX: JHX) and Westfield Corporation (ASX: WFD). The largest detractors for the month were National Australia Bank (ASX: NAB), following its dividend and dividend reinvestment plan (DRP) repricing, and Qantas (ASX: QAN).

Diversified portfolio

Investment Type	October 2017		November 2017	
	\$m	%	\$m	%
Listed Equities	77.3	83.2	84.7	89.1
Fixed Interest & Cash	15.6	16.8	10.4	10.9
Gross Assets	92.9	100.0	95.1	100.0
Total Shares on issue	94,268,790		94,268,790	

Top 20 holdings

Code	Company	Code	Company
BHP	BHP Billiton Limited	AMC	Amcor Limited
WOW	Woolworths Limited	CSL	CSL Limited
ORG	Origin Energy Limited	BLD	Boral Limited
NAB	National Australia Bank Limited	PRY	Primary Health Care Limited
WBC	Westpac Banking Corp	RIO	Rio Tinto Limited
TAH	Tabcorp Holdings Limited	JHG	Janus Henderson Group PLC
WPL	Woodside Petroleum Limited	NWS	News Corp
AMP	AMP Limited	WFD	Westfield Corp
ANZ	Australia and New Zealand Banking Group Limited	JHX	James Hardie Industries PLC
MQG	Macquarie Group Limited	TLS	Telstra Corporation Limited