

Investment update

As at 28 February 2018

Snapshot

Pre-tax net tangible assets

\$1.03

Gross assets

\$97.7m

Century Australia

ASX code	CYA
Listed	April 2004
Gross assets	\$97.7m
Market cap	\$90.0m
Share price	\$0.955
NTA before tax	\$1.03
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 AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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.

Save the date: Shareholder Presentations

Hobart	11 May
Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

FY2018 interim results

Century Australia **announced** its FY2018 interim results to the market on Tuesday 27 February. Highlights from the announcement include:

- After-tax profit of \$4.4 million
- Total comprehensive income up 8.6% to \$6.4 million
- Fully franked 2.09 cents per share interim dividend.

Market overview

The Index closed up 0.3% for the month of February, an almost flat close to a volatile month. The best performing sectors for the month were healthcare, up 7.0%, consumer staples, up 2.1% and financials, up 0.6%. The worst performers were telecommunications, down 6.2%, energy, down 3.8%, and real estate investment trusts, down 3.2%.

February was a turbulent month for global equity markets. Data released on US wage growth sparked expectations of higher inflation, which in turn saw bonds sell off on concerns about the pace of interest rate increases. Equity markets around the world followed suit, Australia included. A slightly positive domestic reporting season provided Australian investors with some reassurance. Across the ASX 300, results were broadly in line with expectations. While reported revenues were largely flat, margins contracted due to input price headwinds, energy interest costs and rising wages. We also saw the trend towards cost-out and buy-back initiatives continue and await further confidence to emerge to drive investment and capital expenditure.

Performance

Performance at 28 February 2018	1 mth	3 mths	6 mths	Fin YTD	Since appointment of new investment manager (April-17)
CYA Investment Portfolio*	1.2%	3.2%	10.5%	11.1%	11.9%
S&P/ASX 300 Accumulation Index	0.3%	1.8%	7.7%	8.5%	7.4%
Outperformance	+0.9%	+1.4%	+2.8%	+2.6%	+4.5%

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

Net Tangible Assets (NTA) figures

NTA before tax	103.0c
Deferred tax asset on carry forward realised losses	6.2c
Deferred tax liability on unrealised income and gains	(2.1)c
NTA after tax	107.1c

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

In February, the Century Australia investment portfolio increased 1.2%, outperforming the S&P/ASX 300 Accumulation Index. The solid outperformance in February was driven by strong results from companies held in the portfolio during the reporting period. Highlights included results from CSL Limited (ASX: CSL), Nine Entertainment (ASX: NEC), Corporate Travel Management (ASX: CTD), James Hardie Industries (ASX: JHX) and Computershare (ASX: CPU). Despite a highly volatile month, changes to the portfolio were limited as we continue to hold conviction in our existing holdings and their respective catalysts remain in place. The portfolio is well positioned to withstand heightened levels of volatility and we remain confident in the underlying stocks in the portfolio.

Diversified portfolio

Investment Type	January 2018		February 2018	
	\$m	%	\$m	%
Listed Equities	89.8	92.9	88.7	90.8
Fixed Interest & Cash	6.9	7.1	8.0	9.2
Gross Assets	96.7	100.0	97.7	100.0
Total Shares on issue	94,268,790		94,268,790	

Top 20 holdings

Code	Company	Code	Company
BHP	BHP Billiton Limited	QBE	QBE Insurance Group Limited
NAB	National Australia Bank Limited	WOW	Woolworths Limited
CSL	CSL Limited	RIO	Rio Tinto Limited
WBC	Westpac Banking Corp	BLD	Boral Limited
WPL	Woodside Petroleum Limited	NEC	Nine Entertainment Co. Holdings Limited
ORG	Origin Energy Limited	JHX	James Hardie Industries PLC
AMP	AMP Limited	AMC	Amcor Limited
MQG	Macquarie Group Limited	PRY	Primary Health Care Limited
ANZ	Australia and New Zealand Banking Group Limited	TAH	Tabcorp Holdings Limited
CBA	Commonwealth Bank of Australia	SGR	The Star Entertainment Group Limited