

Investment update

As at 30 June 2018



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.10

Fully franked
dividend yield

5.2%

Gross assets

\$47.2m

Performance
(p.a. since January 2008)

12.9%

WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$47.2m
Market cap	\$45.9m
Share price (WAA)	\$1.105
Option price (WAAO)	\$0.005
NTA before tax	\$1.10
Shares on issue	41,575,290
Options on issue	29,312,744
Annualised fully franked interim dividend (FY2018)	5.7c
Fully franked dividend yield	5.2%

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 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
Nick Healy	Equity Analyst
Cooper Rogers	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.

WAM Active options

Your WAM Active options enable you to acquire additional WAM Active shares (ASX: WAA) without paying brokerage fees at the price of \$1.14 per share at any time on or before 17 September 2018. The options are currently trading on the ASX under the code WAAO where you have the opportunity to sell or purchase additional options. Shares in WAM Active closed at \$1.135 on 12 July 2018 and WAM Active options (ASX: WAAO) closed at 0.3 cents. If you have any questions regarding your WAM Active options, please call Alexandra Hopper Irwin on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 2.9% for the month, to finish the financial year up 13.7%, the best year for the Australian market in four years. The resources sector was the best performing sector for the year while banks lagged on the back of a slowing economy and the Royal Commission.

During the month the Australian Senate passed Prime Minister Malcolm Turnbull's \$144 billion package of income tax cuts. The income tax cuts are the broadest income tax reform package passed by Parliament and will affect all taxpayers earning more than \$19,000, carried over three stages and spread across seven years.

Globally, the escalating prospect of trade conflicts between the US and China weighed heavily on sentiment. The US Federal Reserve lifted interest rates by 0.25 percentage points and signalled that two more increases are likely in 2018 as policymakers gave a bullish assessment of the US economy citing accelerating growth and rapid job creation.

Net tangible asset (NTA) figures

NTA before tax	109.95c
NTA after tax and before tax on unrealised gains	108.32c
NTA after tax	108.32c

The above figures are not adjusted for the 29,312,744 options on issue with an exercise price of \$1.14.

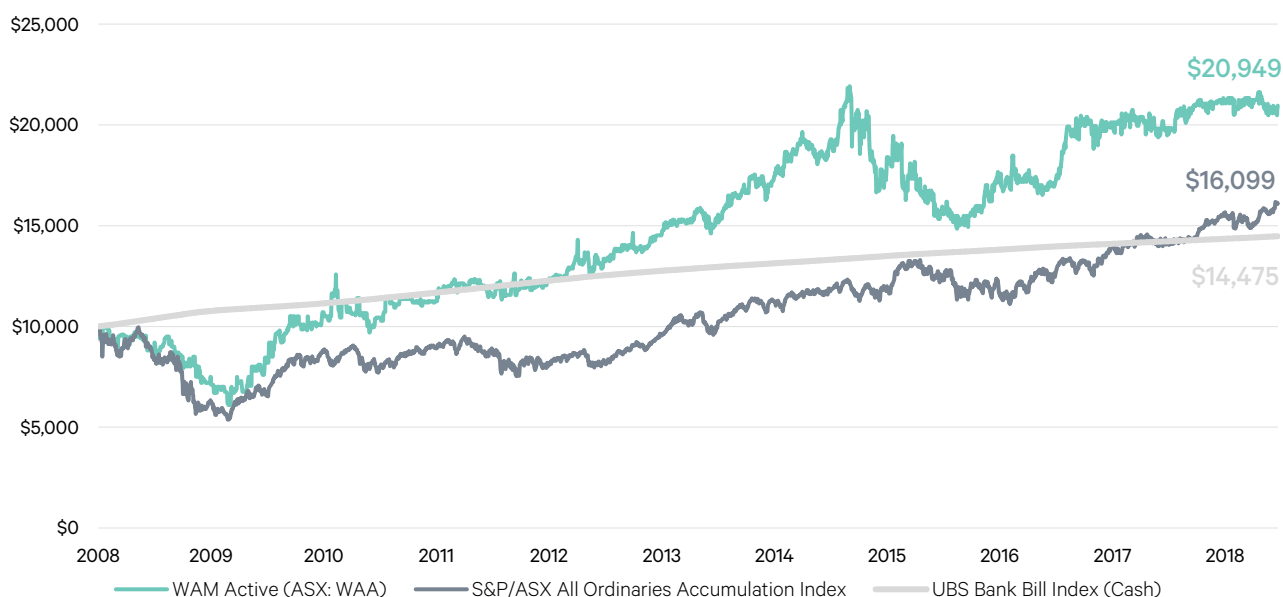
Performance

Performance at 30 June 2018	1 mth	6 mths	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio*	1.7%	4.1%	15.7%	15.1%	13.9%	13.4%	12.9%
S&P/ASX All Ordinaries Accumulation Index	2.9%	4.0%	13.7%	9.5%	10.3%	6.2%	4.2%
Outperformance	-1.2%	+0.1%	+2.0%	+5.6%	+3.6%	+7.2%	+8.7%
UBS Bank Bill Index (Cash)	0.2%	0.9%	1.8%	1.9%	2.2%	3.3%	3.5%
Outperformance	+1.5%	+3.2%	+13.9%	+13.2%	+11.7%	+10.1%	+9.4%

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

Growth of \$10,000 investment since inception

WAM Active versus the Index and Cash



Notes:

1. The above graph reflects the period from inception in January 2008 to 30 June 2018.
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	May 2018		June 2018	
	\$m	%	\$m	%
Listed equities	28.5	61.4	32.2	68.2
Short portfolio	(1.4)	(3.1)	(0.7)	(1.4)
Fixed interest & cash	19.3	41.7	15.7	33.2
Gross assets	\$46.4	100.0	\$47.2	100.0
Total shares on issue	41,575,290		41,575,290	

Defending the current dividend imputation system

The Federal Opposition has proposed changes to the current dividend imputation system that would impact self-funded retirees, older workers and low-income earners. Wilson Asset Management firmly opposes these changes and is calling on the Commonwealth Government and Federal Opposition to maintain the status quo. It is vital to encourage your family and friends to sign our petition to maintain the momentum. Sign the petition [here](#). We are currently consulting with shareholders and industry participants and we will submit the petition and policy paper that will explain the importance of maintaining the current dividend imputation system.

Top 20 holdings

Code	Company	Code	Company
AOG	Aveo Group Limited	PIA	Pengana International Equities Limited
APT	Afterpay Touch Group Limited	PPC	Peet Limited
APO	APN Outdoor Group Limited	SGR	The Star Entertainment Group Limited
ARB	ARB Corporation Limited	SUL	Super Retail Group Limited
ASB	Austal Limited	SVW	Seven Group Holdings Limited
BGA	Bega Cheese Limited	SXL	Southern Cross Media Group Limited
FXJ	Fairfax Media Limited	TGG	Templeton Global Growth Fund Limited
GXL	Greencross Limited	TGP	360 Capital Group Limited
HT1	HT&E Limited	WDE	Wealth Defender Equities Limited
JHG	Janus Henderson Group Plc	WPP	WPP AUNZ Limited

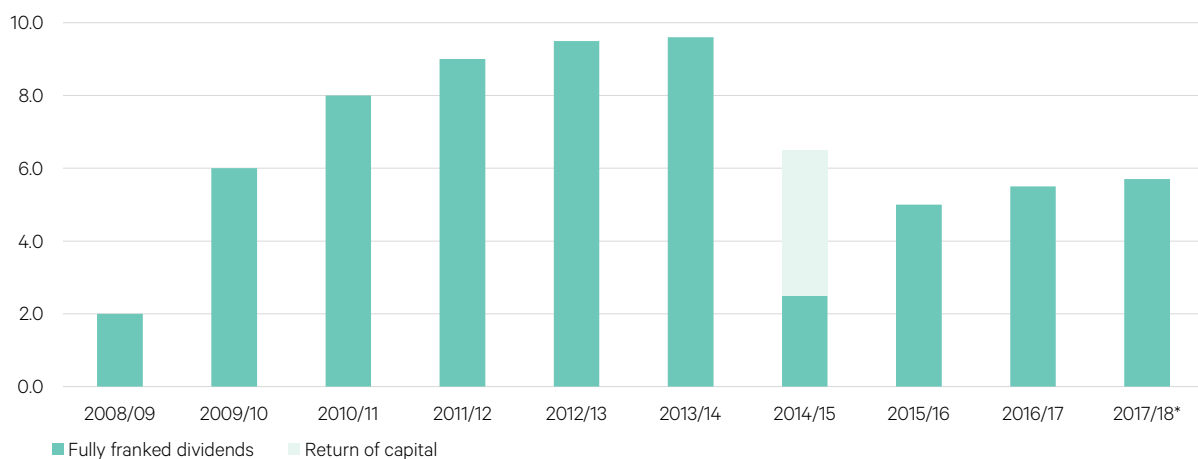
The top 20 holdings are presented in alphabetical order.

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. Since inception, WAM Active has paid 60.0 cents per share in fully franked dividends to shareholders.

Fully franked dividends since inception

Cents per share



*Annualised interim dividend