

Investment update

As at 31 March 2018

Snapshot

Pre-tax net tangible assets

\$0.97

Gross assets

\$92.2m

Century Australia

| | |
|-----------------|------------|
| ASX code | CYA |
| Listed | April 2004 |
| Gross assets | \$92.2m |
| Market cap | \$90.0m |
| Share price | \$0.955 |
| NTA before tax | \$0.97 |
| 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.

Shareholder Presentations

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

RESERVE YOUR PLACE NOW

May 2018 Shareholder Presentations

Next month, Wilson Asset Management will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations, so we encourage you to stay and talk to the team.

[Register now!](#)

Portfolio update

The Century Australia investment portfolio outperformed the S&P/ASX 300 Accumulation Index by 0.5%. Positive contributors to the portfolio included Evolution Mining (ASX: EVN), Graincorp (ASX: GNC), Elders (ASX: ELD) and Reliance Worldwide Corporation (ASX: RWC). We made limited changes to core holdings in the portfolio during the month. We remain confident in the portfolio, which is well positioned to withstand heightened levels of volatility. During the month, Senior Equity Analyst John Ayoub travelled to China to gain further understanding of the supply and demand dynamic for Australian commodities.

Market overview

The Index fell 3.7% in March following global peers' adverse reaction to geopolitical events throughout the month. The Index's best performing sector was real estate investment trusts (REITs), up only 0.1%. Sectors dragging on the Index included telecommunications, down 6.2% as incumbents face disruption with TPG preparing to enter the mobile market, and financials, down 5.8% following the continued pressure arising from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Global news centred on protectionist policies from the US and China, which rattled equity markets, coupled with key departures from the White House. We believe the US and China are engaging in a public negotiation and the mooted tariff figures represent only a small fraction of global trade.

Technology companies suffered a broad-based sell-off triggered by the Cambridge Analytica controversy into Facebook data collection. In domestic politics, the federal opposition outlined proposed changes to the dividend imputation system that would negatively impact self-funded retirees. Geoff Wilson spoke to [The Australian](#) and [The Australian Financial Review](#) about the policy.

Performance

| Performance at 31 March 2018 | 1 mth | 3 mths | 6 mths | Fin YTD | Since appointment of new investment manager (April-17) |
|--------------------------------|--------------|--------------|--------------|--------------|--|
| CYA Investment Portfolio* | -3.2% | -2.5% | 6.5% | 7.6% | 8.3% |
| S&P/ASX 300 Accumulation Index | -3.7% | -3.8% | 3.7% | 4.5% | 3.4% |
| Outperformance | +0.5% | +1.3% | +2.8% | +3.1% | +4.9% |

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

Net Tangible Assets (NTA) figures

The following NTA figures are after the 2.09 cents per share fully franked interim dividend paid on 28 March 2018. The shares traded ex dividend on 6 March 2018.

| | |
|--|---------------|
| NTA before tax | 97.4c |
| Deferred tax asset on carry forward realised losses | 6.0c |
| Deferred tax liability on unrealised income and gains | (0.7)c |
| NTA after tax | 102.7c |

In addition to the deferred tax assets of 6.0 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.

Diversified portfolio

| Investment Type | February 2018 | | March 2018 | |
|----------------------------------|-------------------|--------------|-------------------|--------------|
| | \$m | % | \$m | % |
| Listed Equities | 88.7 | 90.8 | 85.9 | 93.2 |
| Fixed Interest & Cash | 8.0 | 9.2 | 6.3 | 6.8 |
| Gross Assets | 97.7 | 100.0 | 92.2 | 100.0 |
| Total Shares on issue | 94,268,790 | | 94,268,790 | |

Top 20 holdings

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