

# Investment update

As at 30 April 2017



## Snapshot

Pre-tax net tangible assets

**\$1.08**

Gross assets

**\$40.4m**

Fully franked  
dividend yield

**4.8%**

Performance  
(p.a. since January 2008)

**12.7%**

## WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$40.4m
Market cap	\$41.9m
Share price (WAA)	\$1.140
Option price (WAAO)	\$0.016
NTA before tax	\$1.08
Shares on issue	36,711,476
Options on issue	33,566,480
Annualised fully franked interim dividend (FY2017)	5.5c
Fully franked dividend yield	4.8%

## 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	Head of Trading
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Senior Equity Analyst

## 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.

## Key dividend dates

Last day to exercise to receive the interim dividend	11 May 2017
Ex date	16 May 2017
Record date	17 May 2017
Last election date for DRP	19 May 2017
Payment date	26 May 2017

## May 2017 Shareholder Presentations – last chance to RSVP

For more information and to RSVP, visit [wilsonassetmanagement.com.au/RSVP](http://wilsonassetmanagement.com.au/RSVP)

## Exercise your options to receive the interim dividend

Optionholders are able to receive the 2.75 cents per share fully franked interim dividend on options exercised on or before Thursday 11 May 2017.

## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.8% for the month. During its April board meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 1.5% as widely expected and downgraded its assessment of the Australian labour market following weak February data. The Australian Prudential Regulatory Authority made further comments that it could increase bank capital requirements. At the end of the month the Index came close the 6,000 level following positive news about the French election, Trump's proposed tax cut announcement and domestic inflation figures that showed headline CPI up 2.1% year on year for Q1 2017.

## Stock news

During the month, share registry Computershare (ASX: CPU) held an investor day in Melbourne, reaffirming FY17 earnings per share (EPS) guidance of US56 to US58 cents, up 1.7 cents to 5.3% on the previous corresponding period. We believe in the ability of Computershare's management to reduce costs, combined with the company's conservative balance sheet, provide potential for capital management options for the company.

## Net tangible asset (NTA) figures

The following NTA figures are before the 2.75 cents per share fully franked interim dividend due to be paid on 26 May 2017. The shares will trade ex dividend on 16 May 2017.

NTA before tax	107.93c
NTA after tax and before tax on unrealised gains	106.69c
NTA after tax	106.69c

The above figures are not adjusted for the 33,566,480 options on issue with an exercise price of \$1.14.

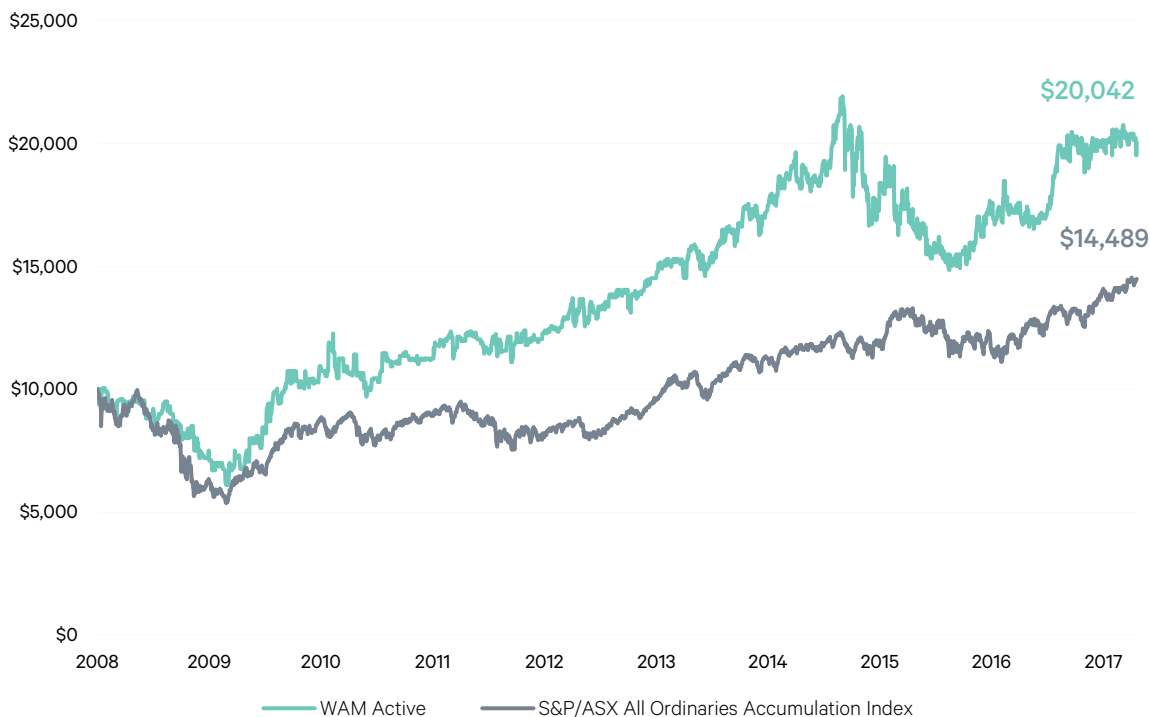
## Performance

Performance at 30 April 2017	1 Mth	6 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.5%	4.7%	10.0%	14.6%	11.5%	13.4%	12.7%
S&P/ASX All Ordinaries Accumulation Index	0.8%	12.4%	15.8%	16.6%	7.4%	10.6%	3.6%
<b>Outperformance</b>	<b>-0.3%</b>	<b>-7.7%</b>	<b>-5.8%</b>	<b>-2.0%</b>	<b>+4.1%</b>	<b>+2.8%</b>	<b>+9.1%</b>
UBS Bank Bill Index (Cash)	0.1%	0.9%	1.5%	1.9%	2.3%	2.6%	3.8%
<b>Outperformance</b>	<b>+0.4%</b>	<b>+3.8%</b>	<b>+8.5%</b>	<b>+12.7%</b>	<b>+9.2%</b>	<b>+10.8%</b>	<b>+8.9%</b>

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

## Growth of \$10,000 investment since inception

### WAM Active versus the Index



## Diversified portfolio

Investment type	March 2017		April 2017	
	\$m	%	\$m	%
Listed equities	25.1	62.9	24.1	59.7
Short portfolio	(1.2)	(2.9)	(1.9)	(4.8)
Fixed interest & cash	16.0	40.0	18.2	45.1
<b>Gross assets</b>	<b>\$39.9</b>	<b>100.0</b>	<b>\$40.4</b>	<b>100.0</b>
<b>Total shares on issue</b>	<b>36,397,246</b>		<b>36,711,476*</b>	

\*During the month, 314,230 options were exercised.

## 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.

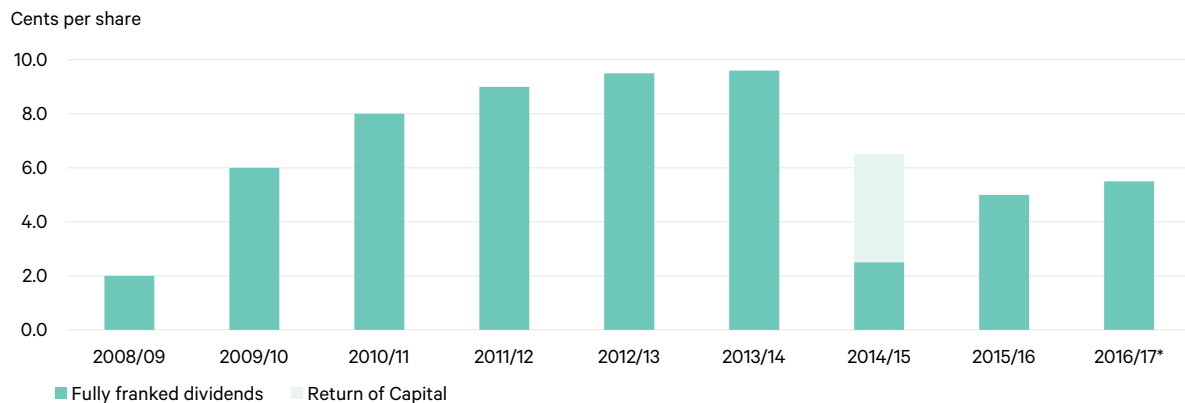
## Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	MIN	Mineral Resources Limited
CYA	Century Australia Investments Limited	BSL	BlueScope Steel Limited
TGG	Templeton Global Growth Fund Limited	CCP	Credit Corp Group Limited
WOW	Woolworths Limited	DOW	Downer EDI Limited
AFY	Afterpay Holdings Limited	WIC	Westoz Investment Company Limited
CPU	Computershare Limited	TGP	360 Capital Group
FLT	Flight Centre Travel Group Limited	AGF	AMP Capital China Growth Fund
HGG	Henderson Group Plc	QAN	Qantas Airways Limited
FXJ	Fairfax Media Limited	BIN	Bingo Industries Limited
MTS	Metcash Limited	PIC	Perpetual Equity Investment Company Limited

## Fully franked dividends

On 15 February 2017, the Board announced a fully franked interim dividend of 2.75 cents per share, an increase on last year's fully franked 2.5 cents per share interim dividend. The interim dividend will be paid on 26 May 2017 and will trade ex on 16 May 2017. The dividend reinvestment plan (DRP) is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 19 May 2017. The last day for shareholders to exercise their options to receive the interim dividend is 11 May 2017.

### Fully franked dividends since inception



\*Annualised interim dividend

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. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.