

# Investment update

As at 31 May 2018



## Snapshot

Pre-tax net tangible assets

**\$1.09**

Gross assets

**\$46.4m**

Fully franked  
dividend yield

**5.2%**

Performance  
(p.a. since January 2008)

**12.8%**

## WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$46.4m
Market cap	\$45.9m
Share price (WAA)	\$1.105
Option price (WAAO)	\$0.005
NTA before tax	\$1.09
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
Cooper Rogers	Assistant 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.

## 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.

### Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 1.4% in May, with strong quarterly results in the United States translating to increased investor appetite for equities domestically. During the month the federal budget was handed down by Treasurer Scott Morrison, focusing on minor adjustments rather than sweeping reforms.

Globally, US President Donald Trump announced that the US would be withdrawing from the Iran nuclear deal, potentially impacting global oil supply and pushing oil prices to near four-year highs. These highs were short lived with oil prices falling 9.9% as Saudi Arabia and Russia discussed easing production cuts to make up for potential losses from other members, most notably Venezuela and Iran. European political risks resurfaced at the end of May, with the threat of Italy's withdrawal from the eurozone and a no-confidence vote for the Spanish Prime Minister weighing on equity markets.

### Net tangible asset (NTA) figures

NTA before tax	108.62c
NTA after tax and before tax on unrealised gains	107.39c
NTA after tax	107.39c

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

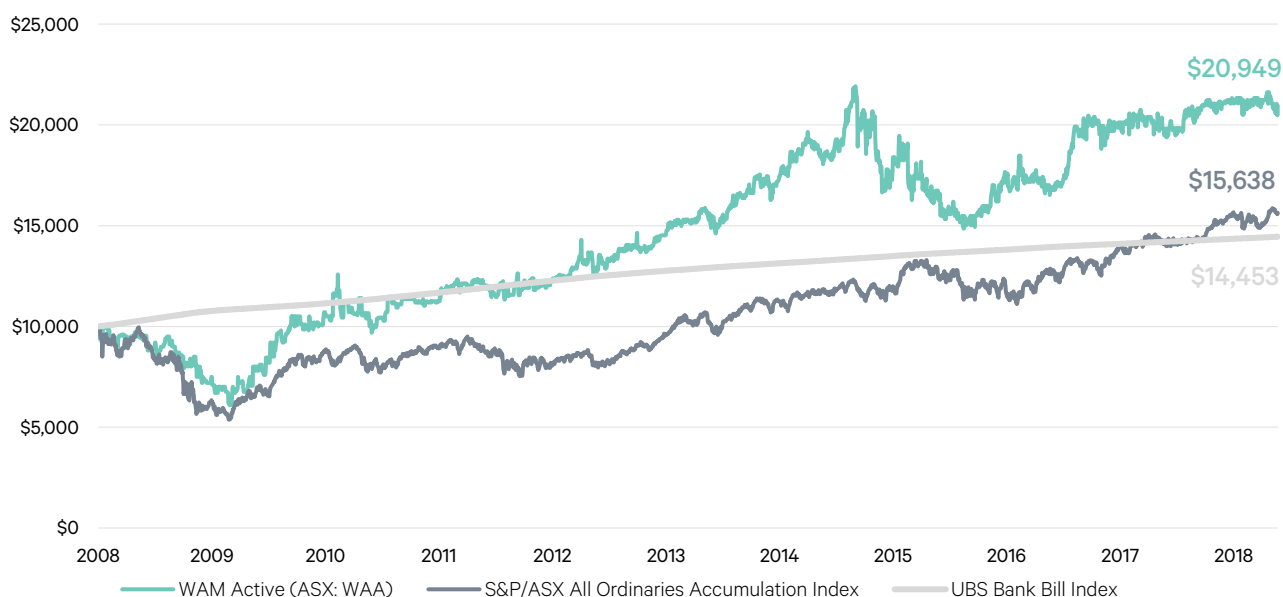
### Performance

Performance at 31 May 2018	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio*	0.8%	4.3%	13.8%	15.1%	14.1%	13.3%	12.7%	12.8%
S&P/ASX All Ordinaries Accumulation Index	1.4%	3.1%	10.5%	10.8%	6.4%	9.1%	5.1%	4.0%
<b>Outperformance</b>	<b>-0.6%</b>	<b>+1.2%</b>	<b>+3.3%</b>	<b>+4.3%</b>	<b>+7.7%</b>	<b>+4.2%</b>	<b>+7.6%</b>	<b>+8.8%</b>
UBS Bank Bill Index (Cash)	0.2%	0.9%	1.6%	1.8%	2.0%	2.2%	3.4%	3.6%
<b>Outperformance</b>	<b>+0.6%</b>	<b>+3.4%</b>	<b>+12.2%</b>	<b>+13.3%</b>	<b>+12.1%</b>	<b>+11.1%</b>	<b>+9.3%</b>	<b>+9.2%</b>

\*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 31 May 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	April 2018		May 2018	
	\$m	%	\$m	%
Listed equities	31.2	67.6	28.5	61.4
Short portfolio	(0.2)	(0.5)	(1.4)	(3.1)
Fixed interest & cash	15.1	32.9	19.3	41.7
<b>Gross assets</b>	<b>\$46.1</b>	<b>100.0</b>	<b>\$46.4</b>	<b>100.0</b>
Total shares on issue	41,575,290		41,575,290	

## WAM Active options

Your WAM Active options enable you to acquire new shares 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. WAM Active options closed at 0.5 cents on 12 June 2018.

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. If you have any questions regarding your WAM Active options, please refer to the [factsheet](#) or call Alexandra Hopper Irwin on (02) 9247 6755 or email [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au).

## Top 20 holdings

Code	Company	Code	Company
AOG	Aveo Group	QBE	QBE Insurance Group Limited
APT	Afterpay Touch Group Limited	REA	REA Group Limited
APO	APN Outdoor Group Limited	SUL	Super Retail Group Limited
ARB	ARB Corporation Limited	SVW	Seven Group Holdings Limited
ASB	Austal Limited	SXL	Southern Cross Media Group Limited
BGA	Bega Cheese Limited	TGG	Templeton Global Growth Fund Limited
HT1	HT&E Limited	TGP	360 Capital Group Limited
NSC	Naos Small Cap Opportunities Company Limited	WDE	Wealth Defender Equities Limited
PIA	Pengana International Equities Limited	WIC	Westoz Investment Company Limited
PPC	Peet Limited	WPP	WPP Aunz Limited

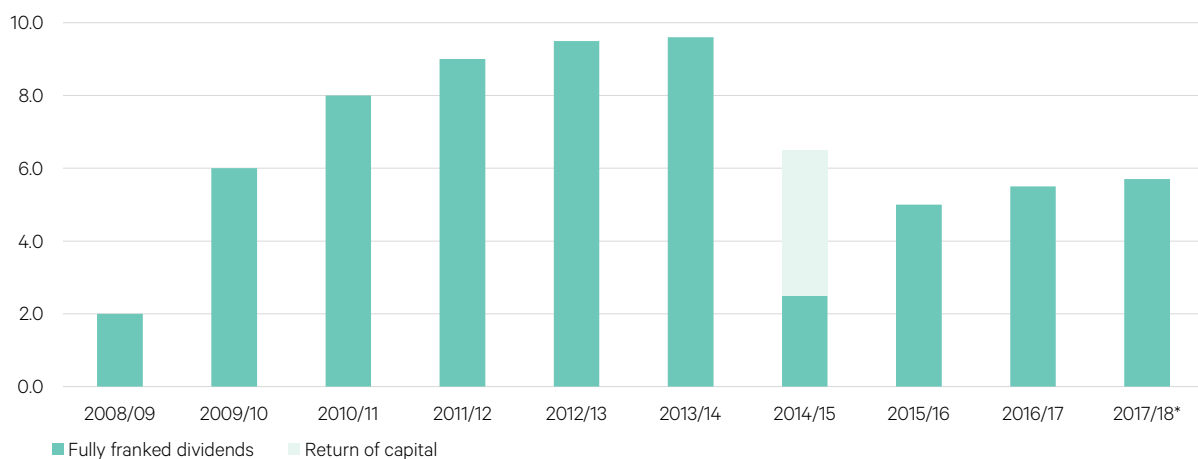
The top 20 holdings are presented in alphabetical order.

## 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