

# Investment update

As at 30 September 2017



[wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

ABN 49 126 420 719

## Snapshot

Pre-tax net tangible assets

**\$1.07**

Fully franked  
dividend yield

**4.7%**

Gross assets

**\$42.5m**

Performance  
(p.a. since January 2008)

**12.6%**

## WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$42.5m
Market cap	\$45.2m
Share price (WAA)	\$1.16
Option price (WAAO)	\$0.013
NTA before tax	\$1.07
Shares on issue	38,923,872
Options on issue	31,559,203
Fully franked dividends (FY2017)	5.5c
Fully franked dividend yield	4.7%

## 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	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.

## Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

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## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed relatively flat for the month.

Minutes from the Reserve Bank of Australia (RBA) indicated reduced demand for steel production in China would weigh on the iron ore price. Evidence of this was a fall of almost 20% in the iron ore price in September. During the month, the RBA Assistant Governor (Financial System) Michele Bullock said the central bank would continue to consider the heightened level of household debt in monetary policy decision-making, reaffirming our view that interest rates will remain on hold in the short term.

Globally, the US Federal Reserve announced it would start to unwind its balance sheet and indicated another rate increase before the end of the year was possible. US President Trump announced a simplified plan to cut corporate taxes that would reduce the corporate tax rate from 35% to 20% and eliminate tax on foreign profits.

## November 2017 Shareholder Presentations

We are pleased to invite you to our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).

## Net tangible asset (NTA) figures

The following NTA figures are **before** the 2.75 cents per share fully franked final dividend due to be paid on 27 October 2017. The shares will trade ex-dividend on 17 October 2017.

NTA before tax	107.09c
NTA after tax and before tax on unrealised gains	106.80c
NTA after tax	106.78c

The above figures are not adjusted for the 31,559,203 options on issue with an exercise price of \$1.14.

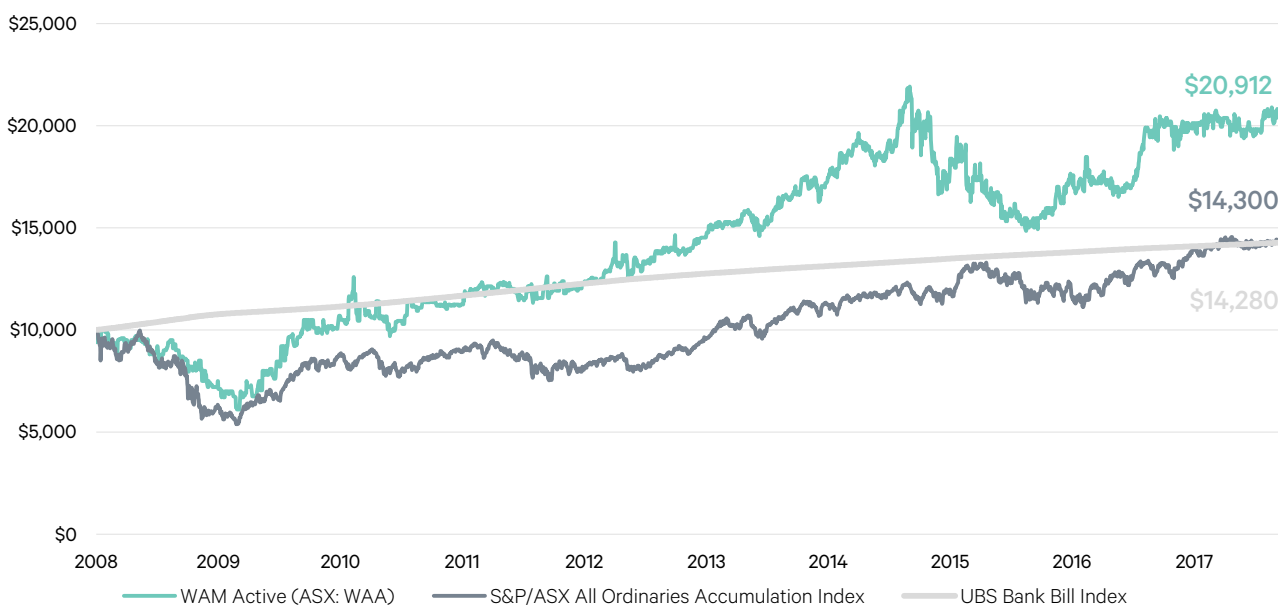
## Performance

Performance at 30 September 2017	1 Mth	Fin YTD	6 Mth	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.7%	3.0%	4.9%	8.6%	12.7%	13.5%	12.6%
S&P/ASX All Ordinaries Accumulation Index	0.1%	1.0%	-0.5%	8.5%	7.3%	10.1%	3.3%
<b>Outperformance</b>	<b>+0.6%</b>	<b>+2.0%</b>	<b>+5.4%</b>	<b>+0.1%</b>	<b>+5.4%</b>	<b>+3.4%</b>	<b>+9.3%</b>
UBS Bank Bill Index (Cash)	0.1%	0.4%	0.9%	1.8%	2.1%	2.4%	3.7%
<b>Outperformance</b>	<b>+0.6%</b>	<b>+2.6%</b>	<b>+4.0%</b>	<b>+6.8%</b>	<b>+10.6%</b>	<b>+11.1%</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



#### Notes:

1. The above graph reflects the period from inception in January 2008 to 30 September 2017.
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	August 2017		September 2017	
	\$m	%	\$m	%
Listed equities	29.1	69.1	23.8	56.1
Short portfolio	(1.5)	(3.5)	(0.8)	(2.1)
Fixed interest & cash	14.5	34.4	19.5	46.0
<b>Gross assets</b>	<b>\$42.1</b>	<b>100.0</b>	<b>\$42.5</b>	<b>100.0</b>
<b>Total shares on issue</b>	<b>38,810,728</b>		<b>38,923,872*</b>	

\*During the month, 113,144 options were exercised and allotted.

## 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	BLD	Boral Limited
NEC	Nine Entertainment Co. Holdings Limited	AOG	Aveo Group
SVW	Seven Group Holdings Limited	PRG	Programmed Maintenance Services Limited
TGG	Templeton Global Growth Fund Limited	AGF	AMP Capital China Growth Fund
FXJ	Fairfax Media Limited	TGP	360 Capital Group Limited
FLT	Flight Centre Travel Group Limited	WDE	Wealth Defender Equities Limited
EHE	Estia Health Limited	CAJ	Capitol Health Limited
MMS	McMillan Shakespeare Limited	WIC	Westoz Investment Company Limited
PTM	Platinum Asset Management Limited	CTN	Contango Microcap Limited
HFA	HFA Holdings Limited	PIC	Perpetual Equity Investment Company Limited

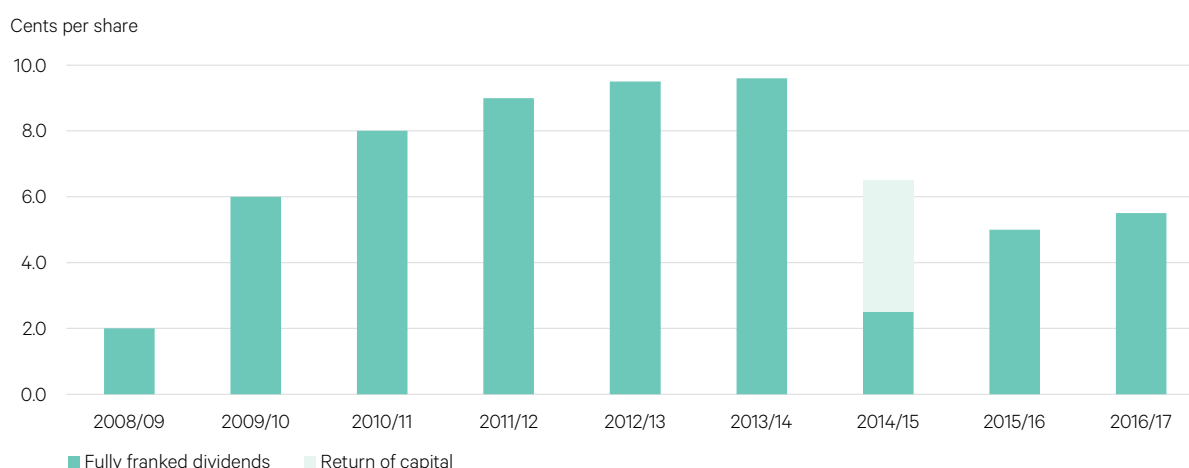
## Fully franked dividends

On 3 August 2017, the Company announced a fully franked final dividend of 2.75 cents per share, bringing the full year fully franked dividend to 5.5 cents per share. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend.

### Key dividend dates

Dividend ex-date	17 October 2017
Record date	18 October 2017
Last election date for DRP	20 October 2017
Payment date	27 October 2017

### Fully franked dividends since inception



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.