

Investment update

As at 30 November 2016



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

106.07c

Fully franked
dividend yield

4.5%

Gross assets

\$38.6m

Performance
(p.a. since January 2008)

12.9%

WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$38.6m
Market cap	\$39.6m
Share price (WAA)	\$1.11
Option price (WAAO)	\$0.052
NTA before tax	\$1.06
Shares on issue	35,694,670
Options on issue	34,583,286
Fully franked dividends (FY2016)	5.0c
Fully franked dividend yield	4.5%

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	Senior Equity Analyst & Dealer
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.

Shareholder Presentations

Thank you to the more than 2,000 shareholders who joined us for our recent Shareholder Presentations. We enjoyed the opportunity to meet with you.

To access the presentation video and slides, visit wilsonassetmanagement.com.au

Market overview

The S&P/ASX All Ordinaries Accumulation Index finished the month up 2.5%. Donald Trump's US presidential election victory was the most significant market event in November with investors globally caught off-guard by the poll result. After initially plummeting, equity markets staged strong recoveries as investors focused on the potentially stimulatory impact of Trump's proposed policies. The Australian share market recorded solid gains to end the month 7.1% higher than the intraday lows on 9 November when Trump was elected. On Melbourne Cup day the RBA left interest rates unchanged with rates likely to be on hold for the majority of 2017. The continued underperformance of the small cap sector accelerated during November. Since mid August, the S&P/ASX Small Ordinaries Index has now underperformed its larger peers by 9%.

Stock news

In November, winemaker Treasury Wine Estates (ASX: TWE) provided an update at the Company's Annual General Meeting (AGM). TWE announced it will deliver at least \$100 million in cost of goods sold (COGS) savings – up from the previously announced \$80 million by FY20. The company also expects cash synergies from the Diageo Wine acquisition of US\$35 million, up from US\$25 million by FY20. The company has been removing commercial brands and re-shaping the business towards prestige markets under the guidance of CEO Michael Clarke.

Net tangible asset (NTA) figures

NTA before tax	106.07c
NTA after tax and before tax on unrealised gains	104.99c
NTA after tax	104.99c

The above figures are not adjusted for the 34,583,286 options on issue with an exercise price of \$1.14.

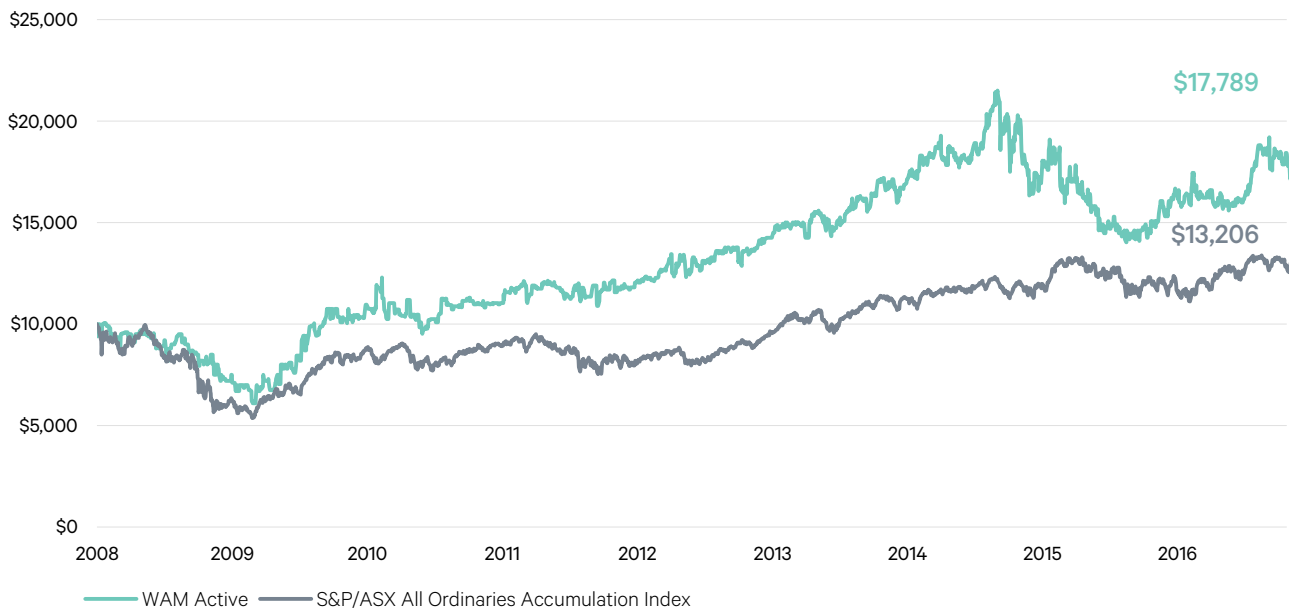
Performance

Performance at 30 November 2016	1 Mth	Fin YTD	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	1.6%	6.8%	6.4%	11.5%	11.8%	13.8%	12.9%
S&P/ASX All Ordinaries Accumulation Index	2.5%	5.5%	3.1%	10.0%	5.6%	10.3%	2.7%
Outperformance	-0.9%	+1.3%	+3.3%	+1.5%	+6.2%	+3.5%	+10.2%
UBS Bank Bill Index	0.1%	0.8%	0.9%	2.1%	2.4%	2.8%	3.9%
Outperformance	+1.5%	+6.0%	+5.5%	+9.4%	+9.4%	+11.0%	+9.0%

*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	October 2016		November 2016	
	\$m	%	\$m	%
Listed equities	23.3	60.9	28.4	73.5
Short portfolio	(0.9)	(2.4)	(0.6)	(1.6)
Fixed interest & cash	15.8	41.5	10.8	28.1
Gross assets	\$38.2m	100.0	\$38.6m*	100.0
Total shares on issue	35,693,670		35,694,670**	

* This figure is after \$162k (0.45 cents per share) in tax paid during the month for FY16 and \$1.1k raised from Options exercised during the month.

** During the month, 1,000 Options were exercised.

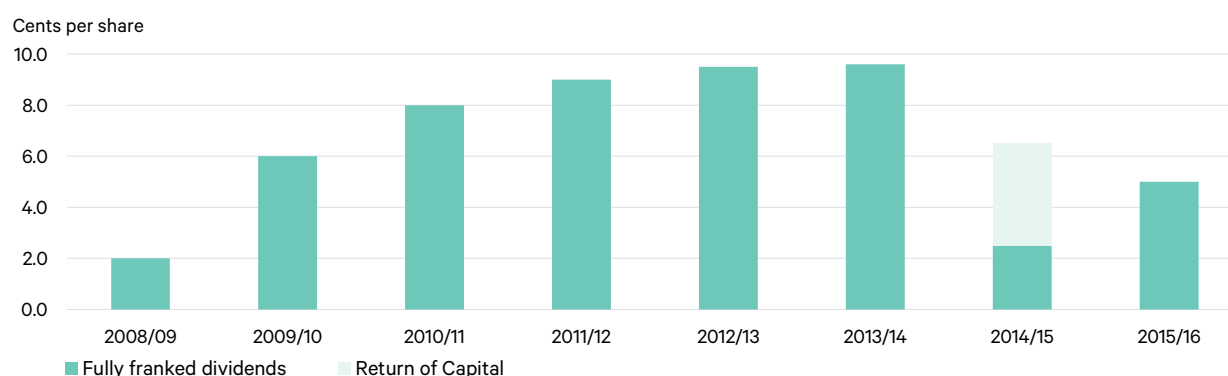
Top 20 holdings

Code	Company	Market value \$	Market value as % gross assets
HHV	Hunter Hall Global Value Limited	1,983,753	5.1%
CYA	Century Australia Investments Limited	1,663,214	4.3%
AFY	Afterpay Holdings Limited	1,253,843	3.3%
ALQ	ALS Limited	1,146,364	3.0%
A2M	a2 Milk Company Limited	1,057,734	2.7%
TGG	Templeton Global Growth Fund Limited	942,158	2.4%
JBH	JB Hi-Fi Limited	813,100	2.1%
CWY	Cleanaway Waste Management Limited	809,261	2.1%
CGF	Challenger Limited	793,148	2.1%
RMD	ResMed Inc	790,716	2.1%
QBE	QBE Insurance Group	774,606	2.0%
IMD	Imdex Limited	763,096	2.0%
MTR	Mantra Group Limited	744,677	1.9%
BSL	Bluescope Steel Limited	737,854	1.9%
S32	South 32 Limited	733,651	1.9%
CAR	Carsales.com Limited	730,887	1.9%
OZL	Oz Minerals Limited	723,300	1.9%
TWE	Treasury Wine Estates Limited	722,952	1.9%
ORA	Orora Limited	626,577	1.6%
WIC	Westoz Investment Company Limited	610,767	1.6%

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. 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.

Fully franked dividends since inception



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.