

Investment update

As at 28 February 2018



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.12

Fully franked
dividend yield

5.0%

Gross assets

\$46.7m

Performance
(p.a. since January 2008)

13.3%

WAM Active Limited

| | |
|--|------------|
| ASX code | WAA |
| Date of listing | Jan 2008 |
| Gross assets | \$46.7m |
| Market cap | \$46.0m |
| Share price (WAA) | \$1.14 |
| Option price (WAAO) | \$0.011 |
| NTA before tax | \$1.12 |
| Shares on issue | 40,370,664 |
| Options on issue | 30,309,814 |
| Annualised fully franked interim dividend (FY2018) | 5.7c |
| Fully franked dividend yield | 5.0% |

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.

Save the date: Shareholder Presentations

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

Exercise your options to receive the fully franked interim dividend

WAM Active **announced** its FY2018 interim results to the market on Thursday 22 February. Highlights from the announcement include:

- Profit before tax up 85%
- 11.2% investment portfolio performance, outperforming the index
- Increased fully franked interim dividend of 2.85 cents per share.

Option holders who exercise their options before 6 April 2018 will be eligible to receive the fully franked 2.85 cents per share interim dividend.

Options entitle holders to purchase additional ordinary shares in WAM Active at the exercise price of \$1.14. The options expire on 17 September 2018.

Key dividend dates

| | |
|----------------------------|---------------|
| Ex dividend date | 12 April 2018 |
| Record date | 13 April 2018 |
| Last election date for DRP | 17 April 2018 |
| Payment date | 27 April 2018 |

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.2% in February, an almost flat close to a volatile month.

Global equity markets started the month with turbulence. Data released on US wage growth sparked expectations of higher inflation, which in turn saw bonds sell off on concerns about the pace of interest rate increases. Equity markets around the world followed suit, Australia included. As the month continued, heightened volatility dissipated, and a slightly positive reporting season provided Australian investors with some reassurance.

Overall, it was a satisfactory reporting period with earnings estimates increasing marginally. Improved economic performance translated to increased earnings that are being reinvested and returned to shareholders in the form of higher dividend payout ratios.

Chief Investment Officer Chris Stott recently shared his thoughts on reporting season in an article in the [Australian Financial Review](#).

Net tangible asset (NTA) figures

| | |
|--|----------|
| NTA before tax | 112.44c* |
| NTA after tax and before tax on unrealised gains | 110.64c |
| NTA after tax | 110.59c |

*The NTA before tax figure is after the payment of \$289k (0.72 cents per share) in tax during the month. The above figures are not adjusted for the 30,309,814 options on issue with an exercise price of \$1.14.

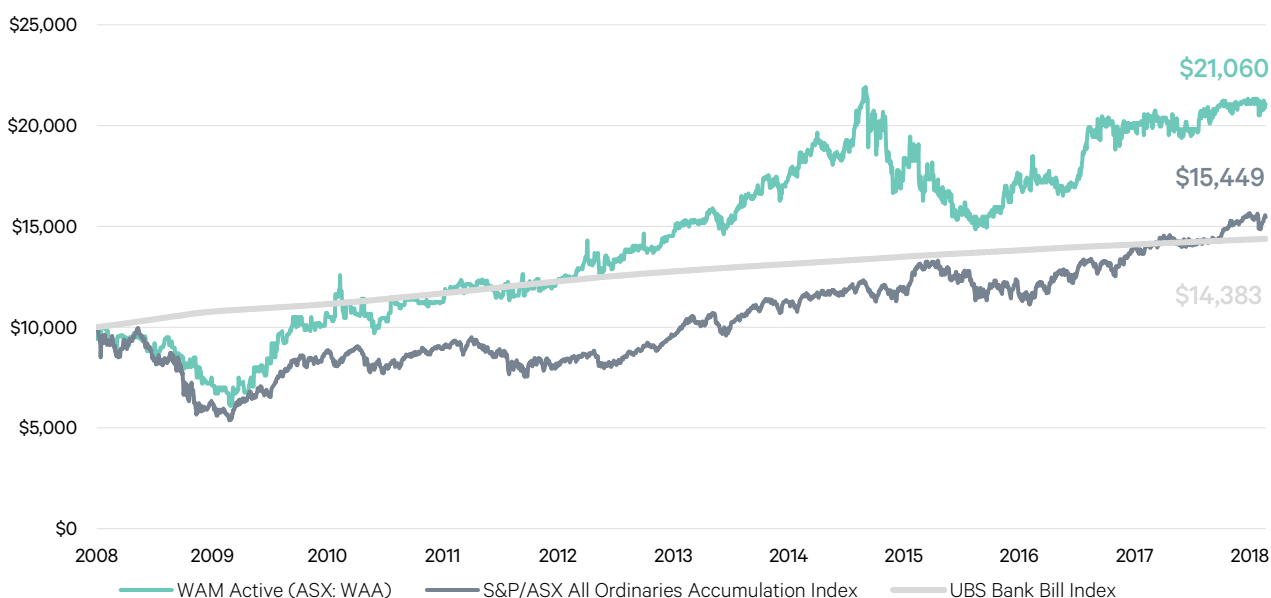
Performance

| Performance at 28 February 2018 | 1 mth | 6 mths | Fin YTD | 1 yr | 3 yrs %pa | 5 yrs %pa | Since inception %pa (Jan-08) |
|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------------------------------|
| WAA Investment Portfolio* | 2.3% | 11.9% | 14.6% | 17.5% | 14.9% | 12.5% | 13.3% |
| S&P/ASX All Ordinaries Accumulation Index | 0.2% | 8.1% | 9.1% | 10.8% | 5.7% | 8.1% | 3.9% |
| Outperformance | +2.1% | +3.8% | +5.5% | +6.7% | +9.2% | +4.4% | +9.4% |
| UBS Bank Bill Index (Cash) | 0.1% | 0.9% | 1.2% | 1.8% | 2.0% | 2.3% | 3.6% |
| Outperformance | +2.2% | +11.0% | +13.4% | +15.7% | +12.9% | +10.2% | +9.7% |

*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 28 February 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 | January 2018 | | February 2018 | |
|------------------------------|-------------------|--------------|---------------------|--------------|
| | \$m | % | \$m | % |
| Listed equities | 37.1 | 80.9 | 32.0 | 68.6 |
| Short portfolio | 0.0 | 0.0 | (1.6) | (3.5) |
| Fixed interest & cash | 8.8 | 19.1 | 16.3 | 34.9 |
| Gross assets | \$45.9 | 100.0 | \$46.7 | 100.0 |
| Total shares on issue | 40,276,018 | | 40,370,664** | |

*This figure is after the payment of \$289k in tax during the month.

**During the month 94,646 options were exercised and allotted.

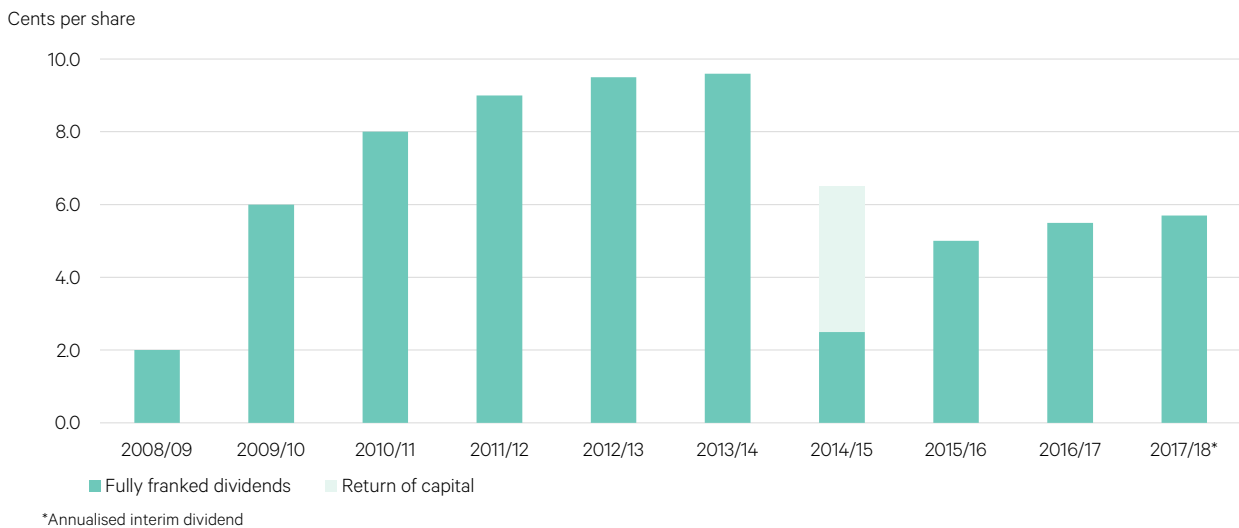
Top 20 holdings

| Code | Company | Code | Company |
|------|--|------|--|
| PIA | Pengana International Equities Limited | TGP | 360 Capital Group Limited |
| SVW | Seven Group Holdings Limited | NWH | NRW Holdings Limited |
| TPM | TPG Telecom Limited | PPC | Peet Limited |
| TGG | Templeton Global Growth Fund Limited | CPU | Computershare Limited |
| AOG | Aveo Group | BRG | Breville Group Limited |
| EHE | Estia Health Limited | FNP | Freedom Foods Group Limited |
| MND | Monadelphous Group Limited | GUD | GUD Holdings Limited |
| FXJ | Fairfax Media Limited | REA | REA Group Limited |
| CSL | CSL Limited | SRX | Sirtex Medical Limited |
| WDE | Wealth Defender Equities Limited | RWC | Reliance Worldwide Corporation Limited |

Fully franked dividends

On 22 February 2018, the Company announced a fully franked interim dividend of 2.85 cents per share, an increase on last year's fully franked interim dividend. The dividend will be paid on 27 April 2018 and will trade ex on 12 April 2018. The dividend reinvestment plan (DRP) will operate for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 17 April 2018.

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.