

Investment update

As at 31 March 2017



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.08

Fully franked
dividend yield

4.8%

Gross assets

\$39.9m

Performance
(p.a. since January 2008)

12.8%

WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$39.9m
Market cap	\$41.3m
Share price (WAA)	\$1.135
Option price (WAAO)	\$0.032
NTA before tax	\$1.08
Shares on issue	36,397,246
Options on issue	33,880,710
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

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

May 2017 Shareholder Presentations

For more information and to RSVP, visit wilsonassetmanagement.com.au/RSVP

Exercise your options to receive the dividend

Exercise your options before 11 May 2017 to receive the fully franked 2.75 cents per share interim dividend.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 3.2% for the month. In Australia, the discretionary retail sector underperformed as companies were impacted by fears about the entry of global retail giant Amazon. As widely anticipated, the Australian Prudential Regulation Authority initiated additional supervisory measures to reinforce sound residential mortgage lending practices. Designed to cool the housing market, these measures are unlikely to have a material impact on bank profitability. In the U.S., during his first speech to a joint sitting of congress, President Trump said he would provide significant tax relief and spend US \$1 trillion on infrastructure. Despite rising uncertainty surrounding the President's tax reforms, equity markets continue to rise with global growth also improving. British Prime Minister Theresa May formally notified Brussels of Britain's intention to leave the European Union under Article 50 of the EU's Lisbon Treaty, beginning two years of negotiations on the terms of the split.

Stock news

During the month, Henderson Group Plc (ASX: HGG) announced an update on its proposed merger with Janus Capital Group. Janus Henderson Investors expects to have a combined market capitalisation of approximately US \$5.6 billion, with Henderson holding 57% of the merged group and Janus 43%. We believe the merger will create a leading funds management business, which should see potential material cost and revenue synergies.

Net tangible asset (NTA) figures

NTA before tax	107.64c
NTA after tax and before tax on unrealised gains	106.40c
NTA after tax	106.43c

The above figures are not adjusted for the 33,880,710 options on issue with an exercise price of \$1.14.

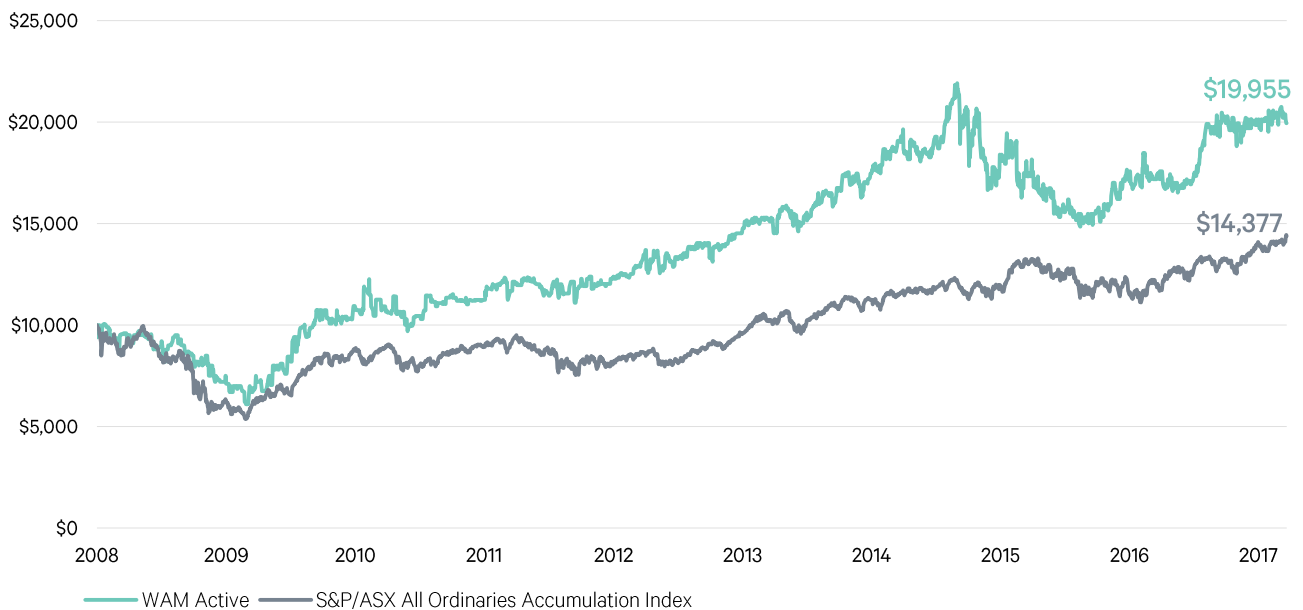
Performance

Performance at 31 March 2017	1 Mth	6 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.7%	3.5%	9.5%	14.6%	11.2%	13.3%	12.8%
S&P/ASX All Ordinaries Accumulation Index	3.2%	9.1%	14.9%	19.5%	7.6%	10.7%	3.5%
Outperformance	-2.5%	-5.6%	-5.4%	-4.9%	+3.6%	+2.6%	+9.3%
UBS Bank Bill Index (Cash)	0.2%	0.9%	1.4%	1.9%	2.3%	2.6%	3.8%
Outperformance	+0.5%	+2.6%	+8.1%	+12.7%	+8.9%	+10.7%	+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	February 2017		March 2017	
	\$m	%	\$m	%
Listed equities	22.8	58.6	25.1	62.9
Short portfolio	(0.3)	(0.9)	(1.2)	(2.9)
Fixed interest & cash	16.5	42.3	16.0	40.0
Gross assets	\$39.0	100.0	\$39.9	100.0
Total shares on issue	35,711,407		36,397,246*	

*During the month, 685,839 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.

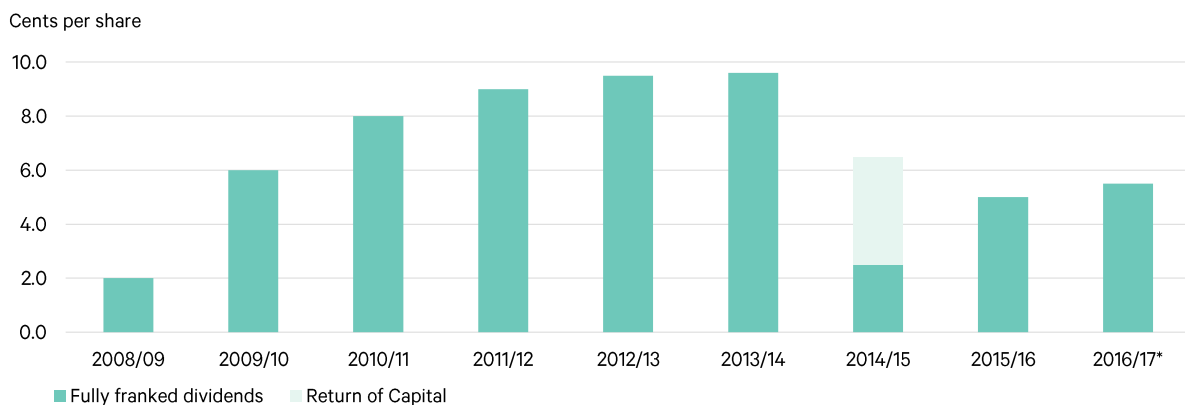
Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	JBH	JB Hi-Fi Limited
CYA	Century Australia Investments Limited	QBE	QBE Insurance Group Limited
TGG	Templeton Global Growth Fund Limited	BSL	BlueScope Steel Limited
CVO	Cover-More Group Limited	FXJ	Fairfax Media Limited
WOW	Woolworths Limited	RCR	RCR Tomlinson Limited
CPU	Computershare Limited	WIC	Westoz Investment Company Limited
AFY	Afterpay Holdings Limited	TGP	360 Capital Group
ALL	Aristocrat Leisure Limited	AGF	AMP Capital China Growth Fund
HGG	Henderson Group Plc	PIC	Perpetual Equity Investment Company Limited
MQG	Macquarie Group Limited	MIN	Mineral Resources 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. Shareholders who exercise their options before 11 May 2017 will be eligible to receive the fully franked interim dividend.

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.