

WAM Active delivers double digit returns and an increased fully franked final dividend

3 August 2017
ASX announcement
& media release

Highlights

- 16.0% total shareholder return
- 11.6% investment portfolio performance and 4 times portfolio turnover
- 5.5 cents per share fully franked full year dividend, with the fully franked final dividend of 2.75 cents per share

WAM Active Limited (ASX: WAA) today reported an operating profit before tax of \$2.7 million and operating profit after tax of \$2.1 million in the financial year ended 30 June 2017.

WAM Active Chairman Geoff Wilson said the Board was pleased to deliver an increased fully franked 2.75 cents per share final dividend to shareholders.

“WAM Active will pay a fully franked final dividend of 2.75 cents per share, bringing the fully franked full year dividend to 5.5 cents and representing a dividend yield of 4.9%”, he said.

The company continued to deliver sound performance, increasing 11.6% in the 12-month period against the UBS Bank Bill Index’s 1.8% increase.

“During the year, we continued to focus on identifying and acting on market mispricing opportunities that allowed us to grow the company’s investment portfolio by 11.6%, while taking as little risk as possible,” Wilson Asset Management Chief Investment Officer Chris Stott said.

“This risk-adjusted performance was achieved with an average 65.6% invested in equities with significantly less volatility than the market. The investment portfolio recorded a standard deviation of 4.2% against the market’s 9.2% for the year.

“Our highly active investment process saw the equity component of the investment portfolio turn over four times during the period with 278 individual companies traded. The best five performing investments in FY2017 were Afterpay Touch Group (ASX: APT), Century Australia Investments (ASX: CYA), Capitol Health (ASX: CAJ), Flight Centre Travel Group (ASX: FLT) and SAI Global (ASX: SAI),” Mr Stott said.

Wilson Asset Management Chief Executive Officer Kate Thorley said the company was pleased with its returns to shareholders during the 2017 financial year.

“WAM Active delivered a total shareholder return of 16.0% in FY2017. This was driven by the strong investment portfolio performance and the share price’s premium to NTA. Since inception, the investment portfolio has outperformed the market by 9.3% p.a.,” Ms Thorley said.

*Based on the 2 August 2017 closing price of \$1.125.

| Performance at 30 June 2017 | 1 Yr | 3 Yrs %pa | 5 Yrs %pa | 7 Yrs %pa | Since inception %pa (Jan-08) |
|---|--------------|--------------|---------------|--------------|---------------------------------|
| WAM Active Investment Portfolio** | 11.6% | 11.6% | 13.9% | 12.3% | 12.6% |
| S&P/ASX All Ordinaries Accumulation Index | 13.1% | 6.8% | 11.6% | 8.8% | 3.3% |
| Outperformance | -1.5% | +4.8% | +2.3% | +3.5% | +9.3% |
| UBS Bank Bill Index (cash) | 1.8% | 2.2% | 2.5% | 3.2% | 3.7% |
| Outperformance | +9.8% | +9.4% | +11.4% | +9.1% | +8.9% |

**Investment performance and Index returns are before expenses, fees and taxes.

Increased fully franked dividend and options

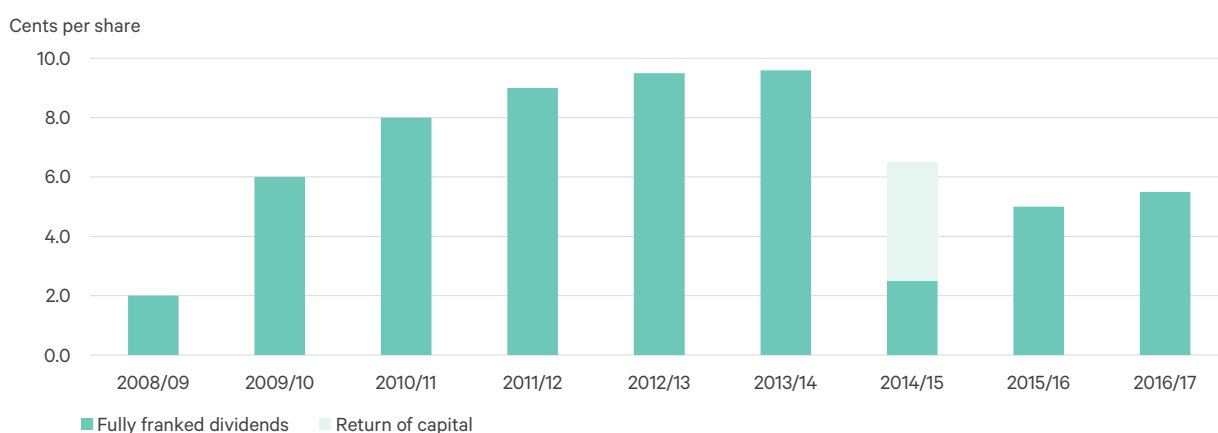
The Board declared a fully franked full year dividend of 5.5 cents per share, with the fully franked final dividend being 2.75 cents per share. The fully franked final dividend will be paid on 27 October 2017 and will trade ex on 17 October 2017.

Shareholders who exercise their options before 11 October 2017 will be eligible to receive the fully franked 2.75 cent final dividend. The options expire on 17 September 2018.

The dividend reinvestment plan (DRP) will operate with a 2.5% discount for the final dividend. The last election date for the DRP will be 20 October 2017.

The Board is committed to paying an increasing stream of fully franked dividends, provided the company has sufficient profit reserves and franking credits, and is within prudent business practices.

WAM Active's fully franked dividends since inception



Equity market outlook

Mr Stott said the investment team would continue to focus on identifying trading opportunities that presented the least risk possible.

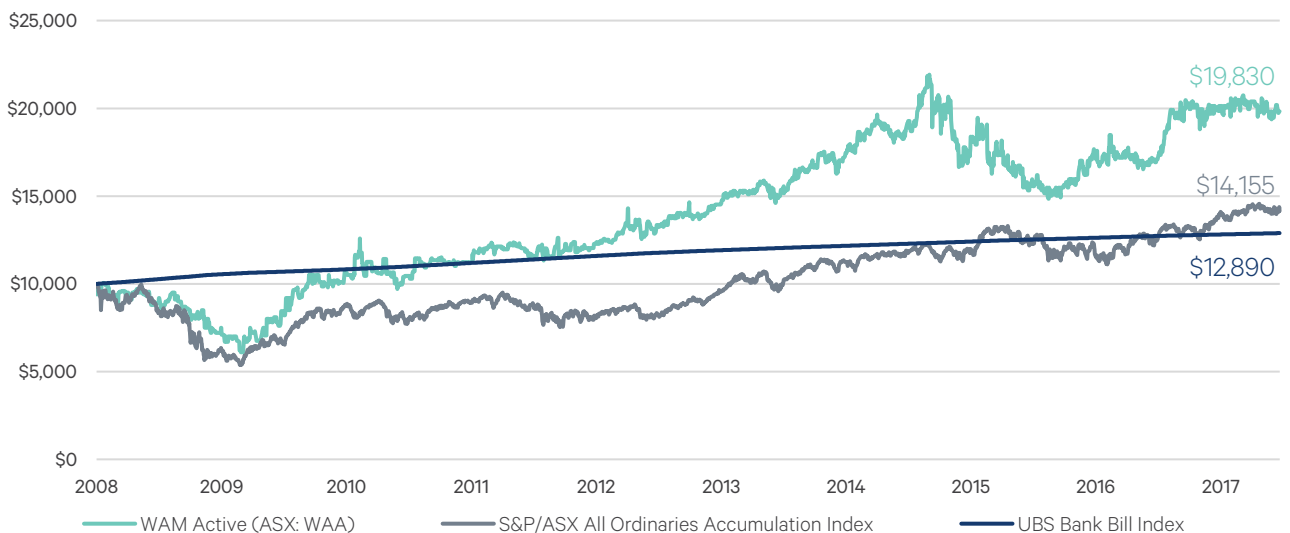
“In our view, low-risk trading opportunities will continue to present themselves. We expect the trend of geopolitical event driven volatility experienced in the 2017 financial year will continue and we are well positioned to take advantage of the potential equity market mispricing,” Mr Stott said.

“We remain focused on identifying and unlocking value in discounted asset plays, particularly within the listed investment company sector. Wilson Asset Management has a distinct advantage in working with companies to close their share-price discount to NTA and we will continue to take advantage of these opportunities,” he said.

Top holdings as at 30 June 2017

| Code | Company | % | Code | Company | % |
|------|--------------------------------------|------|------|--|------|
| HHV | Hunter Hall Global Value Limited | 5.4% | NEC | Nine Entertainment Co Holdings Limited | 2.1% |
| FLT | Flight Centre Travel Group Limited | 3.9% | QAN | Qantas Airways Limited | 2.0% |
| TGG | Templeton Global Growth Fund Limited | 3.8% | CSL | CSL Limited | 2.0% |
| APT | Afterpay Touch Group Limited | 3.6% | JBH | JB Hi-Fi Limited | 2.0% |
| JHG | Janus Henderson Group PLC | 3.0% | CAJ | Capitol Health Limited | 1.9% |
| CPU | Computershare Limited | 2.9% | DOW | Downer EDI Limited | 1.9% |
| EHE | Estia Health Limited | 2.7% | FXJ | Fairfax Media Limited | 1.9% |
| WOW | Woolworths Limited | 2.5% | RMD | ResMed Inc | 1.8% |
| SGM | Sims Metal Management Limited | 2.1% | MND | Monadelphous Group Limited | 1.8% |
| SVW | Seven Group Holdings Limited | 2.1% | AAD | Ardent Leisure Group | 1.7% |

Growth of a \$10,000 investment since inception



Notes:

1. The above graph reflects the period from inception in January 2008 to 30 June 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.

About WAM Active

WAM Active Limited (ASX: WAA) has an investment management agreement with 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. WAM Active's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital.

About Wilson Asset Management

Established in 1997, Wilson Asset Management is the investment manager for six of Australia's leading listed investment companies: WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Microcap (ASX: WMI), WAM Research (ASX: WAX), WAM Active (ASX: WAA) and Century Australia (ASX: CYA); and is responsible for over \$2 billion in shareholder capital on behalf of more than 55,000 retail investors. Wilson Asset Management also created Australia's first listed investment companies to provide investors with access to leading fund managers while supporting our future generation: Future Generation Investment Company (ASX: FGX) and Future Generation Global Investment Company (ASX: FGG).

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