

## 2018 Full Year Results

From the  
Chairman

**WAM Active reported an operating profit before tax of \$4.4 million for the year to 30 June 2018, a 64.7% increase on the previous year (2017: \$2.7 million) and an operating profit after tax of \$3.4 million (2017: \$2.1 million).**

The increase in operating profit for 2018 is reflective of the solid investment portfolio performance. We are pleased that during the year the investment portfolio increased 15.7%, outperforming the S&P/ASX All Ordinaries Accumulation Index, which rose 13.7%. This risk-adjusted investment performance was achieved with an average 29.4% invested in cash, with the investment portfolio recording a standard deviation of 5.6% against the market's 7.1% for the year.

The Board is delighted to deliver shareholders a fully franked full year dividend of 5.7 cents per share, an increase of 3.6% on the previous year, with the fully franked final dividend being 2.85 cents per share. Since inception, WAM Active has paid 60.0 cents per share in fully franked dividends to shareholders.

Over the course of the 2018 financial year, the equity component of the portfolio turned over three times. We traded shares in 231

individual companies and at 30 June we had investments in 61 companies.

During the year the investment team led by Chief Investment Officer Chris Stott and Lead Portfolio Manager Martin Hickson continued to focus on identifying and acting on market mispricing opportunities which contributed to the solid investment portfolio performance.

The largest contributors to the investment portfolio's outperformance during the period included: Nine Entertainment (ASX: NEC), Seven Group Holdings (ASX: SVW), Afterpay Touch Group (ASX: APT), Flight Centre Travel Group (ASX: FLT) and Platinum Asset Management (ASX: PTM).

We believe low-risk trading opportunities will continue to present themselves and we are well positioned to take advantage of potential equity market mispricings.

The rise in global interest rates, coupled with the potential trade wars, will increase volatility and although global economic growth continues, domestic economic growth remains sluggish. Given the lack of wage inflation and no clear catalyst to drive domestic economic growth in the short-to-medium term, we expect interest rates in

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Australia to remain on hold for a prolonged period.

Corporate balance sheets are presently in the best shape of the past decade. As a result, private equity firms are seeking acquisitions rather than divestments.

The continued acceleration of the global macro-economic environment is generally supportive of high levels of merger and acquisition activity and will present opportunities that we will look to capitalise on using our proven market-driven investment process.

Shareholders who received options as part of the one-for-one bonus option issue announced by the Company on 11 August 2016 are reminded that these options enable you to acquire additional WAM Active shares without paying brokerage fees at the price of \$1.14 per share. Shareholders who exercise their options before 17 September 2018 will be eligible to receive the fully franked final dividend of 2.85 cents per share. The options expire on 17 September 2018 and will cease trading on the ASX on 11 September 2018.

We look forward to providing an update to our WAM Active shareholders at our Investor Conference Call on 25 September 2018 and meeting you at our next Shareholder Presentations in November 2018. Thank you for your support of WAM Active.

Happy investing,

**Geoff Wilson AO**  
Chairman



## Highlights

Investment portfolio performance

+15.7%

Fully franked full year dividend

5.7c

Fully franked dividend yield

5.2%

Portfolio turnover

3 times

## Fully franked final dividend

The Board declared a fully franked final dividend of 2.85 cents per share. This brings the fully franked full year dividend to 5.7 cents per share. The DRP will be operating at a 2.5% discount for the final dividend.

### Key dividend dates

Dividend ex-date	12 October 2018
Record date	15 October 2018
Last election date for DRP	17 October 2018
Payment date	26 October 2018

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.

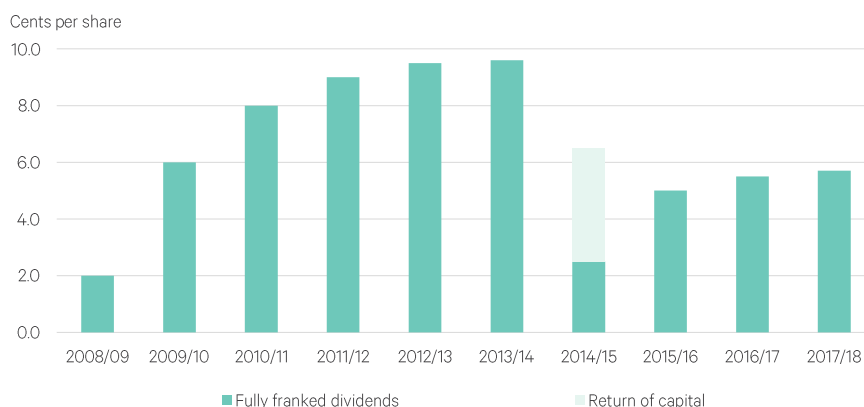
The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Since inception in January 2008, WAM Active has paid 60.0 cents per share in fully franked dividends to shareholders.

## Performance as at 30 June 2018

	1 yr	3yrs %pa	5yrs %pa	10yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio*	15.7%	15.1%	13.9%	13.4%	12.9%
S&P/ASX All Ordinaries Accumulation Index	13.7%	9.5%	10.3%	6.2%	4.2%
<b>Outperformance</b>	<b>+2.0%</b>	<b>+5.6%</b>	<b>+3.6%</b>	<b>+7.2%</b>	<b>+8.7%</b>
UBS Bank Bill Index (cash)	1.8%	1.9%	2.2%	3.3%	3.5%
<b>Outperformance</b>	<b>+13.9%</b>	<b>+13.2%</b>	<b>+11.7%</b>	<b>+10.1%</b>	<b>+9.4%</b>

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

## Fully franked dividends since inception



## Top 20 holdings

Code	Company	% of gross assets	Code	Company	% of gross assets
PIA	Pengana International Equities Limitd	4.4%	TGP	360 Capital Group Limited	2.0%
AOG	Aveo Group	4.0%	JHG	Janus Henderson Group Plc	1.9%
TGG	Templeton Global Growth Fund Limited	3.9%	SGR	The Star Entertainment Group Limited	1.9%
ASB	Austal Limited	3.1%	ARB	ARB Corporation Limited	1.8%
GXL	Greencross Limited	3.0%	APT	Afterpay Touch Group Limited	1.8%
SVW	Seven Group Holdings Limited	2.8%	PPC	Peet Limited	1.8%
WDE	Wealth Defender Equities Limited	2.5%	SUL	Super Retail Group Limited	1.8%
BGA	Bega Cheese Limited	2.4%	FXJ	Fairfax Media Limited	1.8%
SXL	Southern Cross Media Group Limited	2.4%	WPP	WPP AUNZ Limited	1.7%
HT1	HT&E Limited	2.1%	APO	APN Outdoor Group Limited	1.6%