

# Investment Update & Net Tangible Assets Report

AS AT 31 JULY 2016



## Performance

Performance at 31 July 2016	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	4.2%	11.2%	18.3%	14.7%	13.5%	13.2%
S&P/ASX All Ordinaries Accumulation Index	6.3%	14.1%	4.0%	8.5%	9.4%	2.9%
<b>Outperformance</b>	<b>-2.1%</b>	<b>-2.9%</b>	<b>+14.3%</b>	<b>+6.2%</b>	<b>+4.1%</b>	<b>+10.3%</b>
UBS Bank Bill Index	0.2%	1.1%	2.2%	2.5%	3.0%	3.9%
<b>Outperformance</b>	<b>+4.0%</b>	<b>+10.1%</b>	<b>+16.1%</b>	<b>+12.2%</b>	<b>+10.5%</b>	<b>+9.3%</b>

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

## Net Tangible Assets (NTA) figures

NTA before tax	107.27c*
NTA after tax and before tax on unrealised gains	106.25c
NTA after tax	106.25c

\*This is after the provision for tax of \$162k (0.5 cents per share) for the 2016 financial year.

## Market overview

The S&P/ASX All Ordinaries Accumulation Index posted strong gains during the month, to finish July up 6.3%, the best month since October 2011.

After an unpromising start to the month due to concerns over the European economy post Brexit, global markets rallied following better than expected economic data out of the United States along with quarterly results which also beat expectations.

Locally, ratings agency Standard & Poor's lowered Australia's credit rating outlook citing an unresolved federal election result and high levels of external and household debt as areas of concern. Political uncertainty eased after the Coalition claimed the requisite majority in the lower house to form government later in the month. The Reserve Bank of Australia released its July minutes, reinforcing its easing bias and has since reduced the cash rate to an all time record low of 1.5% in early August.

We continue to find investment opportunities and our current cash weightings ensure we are well positioned to seize these opportunities as and when they arise. Over the coming weeks we will meet with over 100 companies as part of the semi annual company reporting season. Traditionally this period presents several new investment ideas which we will seek to capitalise on.

### WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$39.4m
Market cap	\$39.5m
Share price	\$1.125
NTA before tax	\$1.07
Shares on issue	35,109,715
Fully franked annualised dividend (FY2016)	5.0c
Dividend yield	4.4%

### Investment objectives

- Deliver a regular income stream via fully franked dividends
- Provide a positive return with low volatility, after fees, over most periods of time
- Preserve capital

### Company overview

WAM Active Limited (ASX: WAA) is a Listed Investment Company managed by Wilson Asset Management Group. Listed in January 2008, WAA provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.

### Wilson Asset Management Investment & Management Team

**Geoff Wilson**  
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**  
Equity Analyst

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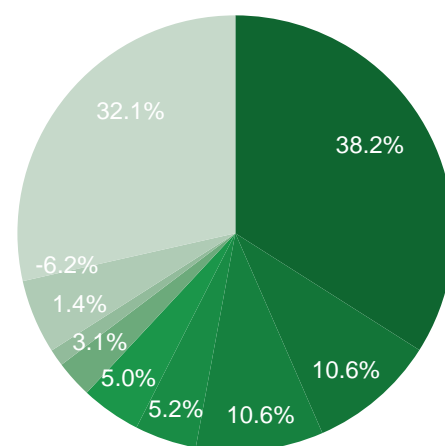
## Diversified portfolio

Investment Type	June 2016		July 2016	
	\$m	%	\$m	%
Listed Equities	20.3	53.4	29.2	74.1
Short Portfolio	(0.5)	(1.3)	(2.4)	(6.2)
Fixed Interest & Cash	18.2	47.9	12.6	32.1
<b>Gross Assets</b>	<b>\$38.0m</b>	<b>100.0</b>	<b>\$39.4m</b>	<b>100.0</b>
Total shares on issue	35,109,715		35,109,715	

## Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	3,057,613	7.8%
CYA	Century Australia Investments Limited	1,589,294	4.0%
ALL	Aristocrat Leisure Limited	1,238,697	3.1%
AGF	AMP Capital China Growth Fund	1,082,905	2.7%
WPP	WPP AUNZ Limited	965,334	2.4%
TGG	Templeton Global Growth Fund Limited	924,204	2.3%
ADA	Adacel Technologies Limited	898,081	2.3%
MVP	Medical Developments International Limited	855,294	2.2%
MPL	Medibank Private Limited	804,862	2.0%
AFY	Afterpay Holdings Limited	702,737	1.8%
COH	Cochlear Limited	696,833	1.8%
BSL	BlueScope Steel Limited	650,608	1.6%
AMP	AMP Limited	592,446	1.5%
CGF	Challenger Limited	588,288	1.5%
WIC	Westoz Investment Company Limited	582,285	1.5%
JBH	JB Hi-Fi Limited	573,585	1.5%
TCH	Touchcorp Limited	573,313	1.5%
SXE	Southern Cross Electrical Engineering Limited	566,877	1.4%
IFN	Infigen Energy Limited	560,793	1.4%
ALQ	ALS Limited	555,946	1.4%

## Sector allocation



- Financials 38.2%
- Consumer Discretionary 10.6%
- Information Technology 10.6%
- Health Care 5.2%
- Industrials 5.0%
- Materials 3.1%
- Utilities 1.4%
- Short Stock -6.2%
- Cash and Fixed Interest 32.1%

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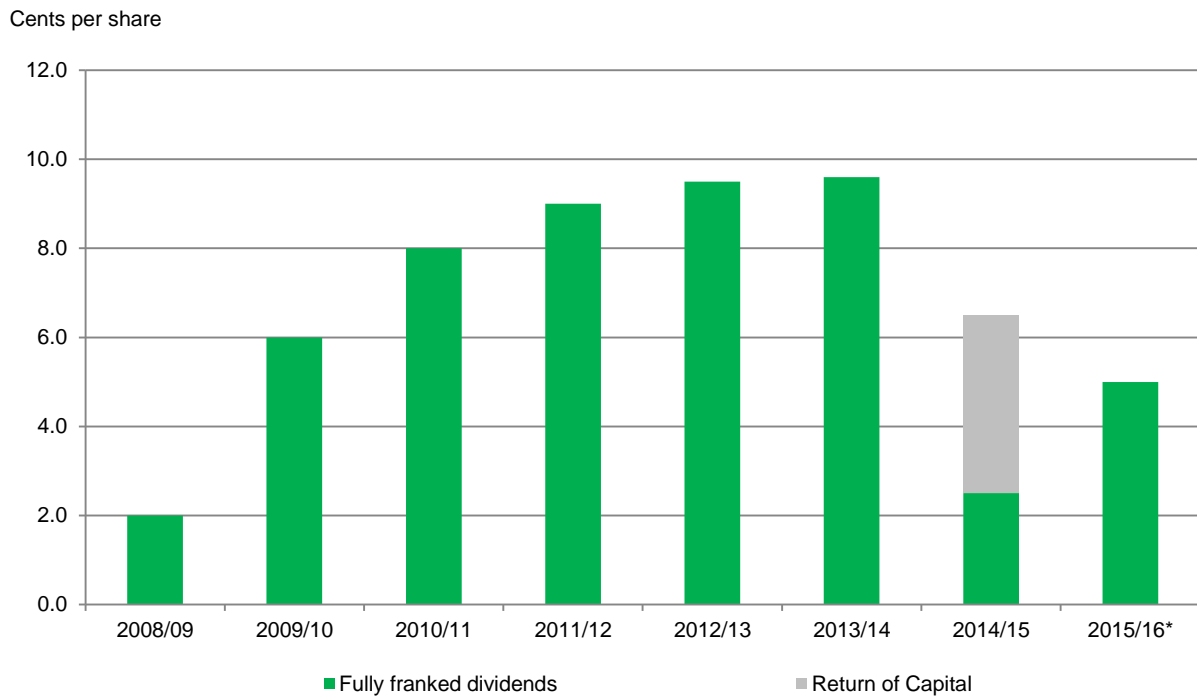
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## Dividends

On 29 April 2016, the Company paid a fully franked interim dividend of 2.5 cents per share. Dividends are usually paid on a six-monthly basis, 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.

### WAM Active dividends since inception



\* Annualised interim dividend