

# Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2015



## Performance

| Performance at 30 April 2015              | 1 Mth        | 6 Mths       | Fin YTD      | 1 Yr         | 3 Yrs %pa     | 5 Yrs %pa    | Since Inception %pa (Jan-08) |
|---|--------------|--------------|--------------|--------------|---------------|--------------|------------------------------|
| WAA Investment Portfolio*                 | 0.4%         | 5.9%         | 6.2%         | 7.6%         | 13.4%         | 10.4%        | 12.5%                        |
| S&P/ASX All Ordinaries Accumulation Index | -1.5%        | 7.1%         | 11.1%        | 10.2%        | 13.7%         | 8.2%         | 2.9%                         |
| <b>Outperformance</b>                     | <b>+1.9%</b> | <b>-1.2%</b> | <b>-4.9%</b> | <b>-2.6%</b> | <b>-0.3%</b>  | <b>+2.2%</b> | <b>+9.6%</b>                 |
| UBS Bank Bill Index                       | 0.2%         | 1.3%         | 2.2%         | 2.7%         | 3.0%          | 3.7%         | 4.2%                         |
| <b>Outperformance</b>                     | <b>+0.2%</b> | <b>+4.6%</b> | <b>+4.0%</b> | <b>+4.9%</b> | <b>+10.4%</b> | <b>+6.7%</b> | <b>+8.3%</b>                 |

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

## Net Tangible Assets (NTA) figures

|  |                  |
|--|------------------|
| NTA before tax                                   | <b>104.24c</b>   |
| NTA after tax and before tax on unrealised gains | <b>104.46c*</b>  |
| NTA after tax                                    | <b>104.44c**</b> |

\*Includes tax assets of 0.22 cents per share.

\*\*Includes the net effect of 0.22 cents of tax assets and 0.02 cents of deferred tax liabilities.

## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 1.5% in April. The banking sector weighed heavily on the market late in the month, as it reacted negatively to news of potential regulatory tightening. This led to one of the sharpest falls in a day this calendar year, wiping \$20 billion off the banking sector's market capitalisation. Unsurprisingly Westpac Banking Corporation (ASX: WBC), Commonwealth Bank of Australia (ASX: CBA), Australia and New Zealand Banking Group (ASX: ANZ) and National Australia Bank (ASX: NAB) were the biggest detractors from the index in the month.

US markets continued to rally with the S&P500 gaining 0.9% and the Nasdaq 0.8% higher at the end of the month. This came despite poor US economic data with employment, inflation and GDP data weaker than expected, leading investors to once again push out expectations of an interest rate rise from the US Federal Reserve. European equity markets experienced a positive month, with strong company earnings supporting the region. China's markets surprised during the month, with the Shanghai composite posting a 18.5% gain despite slowing growth.

Our outlook for the remainder of the year is mixed as we believe valuations are full, notwithstanding the likelihood of further rate cuts. The market continues to experience increasing initial public offering activity and we are actively monitoring and participating in opportunities as they arise.

### WAM Active Limited

|                           |            |
|---------------------------|------------|
| ASX Code                  | WAA        |
| Listed                    | Jan 2008   |
| Gross assets              | \$36.7m    |
| Market cap                | \$37.8m    |
| Share price               | \$1.09     |
| NTA before tax            | \$1.04     |
| Shares on issue           | 34,693,760 |
| Capital return (1HFY2015) | 4.0c       |

### 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.

### Investment & Management Team

**Geoff Wilson**  
Chairman/Portfolio Manager

**Kate Thorley**  
Chief Executive Officer/  
Company Secretary

**Chris Stott**  
Chief Investment Officer/  
Portfolio Manager

**Martin Hickson**  
Senior Equity Analyst/Dealer

**Matthew Haupt**  
Senior Equity Analyst

**Tobias Yao**  
Equity Analyst

**James McNamara**  
Communications Manager

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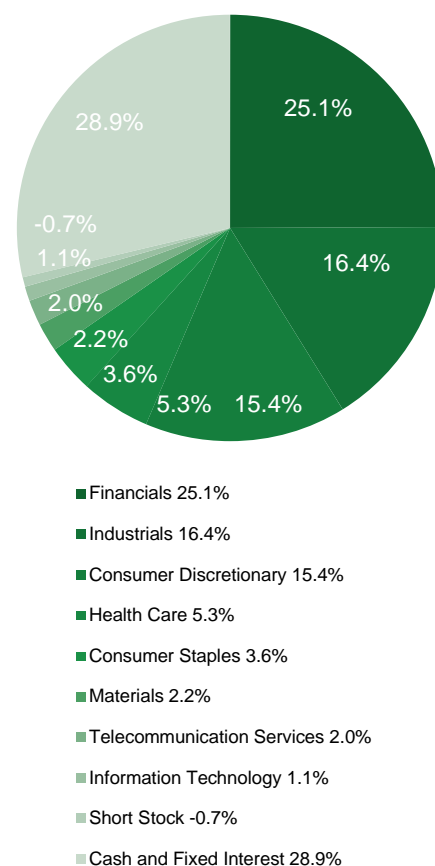
## Diversified portfolio

| Investment Type       | March 2015 |        | April 2015 |        |
|-----------------------|------------|--------|------------|--------|
|                       | \$m        | %      | \$m        | %      |
| Listed Equities       | 25.9       | 70.3   | 26.3       | 71.1   |
| Fixed Interest & Cash | 11.0       | 29.7   | 10.7       | 28.9   |
| Long Portfolio        | 36.9       | 100.0% | 37.0       | 100.0% |
| Short Portfolio       | (0.3)      | (0.7)  | (0.3)      | (0.7)  |
| Gross Assets          | \$36.6m    |        | \$36.7m    |        |
| Total shares on issue | 34,693,760 |        | 34,693,760 |        |

## Top holdings

| Code | Company                               | Market Value<br>\$ | Market Value<br>as % Gross<br>Assets |
|------|---------------------------------------|--------------------|--------------------------------------|
| HHV  | Hunter Hall Global Value Limited      | 2,439,108          | 6.7%                                 |
| CYA  | Century Australia Investments Limited | 1,753,528          | 4.8%                                 |
| TOL  | Toll Holdings Limited                 | 1,468,257          | 4.0%                                 |
| MYX  | Mayne Pharma Group Limited            | 1,153,760          | 3.1%                                 |
| EGP  | Echo Entertainment Group Limited      | 1,120,427          | 3.1%                                 |
| BAP  | Burson Group Limited                  | 1,033,570          | 2.8%                                 |
| QUB  | Qube Holdings Limited                 | 835,884            | 2.3%                                 |
| FXJ  | Fairfax Media Limited                 | 834,139            | 2.3%                                 |
| MMS  | McMillan Shakespeare Limited          | 829,702            | 2.3%                                 |
| CSR  | CSR Limited                           | 809,745            | 2.2%                                 |
| QAN  | Qantas Airways Limited                | 770,150            | 2.1%                                 |
| TWE  | Treasury Wine Estates Limited         | 762,862            | 2.1%                                 |
| HVN  | Harvey Norman Holdings Limited        | 757,346            | 2.1%                                 |
| SGF  | SG Fleet Group Limited                | 755,012            | 2.1%                                 |
| ALL  | Aristocrat Leisure Limited            | 745,281            | 2.0%                                 |
| IIN  | iiNet Limited                         | 723,155            | 2.0%                                 |
| SDG  | Sunland Group Limited                 | 700,907            | 1.9%                                 |
| CDD  | Cardno Limited                        | 698,114            | 1.9%                                 |
| GJT  | Galileo Japan Trust                   | 674,809            | 1.8%                                 |
| IPE  | IPE Limited                           | 520,960            | 1.4%                                 |

## Sector allocation



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## Capital Management – Return of Capital

On 26 February 2015, the Board of WAM Active announced the intention to pay shareholders a 4.0 cents per share Return of Capital. As at 31 December 2014, the Company's net assets were less than issued capital. The Directors recognise investors have cash flow needs and therefore have declared a 4.0 cents per share Return of Capital, which is subject to shareholder approval at an Extraordinary General Meeting (EGM). The EGM will be held on 19 May 2015 at the Wesley Conference Centre, Wesley Theatre, 220 Pitt Street Sydney from 9.00am to 9.30am.

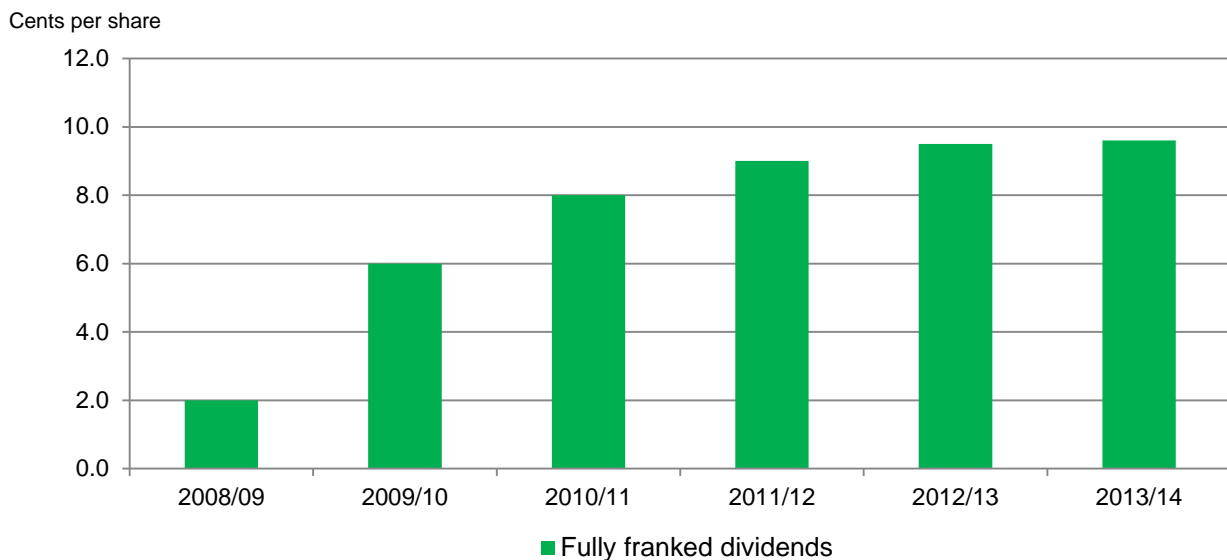
### Key Return of Capital dates

|   |             |
|---|-------------|
| EGM to approve Return of Capital:               | 19 May 2015 |
| Ex date (subject to shareholder approval):      | 21 May 2015 |
| Record date (subject to shareholder approval):  | 25 May 2015 |
| Payment date (subject to shareholder approval): | 1 June 2015 |

## Dividends

The Board has not declared an interim dividend for the half year to 31 December 2014. While the Board is committed to paying an increasing stream of fully franked dividends to shareholders, this is dependent on the Company having sufficient profit reserves and the payment being within prudent business practices. When a dividend is declared, it is usually paid on a six-monthly basis.

### WAM Active dividends since inception



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## Upcoming investor presentations

| Date                     | City      | Location  | Time   |
|--------------------------|-----------|---|--|
| Tuesday<br>19 May 2015   | Sydney    | Wesley Conference Centre<br>Wesley Theatre<br>220 Pitt Street                           | EGM for Return of Capital<br>9.00am – 9.30am<br><br>Presentation<br>9.30am – 11.20am |
| Wednesday<br>20 May 2015 | Adelaide  | The Playford<br>120 North Terrace   | 9.30am – 11.20am   |
| Friday<br>22 May 2015    | Brisbane  | Brisbane Convention & Exhibition Centre<br>Cnr Merivale & Glenelg Streets<br>South Bank | 9.30am – 11.20am   |
| Tuesday<br>26 May 2015   | Melbourne | Rydges Hotel<br>186 Exhibition St   | 9.30am – 11.20am   |
| Thursday<br>28 May 2015  | Canberra  | Belconnen Premier Hotel<br>110 Benjamin Way<br>Belconnen                                | 9.30am – 11.20am   |
| Thursday<br>4 June 2015  | Perth     | Rydges Hotel<br>815 Hay Street  | 9.30am – 11.20am   |

If you wish to attend one of our investor presentations, please RSVP by email to [info@wamfunds.com.au](mailto:info@wamfunds.com.au) or call Mary-Ann on (02) 9258 4998.