

# Investment Update & Net Tangible Assets Report

AS AT 31 JANUARY 2015



## Performance

Performance at 31 January 2015	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-0.1%	-1.0%	1.2%	7.0%	13.3%	10.0%	12.2%
S&P/ASX All Ordinaries Accumulation Index	3.0%	0.8%	5.4%	11.3%	13.5%	8.4%	2.3%
<b>Outperformance</b>	<b>-3.1%</b>	<b>-1.8%</b>	<b>-4.2%</b>	<b>-4.3%</b>	<b>-0.2%</b>	<b>+1.6%</b>	<b>+9.9%</b>
UBS Bank Bill Index	0.3%	1.4%	1.6%	2.7%	3.1%	3.8%	4.3%
<b>Outperformance</b>	<b>-0.4%</b>	<b>-2.4%</b>	<b>-0.4%</b>	<b>+4.3%</b>	<b>+10.2%</b>	<b>+6.2%</b>	<b>+7.9%</b>

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

## Net Tangible Assets (NTA) figures

NTA before tax	<b>101.23c</b>
NTA after tax and before tax on unrealised gains	<b>101.74c*</b>
NTA after tax	<b>101.69c**</b>

\*Includes tax assets of 0.51 cents per share.

\*\*Includes the net effect of 0.51 cents of tax assets and 0.05 cents of deferred tax liabilities.

## Market overview

The Australian equity market closed up 3.0% this month, after rallying 5.2% in the last two weeks of January. This was mainly driven by the European Central Bank's announcement of further stimulus. The quantitative easing programme will see the ECB buy over €1 trillion of government bonds until September 2016, an announcement that came at the top end of market expectations.

Locally, the CPI figure announced 28 January was weaker than expected, which contributed to the Reserve Bank of Australia's decision to reduce the cash rate to 2.25% in February. As expected, this has been positive for equity markets where at the time of writing the market has rallied 12% since mid December.

As we enter into corporate earnings season, we will be meeting with over 100 companies to get a updated understanding of their businesses and the broad economic conditions, which will help shape our decision making for the year ahead. We expect to see the positive impact of the looser monetary policy on company earnings and the wider economy in the later part of 2015. Our investment portfolio remains well positioned to take advantage of opportunities as they arise.

### WAM Active Limited

ASX Code	<b>WAA</b>
Listed	<b>Jan 2008</b>
Gross assets	<b>\$35.4m</b>
Market cap	<b>\$43.7m</b>
Share price	<b>\$1.26</b>
NTA before tax	<b>\$1.01</b>
Shares on issue	<b>34,693,760</b>
Fully franked dividends (FY2014)	<b>9.6c</b>
Dividend yield	<b>7.6%</b>

### 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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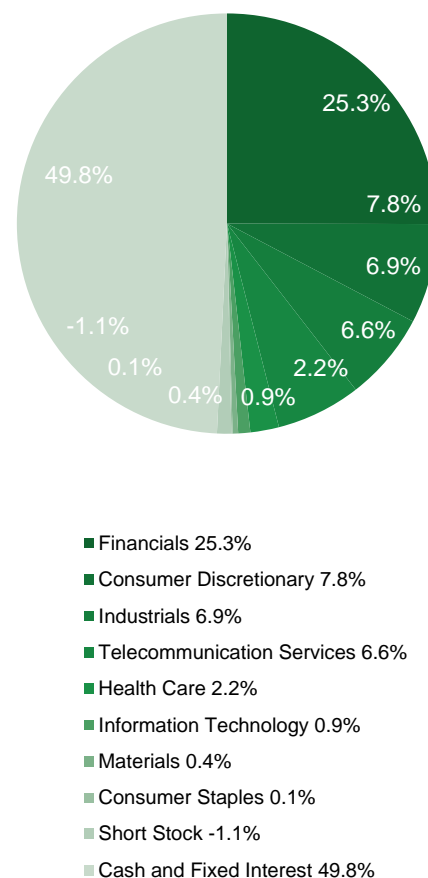
## Diversified portfolio

Investment Type	December 2014		January 2015	
	\$m	%	\$m	%
Listed Equities	16.2	43.7	18.0	50.2
Fixed Interest & Cash	20.8	56.3	17.8	49.8
Long Portfolio	37.0	100.0%	35.8	100.0%
Short Portfolio	(1.6)	(4.2)	(0.4)	(1.1)
Gross Assets	\$35.4m		\$35.4m	
Total shares on issue	34,693,760		34,693,760	

## Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	1,715,408	4.8%
HHV	Hunter Hall Global Value Limited	1,567,389	4.4%
JBH	JB Hi-Fi Limited	1,102,837	3.1%
MMS	McMillan Shakespeare Limited	813,982	2.3%
IFL	IOOF Holdings Limited	775,883	2.2%
IBC	Ironbark Capital Limited	764,971	2.2%
ALL	Aristocrat Leisure Limited	764,043	2.2%
QAN	Qantas Airways Limited	754,029	2.1%
TLS	Telstra Corporation Limited	751,140	2.1%
IPE	IPE Limited	726,983	2.1%
ANN	Ansell Limited	709,503	2.0%
AMM	Amcom Telecommunications Limited	706,063	2.0%
MYR	Myer Holdings Limited	703,292	2.0%
SDG	Sunland Group Limited	606,431	1.7%
WIC	Westoz Investment Company Limited	594,362	1.7%
CMG	Chandler Macleod Group Limited	477,063	1.3%
SDA	SpeedCast International Limited	460,815	1.3%
MTU	M2 Group Limited	438,651	1.2%
GJT	Galileo Japan Trust	429,346	1.2%
CYG	Coventry Group Limited	413,729	1.2%

## Sector allocation



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## Dividends

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. 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.

On 24 October 2014, the Company paid a fully franked final dividend of 4.8 cents per share. This brings the FY14 full year fully franked dividend to 9.6 cents per share.

## WAM Active dividends since inception

