

Wilson Asset Management

Investor conference call

8 March 2017



Disclaimer

This presentation has been prepared by MAM Pty Ltd and Wilson Asset Management (International) Pty Ltd (Wilson Asset Management) for use in conjunction with a verbal presentation and should be read in that context. This presentation Information for the graphs, charts and quoted indices contained in this presentation has been sourced from WAM Capital Ltd, WAM Leaders Ltd, WAM Research Ltd and WAM Active Ltd unless otherwise stated. This presentation is proprietary to Wilson Asset Management. It may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of Wilson Asset Management. The information in this presentation is only intended for Australian residents. The purpose of this presentation is to provide information only and the contents of the presentation do not purport to provide investment or financial advice. We strongly suggest that investors consult a financial advisor prior to making any investment decision. The presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or listed investment company offered by Wilson Asset Management. The information provided in this presentation is given in good faith and is believed to be accurate at the time of compilation. Neither Wilson Asset Management, WAM Capital Ltd, WAM Leaders Ltd, WAM Research Ltd, WAM Active Ltd nor their respective directors or employees (Wilson Asset Management parties) make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information. To the extent permissible by law, Wilson Asset Management parties disclaim all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise). Performance figures quoted in the report are past performance. Past performance is not an indicator of future performance. None of the Wilson Asset Management parties guarantee or make any representation as to the performance of the listed investment companies, the maintenance or repayment of capital, the price at which shares may trade or any particular rate of return. This presentation includes “forward looking statements” within the meaning of securities laws of applicable jurisdictions. Forward looking statements can generally be identified by the use of the words “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “plan” “guidance” and other similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of any Wilson Asset Management party, that may cause actual results to differ materially from those expressed or implied in such statement. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and Wilson Asset Management assumes no obligation to update such information. This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase, any securities and neither this presentation nor anything contained in it forms the basis of any contract or commitment. Without limiting this, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

Agenda

1. About Wilson Asset Management
2. Our listed investment companies
3. Interim reporting season and market outlook
4. Stocks we like
5. Questions

Our team



Geoff Wilson
Chairman
& Portfolio Manager



Kate Thorley
Chief Executive Officer



Chris Stott
Chief Investment Officer
& Portfolio Manager



Matthew Haupt
Portfolio Manager



Martin Hickson
Head of Trading



Tobias Yao
Senior Equity Analyst



John Ayoub
Senior Equity Analyst



Oscar Oberg
Senior Equity Analyst

Gross assets

\$1,201.8m

Share price*

\$2.53

Pre-tax net tangible assets

\$2.00

Fully franked interim dividend

7.5 cents

Annualised dividend yield*

5.9%

Performance (p.a. since August 1999)

18.0%

Gross assets

\$410.6m

Share price*

\$1.135

Pre-tax net tangible assets

\$1.14

Maiden fully franked interim dividend

1.0 cent

Gross assets

\$235.6m

Share price*

\$1.64

Pre-tax net tangible assets

\$1.28

Fully franked interim dividend

4.5 cents

Annualised dividend yield*

5.5%

Performance (p.a. since July 2010)

19.8%

Gross assets

\$38.9m

Share price*

\$1.13

Pre-tax net tangible assets

\$1.07

Fully franked interim dividend

2.75 cents

Annualised dividend yield*

4.9%

Performance (p.a. since January 2008)

12.9%

FY2017 fully franked interim dividends – key dates

WAM Capital – 7.5 cents per share

Ex date	13 April 2017
Record date	18 April 2017
Last election date for the DRP	20 April 2017
Payment date	28 April 2017

WAM Research– 4.5 cents per share

Ex date	6 April 2017
Record date	7 April 2017
Last election date for the DRP	11 April 2017
Payment date	21 April 2017

WAM Leaders– 1.0 cent per share

Ex date	13 April 2017
Record date	18 April 2017
Last election date for the DRP	20 April 2017
Payment date	28 April 2017

WAM Active– 2.75 cents per share

Ex date	16 May 2017
Record date	17 May 2017
Last election date for the DRP	19 May 2017
Payment date	26 May 2017

Options

W | A | M *Leaders*

ASX: WLEO

Options exercise price: **\$1.10**

Last date to exercise options to be
eligible for interim dividend: 10 April 2017

Option expiry date: 17 November 2017

W | A | M *Active*


ASX: WAAO

Options exercise price: **\$1.14**





Last date to exercise options to be
eligible for interim dividend: 11 May 2017

Option expiry date: 17 September 2018

Interim reporting season

-  Earnings growth returning
-  Economic conditions improving
-  Housing market remains very strong
-  High P/E companies disappointed

Equity market outlook

-  Overall market outlook positive
-  Australian economy showing signs of growth
-  Higher commodity prices to drive increase in government revenue
-  Volatility expected due to geopolitical risks over the next year

W | A | M *Leaders*

FY17 half year update

- 7.3%* portfolio return since inception in May 2016
- Weightings increased into large caps
- Higher bond yields supportive of diversified financial and insurance companies
- 15% current cash weighting

What we like: Research-driven



Challenger Limited
ASX: CGF

Market cap: \$6.7 billion

FY17PE: 17x

EPS growth: 10%

Challenger is an investment management firm specialising in products that generate a retirement income stream

Why we like it

- Continued strong demand of annuity products in the Australian market
- Partnerships in Australia and Japan will drive growth and earnings for next few years

What we like: Research-driven



Treasury Wine Estates Ltd
ASX: TWE

Market cap: \$8.8 billion

FY17 PE: 30x

EPS growth: 30%

Treasury Wine Estates is an Australian-based global winemaking and distribution business.

Why we like it

- Exposure to “masstige” wine demand in China via Penfolds and Chateau St Jean
- EBITs margin expansion through better supply chain management in US and China
- Luxury wine inventory underpins multi-year earnings upgrades

What we like: Research-driven



AUB Group Limited
ASX: AUB

Market Cap: \$746 million

FY18 PE: 17.5x

Consensus FY18 EPS growth: ~8%

AUB Group is an equity-based risk management, advice and solutions provider in Australasia.

Why we like it

- Exposure to increasing commercial lines premiums
- Potential consensus earnings upgrades
- Planned acquisitions

May 2017 shareholder presentations

Melbourne	Sydney	Adelaide
Monday 15 May	Tuesday 16 May	Wednesday 17 May
Melbourne Convention Centre 1 Convention Centre Place South Wharf VIC 3006	The Wesley Centre 220 Pitt Street Sydney NSW 2000	The Playford 120 North Terrace Adelaide SA 5000
Presentation: 10.00am – 12.00pm	Presentation: 10.00am – 12.00pm	Presentation: 10.00am – 12.00pm
Perth	Brisbane	Canberra
Thursday 18 May	Friday 19 May	Wednesday 24 May
Novotel Perth Langley 221 Adelaide Terrace Perth WA 6000	Brisbane Exhibition & Convention Centre Cnr Merivale & Glenelg St Southbank QLD 4101	The Mercure Cnr Ainslie & Limestone Avenues Braddon ACT 2612
Presentation: 10.00am – 12.00pm	Presentation: 10.00am – 12.00pm	Presentation: 10.00am – 12.00pm

Future Generation presentations will follow Wilson Asset Management presentations in each city

Get in touch

info@wilsonassetmanagement.com.au

Telephone. +61 2 9247 6755
Level 11, 139 Macquarie Street
Sydney NSW 2000
GPO Box 4658, Sydney NSW 2001



About us

Independent boutique fund manager

- We manage four LICs and just under **\$2 billion** in shareholder capital for 45,000 retail shareholders
- Seven investment professionals with combined investment experience of almost **100 years**
- **Proven** investment approach
- Committed to **philanthropic initiatives**, including creating and supporting the Future Generation LICs



Winner of the Listed Investment Companies category at the Professional Planner | Zenith Fund Awards 2014, 2015 and 2016

How we invest



Investment focus

ASX listed companies

W | A | M *Research*

W | A | M *Capital*

W | A | M *Active*

ASX top 200 listed companies

W | A | M *Leaders*