

Investment update

As at 31 August 2017



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.07

Fully franked
dividend yield

4.8%

Gross assets

\$42.1m

Performance
(p.a. since January 2008)

12.7%

WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$42.1m
Market cap	\$44.6m
Share price (WAA)	\$1.15
Option price (WAAO)	\$0.015
NTA before tax	\$1.07
Shares on issue	38,810,728
Options on issue	31,672,347
Fully franked dividends (FY2017)	5.5c
Fully franked dividend yield	4.8%

Investment objectives

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

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

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

Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

SAVE THE DATE

Market overview

The S&P/ASX All Ordinaries Accumulation Index finished 0.8% higher for the month on the back of a mixed reporting season.

Overall, earnings growth was the best in many years although a number of companies fell short of the market's elevated expectations. Most companies provided subdued outlook statements reflecting current economic conditions. The defensive sectors had one of their worst reporting periods in a decade, led by Telstra (ASX: TLS), which surprised the market with a significant reduction in its dividend guidance for the year ahead.

The rebound of the resources and mining services sectors was a standout, outperforming analysts' expectations. We were also pleased to see strong performance from the small-cap sector after a difficult 12 months. We believe the current equity market is fairly valued and we are well positioned to take advantage of opportunities as they emerge.

Investor conference call recording and slides

Thank you to those who dialled in to our investor conference call on 6 September 2017. If you would like to listen to the recording and view the corresponding slides, please click [here](#).

Net tangible asset (NTA) figures

NTA before tax	106.59c
NTA after tax and before tax on unrealised gains	106.23c
NTA after tax	106.21c

The above figures are not adjusted for the 31,672,347 options on issue with an exercise price of \$1.14.

Performance

Performance at 31 August 2017	1 Mth	Fin YTD	6 Mth	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.6%	2.4%	5.0%	9.4%	11.3%	13.7%	12.7%
S&P/ASX All Ordinaries Accumulation Index	0.8%	1.0%	2.6%	8.9%	5.4%	10.5%	3.3%
Outperformance	-0.2%	+1.4%	+2.4%	+0.5%	+5.9%	+3.2%	+9.4%
UBS Bank Bill Index (Cash)	0.1%	0.3%	0.9%	1.8%	2.2%	2.5%	3.7%
Outperformance	+0.5%	+2.1%	+4.1%	+7.6%	+9.1%	+11.2%	+9.0%

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

Growth of \$10,000 investment since inception

WAM Active versus the Index



Notes:

1. The above graph reflects the period from inception in January 2008 to 31 August 2017.
2. WAM Active's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index and the UBS Bank Bill Index have been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Active portfolio.

Diversified portfolio

Investment type	July 2017		August 2017	
	\$m	%	\$m	%
Listed equities	38.5	90.1	29.1	69.1
Short portfolio	(3.3)	(7.6)	(1.5)	(3.5)
Fixed interest & cash	7.5	17.5	14.5	34.4
Gross assets	\$42.7	100.0	\$42.1	100.0
Total shares on issue	38,802,828		38,810,728*	

*During the month, 7,900 options were exercised and allotted.

One-for-one option issue

In August 2016, the Company announced a one-for-one bonus option issue to all shareholders at no cost. Options entitle holders to purchase additional ordinary shares in WAM Active at the exercise price of \$1.14 at any time on or before 17 September 2018. The options trade on the ASX under the code WAAO. The bonus option issue is an effective way to grow the Company and will deliver benefits to shareholders. As the Company's size increases, on-market liquidity for the shares is expected to increase. It will also increase the Company's relevance in the market, improve the prospect of broker and research coverage, and gain interest from financial planners.

Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	MND	Monadelphous Group Limited
APT	Afterpay Touch Group Limited	JHG	Janus Henderson Group PLC
TGG	Templeton Global Growth Fund Limited	FBU	Fletcher Building Limited
NEC	Nine Entertainment Co. Holdings Limited	TPM	TPG Telecom Limited
FXJ	Fairfax Media Limited	PRG	Programmed Maintenance Services Limited
SVW	Seven Group Holdings Limited	TGP	360 Capital Group Limited
EHE	Estia Health Limited	CAJ	Capitol Health Limited
FLT	Flight Centre Travel Group Limited	HFA	HFA Holdings Limited
PTM	Platinum Investment Management Limited	WIC	Westoz Investment Company Limited
AOG	Aveo Group	PIC	Perpetual Equity Investment Company Limited

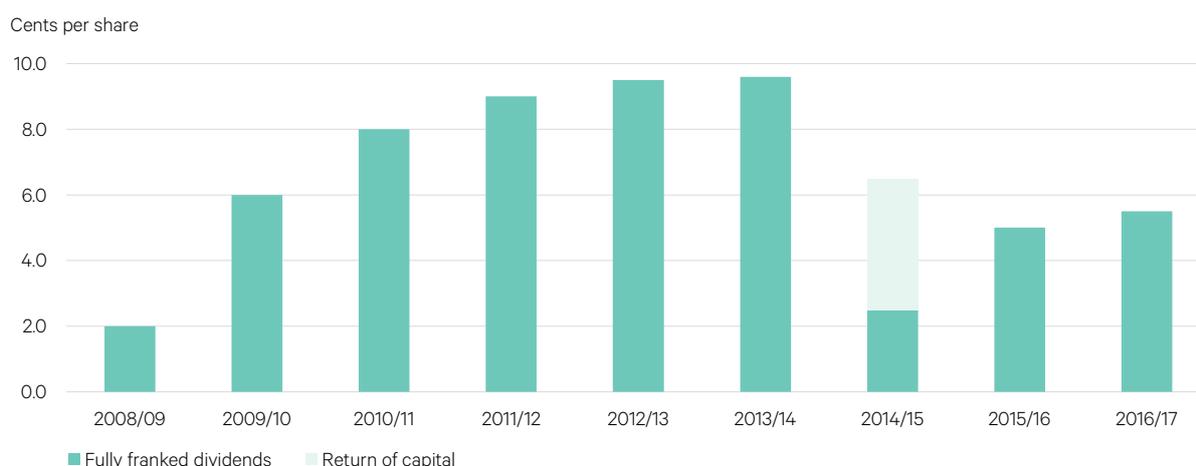
Fully franked dividends

On 3 August 2017, the Company announced a fully franked final dividend of 2.75 cents per share, bringing the full year fully franked dividend to 5.5 cents per share. Option holders are able to receive the 2.75 cents per share fully franked final dividend on options exercised on or before 11 October 2017. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend.

Key dividend dates

Dividend ex-date	17 October 2017
Record date	18 October 2017
Last election date for DRP	20 October 2017
Payment date	27 October 2017

Fully franked dividends since inception



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.