

Investment update

As at 31 October 2017



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

\$1.08

Fully franked
dividend yield

4.8%

Gross assets

\$44.5m

Performance
(p.a. since January 2008)

13.0%

WAM Active Limited

ASX code	WAA
Date of listing	Jan 2008
Gross assets	\$44.5m
Market cap	\$45.6m
Share price (WAA)	\$1.135
Option price (WAAO)	\$0.017
NTA before tax	\$1.08
Shares on issue	40,132,177
Options on issue	30,548,301
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

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Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 4.1% for the month.

During the month the Australian Bureau of Statistics announced the September quarter consumer price index (CPI) was unchanged at 1.8%, falling well below market expectations and further supporting our view that the Reserve Bank of Australia will maintain the cash rate at 1.5% for the foreseeable future. The Westpac-Melbourne Institute index of consumer sentiment rose 3.6% in October, the highest level recorded in 12 months.

Globally, the revival of United States President Trump's tax plan positively impacted US equities, driving the S&P 500 Index to yet another all time record high.

November 2017 Shareholder Presentations

Don't forget to reserve your place at our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).

Net tangible asset (NTA) figures

The following NTA figures are **after** the 2.75 cents per share fully franked final dividend paid on 27 October 2017.

NTA before tax	107.92c
NTA after tax and before tax on unrealised gains	106.62c
NTA after tax	106.62c

The above figures are not adjusted for the 30,548,301 options on issue with an exercise price of \$1.14.

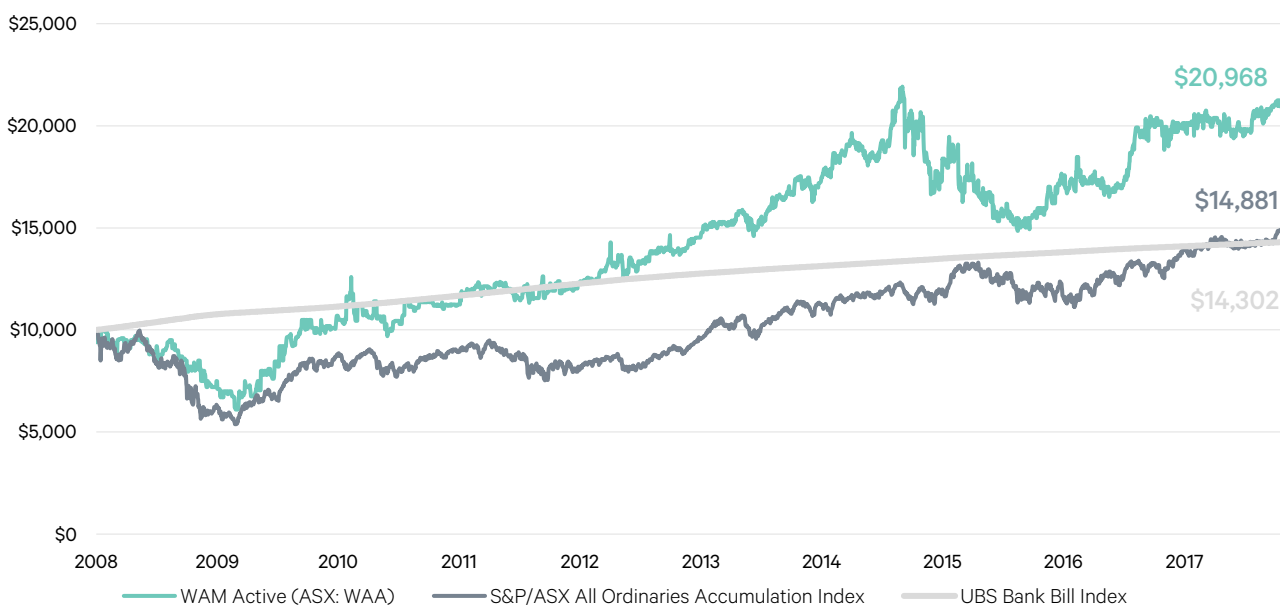
Performance

Performance at	1	Fin	6	1	3 Yrs	5 Yrs	Since
31 October 2017	Mth	YTD	Mths	Yr	%pa	%pa	Inception %pa (Jan-08)
WAA Investment Portfolio*	4.3%	7.4%	8.9%	14.0%	14.2%	14.0%	13.0%
S&P/ASX All Ordinaries Accumulation Index	4.1%	5.1%	2.7%	15.5%	7.3%	10.3%	3.7%
Outperformance	+0.2%	+2.3%	+6.2%	-1.5%	+6.9%	+3.7%	+9.3%
UBS Bank Bill Index (Cash)	0.1%	0.6%	0.9%	1.8%	2.1%	2.4%	3.7%
Outperformance	+4.2%	+6.8%	+8.0%	+12.2%	+12.1%	+11.6%	+9.3%

*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 October 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	September 2017		October 2017	
	\$m	%	\$m	%
Listed equities	23.8	56.1	36.0	80.9
Short portfolio	(0.8)	(2.1)	(0.4)	(1.0)
Fixed interest & cash	19.5	46.0	8.9	20.1
Gross assets	\$42.5	100.0	\$44.5*	100.0
Total shares on issue	38,923,872		40,132,177**	

*This figure is after the 2.75 cents per share fully franked final dividend paid during the month.

**During the month, 1,010,902 options were exercised and allotted and 197,403 shares were issued from the Dividend Reinvestment Plan (DRP) for the final dividend.

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	EHE	Estia Health Limited
NEC	Nine Entertainment Co. Holdings Limited	WOW	Woolworths Limited
SVW	Seven Group Holdings Limited	HSO	Healthscope Limited
TGG	Templeton Global Growth Fund Limited	PPC	Peet Limited
A2M	a2 Milk Company Limited	NAB	National Australia Bank Limited
FXJ	Fairfax Media Limited	LNK	Link Administration Holdings Limited
FLT	Flight Centre Travel Group Limited	WBC	Westpac Banking Corporation
PTM	Platinum Asset Management Limited	CBA	Commonwealth Bank of Australia
MMS	McMillan Shakespeare Limited	WDE	Wealth Defender Equities Limited
HFA	HFA Holdings Limited	GUD	GUD Holdings Limited

Fully franked dividends

On 27 October 2017, the Company paid a fully franked final dividend of 2.75 cents per share, bringing the FY17 fully franked full year dividend to 5.5 cents per share.

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.

Fully franked dividends since inception

