

Investment update

As at 31 October 2016



wilsonassetmanagement.com.au

ABN 49 126 420 719

Snapshot

Pre-tax net tangible assets

105.14c

Fully franked
dividend yield

4.3%

Gross assets

\$38.2m

Performance
(p.a. since January 2008)

12.9%

WAM Active Limited

ASX code	WAA
Listed	Jan 2008
Gross assets	\$38.2m
Market cap	\$41.0m
Share price (WAA)	\$1.15
Option price (WAAO)	\$0.046
NTA before tax	\$1.05
Shares on issue	35,693,670
Options on issue	34,584,286
Fully franked dividends (FY2016)	5.0c
Fully franked dividend yield	4.3%

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	Senior Equity Analyst & Dealer
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Equity Analyst

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

Adelaide	16 November
Perth	17 November
Canberra	21 November
Sydney (AGM)	23 November
Brisbane	24 November
Melbourne	25 November

For more information and to RSVP, visit wilsonassetmanagement.com.au/RSVP

Our national Shareholder Presentations begin on 16 November in Adelaide. To RSVP, visit wilsonassetmanagement.com.au/RSVP

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 2.2% for the month. Australian September labour data released was disappointing, with total employment falling by 10,000 and the full-time job figures falling by 53,000 – the biggest drop since April 2011. Better than expected September quarter consumer price inflation (CPI) data reduced the chance of further interest rate cuts and put downward pressure on local equities. In the US, oil climbed above US\$50 a barrel for the first time since June this year as declines in US crude inventories lifted hopes the global glut may clear. More recently, the surprise US presidential election result has led to market volatility globally. With a high degree of uncertainty regarding if and how election policies are implemented, we expect continued market volatility in the short and medium term.

Stock news

Merger and acquisition activity continued in October with mining services company Bradken Limited (ASX: BKN) announcing it had entered into an implementation agreement with Japanese construction company Hitachi Construction Machinery Company Limited. Hitachi has agreed to make an all cash off-market takeover for Bradken of \$3.25 per share. Bradken is likely to benefit from its cost reduction program and the increase in capital expenditure by mining companies globally.

Net tangible asset (NTA) figures

The following NTA figures are after the 2.5 cents per share fully franked final dividend paid on 28 October 2016.

NTA before tax	105.14c
NTA after tax and before tax on unrealised gains	104.35c
NTA after tax	104.32c

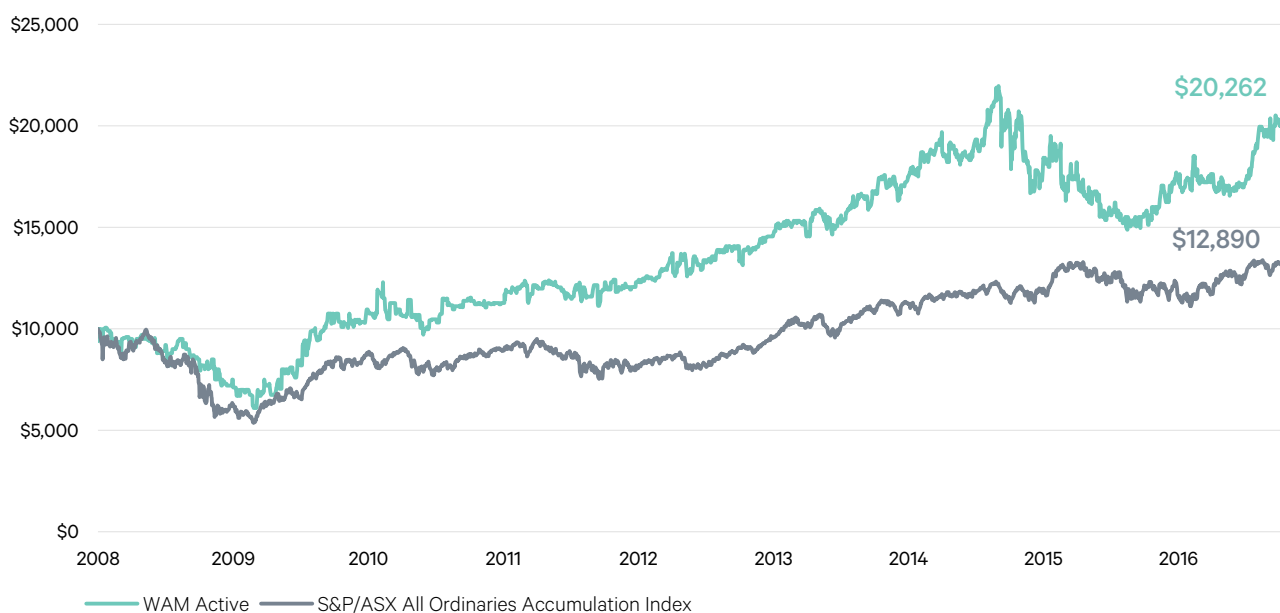
Performance

Performance at 31 October 2016	1 Mth	Fin YTD	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-0.7%	5.1%	9.5%	15.2%	10.5%	13.4%	12.9%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	3.0%	3.8%	6.6%	4.3%	9.0%	2.4%
Outperformance	+1.5%	+2.1%	+5.7%	+8.6%	+6.2%	+4.4%	+10.5%
UBS Bank Bill Index	0.1%	0.6%	1.0%	2.1%	2.4%	2.9%	3.9%
Outperformance	-0.8%	+4.5%	+8.5%	+13.1%	+8.1%	+10.5%	+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



Diversified portfolio

Investment type	September 2016		October 2016	
	\$m	%	\$m	%
Listed equities	27.5	70.7	23.3	60.9
Short portfolio	(0.4)	(1.1)	(0.9)	(2.4)
Fixed interest & cash	11.8	30.4	15.8	41.5
Gross assets	\$38.9m	100.0	\$38.2m*	100.0
Total shares on issue	35,202,146		35,693,670**	

* This figure is after the 2.5 cents per share (\$690k) fully franked final dividend paid and \$360k raised from Options exercised during the month.

** During the month, 175,879 shares were issued via the Dividend Reinvestment Plan (DRP) for the final dividend and 315,645 Options were exercised.

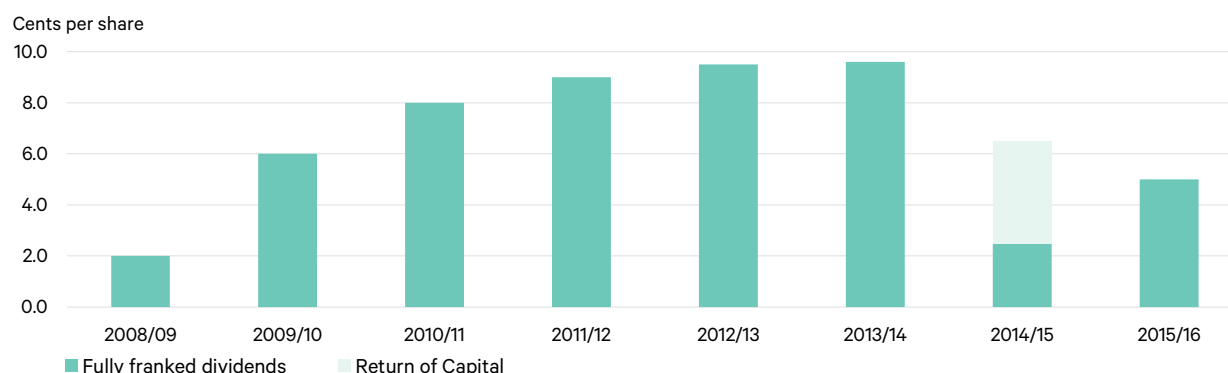
Top 20 holdings

Code	Company	Market value as	
		Market value \$	% gross assets
HHV	Hunter Hall Global Value Limited	2,168,472	5.7%
CYA	Century Australia Investments Limited	1,589,294	4.2%
ALQ	ALS Limited	1,182,635	3.1%
ALL	Aristocrat Leisure Limited	1,072,941	2.8%
SAI	SAI Global Limited	1,026,975	2.7%
TGG	Templeton Global Growth Fund Limited	926,323	2.4%
AFY	Afterpay Holdings Limited	916,185	2.4%
DOW	Downer EDI Limited	879,158	2.3%
BKN	Bradken Limited	856,636	2.2%
CWY	Cleanaway Waste Management Limited	827,327	2.2%
IMD	Imdex Limited	789,410	2.1%
GWA	GWA Group Limited	754,900	2.0%
MTR	Mantra Group Limited	656,036	1.7%
WIC	Westoz Investment Company Limited	588,615	1.5%
CGF	Challenger Limited	514,737	1.3%
AUB	AUB Group Limited	468,122	1.2%
IPE	IPE Limited	413,066	1.1%
AJA	Astro Japan Property Group Limited	408,933	1.1%
RHP	Rhye Limited	358,104	0.9%
MVP	Medical Developments International Limited	349,488	0.9%

Fully franked dividends

On 28 October 2016, the Company paid a fully franked final dividend of 2.5 cents per share. Dividends are usually paid on a six-monthly basis, 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



One-for-one option issue

In August 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 commenced trading on the ASX under the code WAAO on 20 September 2016. 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.