

Annual General Meeting

Chairman's Address

23 November 2016

FY2016 highlights

↑18.0%Investment portfolio
performance**↑16.0%**Investment portfolio
outperformance**5 times**Portfolio
Turnover**5.0c**Full year fully
franked dividend

Introduction and welcome

Good morning and welcome to the ninth WAM Active Limited Annual General Meeting. I would like to acknowledge the Gadigal people of the Eora nation and pay my respects to their Elders past and present. I would also like to welcome all our shareholders - thank you for joining us and for your continued support of the Company.

I am Geoff Wilson, Chairman of the Board of Directors. I am joined today by my fellow Board members, Kate Thorley, Chris Stott, Matthew Kidman and John Abernethy. I would also like to introduce our audit partner from Pitcher Partners, Scott Whiddett, who will be available to address any questions relating to the Company's financial statements.

Positive investment portfolio performance

WAM Active has effectively applied an investment approach which provides investors with exposure to active trading strategies which aim to deliver positive returns in all market cycles. In the year to 30 June 2016, we continued to focus on identifying and acting on market mispricing opportunities that allowed us to grow the Company's investment portfolio by 18.0%, while taking as little risk as possible. Over the year the cash holding averaged 30.5%. The investment portfolio outperformed the S&P/ASX All Ordinaries Accumulation Index by 16.0% and the UBS Bank Bill Index by 15.8%.

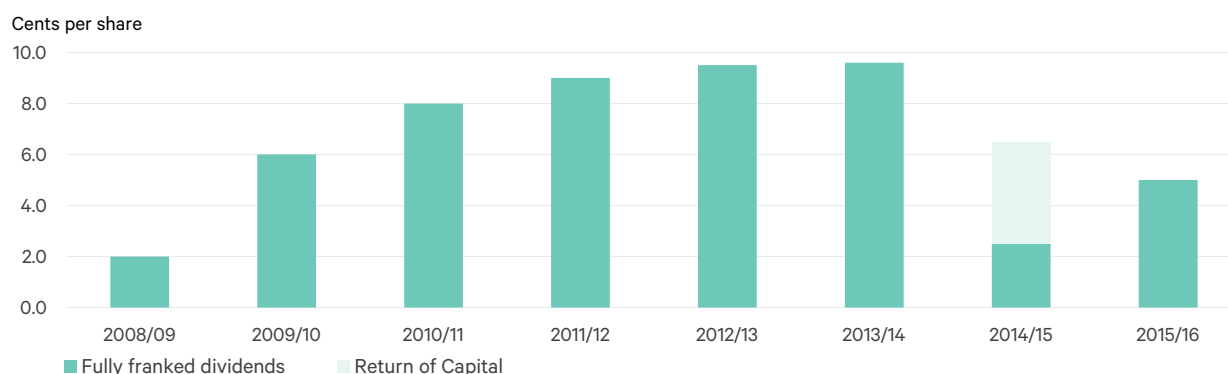
The net investment portfolio return, after fees, corporate tax and expenses for the 2016 financial year was 9.2% as measured by WAM Active's after tax net tangible asset (NTA) growth, adjusted for fully franked dividends paid. The total shareholder return during the period was 9.9%.

The highly active investment process saw the equity component of the investment portfolio turned over five times during the period and we traded in 254 individual companies. The best performing strategies employed were trades based on relative value arbitrage, oversold positions, earnings momentum/surprise, market themes/trends, and takeover arbitrage. The top contributing stocks for FY2016 were: Blackmores Limited (ASX: BKL), Hunter Hall Global Value Limited (ASX: HHV), Medical Developments International Limited (ASX: MVP), SG Fleet Group Limited (SGF) and Galileo Japan Trust (ASX: GJT).

Fully franked dividend

During the period, the Board declared a fully franked full year dividend of 5.0 cents per share, with the fully franked final dividend being 2.5 cents per share.

Fully franked dividends and return of capital since inception



Strong financial results

In FY2016, the Company achieved strong growth, increasing pre-tax profit by 365.0% to \$4.2 million. The increase in profit is a result of the investment portfolio performance, which returned 18.0% for the year to 30 June 2016.

Growth of \$10,000 investment since inception

WAM Active versus the Index



Bonus option issue to grow Company

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.

Public policy and advocacy – equal access to the equity market

Wilson Asset Management continues to engage in advocacy and public policy discussions on behalf of all shareholders regarding issues of importance and has continued to advocate for the equal access to equity markets for all investors, regardless of whether they are retail or wholesale investors.

During the financial year, Wilson Asset Management made a submission in response to proposed changes to the ASX admission requirements for listed entities. We believe our recommendations served the interests of all investors and aligned with the ASX's objectives of ensuring it remains a market of quality and integrity, while continuing to be internationally competitive. We are pleased the ASX has announced it will retain the current 'spread test' minimum of \$2,000. In our view, a \$2,000 threshold helps ensure accessibility to the equities market for retail investors, particularly young and first time investors. We also welcome the adoption of a formal free float minimum requirement. We believe this will assist in ensuring a liquid secondary market for securities, underscoring a benefit of shares relative to other, less liquid, asset classes. Changes to the ASX admission requirements are due to come into effect on 19 December 2016.

Equity market outlook

The Australian economy is showing early signs of improvement and accordingly the Reserve Bank of Australia's easing interest rate cycle appears to be drawing to a close. Equity valuations have been inflated by record low interest rates and global easy money policies, and as a result we are cautious about the direction of the equity market in the 2017 financial year. We expect continued equity market volatility as the rebellion against the status quo continues globally and the first year of the Trump US Presidency unfolds.

Company outlook

WAM Active entered the 2017 financial year with an extremely conservative balance sheet, a high cash weighting, no debt and a flexible and proven investment approach. The Company will continue to seek opportunities irrespective of market conditions, having achieved market outperformance through various market cycles.

Shareholder engagement and communication

Shareholders are the owners of WAM Active. That is why we encourage you all to meet with us at our semi-annual shareholder briefings and subscribe to our:

- Weekly investor updates from our Chief Investment Officer
- Regular market news and investment insights
- Monthly investment updates
- Annual and half yearly profit announcements
- Website: wilsonassetmanagement.com.au.

We aim to provide valuable and insightful communications and welcome all feedback on how we can improve our communication and engagement with shareholders – please contact our Head of Corporate Affairs, James McNamara on (02) 9247 6755 or email us at info@wilsonassetmanagement.com.au.

Making a difference

Wilson Asset Management, WAM Active's investment manager, is passionate about making a positive difference to our shareholders and the community. In FY2016 the team at Wilson Asset Management worked towards this objective in a number of ways.

We continued our support of Future Generation Investment Company (ASX: FGX) and Future Generation Global Investment Company (ASX: FGG), Australia's first philanthropic wealth creation vehicles with the dual purpose of

creating shareholder wealth and investing in our future generation. FGX and FGG are actively making a difference with a significant, permanent and growing income stream for high impact charities working to better the lives of young Australians. Wilson Asset Management's team gives ongoing pro bono support to these innovative companies, providing funds management, marketing, shareholder communications, company secretarial, administrative and support functions.

During the year, Wilson Asset Management joined Pledge 1% – a global corporate philanthropy movement that commits to donating 1% of product, 1% of equity, or 1% of employee time to improve communities around the world. We do this in a number of ways, including through a program that allows our staff to spend one day each month working in the non-profit sector.

We are proud to provide significant support to various charities. In addition, every Wilson Asset Management team member is given \$10,000 per year to donate as they see fit to any one or multiple charities. All donations are made by Wilson Asset Management and not WAM Active.

Thank you

I would like to thank the entire Wilson Asset Management team. Every member of the team has worked tirelessly throughout the year for the shareholders of WAM Active. I would also like to thank my fellow Board members for their invaluable contributions to WAM Active during the year. I am grateful for the Board's ongoing guidance and expertise. Finally, on behalf of the Board and Wilson Asset Management, thank you to our 1,670 loyal shareholders for your continued support including those shareholders who joined WAM Active in the last year, welcome to the Wilson Asset Management family.