

Wilson Asset Management

Investor conference call
6 September 2017



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Agenda

- 1. About Wilson Asset Management**
- 2. Our listed investment companies**
- 3. Reporting season and market outlook**
- 4. What did and didn't work**

- 5. Questions**



Making a difference

- Six LICs and more than \$2 billion in shareholder capital for 55,000 retail shareholders
- Eight investment professionals with combined investment experience of more than 100 years
- Proven investment approach that has delivered superior returns for almost 20 years
- Committed to philanthropic and advocacy initiatives
- Creator and supporter of:



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

Investment and 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



John Ayoub
Senior Equity
Analyst



Tobias Yao
Senior Equity
Analyst



Jesse Hamilton
Chief Financial
Officer



James McNamara
Head of Corporate Affairs



Martyn McCathie
General
Manager

Investing in undervalued growth companies

W | A | M *Capital*

Focus on ASX listed small-to-mid-cap industrial companies

Research and market-driven processes

W | A | M *Leaders*

Focus on ASX top 200 listed companies

Research and market-driven processes

W | A | M *Microcap*

Focus on ASX listed micro-cap industrial companies

Research and market-driven processes

W | A | M *Research*

Focus on ASX listed small-to-mid-cap industrial companies

Research-driven process

W | A | M *Active*

Focus on ASX listed small-to-mid-cap industrial companies

Market-driven process

CENTURY
AUSTRALIA
INVESTMENTS LIMITED

Focus on ASX top 300 listed companies

Research, market and investment-driven processes



Gross assets

\$1,251.6m

Share price*

\$2.48

Pre-tax net tangible assets

\$1.95

Fully franked final dividend

7.5 cents

Dividend yield*

6.0%

Performance (p.a. since August 1999)

17.6%

As at 31 July 2017

*As at 5 September 2017

Gross assets

\$486.9m

Share price*

\$1.11

Pre-tax net tangible assets

\$1.15

Fully franked final dividend

2.0 cents

Options exercised*

17.8%

Portfolio performance (p.a. since May 2016)

9.5%

As at 31 July 2017

*As at 5 September 2017

W | A | M *Leaders*

Options

ASX: WLEO

Options exercise price: **\$1.10**

Last date to exercise options to be eligible for fully franked 2.0 cents per share final dividend: **17 November 2017**

Option expiry date: **17 November 2017**

Gross assets

\$229.1m

Share price*

\$1.595

Pre-tax net tangible assets

\$1.22

Fully franked final dividend

4.5 cents

Dividend yield*

5.6%

Performance (p.a. since July 2010)

18.5%

As at 31 July 2017

*As at 5 September 2017

Gross assets

\$42.7m

Share price*

\$1.12

Pre-tax net tangible assets

\$1.06

Fully franked final dividend

2.75 cents

Dividend yield*

4.9%

Performance (p.a. since January 2008)

12.7%

FY2017 fully franked final dividends - key dates

WAM Capital – 7.5 cents per share

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

WAM Research – 4.5 cents per share

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

WAM Leaders – 2.0 cents per share

| | | |
|---|--|------------------------|
| Last option exercise date to be entitled to div | | 17 November 2017 |
| Dividend ex date | | 23 November 2017 |
| Record date | | 24 November 2017 |
| Last election date for the DRP | | 28 November 2017 |
| Payment date | | 5 December 2017 |

WAM Active – 2.75 cents per share

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

Gross assets

\$89.2m

Share price*

\$0.925

Pre-tax net tangible assets

\$0.94

- Diversified exposure to a portfolio of listed companies **focused on the S&P/ASX 300 Index**
- Wilson Asset Management was appointed investment manager on 18 April 2017
- Portfolio re-weighted over the last quarter to align with research, market and investment-driven processes
- Investment portfolio increase of 14.8% in FY2017, outperforming the S&P/ASX 300 Accumulation Index by 1.0%
- Outperformance of 1.8% since being appointed as investment manager

Gross assets

\$160.3m

Share price*

\$1.245

Pre-tax net tangible assets

\$1.13







- Listed on 28 June 2017 with investor demand exceeding \$154 million limit
- 5.9% investment portfolio increase since inception, outperforming the S&P/ASX Small Ordinaries Accumulation Index by 5.6%
- 79.6% exposure to equities with 86 companies held in the portfolio^

Holding summary*

| Code | Company | % | Code | Company | % |
|-----------------|--|------|------|-------------------------------------|------|
| IDX | Integral Diagnostics Limited | 3.1% | EPD | Empired Limited | 1.3% |
| RKN | Reckon Limited* | 2.9% | 3PL | 3P Learning Limited | 1.2% |
| PAC | Pacific Current Group Limited | 2.5% | AVJ | AVJennings Limited | 1.2% |
| RHL | Ruralco Holdings Limited | 2.4% | CGR | CML Group Limited | 1.1% |
| PNI | Pinnacle Investment Management Group Limited | 2.3% | AQZ | Alliance Aviation Services Limited | 1.1% |
| APX | Appen Limited | 2.1% | MXI | MaxiTRANS Industries Limited | 1.1% |
| DTL | Data#3 Limited | 2.0% | SFI | Spookfish Limited | 1.1% |
| PSI | PSC Insurance Group Limited | 2.0% | EHL | Emeco Holdings Limited | 1.0% |
| TOT | 360 Capital Total Return Fund | 2.0% | CAJ | Capitol Health Limited | 1.0% |
| JIN | Jumbo Interactive Limited | 1.9% | NBL | Noni B Limited | 1.0% |
| SW ₁ | Swift Networks Group Limited | 1.8% | MAH | Macmahon Holdings Limited | 1.0% |
| RXP | RXP Services Limited | 1.8% | FIG | Freedom Insurance Group Limited | 1.0% |
| CDD | Cardno Limited | 1.7% | BIG | Big Un Limited | 1.0% |
| NUH | Nuheara Limited | 1.6% | SMX | SMS Management & Technology Limited | 1.0% |
| PPS | Praemium Limited | 1.6% | SSG | Shaver Shop Group Limited | 1.0% |
| VTG | Vita Group Limited | 1.4% | NZM | NZME Limited | 1.0% |
| FDV | Frontier Digital Ventures Limited | 1.3% | OVH | Onevue Holdings Limited | 1.0% |





*As at 31 July 2017. To provide an understanding to our shareholders of our initial holdings and their corresponding weightings in the portfolio, we have listed all holdings that represent more than 1.0% of gross assets. On a monthly basis, we will revert to providing the top 20 holdings without the percentage weightings.

Equity market outlook

-  The equity market is fairly valued
-  All 45 OECD nations are exhibiting positive GDP growth for the first time
-  since the GFC
-  Domestic interest rates are on hold for the short-to-medium term
-  Geopolitical risks are currently elevated
-  Consumer sentiment remains unsteady

Australian companies are reinvesting to drive growth

Reporting season

-  Earnings growth was the best in many years
-  Results were slightly below market expectations
-  Outlook statements were benign
-  Resources and mining services sectors were standout performers

Small caps have been strong in recent months

N O N I B

What worked: Research-driven

Noni B Limited (ASX: NBL)

Women's fashion retailer

Why we invested

- Strong management team
- Cost savings
- Potential for additional store roll out opportunities and acquisitions

Why it worked

- Execution in a tough retail environment
- Cost saving initiatives driving margin expansion
- Strong balance sheet
- Valuation remains attractive

The BHP logo consists of the letters 'BHP' in a bold, orange, sans-serif font, enclosed within a white rounded rectangular border.

What worked: Market-driven

BHP Billiton Limited (ASX: BHP)

Multinational mining, metals and petroleum company

Why we invested

- Visited management across Australia
- Positive commodity outlook
- Elliot Management proposal acting as a potential catalyst for change

Why it worked

- Strong earnings release
- Reduction in debt, focus on costs, cash generation
- Willingness of board and management to realise full value of assets within the portfolio

What worked: Market-driven

Seven Group Holdings Limited (ASX: SVW)

Diversified operating and investment group in the media, mining and construction industries

Why we invested

- Exposure to mining recovery
- Increased replacement capital expenditure in the mining sector
- Owner of WesTrac, the authorised dealer of Caterpillar equipment in NSW and WA

Why it worked

- SVW result above market expectations
- Strong balance sheet with opportunities to deploy capital



What didn't work: Research-driven

iSelect Limited (ASX: ISU)

Online insurance comparison website

Why we invested

- Non-health insurance verticals driving earnings
- Capital management
- Operating leverage benefits

Why it didn't work

- Earnings below market expectations
- Sluggish growth in health, life and general insurance verticals

November 2017 shareholder presentations

| Adelaide | Perth | Toowoomba | Brisbane |
|---|---|---|---|
| Monday 20 November | Tuesday 21 November | Thursday 23 November | Friday 24 November |
| The Playford 120 North Terrace Adelaide SA 5000 | Novotel Perth Langley 221 Adelaide Terrace Perth WA 6000 | Empire Theatre 54-56 Neil Street Toowoomba City QLD 4350 | Brisbane Exhibition & Convention Centre Cnr Merivale & Glenelg Streets Southbank QLD 4101 |
| Presentation: 10.00am – 12.00pm | Presentation: 10.00am – 12.00pm | Presentation: 10.00am – 12.00pm | Presentation: 10.00am – 12.00pm |
| Hobart | Canberra | Sydney | Melbourne |
| Monday 27 November | Tuesday 28 November | Wednesday 29 November | Thursday 30 November |
| Best Western 156 Bathurst St Hobart TAS 7000 | The Mercure Cnr Ainslie & Limestone Avenues Braddon ACT 2612 | The Wesley Centre 220 Pitt Street Sydney NSW 2000 | Melbourne Convention Centre 1 Convention Centre Place South Wharf VIC 3006 |

The Future Generation presentations will follow all Wilson Asset Management presentations

A person stands on the edge of a dark, rocky cliff, their arms raised in a gesture of triumph or achievement. The background is a vast, hazy mountain range under a clear sky. The overall mood is one of accomplishment and reaching a goal.

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wilsonassetmanagement.co
m.au

Get in touch info@wilsonassetmanagement.com.au