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WILSON
ASSET MANAGEMENT

Investor Presentation

May / June 2015

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Agenda

- About Wilson Asset Management
- Market overview and outlook
- Investment portfolio
- Our listed investment companies
 - WAM Capital Limited
 - WAM Research Limited
 - WAM Active Limited
- Investor communications
- Making a difference

About Wilson Asset Management

About Wilson Asset Management

- Our team is passionate about making a difference
- We are innovative, agile and entrepreneurial. Our investment approach and results are proven
- We invest our time and expertise in causes that resonate most with our people



Winner of the Listed Investment Companies category at the Professional Planner / Zenith Fund Awards 2014



Experienced team



Geoff Wilson

B Sc GMQ FAICD FFinsia

Chairman /
Portfolio Manager



Martin Hickson

B Bus B Comp

Senior Equity Analyst /
Dealer



Kate Thorley

B Com CPA Grad Dip ACG

Chief Executive Officer /
Company Secretary



Matthew Haupt

CFA B Com Grad Dip App Fin

Senior Equity Analyst



Chris Stott

B Bus Grad Dip App Fin

Chief Investment Officer /
Portfolio Manager



Tobias Yao

CFA B Com

Equity Analyst

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Listed investment companies

WILSON
ASSET MANAGEMENT



(ASX: WAM)



(ASX: WAX)



(ASX: WAA)



FUTURE GENERATION
INVESTMENT COMPANY

(ASX: FGX)

Gross assets	\$836 million	\$185 million	\$37 million	\$210 million
Share price*	\$1.92	\$1.20	\$1.07	\$1.13
Pre tax NTA	\$1.83	\$1.20	\$1.04	\$1.14
Premium/ (Discount) to NTA*	4.9%	0.0%	2.9%	-0.9%#
Fully franked dividend yield*^	7.3%	6.7%	-	-
Investment strategy	Research Driven / Market Driven	Research Driven	Market Driven	Long equities, market neutral and absolute bias

As at 30 April 2015

*As at 13 May 2015

^Interim dividend annualised

#Undiluted for options on issue

Future Generation Investment Company WILSON ASSET MANAGEMENT

- Launched in September 2014, Future Generation Investment Company (FGX) is a philanthropic wealth creation vehicle
- Provides access to the best of the best Australian fund managers without the cost of management and performance fees
- Donates 1% of assets to Australian charities supporting children at risk each year
- FGX market capitalisation has grown to \$210 million, with annualised donations currently totalling \$2.1 million



FUTURE GENERATION
INVESTMENT COMPANY

As at 30 April 2015

Future Generation Global Investment Company

WILSON
ASSET MANAGEMENT

- We are looking to establish a new entity – Future Generation Global Investment Company
- The Future Generation Global Investment Company would provide shareholders with access to global fund managers
- It would operate under the same arrangement as FGX – without management or performance fees, donating 1% of net assets to charities each year
- A senior management team has been appointed



FUTURE GENERATION
INVESTMENT COMPANY

Investment process

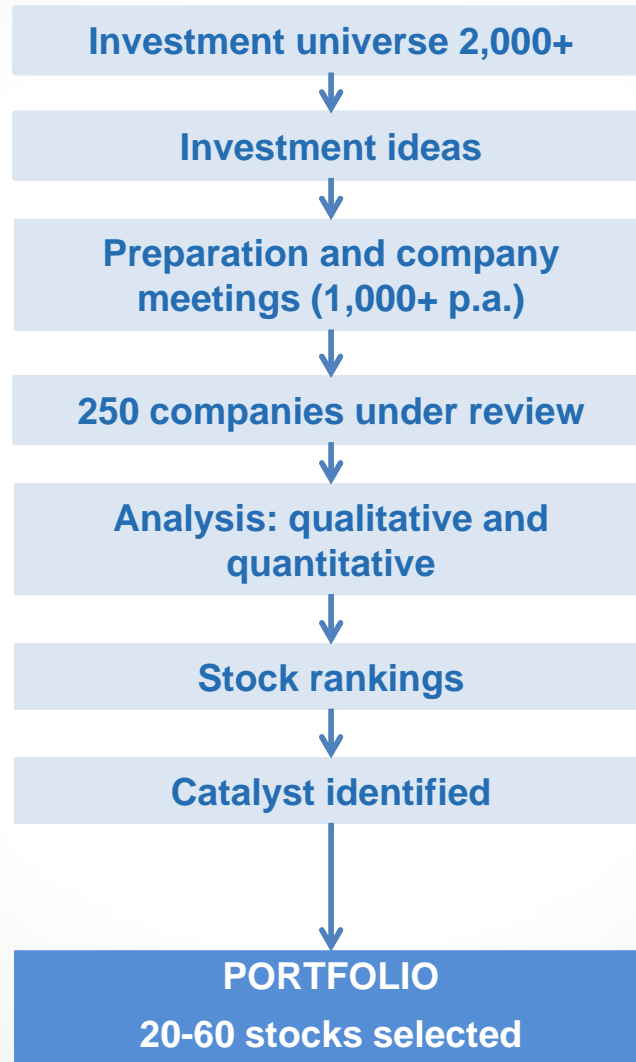


Exposure to both research and market driven strategies



- Extensive company research (meeting 1,000+ companies per year) focused on forecasting free cashflows and rating investment attributes
- Identify a catalyst and sell when the company reaches our valuation
- Provides exposure to undervalued growth companies
- Low portfolio turnover
- Flexibility to hold cash
- Scour the market for trading opportunities
- Allows sound return with a low correlation to traditional markets
- Provides the opportunity to perform in both bull and bear markets
- High portfolio turnover
- Flexibility to hold cash

Research driven investment process






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Market driven investment process

- We utilise our extensive information network in the investment community and exploit mispricing in the market. These opportunities include:
 - initial public offerings
 - capital raisings
 - block trades
 - oversold positions
 - takeovers
 - LIC discount to NTA
 - stocks trading at a discount to their NTA
 - earnings momentum / surprise
 - short selling
 - market themes and trends

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Capital preservation

	Average cash since inception	Cash at 30 April 2015
	34%	38%
	33%*	44%
	47%	29%

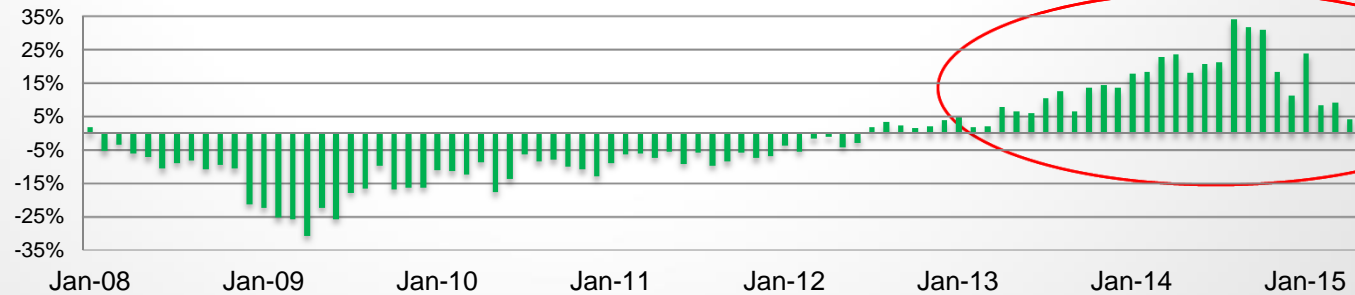
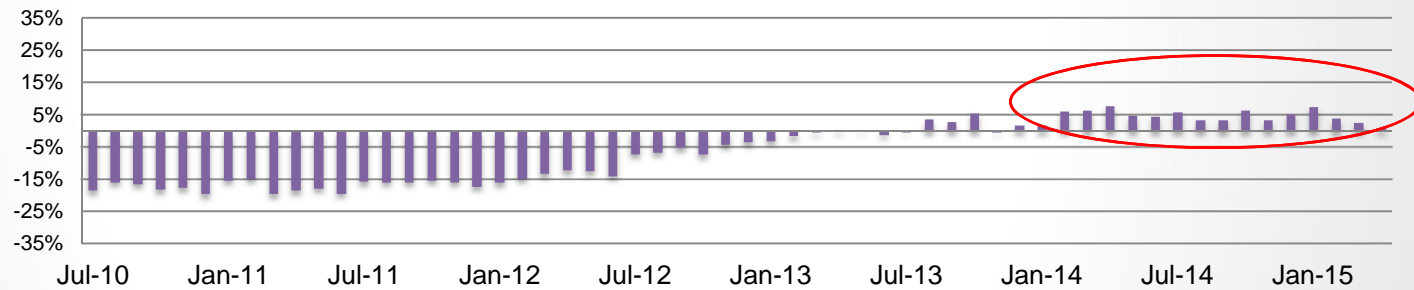
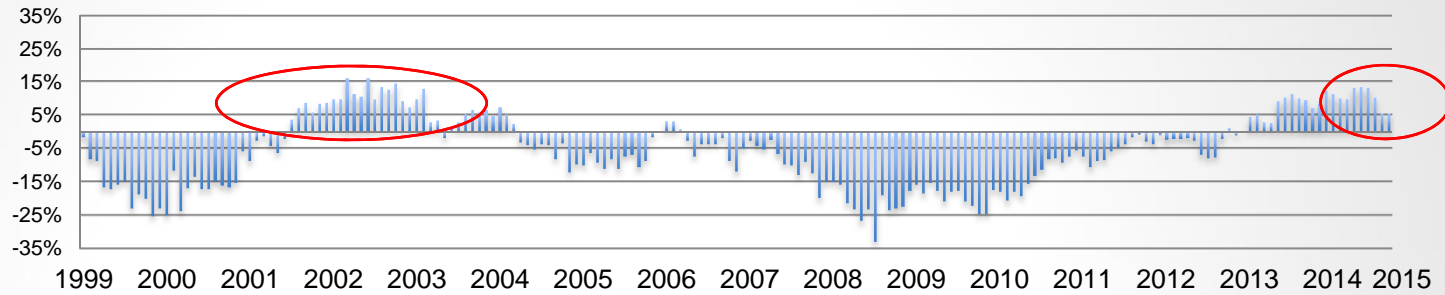
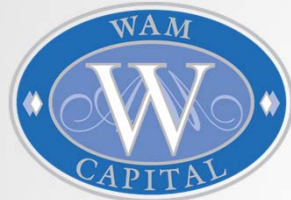
Objective to deliver risk-adjusted returns and preserve capital

- Default to cash
- Closed pool of capital
- Nimble and flexible mandate
- Use of stop losses
- Weighting of investments

*Since the change in investment strategy July 2010

Our LICs trading at premiums to NTA

Share price trading at premium/discount to Net Tangible Assets (pre-tax)



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Growing funds under management

- We have recently grown our funds under management (FUM), reaching more than \$1 billion across three LICs
- Larger FUM has a range of benefits to shareholders:
 - Reduced fixed management expense ratio (MER)
 - Increased liquidity in shares
 - Greater relevance in the market:
 - Increased broker and research coverage
 - Additional interest from platforms, financial planners and SMSFs
 - Improved access to investee companies and capital raisings

Imputation system under review?

Chairman David Murray, Financial System Inquiry, December 2014

“The case for retaining dividend imputation is less clear than in the past. To the extent that dividend imputation distorts the allocation of funding, a lower company tax rate would likely reduce such distortions”

“For investors (including superannuation funds) subject to low tax rates, the value of imputation credits received may exceed tax payable. Unused credits are fully refundable to these investors, with negative consequences for Government revenue”

Treasurer Joe Hockey, Tax Reform White Paper, March 2015

“[Dividend imputation] makes little contribution to attracting foreign investment to Australia other than eliminating dividend withholding tax for franked dividends paid to foreign shareholders. It also involves a significant cost to revenue and may impose more compliance costs to achieve similar outcomes to other jurisdictions”

Imputation system under review?

- Last year we lodged two separate submissions to the Financial System Inquiry advocating for a fairer, more effective Australian financial system
- Next month we will lodge a submission to Treasury in response to the Tax White Paper
- We will argue for dividend imputation to remain in place as it leads to:
 - efficient capital allocation
 - higher payout ratios
 - reduced cyclicality
- Removing dividend imputation would be detrimental to efficient capital formation in Australia

Market overview and outlook

Equity market outlook

Mining
boom ends

Banks
capital
requirements

Equity
valuations
full

Bond market

Interest rates



The way you shop for groceries will change...

- Woolworths (ASX: WOW) and Wesfarmers-owned Coles (ASX: WES) quasi-duopoly structure and industry leading margins are under threat
- Woolworths and Coles' now face an onslaught of new competition from Aldi, Lidl and Costco, which offer consumers significantly lower prices for everyday products
- The UK experience shows high-margin local supermarkets, such as Tesco, struggled to fend off these entrants
- Tesco's share price is down 50% in 5 years driven by an increase in competition
- Despite Woolworths and Coles' opportunity to learn from the global trend, we predict many of you will not be shopping with them in years to come



As will the way you watch television...

- Consumers are starting to stream television content on demand as opposed to watching via the traditional digital signal
- Netflix, which entered Australia in March, along with Stan and Presto are set to gain significant local market share
- In recent months we have seen Foxtel, significantly reduce prices for its various consumer packages
- How the three major free-to-air networks react to this changing industry landscape will be a significant driver of their share prices over the next decade

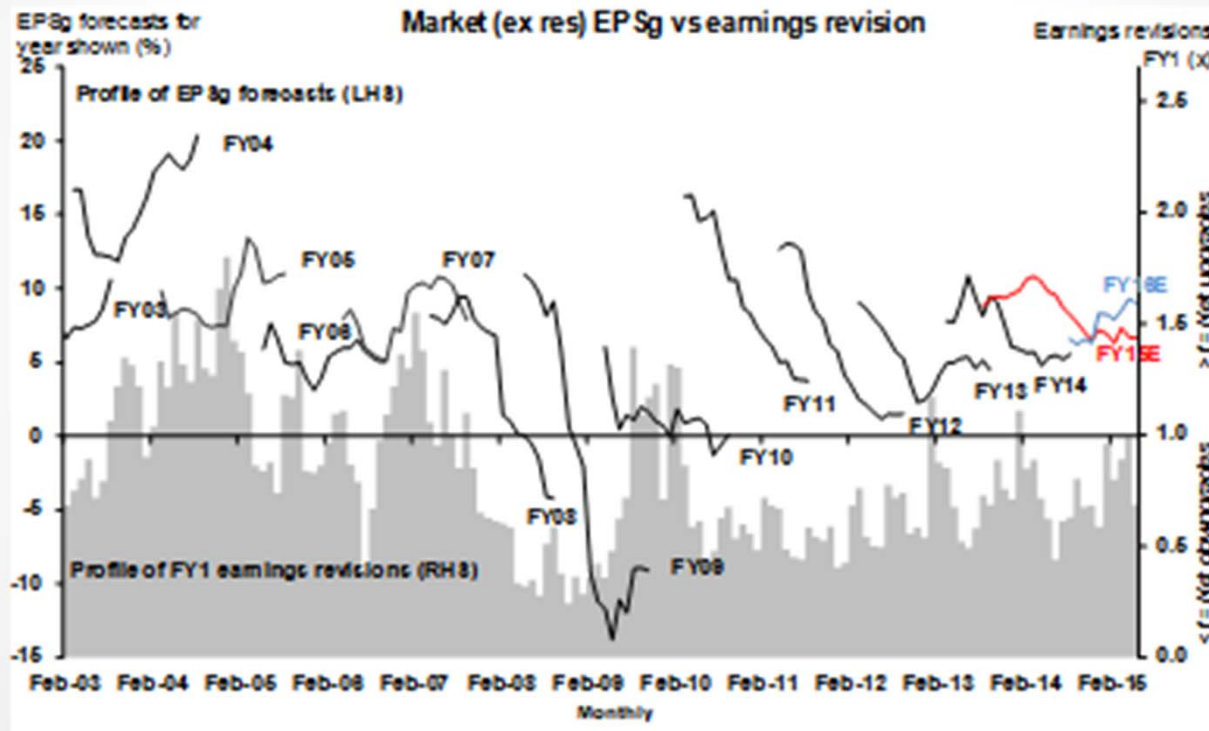


Equity valuations look full...

ASX 200 1 Year Forward PE



While earnings growth is lacking



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When US interest rates rise

There is a growing risk of retreat from US equities when rates finally rise



Investment portfolio

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Top 10 research driven holdings

ASX Code	Company
ASB	Austal Limited
SGH	Slater & Gordon Limited
TPM	TPG Telecom Limited
ECX	Eclix Group Limited
RFG	Retail Food Group Limited
ENE	Energy Developments Limited
ISU	iSelect Limited
MTR	Mantra Group Limited
CSV	CSG Limited
CCP	Credit Corp Group Limited



***Held in
WAM Capital
and
WAM Research***

As at 30 April 2015

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Top 10 market driven holdings

ASX Code	Company
HHV	Hunter Hall Global Value Limited
TOL	Toll Holdings Limited
CYA	Century Australia Investments Limited
MYX	Mayne Pharma Group Limited
EGP	Echo Entertainment Group Limited
BAP	Burson Group Limited
FXJ	Fairfax Media Limited
MMS	McMillan Shakespeare Limited
CSR	CSR Limited
QAN	Qantas Airways Limited



*Held in
WAM Capital
and
WAM Active*

As at 30 April 2015

Top contributors and detractors

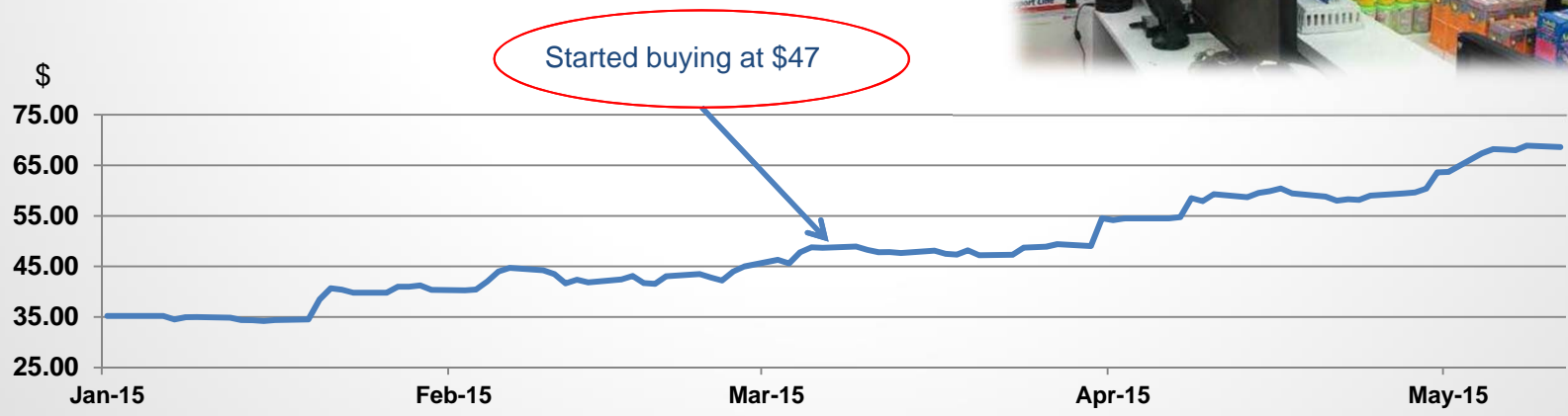
Research Driven Investment Strategy					
Contributors			Detractors		
		%		%	
IPH	IPH Limited	6.9	SGN	STW Communications Group Limited	-2.1
MTR	Mantra Group Limited	6.8	GXL	Greencross Limited	-1.8
CTD	Corporate Travel Management Limited	6.1	NVT	Navitas Limited	-1.5
Market Driven Investment Strategy					
Contributors			Detractors		
		%		%	
ALL	Aristocrat Leisure Limited	3.5	HIL	Hills Limited	-3.9
HHV	Hunter Hall Global Value Limited	3.4	ARI	Arrium Limited	-2.4
QAN	Qantas Airways Limited	2.9	WIC	Westoz Investment Company Limited	-2.0

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What we like

Blackmores Limited (ASX: BKL)

- Profile**
 - Australia's leading natural health brand
- Background**
 - Market cap \$1.2 billion
 - PE of 29x
 - EPS growth of 60%
 - Key products include vitamins, herbal and mineral nutritional supplements
- Catalysts**
 - Earnings momentum
 - Growth in Asian markets
- Risks**
 - Product supply



Source: Wilson Asset Management Research

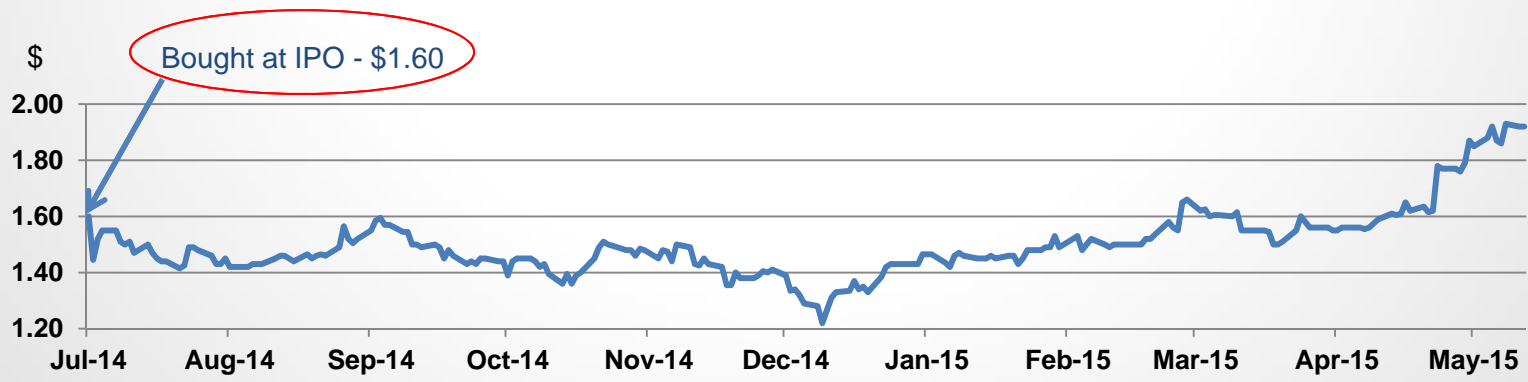
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What has worked

Smartgroup Corporation Ltd (ASX: SIQ)



- Profile**
 - Salary packaging and novated lease administrator
- Background**
 - Listed on the ASX in July 2014
 - Market cap: \$200 million
 - PE ratio 10.5 times
 - Growth of 16%
- Catalysts**
 - Favourable outsourcing trends within the government sector
 - Renewal of significant contracts
 - Acquisition opportunities
 - Positive earnings momentum, recently upgraded earnings guidance
- Risks**
 - Potential loss of contracts
 - Regulatory risks – changes to the fringe benefits tax regime

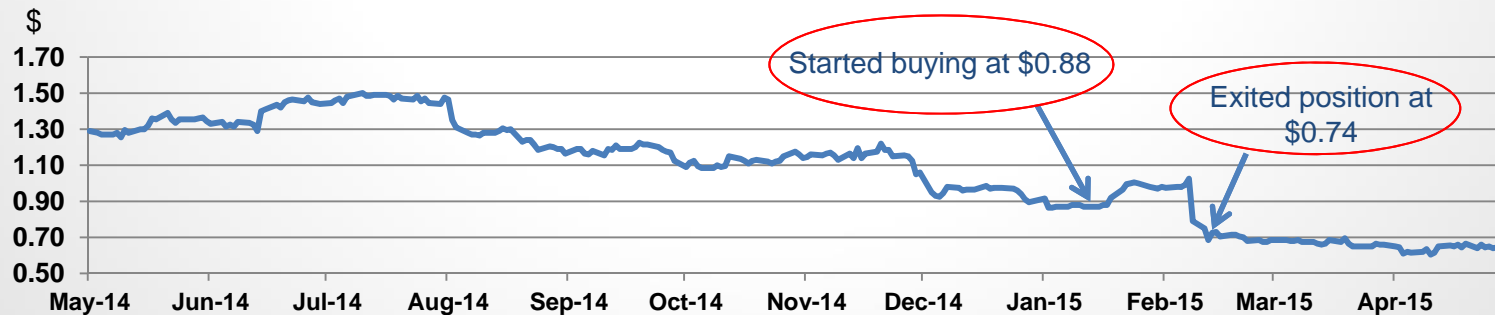


What didn't work

STW Communications Group Limited (ASX: SGN)



- Profile**
 - Australasia's leading marketing and communications services group
- Background**
 - Market Cap \$278 million, PE of 5.9x with low growth
 - 75 operating companies
 - Major brands include: Ogilvy, Ikon and Buchanan Group
- Catalysts**
 - Stock was trading on a low PE which sparked our interest
 - The company gave guidance on 15 December 2014
- What went wrong**
 - The company released their full year results in February and missed their December guidance
 - The complex structure of the group was blamed for the difficulty in forecasting earnings
 - STW are now reviewing the structure and reporting lines of the group



WAM Capital Limited (ASX: WAM)

Recent highlights



14.0c

Fully franked annualised interim dividend

7.3%

Fully franked dividend yield*

16.1%

Investment portfolio performance**

38%

Current cash weighting^

*As 13 May 2015

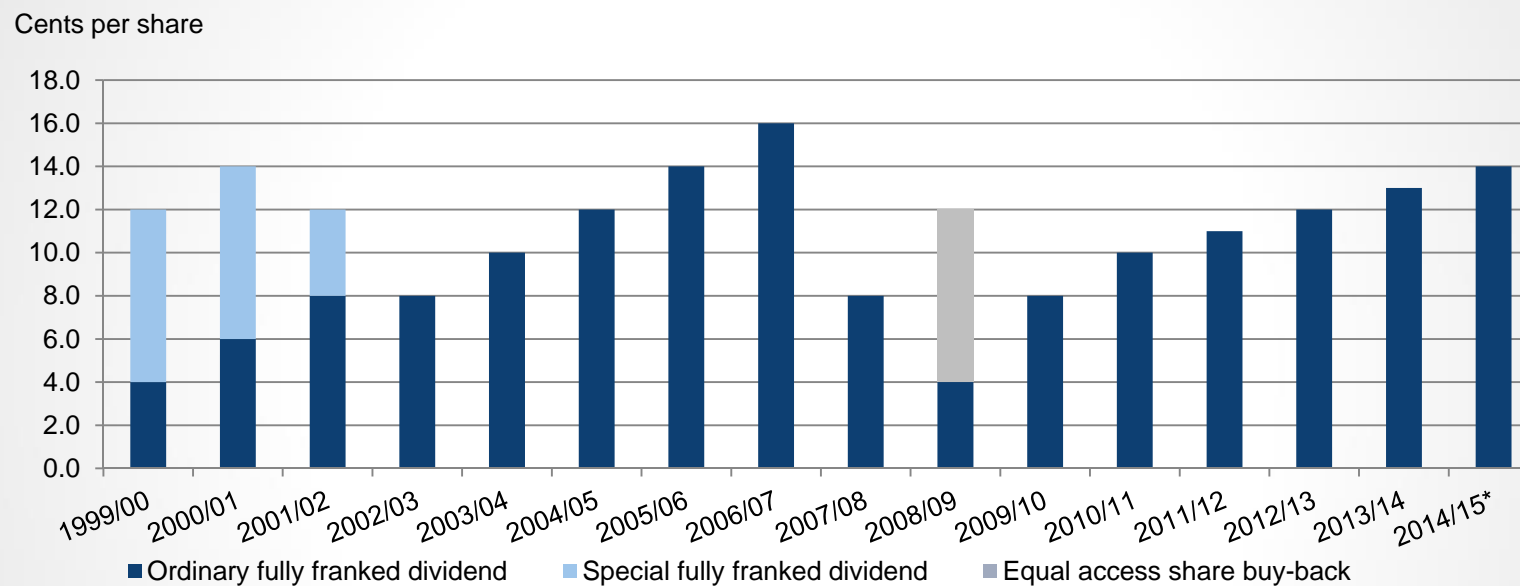
**12 months to 30 April 2015

^As at 30 April 2015

Dividend growth



WAM Capital dividends since inception



*Annualised interim dividend

- Estimated profit reserve is 18.5 cents per share and the franking account has a balance of \$1.0 million
- The Company's ability to pay franked dividends is dependent upon the size of the profit reserve and the level of franking credits derived from franked dividends received and tax payments

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Outperformance



Performance at 30 April 2015 (% pa)	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (Aug 1999)
WAM Investment Portfolio*	16.1%	18.3%	15.2%	14.2%	18.0%
S&P/ASX All Ordinaries Accumulation Index	10.2%	13.7%	8.2%	8.4%	8.7%
Outperformance	+5.9%	+4.6%	+7.0%	+5.8%	+9.3%

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

Capital management



Shareholder Purchase Plan (SPP) and Placement

- WAM Capital raised \$193.5 million through an SPP and placement
- More than 8,800 existing WAM shareholders invested \$103.4 million at \$1.90 through the SPP
- The Placement was oversubscribed, raising \$90.1 million
- Capital raising will deliver a range of benefits to shareholders beyond the opportunity to purchase shares at a discount to the market price

WAM Research Limited (ASX: WAX)

Recent highlights



8.0c

Fully franked annualised interim dividend

6.7%

Fully franked dividend yield*

23.8%

Investment portfolio performance**

44%

Current cash weighting^

*As at 13 May 2015

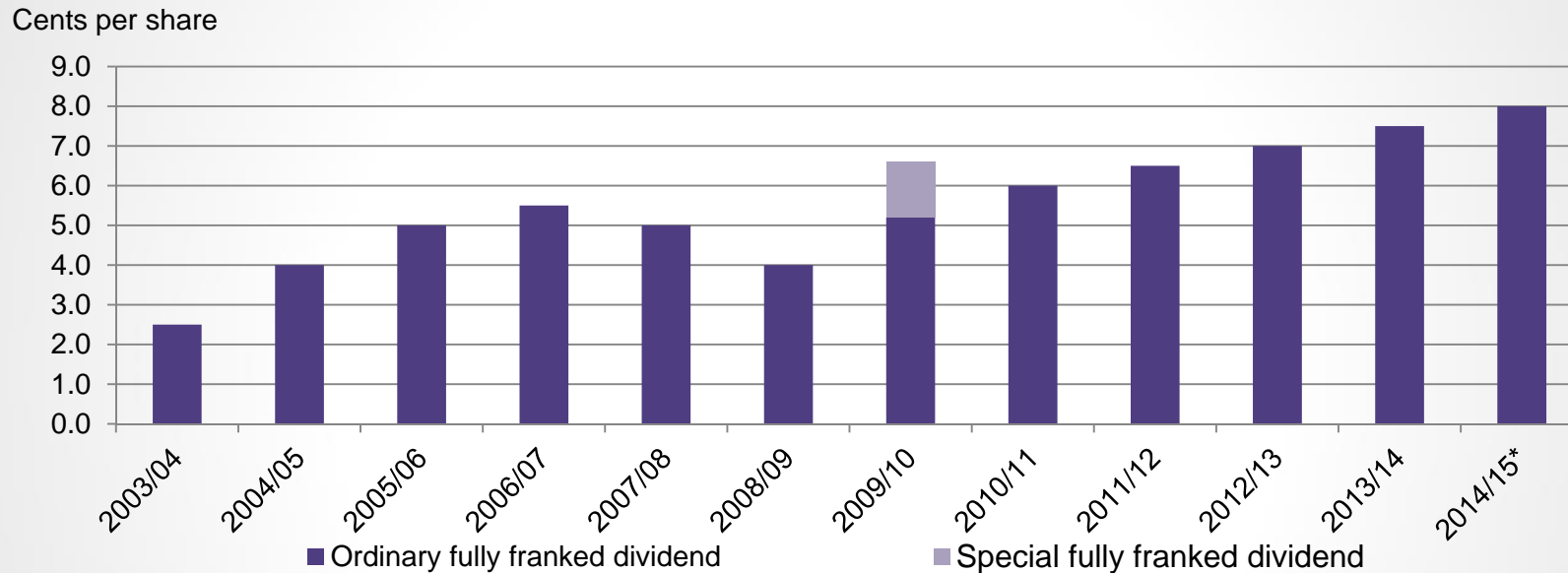
**12 months to 30 April 2015

^As at 30 April 2015

Dividend growth



WAM Research dividends since inception



*Annualised interim dividend

- Estimated profit reserve is 26.7 cents per share and the franking account has a balance of \$4.6 million
- The Company's ability to pay franked dividends is dependent upon the size of the profit reserve and the level of franking credits derived from franked dividends received and tax payments

Outperformance



Performance at 30 April 2015 (% pa)	1 Yr	2 Yrs	3 Yrs	Since change in investment strategy (July 2010)
WAX Investment Portfolio*	23.8%	20.4%	23.9%	19.6%
S&P/ASX All Ordinaries Accumulation Index	10.2%	10.3%	13.7%	10.8%
Outperformance	+13.6%	+10.1%	+10.2%	+8.8%

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

Capital management



- 1 for 2 Bonus Option Issue announced 28 October 2013
- Exercise price: \$1.20 Exercise
- Options must be exercised by **17 June 2015**
- Options trading at: \$0.001* (ASX: WAXO)
- Share price: \$1.20* (ASX: WAX)
- \$24.3m received to date* from options exercised

*As at 13 May 2015

WAM Active Limited (ASX: WAA)

Recent highlights



4.0c

Capital Return

2.4%

Premium to NTA*

7.6%

Investment portfolio performance**

29%

Current cash weighting^

*As at 13 May 2015

**12 months to 30 April 2015

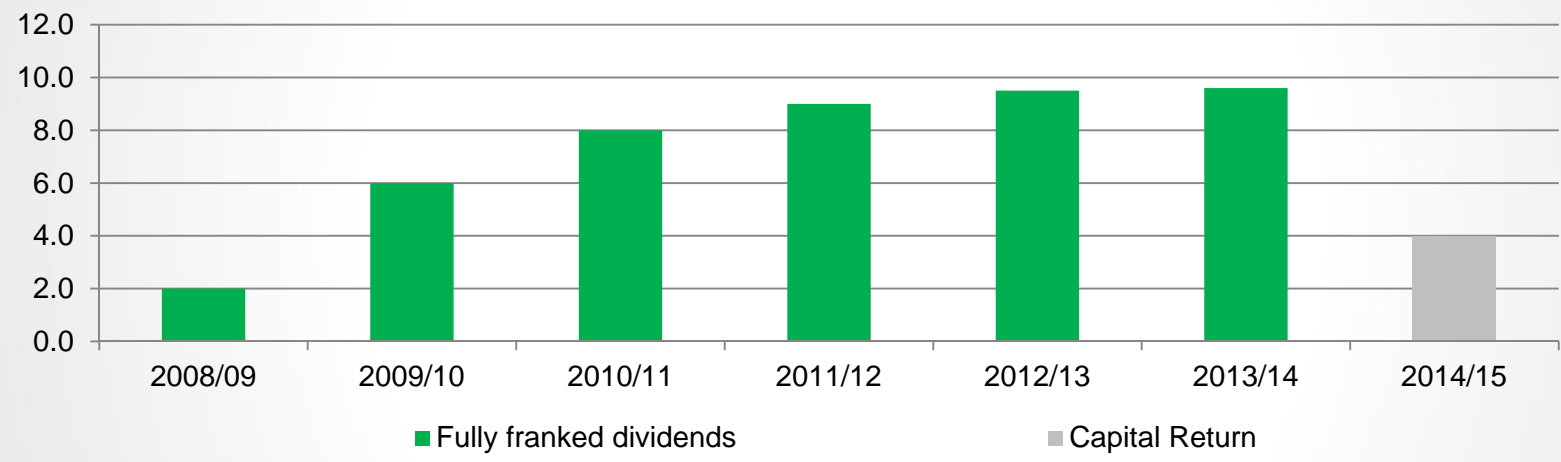
^As at 30 April 2015

Dividend growth



WAM Active dividends since inception

Cents per share



- Estimated profit reserve is 3.2 cents per share and the franking account deficit of \$55,000 (including the FY15 income tax provision)
- The Company's ability to pay franked dividends is dependent upon the size of the profit reserve and the level of franking credits derived from franked dividends received and tax payments

Capital management



- Capital return approved at EGM 19 May 2015
- Intention to pay 4.0 cents per share

Key Dates	
Ex date	21 May 2015
Record date	25 May 2015
Payment date	1 June 2015

Positive performance



Performance at 30 April 2015 (% pa)	1 Yr	3 Yrs	5 Yrs	Since Inception (Jan 08)
WAA Investment Portfolio*	7.6%	13.4%	10.4%	12.5%
S&P/ASX All Ordinaries Accumulation Index	10.2%	13.7%	8.2%	2.9%
Outperformance	-2.6%	-0.3%	+2.2%	+9.6%
UBS Bank Bill Index (cash)	2.7%	3.0%	3.7%	4.2%
Outperformance	+4.9%	+10.4%	+6.7%	+8.3%

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

Investor communications

Investor communication



Weekly emails including market update



Half yearly national investor presentations



Monthly NTA announcement & investment update



Half & full year financial results



Website
wamfunds.com.au



Media



Industry conferences



Independent research

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Community investment

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All donations are made by Wilson Asset Management (the investment manager) and/or its staff, not the listed entities.

Making a difference

WAM Gives

- New initiative empowering each individual to identify causes close to them
- The management company then gifts financial support for a charitable donation

Variety cycle

- Geoff took part in the 2015 Variety Cycle ride



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