

WAM ACTIVE LIMITED

ABN 49 126 420 719

Appendix 4D Half Year Report

for the half year ended 31 December 2020

Results for Announcement to the Market

All comparisons to the half year ended 31 December 2019

	\$	up/down	% mvmt
Revenue from ordinary activities	7,897,719	up	65.6%
Profit from ordinary activities before income tax expense	5,902,209	up	77.4%
Net profit from ordinary activities after income tax expense	4,258,448	up	75.1%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2021 Interim dividend cents per share	3.0c	3.0c	30%
2020 Final dividend cents per share	3.0c	3.0c	30%

Interim dividend dates

Ex dividend date	18 May 2021
Record date	19 May 2021
Last election date for the DRP	21 May 2021
Payment date	28 May 2021

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("DRP") is in operation and the recommended fully franked interim dividend of 3.0 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price, calculated as the VWAP (volume weighted average market price) of shares sold on the ASX on the ex date for the relevant dividend and the three trading days following that date.

	31 Dec 20	31 Dec 19
Net tangible asset backing (after tax) per share	\$1.03	\$1.07

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2020 Annual Financial Report.

W | A | M *Active*

Financial Report

For the half year ended 31 December 2020

W Wilson
Asset Management

OVER **20** YEARS Making a
difference

ABN 49 126 420 719

WAM Active Limited

WAM Active Limited (WAM Active or the Company) is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

Directors

Geoff Wilson AO (Chairman)
Emma Rugge-Price
Karina Kwan
Kate Thorley

Joint Company Secretaries

Jesse Hamilton
Linda Kiriczenko

Investment Manager

MAM Pty Limited
Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
(part of the Wilson Asset Management Group)

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Contact Details

Postal Address: GPO Box 4658
Sydney NSW 2001
T: (02) 9247 6755
F: (02) 9247 6855
E: info@wilsonassetmanagement.com.au
W: wilsonassetmanagement.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
T: 1300 420 372 (in Australia)
+61 2 8023 5472 (International)
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

Australian Securities Exchange

WAM Active Limited
Ordinary Shares (WAA)

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Directors' Report to shareholders for the half year ended 31 December 2020

The Directors present their report together with the financial report of WAM Active Limited for the half year ended 31 December 2020.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Geoff Wilson AO (Chairman – Non-independent)

Emma Rugge-Price (Director – Independent)

Karina Kwan (Director – Independent)

Kate Thorley (Director – Non-independent)

Principal activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are to deliver a regular income stream of fully franked dividends, provide a positive return with low volatility and preserve capital. No change in this activity took place during the period or is likely to in the future.

Operating and financial review

Investment operations during the half year resulted in an operating profit before tax of \$5,902,209 (2019: \$3,326,784) and an operating profit after tax of \$4,258,448 (2019: \$2,431,450). The profit for the period is reflective of the strong performance of the investment portfolio over the six months to 31 December 2020. The investment portfolio increased 18.6% in the six months to 31 December 2020, while being on average 92.9% invested in equities.

WAM Active employs Wilson Asset Management's market-driven investment process, which is focused on delivering absolute returns in all market cycles. The Bloomberg AusBond Bank Bill Index, representing the return on cash, was flat and the S&P/ASX All Ordinaries Accumulation Index rose 15.7% in the six months to 31 December 2020.

The operating profit for the period includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio during the period. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each period. Because of this treatment under the Accounting Standards, this can cause large variations in reported operating profits between periods.

The operating profit or loss for each financial period is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given period. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

WAM Active's NTA before tax increased 11.7% for the six months to 31 December 2020, including the 3.0 cents per share fully franked final dividend paid to shareholders during the period. This increase is after corporate tax paid of 2.2 cents per share or 2.3% during the period. Corporate tax payments made

throughout the period, together with the performance fee accrued of 2.7%, were the major items of difference between the investment portfolio performance of 18.6% and the NTA performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in value of the assets during the period were management fees of 0.5%, other company related expenses of 0.5% and legal and professional fees associated with corporate takeover activities of 0.9%.

The NTA before tax as at 31 December 2020 amounted to \$1.00 per share (June 2020: \$0.93). The NTA after tax was \$1.03 per share (June 2020: \$0.97). These figures are after the 3.0 cents per share fully franked final dividend paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2020 was 29.7%. This was reflective of WAM Active's strong investment portfolio performance and the increase in the share price relative to NTA. As at 31 December 2020, WAM Active's share price premium to NTA was 13.0%, after commencing the period at a 2.9% discount to NTA. This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

A fully franked final dividend of 3.0 cents per share was paid during the period and a fully franked interim dividend of 3.0 cents per share has been declared by the Board and will be paid on 28 May 2021.

On 24 February 2021, the Board of Directors announced its intention to grow WAM Active to the benefit of all shareholders through a Share Purchase Plan (SPP), Placement and a one-for-one Bonus Option Issue. The SPP offers existing shareholders the opportunity to acquire up to \$30,000 of ordinary, fully paid shares in WAM Active without incurring any brokerage fees. Shareholders who participate in the SPP and Placement will be entitled to receive the fully franked interim dividend of 3.0 cents per share on shares issued under the offer, assuming shareholders continue to hold the shares at the dividend record date. The SPP will be offered to existing shareholders at the fixed price of \$1.08 per share, a discount to the 23 February 2021 share price, which closed at \$1.11 per share.

The Board intends to offer existing WAM Active professional and sophisticated investors the ability to participate in a Placement at the same price and under the same terms as the SPP. The Placement is currently expected to occur in March 2021. Up to an additional 11.7 million shares can be raised through the Placement utilising WAM Active's 15% Placement capacity under the ASX Listing Rules and the additional 10% Placement capacity approved by shareholders at the AGM (where applicable).

Shareholders who participate in the SPP and Placement will be entitled to the Bonus Issue of Options on any new Shares issued under the Offer, which continue to be held at 7:00pm (Sydney Time), Thursday 25 March 2021, being the record date for the Bonus Option Issue. Each WAM Active Option provides holders with the opportunity, but not the requirement, to purchase one additional WAM Active share for \$1.10 per Option, without incurring any brokerage fees. The Options can be exercised at any time, up until they expire on 31 October 2022. Shares issued on Options exercised on or before 13 May 2021 and held at the dividend record date will also receive the fully franked interim dividend of 3.0 cents per share, which represents an annualised fully franked dividend yield of 5.5% and a grossed-up dividend yield of 7.8%, on the exercise price of \$1.10 per Option.

Keybridge Capital update

WAM Active's unconditional off-market takeover bid to acquire all of the fully paid ordinary shares in listed investment company Keybridge Capital Limited (ASX: KBC) closed on 15 September 2020.

On 24 December 2020, the Supreme Court of NSW found in favour of WAM Active and ordered that KBC pay WAM Active and ASIC's costs, in relation to the proceedings commenced by KBC on 1 June 2020. These proceedings related to 16,057,929 ordinary shares in KBC that were accepted into WAM Active's bid dated 3 January 2020, and whose acceptances were processed by WAM Active (i.e. paid for by and transferred to WAM Active). WAM Active was successful in both opposing the relief sought by KBC and obtaining the orders and declarations it had sought (by interlocutory process) in these proceedings.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 7 of this Financial Report.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 24th day of February 2021

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201 Sussex Street
Sydney NSW 2000

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**Auditor's Independence Declaration
To the Directors of WAM Active Limited
ABN 49 126 420 719**

In relation to the independent auditor's review of WAM Active Limited for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



S M Whiddett
Partner

Pitcher Partners
Sydney

24 February 2021

Statement of comprehensive income for the half year ended 31 December 2020

	Note	December 2020 \$	December 2019 \$
Net realised and unrealised gains on financial investments		7,352,330	4,128,575
Other revenue from operating activities	2	545,389	640,286
Management fees		(236,624)	(257,559)
Performance fees		(1,149,009)	(853,177)
Directors fees		(40,000)	(40,000)
Brokerage expense on share purchases		(96,293)	(110,900)
Custody fees		(1,746)	(2,185)
Expenses paid on borrowed stock		(431)	(1,563)
ASX listing and chess fees		(27,345)	(46,427)
Share registry fees		(22,053)	(14,082)
ASIC industry funding levy		(3,059)	(2,889)
Legal and professional fees		(320,007)	(20,024)
Other expenses from ordinary activities		(98,943)	(93,271)
Profit before income tax		5,902,209	3,326,784
Income tax expense		(1,643,761)	(895,334)
Profit after income tax attributable to members of the Company	6	4,258,448	2,431,450
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		4,258,448	2,431,450
Basic and diluted earnings per share		9.12 cents	5.25 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2020

	Note	December 2020 \$	June 2020 \$
Current assets			
Cash and cash equivalents		3,745,516	7,495,336
Trade and other receivables		130,931	1,042,349
Financial assets	7	44,780,324	36,650,348
Current tax assets		-	727,711
Total current assets		48,656,771	45,915,744
Non-current assets			
Deferred tax assets		1,951,070	1,952,684
Total non-current assets		1,951,070	1,952,684
Total assets		50,607,841	47,868,428
Current liabilities			
Financial liabilities	7	96,633	66,533
Trade and other payables		1,462,786	1,816,513
Current tax liabilities		760,393	-
Total current liabilities		2,319,812	1,883,046
Non-current liabilities			
Deferred tax liabilities		-	757,764
Total non-current liabilities		-	757,764
Total liabilities		2,319,812	2,640,810
Net assets		48,288,029	45,227,618
Equity			
Issued capital	4	48,388,930	48,188,359
Profits reserve	5	5,603,910	2,744,070
Accumulated losses	6	(5,704,811)	(5,704,811)
Total equity		48,288,029	45,227,618

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2020

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2019		47,780,906	(1,619,301)	2,181,123	48,342,728
Profit for the half year		-	2,431,450	-	2,431,450
Transfer to profits reserve		-	(2,431,450)	2,431,450	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	208,100	-	-	208,100
Dividends paid	3(a)	-	-	(1,363,140)	(1,363,140)
Balance at 31 December 2019		47,989,006	(1,619,301)	3,249,433	49,619,138
Balance at 1 July 2020		48,188,359	(5,704,811)	2,744,070	45,227,618
Profit for the half year		-	4,258,448	-	4,258,448
Transfer to profits reserve	5	-	(4,258,448)	4,258,448	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	200,571	-	-	200,571
Dividends paid	3(a)	-	-	(1,398,608)	(1,398,608)
Balance at 31 December 2020		48,388,930	(5,704,811)	5,603,910	48,288,029

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2020

	December 2020 \$	December 2019 \$
Cash flows from operating activities		
Proceeds from sale of investments	76,858,434	85,330,217
Payments for purchase of investments	(78,177,444)	(88,395,279)
Dividends received	376,225	458,256
Other investment income received	190,144	111,738
Interest received	5,643	66,495
Management fees (GST inclusive)	(249,447)	(274,270)
Performance fees (GST inclusive)	-	(134,109)
Brokerage expense on share purchases (GST inclusive)	(103,066)	(118,862)
Payments for administration expenses (GST inclusive)	(568,549)	(250,177)
Income tax paid	(911,808)	(542,081)
GST on brokerage expense on share sales	(6,649)	(7,519)
Net GST received from the ATO	34,734	43,805
Net cash used in operating activities	(2,551,783)	(3,711,786)
Cash flows from financing activities		
Dividends paid – net of reinvestment	(1,198,037)	(1,155,040)
Net cash used in financing activities	(1,198,037)	(1,155,040)
Net decrease in cash and cash equivalents held	(3,749,820)	(4,866,826)
Cash and cash equivalents at the beginning of the half year	7,495,336	12,145,370
Cash and cash equivalents at end of the half year	3,745,516	7,278,544
Non-cash transactions:		
Shares issued via dividend reinvestment plan	200,571	208,100

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2020

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of WAM Active Limited.

The half year financial report was authorised for issue on 24 February 2021 by the Board of Directors.

Basis of preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs except for financial assets and certain other financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2020 Annual Financial Report.

2. Other revenue

	December 2020 \$	December 2019 \$
Australian sourced dividends	351,612	434,008
Trust distributions	160,691	137,324
Other income	14,140	-
Underwriting fees	7,657	7,544
Interest	6,215	61,410
Foreign sourced dividends	5,074	-
	545,389	640,286

3. Dividends

a) Ordinary dividends paid during the period

	December 2020 \$	December 2019 \$
Final Dividend FY2020: 3.0 cents per share fully franked at 30% tax rate paid 30 October 2020 (Final dividend FY2019: 2.95 cents per share fully franked)	1,398,608	1,363,140

b) Dividends not recognised at period end

	December 2020 \$	December 2019 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 3.0 cents per share, payable on 28 May 2021 (Interim dividend FY2020: 3.0 cents per share fully franked)	1,404,183	1,392,002

4. Issued capital

a) Paid-up capital

	December 2020 \$	June 2020 \$
46,806,096 ordinary shares fully paid (June 2020: 46,620,288)	48,388,930	48,188,359

b) Ordinary shares

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	48,188,359	47,780,906
185,808 ordinary shares issued on 30 October 2020 under a dividend reinvestment plan	200,571	-
191,971 ordinary shares issued on 18 October 2019 under a dividend reinvestment plan	-	208,100
220,222 ordinary shares issued on 28 April 2020 under a dividend reinvestment plan	-	199,353
At reporting date	48,388,930	48,188,359

5. Profits reserve

	December 2020 \$	June 2020 \$
Profits reserve	5,603,910	2,744,070

The profits reserve is made up of amounts transferred from current period profits which are preserved for future dividend payments.

	December 2020 \$	June 2020 \$
Movement in profits reserve		
Balance at the beginning of the period	2,744,070	2,181,123
Transfer of profits during the period	4,258,448	3,318,089
Final dividend paid (refer to note 3(a))	(1,398,608)	(1,363,140)
Interim dividend paid (refer to note 3(b))	-	(1,392,002)
At reporting date	5,603,910	2,744,070

6. Accumulated losses

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	(5,704,811)	(1,619,301)
Profit/(loss) for the period attributable to members of the Company	4,258,448	(767,421)
Transfer to profits reserve	(4,258,448)	(3,318,089)
At reporting date	(5,704,811)	(5,704,811)

7. Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Included within Level 2 of the hierarchy is an investment in a convertible note which matures after 31 December 2020 which has been valued using the effective interest rate method inherent in the instrument and unlisted investments which have been valued using valuation

7. Financial instruments measured at fair value (cont'd)

techniques such as comparisons to similar investments for which market observable prices are available, the net asset backing per share or the last sale price to determine fair value.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2020:

31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	44,602,878	177,446	-	44,780,324
Financial liabilities	(96,633)	-	-	(96,633)
Total	44,506,245	177,446	-	44,683,691

30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	36,497,018	153,330	-	36,650,348
Financial liabilities	(66,533)	-	-	(66,533)
Total	36,430,485	153,330	-	36,583,815

There were no transfers between Level 1 and Level 2 during the period (June 2020: one investment was transferred from Level 1 to Level 2 as a result of the investment becoming delisted during the year).

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

8. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no other reportable operating segments.

9. Capital commitments

There were no capital commitments for the Company as at 31 December 2020 (June 2020: The total maximum cash required by WAM Active to fully fund the unconditional off-market takeover bid to acquire all of the fully paid ordinary shares in Keybridge Capital Limited (excluding the amounts already funded) was approximately \$7.0 million. The Offer closed in September 2020).

10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2020 (June 2020: Keybridge Capital Limited (ASX: KBC) instituted proceedings in the Supreme Court of NSW against the Company on 1 June 2020. On 24 December 2020, the Court issued judgement in favour of WAM Active and ordered

KBC pay WAM Active and ASIC's costs in relation to the proceedings. WAM Active was successful in both opposing the relief sought by KBC and obtaining the orders and declarations it had sought (by interlocutory process) in these proceedings).

11. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 3.0 cents per share to be paid on 28 May 2021.

On 24 February 2021, the Board of Directors announced its intention to grow WAM Active to the benefit of all shareholders through a Share Purchase Plan (SPP), Placement and a one-for-one Bonus Option Issue. The SPP offers existing shareholders the opportunity to acquire up to \$30,000 of ordinary, fully paid shares in WAM Active without incurring any brokerage fees. Shareholders who participate in the SPP and Placement will be entitled to receive the fully franked interim dividend of 3.0 cents per share on shares issued under the offer, assuming shareholders continue to hold the shares at the dividend record date. The SPP will be offered to existing shareholders at the fixed price of \$1.08 per share, a discount to the 23 February 2021 share price, which closed at \$1.11 per share.

The Board intends to offer existing WAM Active professional and sophisticated investors the ability to participate in a Placement at the same price and under the same terms as the SPP. The Placement is currently expected to occur in March 2021. Up to an additional 11.7 million shares can be raised through the Placement utilising WAM Active's 15% Placement capacity under the ASX Listing Rules and the additional 10% Placement capacity approved by shareholders at the AGM (where applicable).

Shareholders who participate in the SPP and Placement will be entitled to the Bonus Issue of Options on any new Shares issued under the Offer, which continue to be held at 7:00pm (Sydney Time), Thursday 25 March 2021, being the record date for the Bonus Option Issue. Each WAM Active Option provides holders with the opportunity, but not the requirement, to purchase one additional WAM Active share for \$1.10 per Option, without incurring any brokerage fees. The Options can be exercised at any time, up until they expire on 31 October 2022. Shares issued on Options exercised on or before 13 May 2021 and held at the dividend record date will also receive the fully franked interim dividend of 3.0 cents per share, which represents an annualised fully franked dividend yield of 5.5% and a grossed-up dividend yield of 7.8%, on the exercise price of \$1.10 per Option.

No other matters or circumstances have arisen since the end of the period, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of WAM Active Limited declare that:

- 1) The financial statements and notes, as set out on pages 8 to 16, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance, as represented by the results of the operations and the cash flows, for the half year ended on that date.
- 2) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 24th day of February 2021

Level 16, Tower 2 Darling Park
201 Sussex Street
Sydney NSW 2000

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Sydney NSW 2001

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e. sydneypartners@pitcher.com.au

**Independent Auditor's Review Report
To the Members of WAM Active Limited
ABN 49 126 420 719**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of WAM Active Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of WAM Active Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S M Whiddett
Partner



Pitcher Partners
Sydney

24 February 2021

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