

Investment Update & Net Tangible Assets Report

AS AT 31 MARCH 2015



Performance

| Performance at 31 March 2015 | 1 Mth | 6 Mths | Fin YTD | 1 Yr | 3 Yrs %pa | 5 Yrs %pa | Since Inception %pa (Jan-08) |
|---|--------------|--------------|--------------|--------------|---------------|--------------|------------------------------|
| WAA Investment Portfolio* | 0.9% | 5.8% | 5.8% | 6.7% | 13.2% | 10.4% | 12.6% |
| S&P/ASX All Ordinaries Accumulation Index | 0.0% | 13.0% | 12.7% | 13.2% | 14.7% | 8.2% | 3.2% |
| Outperformance | +0.9% | -7.2% | -6.9% | -6.5% | -1.5% | +2.2% | +9.4% |
| UBS Bank Bill Index | 0.2% | 1.4% | 2.0% | 2.7% | 3.0% | 3.8% | 4.3% |
| Outperformance | +0.7% | +4.4% | +3.8% | +4.0% | +10.2% | +6.6% | +8.3% |

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

Net Tangible Assets (NTA) figures

| | |
|--|------------------|
| NTA before tax | 104.02c |
| NTA after tax and before tax on unrealised gains | 104.43c* |
| NTA after tax | 104.35c** |

These figures are after the payment of \$220,000 in tax paid in March 2015.

*Includes tax assets of 0.41 cents per share.

**Includes the net effect of 0.41 cents of tax assets and 0.08 cents of deferred tax liabilities.

Market overview

While the first quarter of 2015 was the best for the S&P/ASX All Ordinaries Accumulation Index in 24 years, gaining approximately 10.2%, it remained flat in the month of March. The market's subdued performance was largely in response to the Reserve Bank of Australia's decision to hold the cash rate at 2.25%. Weak data from China and continuing downward pressure on base metal and oil prices caused some turbulence during the month.

Domestic data presented few surprises with the market's negative expectations largely proven accurate. In particular, employment, consumer confidence and housing finance approval figures released this month all painted a grim picture of the Australian economy. Australia's performance against global equity markets was mixed, as the commencement of quantitative easing in Europe led to a rally in its markets. In the United States, the S&P500 has more than tripled from its low in March 2009, driven by three rounds of stimulus by the Federal Reserve.

Our outlook for the remainder of the year is mixed as we believe valuations are full, notwithstanding the likelihood of further rate cuts. The market is experiencing increasing initial public offering activity and we are actively monitoring and participating in value opportunities as they arise.

WAM Active Limited

| | |
|---------------------------|-------------------|
| ASX Code | WAA |
| Listed | Jan 2008 |
| Gross assets | \$36.6m |
| Market cap | \$39.6m |
| Share price | \$1.14 |
| NTA before tax | \$1.04 |
| Shares on issue | 34,693,760 |
| Capital return (1HFY2015) | 4.0c |

Investment objectives

- Deliver a regular income stream via fully franked dividends
- Provide a positive return with low volatility, after fees, over most periods of time
- Preserve capital

Company overview

WAM Active Limited (ASX: WAA) is a Listed Investment Company managed by Wilson Asset Management Group. Listed in January 2008, WAA provides investors with exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.

Investment & Management Team

Geoff Wilson
Chairman/Portfolio Manager

Kate Thorley
Chief Executive Officer/
Company Secretary

Chris Stott
Chief Investment Officer/
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Matthew Haupt
Senior Equity Analyst

Tobias Yao
Equity Analyst

James McNamara
Communications Manager

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AS AT 31 MARCH 2015



Diversified portfolio

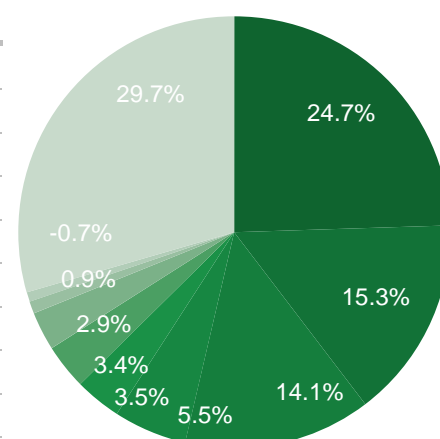
| Investment Type | February 2015 | | March 2015 | |
|-----------------------|---------------|--------|------------|--------|
| | \$m | % | \$m | % |
| Listed Equities | 29.8 | 81.5 | 25.9 | 70.3 |
| Fixed Interest & Cash | 6.8 | 18.5 | 11.0 | 29.7 |
| Long Portfolio | 36.6 | 100.0% | 36.9 | 100.0% |
| Short Portfolio | (0.0) | (0.0) | (0.3) | (0.7) |
| Gross Assets | \$36.6m | | \$36.6m* | |
| Total shares on issue | 34,693,760 | | 34,693,760 | |

*After the payment of \$220,000 in tax paid in March 2015.

Top holdings

| Code | Company | Market Value \$ | Market Value as % Gross Assets |
|------|---------------------------------------|--------------------|--------------------------------------|
| HHV | Hunter Hall Global Value Limited | 1,830,394 | 5.0% |
| CYA | Century Australia Investments Limited | 1,829,769 | 5.0% |
| ALL | Aristocrat Leisure Limited | 1,242,523 | 3.4% |
| BAP | Burson Group Limited | 1,170,099 | 3.2% |
| QAN | Qantas Airways Limited | 1,162,303 | 3.2% |
| CTX | Caltex Australia Limited | 1,069,470 | 2.9% |
| QUB | Qube Holdings Limited | 889,812 | 2.4% |
| ANN | Ansell Limited | 884,548 | 2.4% |
| TOL | Toll Holdings Limited | 828,995 | 2.3% |
| FXJ | Fairfax Media Limited | 762,299 | 2.1% |
| MYX | Mayne Pharma Group Limited | 738,988 | 2.0% |
| ORA | Orora Limited | 738,386 | 2.0% |
| EGP | Echo Entertainment Group Limited | 735,133 | 2.0% |
| SGF | SG Fleet Group Limited | 728,096 | 2.0% |
| SDG | Sunland Group Limited | 710,228 | 1.9% |
| TWE | Treasury Wine Estates Limited | 701,230 | 1.9% |
| QBE | QBE Insurance Group Limited | 697,640 | 1.9% |
| GJT | Galileo Japan Trust | 660,946 | 1.8% |
| CDD | Cardno Limited | 653,012 | 1.8% |
| CMG | Chandler Macleod Group Limited | 602,459 | 1.6% |

Sector allocation



- Financials 24.7%
- Industrials 15.3%
- Consumer Discretionary 14.1%
- Health Care 5.5%
- Consumer Staples 3.5%
- Materials 3.4%
- Energy 2.9%
- Information Technology 0.9%
- Short Stock -0.7%
- Cash and Fixed Interest 29.7%

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AS AT 31 MARCH 2015



Capital Management – Return of Capital

On 26 February 2015, the Board of WAM Active announced the intention to pay shareholders a 4.0 cents per share Return of Capital. As at 31 December 2014, the Company's net assets were less than issued capital. The Directors recognise investors have cash flow needs and therefore have declared a 4.0 cents per share Return of Capital, which is subject to shareholder approval at an Extraordinary General Meeting (EGM). The EGM will be held on 19 May 2015 at the Wesley Conference Centre, Wesley Theatre, 220 Pitt Street Sydney from 9.00am to 9.30am.

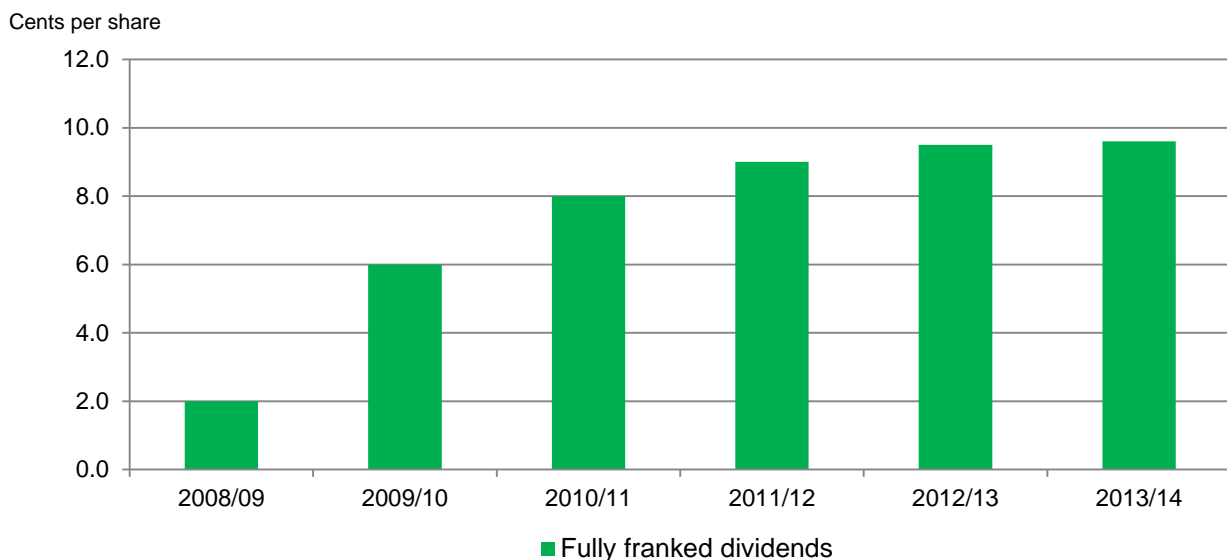
Key Return of Capital dates

| | |
|---|-------------|
| EGM to approve Return of Capital: | 19 May 2015 |
| Ex date (subject to shareholder approval): | 21 May 2015 |
| Record date (subject to shareholder approval): | 25 May 2015 |
| Payment date (subject to shareholder approval): | 1 June 2015 |

Dividends

The Board has not declared an interim dividend for the half year to 31 December 2014. While the Board is committed to paying an increasing stream of fully franked dividends to shareholders, this is dependent on the Company having sufficient profit reserves and the payment being within prudent business practices. When a dividend is declared, it is usually paid on a six-monthly basis.

WAM Active dividends since inception



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AS AT 31 MARCH 2015



Upcoming investor presentations

| Date | City | Location | Time |
|--------------------------|-----------|---|--|
| Tuesday 19 May 2015 | Sydney | Wesley Conference Centre Wesley Theatre 220 Pitt Street | EGM for Return of Capital 9.00am – 9.30am Presentation 9.30am – 11.20am |
| Wednesday 20 May 2015 | Adelaide | The Playford 120 North Terrace | 9.30am – 11.20am |
| Friday 22 May 2015 | Brisbane | Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Streets South Bank | 9.30am – 11.20am |
| Tuesday 26 May 2015 | Melbourne | Rydges Hotel 186 Exhibition St | 9.30am – 11.20am |
| Thursday 28 May 2015 | Canberra | Belconnen Premier Hotel 110 Benjamin Way Belconnen | 9.30am – 11.20am |
| Thursday 4 June 2015 | Perth | Rydges Hotel 815 Hay Street | 9.30am – 11.20am |

If you wish to attend one of our investor presentations, please RSVP by email to info@wamfunds.com.au or call Mary-Ann on (02) 9258 4998.