

Investment Update & Net Tangible Assets Report

AS AT 31 MAY 2015



Performance

Performance at 31 May 2015	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.3%	6.0%	6.6%	7.2%	14.1%	11.4%	12.4%
S&P/ASX All Ordinaries Accumulation Index	0.6%	11.3%	11.7%	10.1%	16.7%	10.0%	3.0%
Outperformance	-0.3%	-5.3%	-5.1%	-2.9%	-2.6%	+1.4%	+9.4%
UBS Bank Bill Index	0.2%	1.3%	2.4%	2.6%	2.9%	3.7%	4.2%
Outperformance	+0.1%	+4.7%	+4.2%	+4.6%	+11.2%	+7.7%	+8.2%

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

Net Tangible Assets (NTA) figures

The following NTA figures have been adjusted for the 4.0 cents per share Return of Capital which traded Ex-Return of Capital on 21 May 2015 and is payable on 1 June 2015.

NTA before tax	100.30c
NTA after tax and before tax on unrealised gains	100.59c*
NTA after tax	100.60c**

*Includes tax assets of 0.29 cents per share.

**Includes the net effect of 0.30 cents of tax assets

Market overview

After a volatile month the S&P/ASX All Ordinaries Accumulation Index closed up 0.6%. The index suffered from continued selling in the major banks which commenced in late April on news of potential regulatory tightening. Further monetary easing from the Reserve Bank of Australia, in the form of a 0.25% rate cut, did little to encourage sentiment as the market interpreted the RBA's minutes as a sign the loosening cycle had perhaps come to an end. The market also responded to poor Australian Bureau of Statistics expenditure data, which showed Australia's business investment is set to drop dramatically over the next two years. This contributed to a 3.3% decline in the Australian dollar over the month.

In other domestic news, the release of the 2015-16 federal budget saw the government's deficit forecast revised up to \$35.1 billion, more than double the estimate from 12 months ago. On the whole the budget was well received, particularly the tax cuts for small businesses along with a \$20,000 tax deductible allowance for businesses earning less than \$2 million in revenue per year, which spurred the retail sector.

Global equity markets were mixed this month. Importantly, US Federal Reserve Chairman Janet Yellen commented the US economy was "well positioned" for continued growth and indicated it would take initial steps towards normalising monetary policy at some point this year.

We continue to believe valuations are full and remain well positioned to seize on opportunities in the market when they arise.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets*	\$35.4m
Market cap	\$36.6m
Share price*	\$1.055
NTA before tax*	\$1.00
Shares on issue	34,693,760
Capital return (1HFY2015)	4.0c

* Ex- Return of Capital 4.0 cents per share payable 1 June 2015.

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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Diversified portfolio

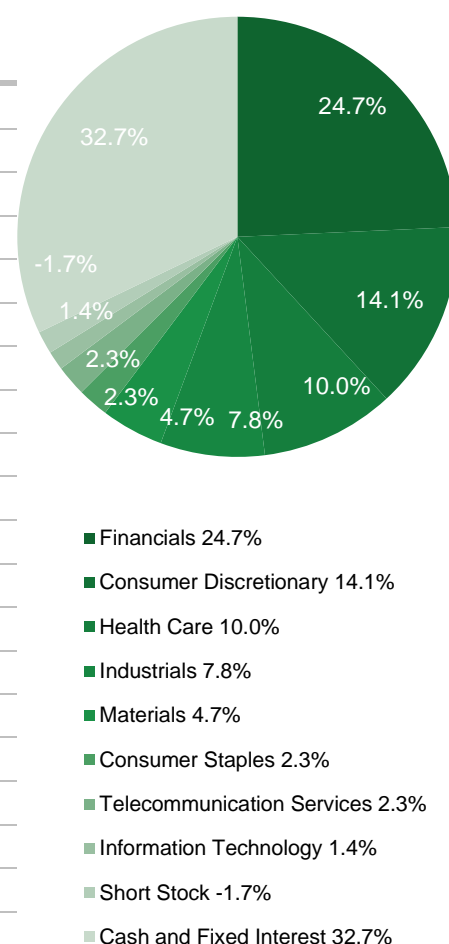
Investment Type	April 2015		May 2015	
	\$m	%	\$m	%
Listed Equities	26.3	71.1	24.2	67.3
Fixed Interest & Cash	10.7	28.9	11.8	32.7
Long Portfolio	37.0	100.0%	36.0	100.0%
Short Portfolio	(0.3)	(0.7)	(0.6)	(1.7)
Gross Assets	\$36.7m		\$35.4m*	
Total shares on issue	34,693,760		34,693,760	

*The Gross Assets have been adjusted for the 4.0 cents per share Return of Capital which traded Ex on 21 May 2015.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,461,565	7.0%
CYA	Century Australia Investments Limited	1,667,758	4.7%
HVN	Harvey Norman Holdings Limited	1,204,756	3.4%
MYX	Mayne Pharma Group Limited	1,162,961	3.3%
MMS	McMillan Shakespeare Limited	936,275	2.6%
RMD	ResMed Inc	830,561	2.3%
QAN	Qantas Airways Limited	799,684	2.3%
GTY	Gateway Lifestyle Group	765,000	2.2%
PRY	Primary Health Care Limited	763,908	2.2%
SGF	SG Fleet Group Limited	758,184	2.1%
PMV	Premier Investments Limited	757,509	2.1%
BAP	Burson Group Limited	751,664	2.1%
SDG	Sunland Group Limited	718,442	2.0%
BKL	Blackmores Limited	715,865	2.0%
IIN	iiNet Limited	712,970	2.0%
GJT	Galileo Japan Trust	665,049	1.9%
NEC	Nine Entertainment Co. Holdings Limited	604,193	1.7%
IPE	IPE Limited	529,790	1.5%
IBC	Ironbark Capital Limited	497,690	1.4%
WIC	Westoz Investment Company Limited	465,223	1.3%

Sector allocation



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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 declared a 4.0 cents per share Return of Capital, which was approved by shareholders at an Extraordinary General Meeting held in Sydney on 19 May 2015. WAM Active traded ex-Return of Capital on 21 May 2015.

Key Return of Capital dates

Ex date: 21 May 2015
Record date: 25 May 2015
Payment date: 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

