

Investment Update & Net Tangible Assets Report

AS AT 31 DECEMBER 2014



Performance

Performance at 31 December 2014	1 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.7%	1.2%	7.2%	13.7%	9.2%	12.3%
S&P/ASX All Ordinaries Accumulation Index	1.9%	2.3%	5.0%	14.3%	6.4%	1.9%
Outperformance	-1.2%	-1.1%	+2.2%	-0.6%	+2.8%	+10.4%
UBS Bank Bill Index	0.2%	1.4%	2.7%	3.2%	3.8%	4.3%
Outperformance	+0.5%	-0.2%	+4.5%	+10.5%	+5.4%	+8.0%

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

Net Tangible Assets (NTA) figures

NTA before tax	101.41c
NTA after tax and before tax on unrealised gains	101.86c*
NTA after tax	101.82c**

*Includes tax assets of 0.45 cents per share.

**Includes the net effect of 0.45 cents of tax assets and 0.04 cents of deferred tax liabilities.

Market overview

The Australian equity market closed the year on a high rallying strongly in the final two weeks to finish the calendar year up 5%. Consumer sentiment and unemployment figures released during the month both pointed to weaker conditions domestically, while the Australian Dollar continued its decline to finish at its lowest level since June 2010.

Overseas the S&P500 Index hit new record highs while the Dow Jones Industrial Average Index reached 18,000 for the first time in history. The falling oil price dragged on global markets with no respite to the current oversupply. The lower oil price will be a stimulatory factor for the global economy in the short to medium term.

As we move into 2015, we remain cautious on the Australian economy and sharemarket. We believe interest rate cuts will be forthcoming this year on the back of weaker inflation data and the higher unemployment rate. This could provide stimulus to equity markets to move higher, however the impact on company earnings remains to be seen. We expect once again that the market for IPOs will stay strong for the next six months along with a heightened level of M&A activity in the new year with corporate balance sheets in great shape. Our investment portfolio remains well positioned to take advantage of opportunities as they arise.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$35.4m
Market cap	\$39.4m
Share price	\$1.135
NTA before tax	\$1.01
Shares on issue	34,693,760
Fully franked dividends (FY2014)	9.6c
Dividend yield	8.5%

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

Melanie Shaw
Corporate Affairs

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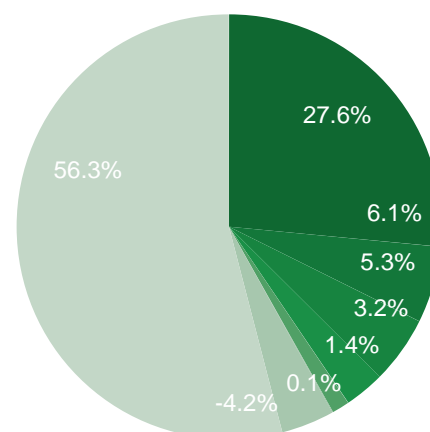
Diversified portfolio

Investment Type	November 2014		December 2014	
	\$m	%	\$m	%
Listed Equities	16.9	47.5	16.2	43.7
Fixed Interest & Cash	18.6	52.5	20.8	56.3
Long Portfolio	35.5	100.0%	37.0	100.0%
Short Portfolio	(0.3)	(0.9)	(1.6)	(4.2)
Gross Assets	\$35.2m		\$35.4m	
Total shares on issue	34,693,760		34,693,760	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	1,810,216	5.1%
CYA	Century Australia Investments Limited	1,696,348	4.8%
MPL	Medibank Private Limited	807,709	2.3%
WIC	Westoz Investment Company Limited	775,592	2.2%
IBC	Ironbark Capital Limited	757,953	2.1%
MMS	McMillan Shakespeare Limited	744,616	2.1%
JBH	JB Hi-Fi Limited	735,514	2.1%
IFL	IOOF Holdings Limited	731,500	2.1%
IPE	IPE Limited	726,983	2.1%
AMM	Amcom Telecommunications Limited	723,344	2.0%
ALL	Aristocrat Leisure Limited	713,977	2.0%
SDG	Sunland Group Limited	555,378	1.6%
HIL	Hills Limited	515,471	1.5%
SDA	SpeedCast International Limited	458,324	1.3%
MNY	Money3 Corporation Limited	446,235	1.3%
REC	Recall Holdings Limited	440,459	1.2%
CYG	Coventry Group Limited	430,968	1.2%
GJT	Galileo Japan Trust	393,476	1.1%
QAN	Qantas Airways Limited	346,680	1.0%
KBC	Keybridge Capital Limited	338,407	1.0%

Sector allocation



- Financials 27.6%
- Consumer Discretionary 6.1%
- Industrials 5.3%
- Telecommunication Services 3.2%
- Information Technology 1.4%
- Materials 0.1%
- Short Stock -4.2%
- Cash and Fixed Interest 56.3%

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Dividends

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

On 24 October 2014, the Company paid a fully franked final dividend of 4.8 cents per share. This brings the FY14 full year fully franked dividend to 9.6 cents per share.

WAM Active dividends since inception

