

Investment Update & Net Tangible Assets Report

AS AT 28 FEBRUARY 2014



Performance

Performance at 28 February 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	4.3%	9.9%	17.7%	11.8%	12.4%	19.7%	13.6%
S&P/ASX All Ordinaries Accumulation Index	4.8%	7.9%	16.8%	10.4%	7.9%	15.3%	1.6%
Outperformance	-0.5%	+2.0%	+0.9%	+1.4%	+4.5%	+4.4%	+12.0%
UBS Bank Bill Index	0.2%	1.3%	1.8%	2.8%	3.8%	3.9%	4.5%
Outperformance	+4.1%	+8.6%	+15.9%	+9.0%	+8.6%	+15.8%	+9.1%

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

Net Tangible Assets (NTA) figures

The following NTA figures are before the payment of the 4.8 cents per share fully franked interim dividend which will be paid on 30 April 2014. The shares will trade ex dividend on 11 April 2014.

NTA before tax	113.21c
NTA after tax and before tax on unrealised gains	112.51c
NTA after tax	109.85c

Market overview

After a negative start to the 2014 calendar year (falling 2.8% in January), Australian equities rebounded in February with the S&P/ASX All Ordinaries Accumulation Index surging 4.8% by the end of the month. The strong performance was driven largely by a better than expected interim reporting season. Despite the market's positive reaction to company results announcements, the best reporting season since 2010 by some measures, there has still been no significant improvement to company earnings – a factor we believe is critical to driving the Australian equities market higher.

We are growing increasingly concerned that company Price to Earnings (P/E) ratios are far exceeding historical averages, particularly in the tech sector. Technology companies reported some of the strongest results during reporting season and, as a result, there have been significant re-ratings of some of these stocks. The high P/E trend has emerged amongst companies in other sectors also. We consider the P/Es some companies are trading on to be exceptionally high by historical standards.

We continue to be cautious in our outlook for the market in the short term. Although there have been some small earnings upgrades, these improvements have been driven by companies cutting costs, while revenue growth remains sluggish. With flat earnings and mixed company outlook statements, we anticipate the Australian sharemarket will end the year even. We are more optimistic over the medium to longer-term on the proviso that economic activity increases, driven by low interest rates.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$39.7m
Market cap	\$44.2m
Share price	\$1.30
NTA before tax	\$1.13
Shares on issue	34,021,523
Fully franked annualised interim dividend (FY2014)	9.6c
Dividend yield	7.4%

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
Equity Analyst

Mark Tobin
Equity Analyst

Meredith Hemsley
Corporate Affairs

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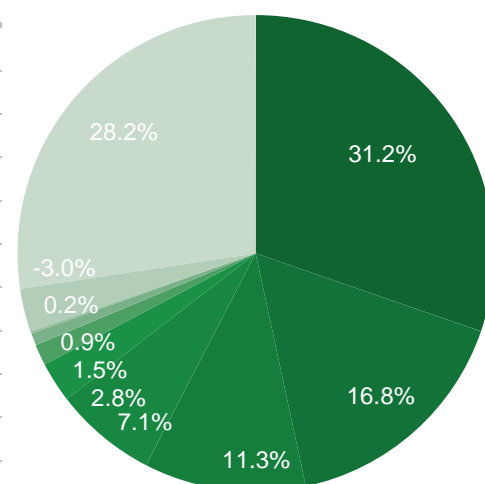
Diversified portfolio

Investment Type	January 2014		February 2014	
	\$m	%	\$m	%
Listed Equities	23.4	59.8	29.4	71.8
Fixed Interest & Cash	15.8	40.2	11.5	28.2
Long Portfolio	39.2	100.0%	40.9	100.0%
Short Portfolio	(1.1)	(2.9)	(1.2)	(3.0)
Gross Assets	\$38.1m		\$39.7m	
Total shares on issue	34,021,523		34,021,523	

Top holdings

Code	Company	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	4.2%
HIL	Hills Limited	3.5%
WIC	Westoz Investment Company Limited	3.2%
AOG	Aveo Group Limited (previously FKP Property Group)	3.0%
FXJ	Fairfax Media Limited	2.8%
IPE	IPE Limited	2.7%
CSR	CSR Limited	2.7%
BKW	Brickworks Limited	2.5%
BGA	Bega Cheese Limited	2.5%
MQA	Macquarie Atlas Roads Group	2.4%
ELI	Emerging Leaders Investment Limited	2.3%
DJS	David Jones Limited	2.2%
CYG	Coventry Group Limited	2.2%
FLT	Flight Centre Travel Group Limited	2.1%
HGG	Henderson Group Plc	2.1%
TPI	Transpacific Industries Group Limited	2.1%
SUL	Super Retail Group Limited	1.9%
QAN	Qantas Airways Limited	1.9%
HHV	Hunter Hall Global Value Limited	1.9%
SDG	Sunland Group Limited	1.7%

Sector allocation



- Financials 31.2%
- Industrials 16.8%
- Consumer Discretionary 11.3%
- Materials 7.1%
- Consumer Staples 2.8%
- Health Care 1.5%
- Information Technology 0.9%
- Energy 0.2%
- Short Stock -3.0%
- Cash and Fixed Interest 28.2%

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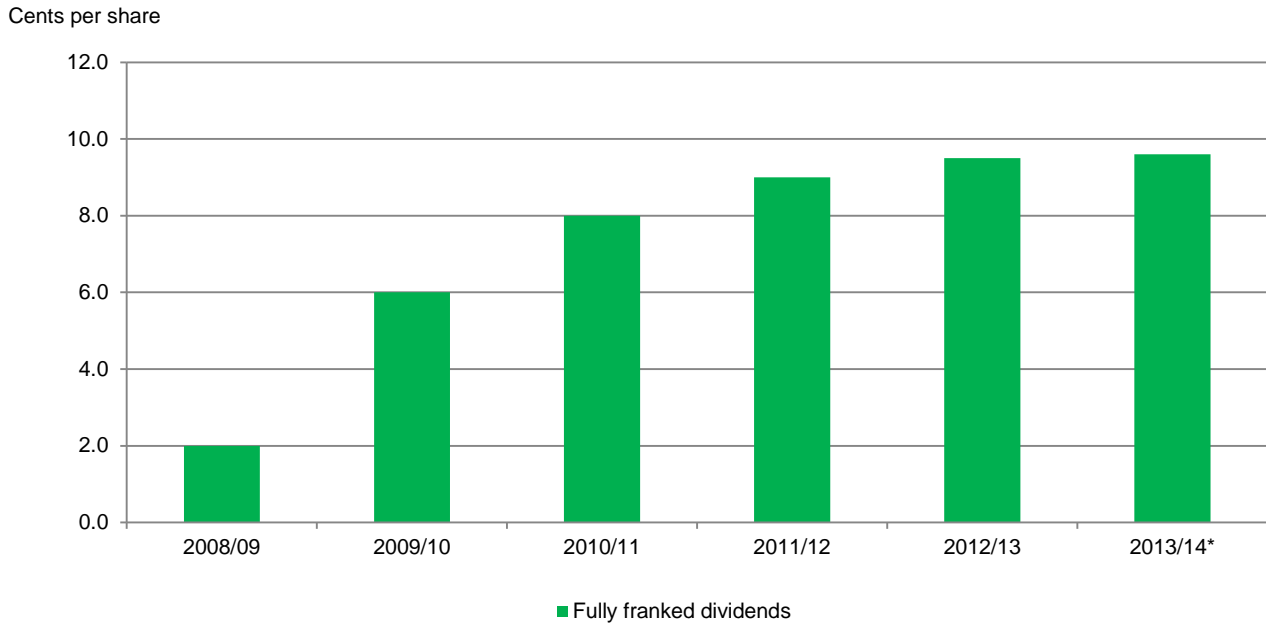
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Dividend growth

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. Dividends are paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

WAM Active dividends since inception



*Annualised interim dividend

On 4 February 2014 the Company announced a fully franked interim dividend of 4.8 cents per share. This represents an annualised fully franked dividend yield of 7.2% based on the last closing price. The interim dividend will be paid on 30 April 2014 and will trade ex on 11 April 2014.

The Dividend Reinvestment Plan (DRP) will operate at a 2.5% discount. To participate in the DRP, shareholders should send their election to the Company's share registrar (Boardroom Pty Ltd) no later than 17 April 2014.

Key dividend dates

Ex date:	11 April 2014
Record date:	17 April 2014
Last election date for the DRP:	17 April 2014
Payment date:	30 April 2014