

Investment Update & Net Tangible Assets Report

AS AT 31 JANUARY 2016



Performance

Performance at 31 January 2016	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-3.4%	6.4%	10.6%	15.4%	11.4%	10.9%	12.5%
S&P/ASX All Ordinaries Accumulation Index	-5.4%	-8.8%	-5.0%	-4.7%	5.5%	5.4%	1.4%
Outperformance	+2.0%	+15.2%	+15.6%	+20.1%	+5.9%	+5.5%	+11.1%
UBS Bank Bill Index	0.2%	1.1%	1.3%	2.3%	2.6%	3.3%	4.0%
Outperformance	-3.6%	+5.3%	+9.3%	+13.1%	+8.8%	+7.6%	+8.5%

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

Net Tangible Assets (NTA) figures

NTA before tax	102.20c
NTA after tax and before tax on unrealised gains	102.93c[*]
NTA after tax	102.77c^{**}

*Includes tax assets of 0.73 cents per share.

**Includes the net effect of 0.73 cents of tax assets and 0.16 cents of tax liabilities per share. These figures are after \$197,158 (0.57 cents per share) FY15 tax refund received during the month.

Market overview

The Australian equity market experienced its worst start to the calendar year since January 2010, with the S&P/ASX All Ordinaries Accumulation Index falling 5.4%. Concerns around global economic growth and a continued slowdown in China drove the decline in equity markets. China's equity market was particularly volatile during the month and fell 22.7% as investors reacted poorly to the unexpected devaluation of the Yuan, softer economic data and tighter capital controls.

The continued deterioration in commodity prices placed downward pressure on the Australian equity market during the month. Oil prices fell 4.7% in January following on from a 15.6% fall in December. The falling commodity prices hurt also the Australian dollar, which fell to a seven-year low during the month. Unsurprisingly, the defensive sectors – utilities, telecommunications and consumer staples – outperformed the index in January.

Corporate earnings season is now underway and so far the results have been mixed and outlooks statements guarded. We expect the difficult conditions will continue and have taken profits on a number of positions throughout January and February to increase our cash weighting. This provides us with the ability to act on opportunities as they emerge.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$36.5m
Market cap	\$37.2m
Share price	\$1.065
NTA before tax	\$1.02
Shares on issue	34,909,728
Fully franked final dividend (FY2015)	2.5c

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

Matthew Haupt
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Tobias Yao
Equity Analyst

James McNamara
Head of Corporate Affairs

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Diversified portfolio

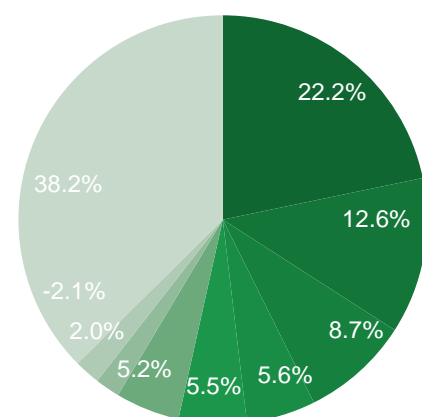
Investment Type	December 2015		January 2016	
	\$m	%	\$m	%
Listed Equities	30.2	79.1	23.1	61.8
Fixed Interest & Cash	8.0	20.9	14.2	38.2
Long Portfolio	38.2	100.0	37.3	100.0
Short Portfolio	(0.5)	(1.3)	(0.8)	(2.1)
Gross Assets	\$37.7m		\$36.5m	
Total shares on issue	34,909,728		34,909,728	

*This figure is after \$197,158 (0.57 cents per share) FY15 tax refund received during the month

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,444,647	6.7%
CYA	Century Australia Investments Limited	1,540,058	4.2%
IPP	iProperty Group Limited	1,503,935	4.1%
TWE	Treasury Wine Estates Limited	1,317,940	3.6%
MYX	Mayne Pharma Group Limited	1,130,582	3.1%
AOG	Aveo Group	1,001,416	2.7%
SGF	SG Fleet Group Limited	943,369	2.6%
MYR	Myer Holdings Limited	939,963	2.6%
GJT	Galileo Japan Trust	794,721	2.2%
BGA	Bega Cheese Limited	788,270	2.2%
DMP	Domino's Pizza Enterprises Limited	781,418	2.1%
HVN	Harvey Norman Holdings Limited	764,324	2.1%
TPM	TPG Telecom Limited	745,951	2.0%
VED	Veda Group Limited	732,379	2.0%
SUL	Super Retail Group Limited	716,999	2.0%
BKL	Blackmores Limited	602,773	1.7%
MVP	Medical Developments International Limited	584,245	1.6%
TGG	Templeton Global Growth Fund Limited	559,990	1.5%
IPE	IPE Limited	461,453	1.3%
SRF	Surfstitch Group Limited	459,420	1.3%

Sector allocation



- Financials 22.2%
- Consumer Discretionary 12.6%
- Consumer Staples 8.7%
- Industrials 5.6%
- Information Technology 5.5%
- Health Care 5.2%
- Telecommunication Services 2.0%
- Short Stock -2.1%
- Cash and Fixed Interest 38.2%

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Dividends

On 30 October 2015, the Company paid a fully franked final dividend for FY15 of 2.5 cents per share. The Directors intend to pay an interim dividend in FY2016, which will be announced with the release of WAA's half year results in February 2016, 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.

WAM Active dividends since inception

