

Investment Update & Net Tangible Assets Report

AS AT 29 FEBRUARY 2016



Performance

Performance at 29 February 2016	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-1.6%	5.8%	8.8%	9.5%	9.2%	10.6%	12.2%
S&P/ASX All Ordinaries Accumulation Index	-1.5%	-3.1%	-6.4%	-12.2%	3.2%	4.6%	1.2%
Outperformance	-0.1%	+8.9%	+15.2%	+21.7%	+6.0%	+6.0%	+11.0%
UBS Bank Bill Index	0.2%	1.1%	1.5%	2.2%	2.6%	3.3%	4.0%
Outperformance	-1.8%	+4.7%	+7.3%	+7.3%	+6.6%	+7.3%	+8.2%

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

Net Tangible Assets (NTA) figures

NTA before tax	100.72c
NTA after tax and before tax on unrealised gains	101.80c*
NTA after tax	101.80c*

*Includes tax assets of 1.08 cents per share.

Market overview

Extreme volatility continued to characterise the Australian equity market in February. The S&P/ASX All Ordinaries Accumulation Index fell sharply in the first half of the month and after recovering some ground, the Index finished the month slightly lower, down 1.5%. The Australian share market entered a technical bear market in February, declining 20% from its April 2015 high.

The overall tone of the market leading into reporting season was fairly bearish on account of the prevailing macroeconomic environment. Although market conditions were volatile and expectations were low, company results were relatively good and ahead of expectations outside the mining sector. Early in the season, the market's negative sentiment overrode the positive results delivered by a number of companies, causing considerable volatility in their share prices, particularly businesses with high levels of debt.

With further volatility expected, positive performance will continue to be limited to a number of industry sectors and will be very much stock-specific. While the Australian share market may fall further in the short to medium term, we believe that over the course of the bear market, opportunities will become more apparent. A historical analysis of bear markets reveals that after reaching a low point, the share market rebounds sharply with the majority of gains being made immediately after the market hits its bottom. Research also shows that while the average bull market lasts for 55 months, the average bear market lasts just 17 months. Our current high cash weighting ensures we are well positioned to seize opportunities as and when they arise.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$35.8m
Market cap	\$37.7m
Share price	\$1.08
NTA before tax	\$1.01
Shares on issue	34,909,728
Fully franked annualised interim dividend (FY2016)	5.0c
Dividend yield	4.6%

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
Senior Equity Analyst

James McNamara
Head of Corporate Affairs

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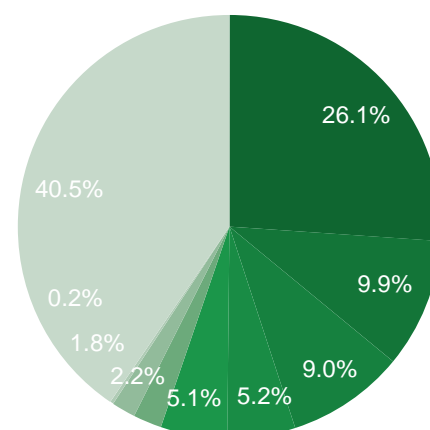
Diversified portfolio

Investment Type	January 2016		February 2016	
	\$m	%	\$m	%
Listed Equities	23.1	61.8	21.3	59.5
Fixed Interest & Cash	14.2	38.2	14.5	40.5
Long Portfolio	37.3	100.0	35.8	100.0
Short Portfolio	(0.8)	(2.1)	(0.0)	(0.0)
Gross Assets	\$36.5m		\$35.8m	
Total shares on issue	34,909,728		34,909,728	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,455,709	6.9%
CYA	Century Australia Investments Limited	1,449,466	4.0%
MYX	Mayne Pharma Group Limited	1,137,498	3.2%
AOG	Aveo Group	1,083,722	3.0%
GJT	Galileo Japan Trust	913,737	2.6%
AGF	AMP Capital China Growth Fund	867,344	2.4%
MYR	Myer Holdings Limited	832,788	2.3%
TWE	Treasury Wine Estates Limited	818,040	2.3%
TPM	TPG Telecom Limited	779,352	2.2%
SEK	Seek Limited	746,605	2.1%
PBG	Pacific Brands Limited	744,017	2.1%
MMS	McMillan Shakespeare Limited	740,387	2.1%
MTS	Metcash Limited	721,593	2.0%
MVP	Medical Developments International Limited	699,007	2.0%
SUL	Super Retail Group Limited	696,548	1.9%
TGG	Templeton Global Growth Fund Limited	551,580	1.5%
QAN	Qantas Airways Limited	550,992	1.5%
IPE	IPE Limited	469,999	1.3%
ADA	Adacel Technologies Limited	419,188	1.2%
SGF	SG Fleet Group Limited	419,102	1.2%

Sector allocation



- Financials 26.1%
- Consumer Discretionary 9.9%
- Industrials 9.0%
- Health Care 5.2%
- Consumer Staples 5.1%
- Telecommunication Services 2.2%
- Information Technology 1.8%
- Materials 0.2%
- Cash and Fixed Interest 40.5%

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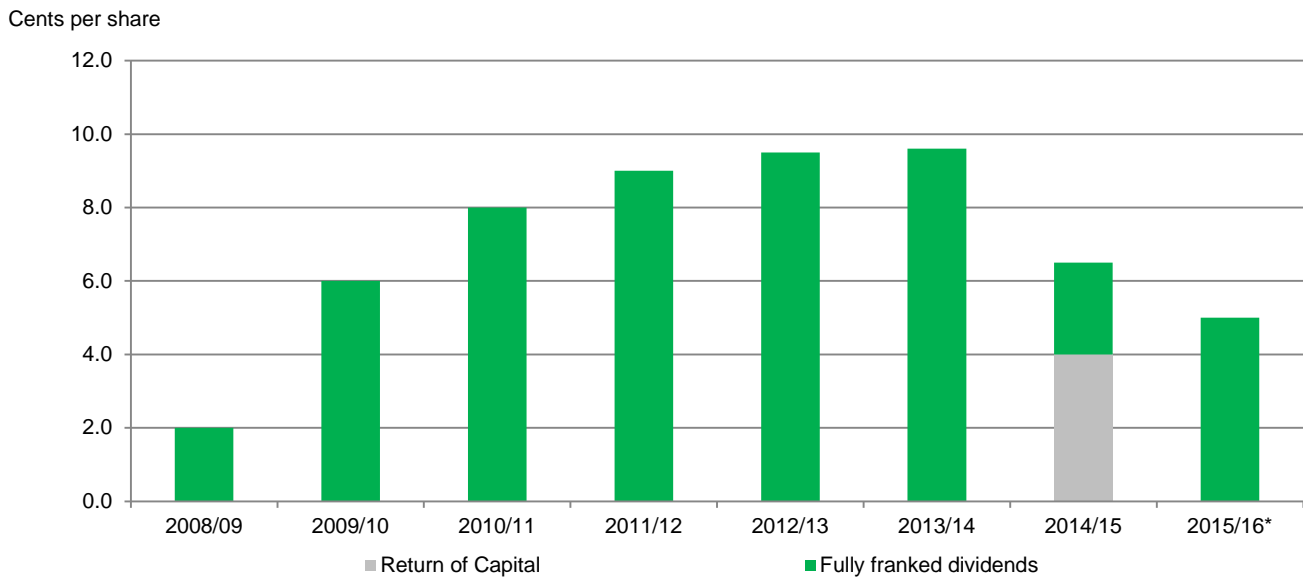
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Dividends

On 24 February 2016, the Company announced a fully franked interim dividend of 2.5 cents per share, to be paid on 29 April 2016. Dividends are usually paid on a six-monthly basis, 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.

WAM Active dividends since inception



*Annualised interim dividend

The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the interim dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 18 April 2016.

Key dividend dates

Ex date: 13 April 2016

Record date: 14 April 2016

Last election date for DRP: 18 April 2016

Payment date: 29 April 2016