

Investment Update & Net Tangible Assets Report

AS AT 31 AUGUST 2013



Performance

Performance at 31 August 2013	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio	4.4%	1.7%	7.1%	19.7%	12.7%	14.6%	13.0%
S&P/ASX All Ordinaries Accumulation Index	2.6%	2.2%	8.2%	23.2%	9.6%	4.1%	0.4%
Outperformance	+1.8%	-0.5%	-1.1%	-3.5%	+3.1%	+10.5%	+12.6%
UBS Bank Bill Index	0.2%	1.5%	0.5%	3.2%	4.2%	4.3%	4.7%
Outperformance	+4.2%	+0.2%	+6.6%	+16.5%	+8.5%	+10.3%	+8.3%

Net Tangible Assets (NTA) figures

NTA before tax	110.81c
NTA after tax and before tax on unrealised gains	111.58c*
NTA after tax	108.79c**

*Includes tax assets of 0.77 cents per share.

**Includes the net effect of 0.77 cents of tax assets and 2.79 cents of deferred tax liabilities. The above figures are after 650,505 options exercised during the month.

Market overview

Although the reporting season was characterised by subdued company results, the S&P/ASX All Ordinaries Accumulation Index ('Index') increased 2.6% in August, adding to the previous month's gains. The market's performance can be attributed to the strength of mining stocks in response to China's GDP growth forecast of approximately 7% and renewed confidence of a 'soft-landing'.

We believe that the Coalition's win has injected confidence into the economy with increases to consumer and business sentiment reported in the last week. We expect the Coalition's policies will benefit various industries including, internet service providers, miners, airlines and car retailers.

With global macro-economic conditions improving, record low interest rates, comparatively low unemployment and consumer sentiment firming, we believe the outlook for the Australian economy is positive. Reflecting our view, we have found a number of new investment opportunities recently exposed to a cyclical recovery.

Corporate activity has ramped-up in recent weeks boosted by Australia's improving economic outlook with a number of takeover offers for companies we own shares in: Miclyn Express Offshore Limited (MIO), The Trust Company Limited (TRU), Warrnambool Cheese and Butter Factory Company Holdings Limited (WCB) and RHG Limited (RHG). We expect corporate activity will continue to increase over coming months.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$30.6m
Market cap	\$33.2m
Share price	\$1.225
NTA before tax	\$1.11
Shares on issue	27,078,538
Options on issue	5,960,732
Fully franked dividends (FY2013)	9.5c
Dividend yield	7.8%

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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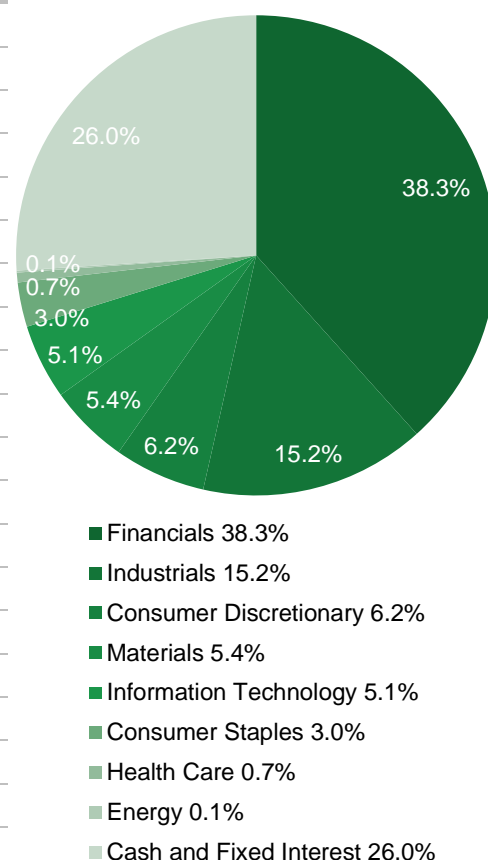
Portfolio structure

Investment Type	July 2013		August 2013	
	\$m	%	\$m	%
Listed Equities	20.8	70.8	22.6	74.0
Fixed Interest & Cash	8.5	29.2	8.0	26.0
Long Portfolio	29.3	100.0%	30.6	100.0%
Short Portfolio	(0.3)	(1.0%)	(0.0)	(0.0)
Gross Assets	\$29.0m		\$30.6m	
Total shares on issue	26,428,033		27,078,538	
Total options on issue	6,611,237		5,960,732	

Top holdings

Code	Company	Market Value as % Gross Assets
GNC	Graincorp Limited	5.6%
CYA	Century Australia Investments Limited	4.5%
CLO	Clough Limited	4.4%
HIL	Hills Holdings Limited	4.2%
MFG	Magellan Financial Group Limited	3.0%
ELI	Emerging Leaders Investments Limited	2.8%
IPE	ING Private Equity Access Limited	2.7%
CYG	Coventry Group Limited	2.5%
MQA	Macquarie Atlas Roads Group	2.3%
CGF	Challenger Limited	2.3%
SDG	Sunland Group Limited	2.1%
WIC	Westoz Investment Company Limited	2.1%
CSR	CSR Limited	2.0%
VLW	Villa World Limited	1.9%
FGE	Forge Group Limited	1.9%
BKW	Brickworks Limited	1.9%
PRT	Prime Media Group Limited	1.9%
FPH	Fisher & Paykel Healthcare Corp Limited	1.9%
DVN	Devine Limited	1.4%
TSE	Transfield Services Limited	1.2%

Sector allocation



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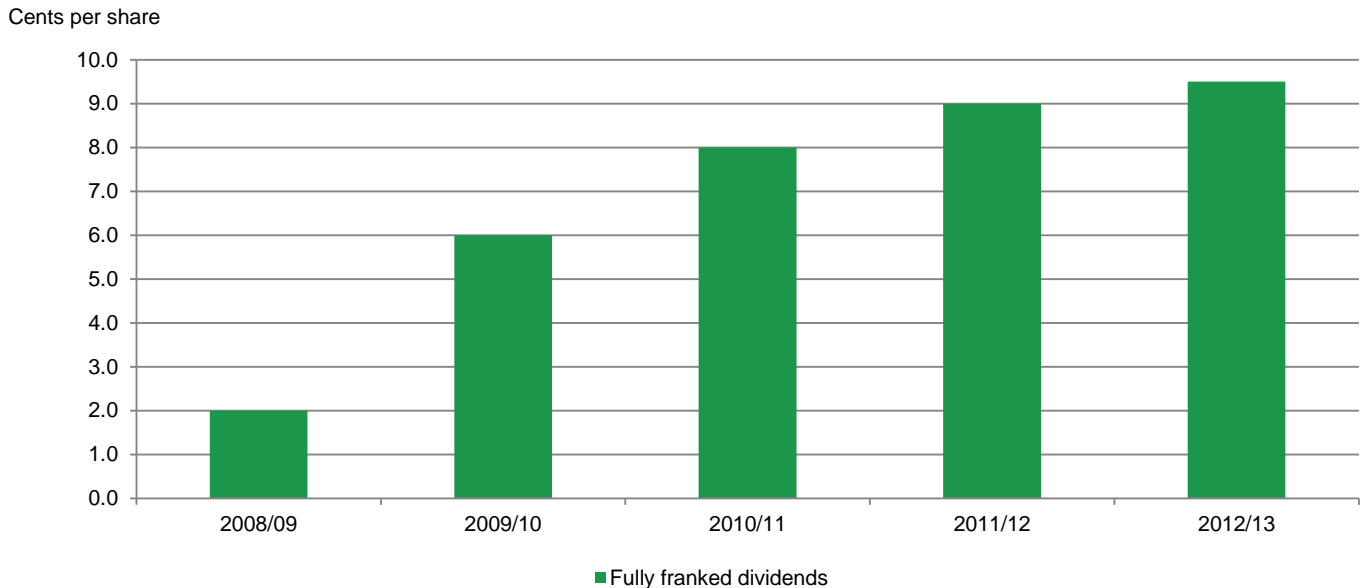
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Dividends

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. 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



On 12 August 2013, the Company announced a fully franked final dividend of 4.75 cents per share, an increase of 5.6% on the previous corresponding period. The final dividend brings the total dividend for FY2013 to 9.5 cents per share and represents a fully franked annual dividend yield of 7.9%, based on the last closing price.

The dividend re-investment plan will be operating at a 2.5% discount. To participate in the dividend reinvestment plan, shareholders should send their election to the Company's share registrar (Boardroom) no later than 27 September 2013.

Key dividend dates

Ex date: 23 September 2013

Record date: 27 September 2013

Payment date: 4 October 2013

Last day for option holders to exercise options to be eligible for dividend: 20 September 2013

Option issue – exercise at any time before 12 December 2013

On 4 May 2012, the Board announced a one-for-one bonus issue of options to acquire ordinary shares in the capital of the Company. The options have an exercise price of \$1.08 per share and can be exercised at any time on or before 12 December 2013. The options give shareholders the right, but not the obligation, to subscribe for shares in WAA at \$1.08 per share. The options can be exercised in full or in part. The options are currently trading on the Australian Securities Exchange ('ASX') under the code WAAO.

As at 31 August 2013, 10,349,213 options had been exercised for a total consideration of \$11,177,150, with the remaining balance of outstanding options being 5,960,732.