

Investment Update & Net Tangible Assets Report

AS AT 31 DECEMBER 2013



Performance

Performance at 31 December 2013	1 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-0.9%	12.7%	17.9%	10.9%	18.4%	13.2%
S&P/ASX All Ordinaries Accumulation Index	0.9%	14.6%	19.7%	8.0%	12.7%	1.3%
Outperformance	-1.8%	-1.9%	-1.8%	+2.9%	+5.7%	+11.9%
UBS Bank Bill Index	0.2%	1.3%	2.9%	3.9%	4.0%	4.6%
Outperformance	-1.1%	+11.4%	+15.0%	+7.0%	+14.4%	+8.6%

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

Net Tangible Assets (NTA) figures

NTA before tax	109.36c
NTA after tax and before tax on unrealised gains	110.17c*
NTA after tax	107.29c**

*Includes tax assets of 0.81 cents per share.

**Includes the net effect of 0.81 cents of tax assets and 2.88 cents of deferred tax liabilities. The above figures are after 1,072,738 options exercised during the month.

Market overview

After the market's poor start to December, the forecast 'Christmas Rally' bore out with the S&P/ASX All Ordinaries Accumulation Index ('Index') closing up 0.9% for the month. The market's December gains added to its overall strong performance in calendar year 2013 with the Index up 19.7% for the year. The 2013 calendar year marked the Index's biggest one year rise since calendar year 2009.

In December, local and international markets maintained their strong appetite for Initial Public Offerings ('IPOs') with 33 companies listing on the Australian Securities Exchange ('ASX') raising \$18.5 billion. A total of 61 companies floated on the ASX in calendar year 2013 to raise a total of \$56.9 billion - an increase of 17.8% on the previous year. We expect that the surge in IPOs will be followed by an increase in corporate Merger and Acquisition activity in Australia in 2014. Our forecast is contingent on clear signals that economic activity is picking up and so providing company boards with greater confidence in the underlying strength of their businesses.

We remain quite cautious in our outlook for the year ahead and anticipate a more subdued performance for Australian and global equity markets. The main reason for this view is that over the last 12 to 18 months company price to earnings (P/E) multiples have expanded significantly while earnings growth has remained anaemic. We will be more positive in our outlook for the market once we start to see a growth in earnings – a thematic we will be watching carefully during next month's reporting season.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$38.2m
Market cap	\$41.5m
Share price	\$1.22
NTA before tax	\$1.09
Shares on issue	34,021,523
Fully franked dividends (FY2013)	9.5c
Dividend yield	7.7%

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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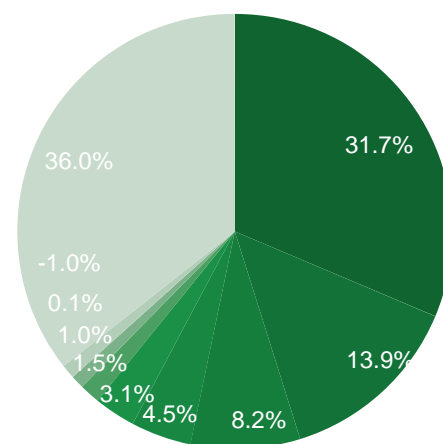
Diversified portfolio

Investment Type	November 2013		December 2013	
	\$m	%	\$m	%
Listed Equities	28.9	76.4	24.7	64.0
Fixed Interest & Cash	8.9	23.6	13.9	36.0
Long Portfolio	37.8	100.0%	38.6	100.0%
Short Portfolio	(0.4)	(1.0)	(0.4)	(1.0)
Gross Assets	\$37.4m		\$38.2m	
Total shares on issue	32,948,785		34,021,523	
Total options on issue	1,377,163		-	

Top holdings

Code	Company	Market Value as % Gross Assets
AOG	Aveo Group Limited (formerly FKP Property Group)	6.4%
CYA	Century Australia Investments Limited	3.9%
WIC	Westoz Investment Company Limited	3.3%
MQG	Macquarie Group Limited	2.9%
IPE	ING Private Equity Access Limited	2.6%
HIL	Hills Holdings Limited	2.5%
ELI	Emerging Leaders Investments Limited	2.4%
BKW	Brickworks Limited	2.4%
CSR	CSR Limited	2.2%
CYG	Coventry Group Limited	2.1%
MQA	Macquarie Atlas Roads Group	2.1%
JBH	JB Hi-Fi Limited	2.1%
DJS	David Jones Limited	2.0%
TPI	Transpacific Industries Group Limited	2.0%
MYR	Myer Holdings Limited	2.0%
MCS	McAleese Limited	1.7%
IBC	Ironbark Capital Limited	1.6%
WCB	Warrnambool Cheese & Butter Factory Co.Hold. Limited	1.6%
SDG	Sunland Group Limited	1.5%
HHV	Hunter Hall Global Value Limited	1.4%

Sector allocation



- Financials: 31.7%
- Industrials: 13.9%
- Consumer Discretionary: 8.2%
- Materials: 4.5%
- Consumer Staples: 3.1%
- Information Technology: 1.5%
- Health Care: 1.0%
- Energy: 0.1%
- Short stock: -1.0%
- Cash and Fixed Interest: 36.0%

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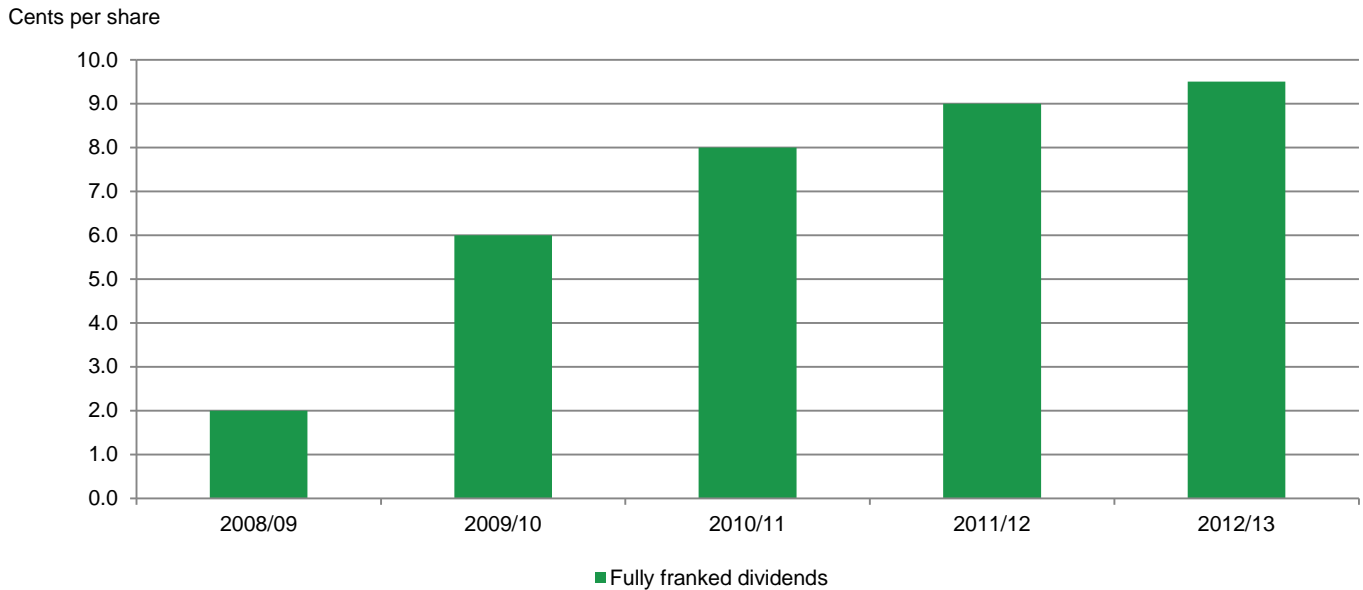
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Dividend growth

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



On 4 October 2013, the Company paid 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 7.6%, based on the last closing price.

\$17.3m raised through Bonus Option Issue

The Company raised a total of \$17,285,962 through the one-for-one Bonus Option Issue announced on 4 May 2012. These options expired on 12 December 2013 with 16,005,520 options (98.1%) exercised.