



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NET TANGIBLE ASSETS REPORT
FEBRUARY 2013

Company overview

WAM Active Limited (WAA) is a listed investment company that provides investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets.

Investment objective

The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital.

Positive returns

Since inception, the WAA investment portfolio has delivered positive returns in the short and long term. The performance against the S&P/ASX All Ordinaries Accumulation Index is set out in the table below. The investment performance is before expenses, fees and taxes.

Performance as at 28 February 2013	1 Mth %	6 Mths %	Fin YTD %	1 Year %	2 Yrs %pa	3 Yrs %pa	Since Inception (Jan-08) %pa
WAA Investment Portfolio	+4.6%	+17.7%	+21.5%	+22.3%	+12.7%	+12.0%	+14.0%
S&P/ASX All Ordinaries Accumulation Index	+5.2%	+20.5%	+27.7%	+21.9%	+6.7%	+7.8%	-0.0%
Outperformance	-0.6%	-2.8%	-6.2%	+0.4%	+6.0%	+4.2%	+14.0%

Net Tangible Asset (NTA) figures

The following NTA figures are before the payment of the 4.75 cent per share fully franked interim dividend which is due to be paid on 19 April 2013. The shares will trade ex dividend on 8 April 2013. The figures below have not been adjusted for the 12,253,803 remaining options on issue with an exercise price of \$1.08 per share.

NTA before tax	117.57c
NTA after tax and before tax on unrealised gains	118.09c*
NTA after tax	113.97c**

* Includes tax assets of 0.52 cents per share.

** Includes the net effect of 0.52 cents of tax assets and 4.12 cents of deferred tax liabilities.

Market outlook

In February the S&P/ASX All Ordinaries Accumulation Index finished up 5.2% continuing the strong rally in the Australian equity market which started in June last year. The market has closed higher 13 out of the last 14 months and is now at 4 year highs. Much of the recent share price rise has been price to earnings ratio expansion reflecting a dramatic shift in investor sentiment.

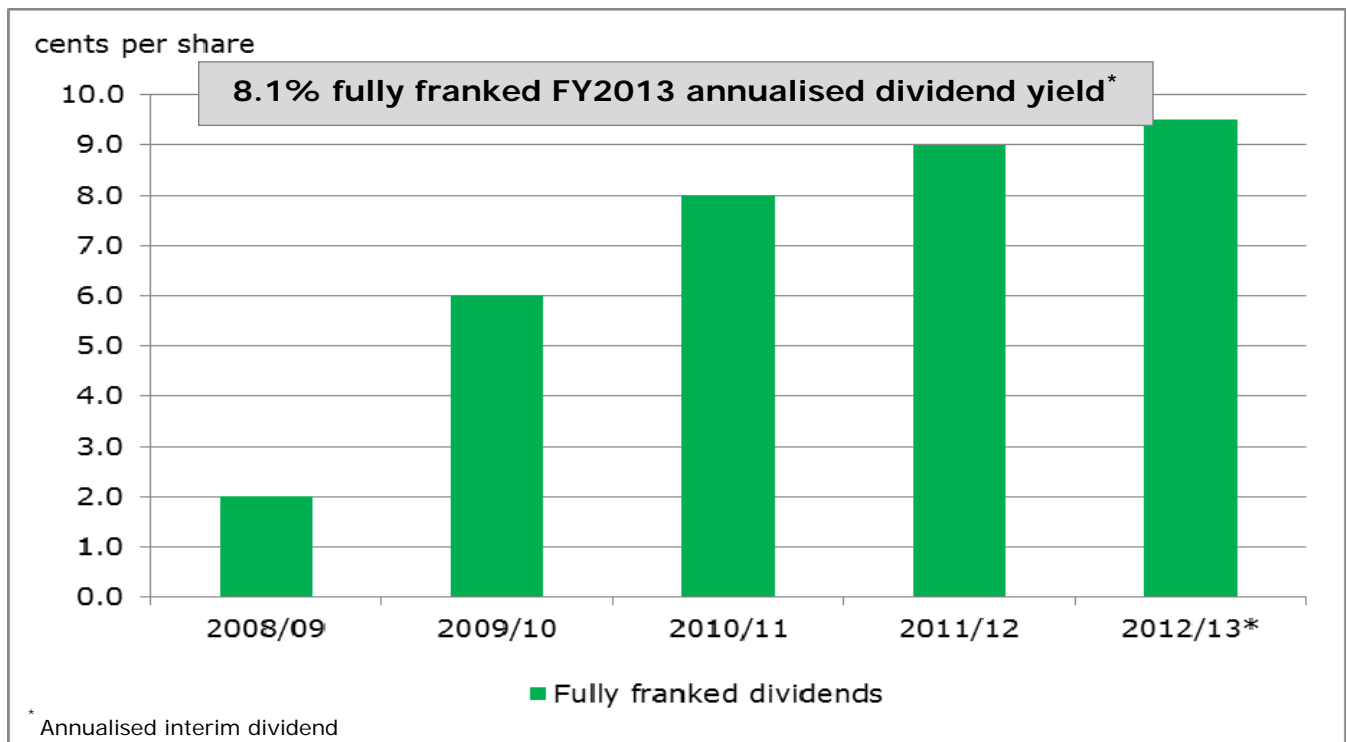
Reporting season concluded at the end of the February. The key theme was that profit growth has come mostly from reduced costs rather than higher revenue. Outlook statements remained cautious with companies noting stabilisation in their respective markets rather than a concerted upswing in trading conditions. There were hints of optimism from sectors such as retail and housing construction with both sectors seeing patchy improvement.

Dividends – 4.75 cents per share fully franked interim

On 21 February 2013, the Company announced a fully franked interim dividend of 4.75 cents per share. This is a 5.6% increase on the previous year's interim dividend and represents an annualised fully franked dividend yield of 8.1% based on the last sale price.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the Company has sufficient franking credits and it is within prudent business practices. It must also comply with Government legislation and the ATO's interpretation of a company's ability to pay franked dividends. Dividends are paid on a six-monthly basis. Dividend payments will also be made with consideration to cash flow and cash holdings.

WAM Active Dividends



*Based on the 13 March 2013 closing price.

Option issue – 1 for 1 bonus issue

On 4 May 2012, the Board announced a 1 for 1 bonus issue of options to acquire ordinary shares in the capital of the Company. The options were allotted to shareholders on 25 June 2012. 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 are currently trading on the ASX under the code WAAO.

As at 28 February 2013, 4,056,142 options have been exercised for a total consideration of \$4,380,633 with a remaining balance of outstanding options being 12,253,803.

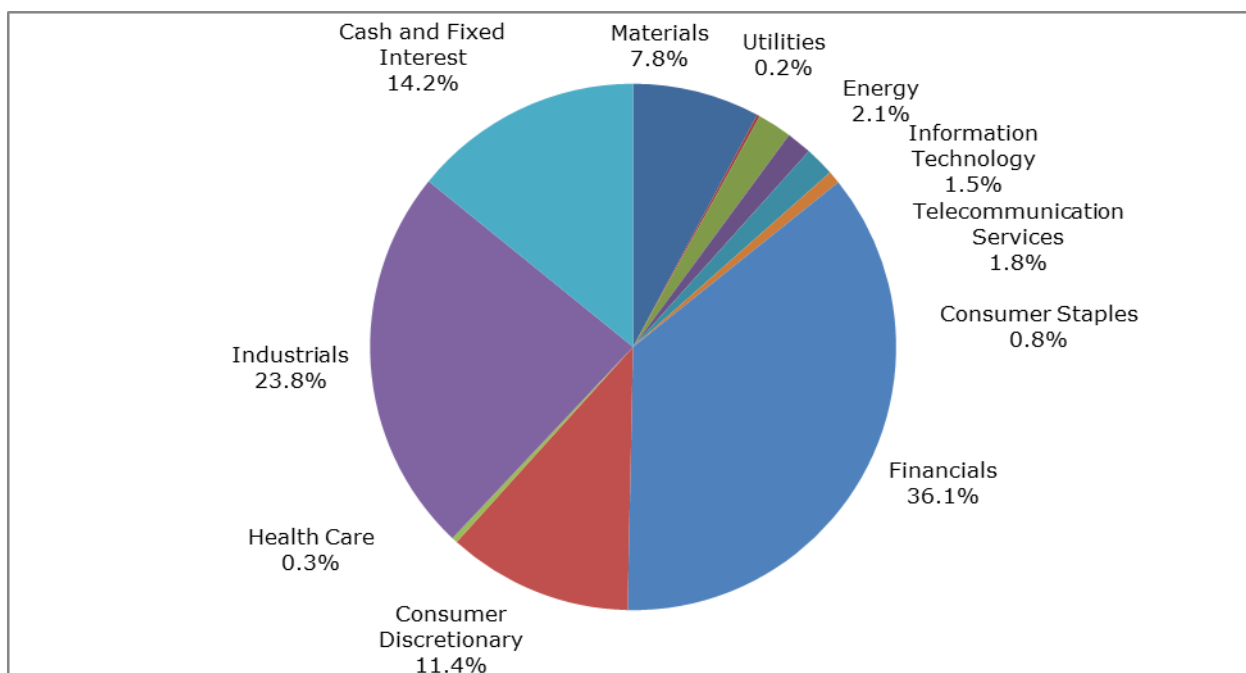
Portfolio structure

Investment Type	As at 31 Jan 2013		As at 28 Feb 2013	
	\$m	%	\$m	%
Australian Equities	21.7	91.7%	21.6	85.8%
Fixed Interest and Cash	2.0	8.3%	3.6	14.2%
Total Long Portfolio	23.7	100.0%	25.2	100.0%
Total Short Portfolio	(0.0)	(0.0%)	(0.0)	(0.0%)
Total Fund Size	\$23.7m		\$25.2m	
	No.		No.	
Total ordinary shares on issue	20,200,443		20,541,624	
Total options on issue	12,594,984		12,253,803	

At 28 February 2013 the major securities held in the portfolio were as follows:

Code	Company	Market Value \$	Market Value as % Gross Assets
HIL	Hills Holdings Limited	913,851	3.6%
ELI	Emerging Leaders Investments Limited	843,548	3.4%
SVW	Seven Group Holdings Limited	837,744	3.3%
BKW	Brickworks Limited	804,862	3.2%
INA	Ingenia Communities Group	761,958	3.0%
CYG	Coventry Group Limited	735,857	2.9%
BSL	Bluescope Steel Limited	620,757	2.5%
SDG	Sunland Group Limited	599,456	2.4%
WIC	Westoz Investment Company Limited	583,852	2.3%
CLO	Clough Limited	545,193	2.2%
MYR	Myer Holdings Limited	532,678	2.1%
FXJ	Fairfax Media Limited	516,604	2.1%
PTM	Platinum Asset Management Limited	504,789	2.0%
BOQ	Bank Of Queensland Limited	496,496	2.0%
CAA	Capral Limited	474,982	1.9%
RHG	RHG Limited	467,479	1.9%
PRT	Prime Media Group Limited	465,756	1.9%
TLS	Telstra Corporation Limited	457,747	1.8%
AGF	AMP Capital China Growth Fund	451,994	1.8%
MIO	Miclyn Express Offshore Limited	431,356	1.7%

Portfolio structure – sector allocation



Positive performance – yearly comparison to S&P/ASX All Ordinaries Accumulation Index

Set out below is the performance of WAA's investment portfolio since listing to 28 February 2013 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to how the Company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

Financial Year	WAA Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
2007/2008	+2.2%	-15.2%	+17.4%
2008/2009	+9.6%	-22.2%	+31.8%
2009/2010	+22.7%	+13.8%	+8.9%
2010/2011	+11.5%	+12.2%	-0.7%
2011/2012	+5.5%	-7.0%	+12.5%
2012/2013 YTD	+21.5%	+27.7%	-6.2%

Performance - monthly comparison

The table below shows the month by month investment performance of WAA against the S&P/ASX All Ordinaries Accumulation Index.

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08
Investment Portfolio*	+0.3%	+1.2%	+0.5%	+1.6%	+2.4%	-3.7%	-1.1%
All Ords Accum.	-11.2%	+0.3%	-4.1%	+4.6%	+2.5%	-7.3%	-5.2%
	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09
Investment Portfolio*	+0.1%	-3.8%	-5.3%	-5.2%	+3.4%	-1.9%	+0.6%
All Ords Accum.	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-4.3%
	Mar 09	Apr 09	May 09	Jun 09	July 09	Aug 09	Sep 09
Investment Portfolio*	+4.5%	+7.6%	+5.0%	+6.2%	+9.6%	+7.5%	+6.2%
All Ords Accum.	+8.1%	+6.1%	+2.2%	+3.9%	+7.7%	+6.5%	+6.0%
	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10
Investment Portfolio*	+2.1%	+0.3%	+1.0%	-3.6%	+0.0%	+2.9%	+0.4%
All Ords Accum.	-1.9%	+1.9%	+3.7%	-5.8%	+1.8%	+5.8%	-1.2%
	May 10	Jun 10	Jul 10	Aug 10	Sep 10	Oct 10	Nov 10
Investment Portfolio*	-4.0%	-0.9%	+1.6%	+0.1%	+2.7%	+1.3%	+2.3%
All Ords Accum.	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%	-0.7%
	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11
Investment Portfolio*	+3.6%	+0.7%	-0.3%	+0.4%	+2.5%	-1.6%	-2.3%
All Ords Accum.	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%	-1.9%	-2.4%
	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12
Investment Portfolio*	+0.0%	-1.2%	+0.7%	+2.1%	-0.4%	-1.0%	+1.0%
All Ords Accum.	-3.4%	-2.0%	-6.3%	+7.2%	-3.4%	-1.6%	+5.2%
	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12
Investment Portfolio*	+3.5%	+1.1%	+0.0%	-1.6%	+1.1%	+1.2%	+2.0%
All Ords Accum.	+2.4%	+1.2%	+1.1%	-6.9%	+0.3%	+3.7%	+2.1%
	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Since Inception
Investment Portfolio*	+1.4%	+1.9%	+0.7%	+2.7%	+5.3%	+4.6%	+96.5%
All Ords Accum.	+2.1%	+3.0%	+0.3%	+3.4%	+5.1%	+5.2%	-0.0%

*The change in the portfolio before all expenses, fees and taxes.

For more information

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