

Investment Update & Net Tangible Assets Report

AS AT 28 FEBRUARY 2015



Performance

Performance at 28 February 2015	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	3.7%	1.8%	4.9%	6.4%	13.3%	10.8%	12.6%
S&P/ASX All Ordinaries Accumulation Index	7.0%	7.1%	12.7%	13.6%	15.2%	9.5%	3.2%
Outperformance	-3.3%	-5.3%	-7.8%	-7.2%	-1.9%	+1.3%	+9.4%
UBS Bank Bill Index	0.2%	1.4%	1.8%	2.7%	3.1%	3.8%	4.3%
Outperformance	+3.5%	+0.4%	+3.1%	+3.7%	+10.2%	+7.0%	+8.3%

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

Net Tangible Assets (NTA) figures

NTA before tax	104.03c
NTA after tax and before tax on unrealised gains	103.83c
NTA after tax	103.73c

Market overview

The S&P/ASX All Ordinaries Accumulation Index continued its strong start to 2015 to close up 7% in February. The market rally was sparked by the Reserve Bank of Australia's surprise decision to reduce the cash rate to 2.25%. Our expectation is that interest rates will be reduced again during the remainder of 2015 which will have a positive impact on Australian economic growth which is waning.

Domestic earnings season revealed little change in the environment domestically for many companies, with weak revenues and a focus on costs. Interest in expansion was also still limited and the emphasis on distributing earnings remained, with more companies lifting dividends. Corporate earnings continued to be weak, in particular in the resources sector which is adjusting to the end of the mining boom. Companies linked to the strong residential housing sector delivered strong results as expected, in particular companies exposed to the Sydney housing market.

In addition to low interest rates both domestically and globally, we expect four drivers will continue to define the Australian equities market throughout the remainder of 2015: global quantitative easing, a falling Australian dollar, a low oil price and corporate earnings. Overall, we remain cautious and are well positioned to capitalise on opportunities as they arise.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$36.6m
Market cap	\$39.0m
Share price	\$1.125
NTA before tax	\$1.04
Shares on issue	34,693,760
Capital return (1HFY2015)	4.0c

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
Senior Equity Analyst

Tobias Yao
Equity Analyst

James McNamara
Communications Manager

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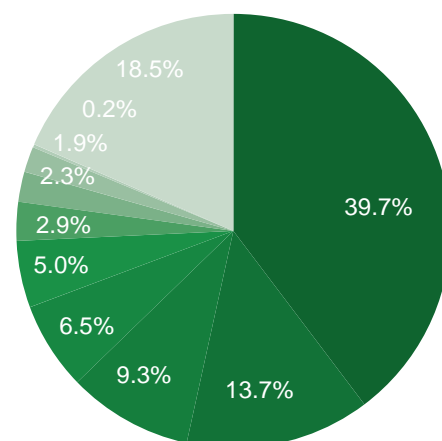
Diversified portfolio

Investment Type	January 2015		February 2015	
	\$m	%	\$m	%
Listed Equities	18.0	50.2	29.8	81.5
Fixed Interest & Cash	17.8	49.8	6.8	18.5
Long Portfolio	35.8	100.0%	36.6	100.0%
Short Portfolio	(0.4)	(1.1)	(0.0)	(0.0)
Gross Assets	\$35.4m		\$36.6m	
Total shares on issue	34,693,760		34,693,760	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,144,690	5.9%
CYA	Century Australia Investments Limited	1,820,239	5.0%
IFL	IOOF Holdings Limited	893,564	2.4%
QAN	Qantas Airways Limited	855,535	2.3%
MYR	Myer Holdings Limited	838,976	2.3%
ALL	Aristocrat Leisure Limited	829,099	2.3%
ANN	Ansell Limited	807,812	2.2%
MQG	Macquarie Group Limited	807,070	2.2%
FXJ	Fairfax Media Limited	782,255	2.1%
BHP	BHP Billiton Limited	776,541	2.1%
AMP	AMP Limited	774,252	2.1%
WBC	Westpac Banking Corporation	761,178	2.1%
TLS	Telstra Corporation Limited	754,335	2.1%
IPE	IPE Limited	750,435	2.1%
TWE	Treasury Wine Estates Limited	743,687	2.0%
ORA	Orora Limited	738,386	2.0%
ANZ	Australia & New Zealand Banking Group Limited	733,976	2.0%
CBA	Commonwealth Bank of Australia	721,204	2.0%
EGP	Echo Entertainment Group Limited	712,363	1.9%
CSR	CSR Limited	712,046	1.9%

Sector allocation



- Financials 39.7%
- Consumer Discretionary 13.7%
- Industrials 9.3%
- Materials 6.5%
- Telecommunication Services 5.0%
- Health Care 2.9%
- Consumer Staples 2.3%
- Energy 1.9%
- Information Technology 0.2%
- Cash and Fixed Interest 18.5%

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Capital Management – Return of Capital

As at 31 December 2014, the Company's net assets were less than issued capital. The Directors recognise investors have cash flow needs and therefore have declared a 4.0 cents per share Return of Capital, subject to shareholder approval at an Extraordinary General Meeting (EGM) to be held on 19 May 2015.

Key Return of Capital dates

EGM to approve Return of Capital:	19 May 2015
Ex date (subject to shareholder approval):	21 May 2015
Record date (subject to shareholder approval):	25 May 2015
Payment date (subject to shareholder approval):	1 June 2015

Dividends

The Board has not declared an interim dividend for the half year to 31 December 2014. While the Board is committed to paying an increasing stream of fully franked dividends to shareholders, this is dependent on the Company having sufficient profit reserves and the payment being within prudent business practices. When a dividend is declared, it is usually paid on a six-monthly basis.

WAM Active dividends since inception

