

Investment Update & Net Tangible Assets Report

AS AT 31 JANUARY 2014



Performance

Performance at 31 January 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	0.1%	10.0%	12.8%	12.1%	10.7%	18.9%	13.0%
S&P/ASX All Ordinaries Accumulation Index	-2.8%	5.6%	11.4%	10.7%	7.0%	13.2%	0.8%
Outperformance	+2.9%	+4.4%	+1.4%	+1.4%	+3.7%	+5.7%	+12.2%
UBS Bank Bill Index	0.2%	1.3%	1.6%	2.8%	3.9%	4.0%	4.6%
Outperformance	-0.1%	+8.7%	+11.2%	+9.3%	+6.8%	+14.9%	+8.4%

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

Net Tangible Assets (NTA) figures

NTA before tax	109.38c
NTA after tax and before tax on unrealised gains	110.34c*
NTA after tax	107.35c**

*Includes tax assets of 0.96 cents per share.

**Includes the net effect of 0.96 cents of tax assets and 2.99 cents of deferred tax liabilities.

Market overview

Australia's equity market had a negative start to the new calendar year with the S&P/ASX All Ordinaries Accumulation Index ('Index') falling 2.8% dragged lower by a range of factors including a series of company downgrades, the wind-down of the United States' Quantitative Easing ('QE') program, slower than expected growth in China and the spread of the so-called emerging markets crisis.

To date, volatility has characterised equity markets in February with the Index up 2.3% after dropping almost 2.0% in the first two sessions of the month. The interim reporting season is now underway with company results so far mixed. Our expectation over the coming weeks is for generally reasonable profit announcements with many companies reporting a second half skew to their earnings. Over coming weeks, we will be closely monitoring companies' ability to achieve earnings growth which, in our view, will be key to the Australian market edging higher.

In the medium to longer term, we have a bullish view of the equity market contingent on an increase in economic activity driven by record low interest rates. In the immediate term, we continue to have a cautious view of equities and our outlook for global and local sharemarkets remains subdued. We anticipate flat performances this calendar year with the majority of the economic recovery already priced in to current stock values. Despite this, we are confident that prevailing market conditions will continue to give rise to a range of opportunities and, with a strong cash weighting, the investment portfolio is well positioned to seize on these opportunities.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$38.1m
Market cap	\$43.2m
Share price	\$1.27
NTA before tax	\$1.09
Shares on issue	34,021,523
Fully franked annualised interim dividend (FY2014)	9.6c
Dividend yield	7.6%

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

Martin Hickson
Senior Equity Analyst/Dealer

Matthew Haupt
Equity Analyst

Mark Tobin
Equity Analyst

Meredith Hemsley
Corporate Affairs

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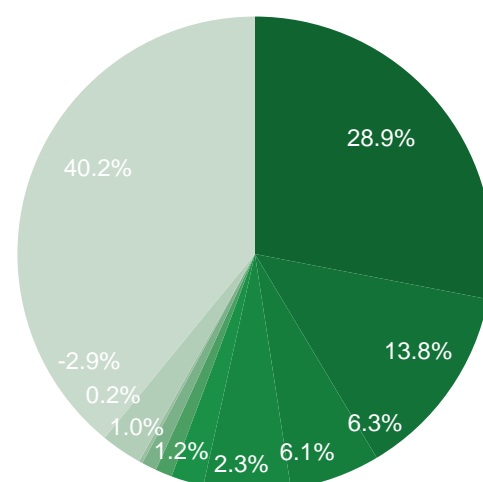
Diversified portfolio

Investment Type	December 2013		January 2014	
	\$m	%	\$m	%
Listed Equities	24.7	64.0	23.4	59.8
Fixed Interest & Cash	13.9	36.0	15.8	40.2
Long Portfolio	38.6	100.0%	39.2	100.0%
Short Portfolio	(0.4)	(1.0)	(1.1)	(2.9)
Gross Assets	\$38.2m		\$38.1m	
Total shares on issue	34,021,523		34,021,523	

Top holdings

Code	Company	Market Value as % Gross Assets
AOG	Aveo Group Limited (formerly FKP Property Group)	7.0%
CYA	Century Australia Investments Limited	3.9%
WIC	Westoz Investment Company Limited	3.0%
HIL	Hills Holdings Limited	2.8%
IPE	ING Private Equity Access Limited	2.8%
CSR	CSR Limited	2.6%
BKW	Brickworks Limited	2.6%
ELI	Emerging Leaders Investments Limited	2.4%
CYG	Coventry Group Limited	2.3%
MQA	Macquarie Atlas Roads Group	2.3%
FXJ	Fairfax Media Limited	2.1%
BGA	Bega Cheese Limited	2.1%
TPI	Transpacific Industries Group Limited	2.0%
DJS	David Jones Limited	2.0%
SDG	Sunland Group Limited	1.8%
IBC	Ironbark Capital Limited	1.6%
HHV	Hunter Hall Global Value Limited	1.5%
PRT	Prime Media Group Limited	1.2%
CCP	Credit Corp Group Limited	1.1%
MYX	Mayne Pharma Group Limited	1.1%

Sector allocation



- Financials 28.9%
- Industrials 13.8%
- Consumer Discretionary 6.3%
- Materials 6.1%
- Consumer Staples 2.3%
- Information Technology 1.2%
- Health Care 1.0%
- Energy 0.2%
- Short Stock -2.9%
- Cash and Fixed Interest 40.2%

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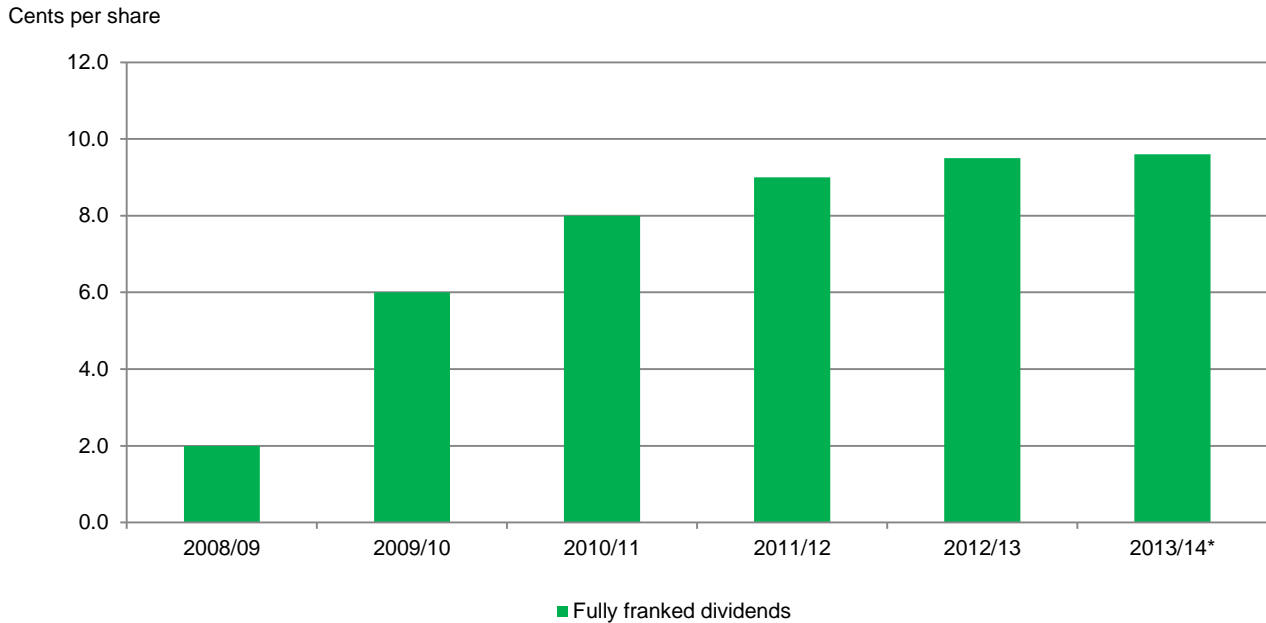
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Dividend growth

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



*Annualised interim dividend

On 4 February 2014 the Company announced a fully franked interim dividend of 4.8 cents per share. This represents an annualised fully franked dividend yield of 7.2% based on the last closing price. The interim dividend will be paid on 30 April 2014 and will trade ex on 11 April 2014.

The dividend reinvestment plan will operate at a 2.5% discount. To participate in the DRP, shareholders should send their election to the Company's share registrar (Boardroom) no later than 17 April 2014.

Key dividend dates

Ex date:	11 April 2014
Record date:	17 April 2014
Last election date for the DRP:	17 April 2014
Payment date:	30 April 2014