

Investment Update & Net Tangible Assets Report

AS AT 30 SEPTEMBER 2013



Performance

Performance at 30 September 2013	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	4.2%	6.1%	11.6%	23.0%	13.2%	16.4%	13.6%
S&P/ASX All Ordinaries Accumulation Index	2.4%	7.1%	10.8%	23.5%	8.6%	7.0%	0.8%
Outperformance	+1.8%	-1.0%	+0.8%	-0.5%	+4.6%	+9.4%	+12.8%
UBS Bank Bill Index	0.2%	1.5%	0.7%	3.1%	4.1%	4.2%	4.7%
Outperformance	+4.0%	+4.6%	+10.9%	+19.9%	+9.1%	+12.2%	+8.9%

* The investment performance is before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

The following NTA figures are before the payment of the 4.75 cent per share fully franked final dividend on 4 October 2013. The shares traded ex-dividend on 23 September 2013.

NTA before tax	113.66c
NTA after tax and before tax on unrealised gains	114.15c*
NTA after tax	111.14c**

*Includes tax assets of 0.49 cents per share.

**Includes the net effect of 0.49 cents of tax assets and 3.01 cents of deferred tax liabilities. The above figures are after 4,040,273 options exercised during the month.

Market overview

In September, the S&P/ASX All Ordinaries Accumulation Index ('Index') rose 2.39%, continuing the market's upward trajectory in recent months. The Index ended the September quarter up 10.8%, the strongest quarterly performance since the 2009 September quarter, with five out of the last six quarters closing in positive territory.

Although Republicans and Democrats remain deadlocked, prolonging the shutdown of the United States government, we expect Congress will resolve its fiscal issues in time restoring confidence to markets globally. The announcement by the White House that Dr Janet Yellen will be nominated by President Obama as the next Chair of the US Federal Reserve is another positive for markets. Dr Yellen is an advocate for using monetary policy to stimulate employment which increases the probability that the US government will continue to stimulate the economy through its current program of Quantitative Easing ('QE').

Corporate activity has continued to gather momentum in recent weeks with a number of companies readying to list their businesses including: Nine Entertainment (\$3 billion); Meridian Energy (NZ \$3 billion); Veda (\$1.5 billion); and Dick Smith (\$600 million). We anticipate that between now and Christmas the level of capital raisings will continue to increase due to various strong factors driving underlying institutional demand.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$36.2m
Market cap	\$36.9m
Share price	\$1.185
NTA before tax	\$1.14
Shares on issue	31,118,811
Options on issue	1,920,459
Fully franked dividends (FY2013)	9.5c
Dividend yield	8.0%

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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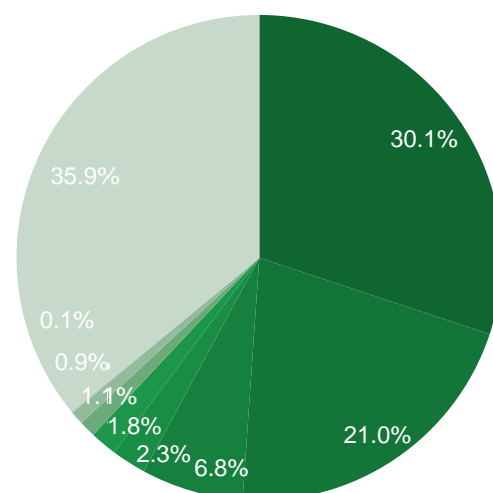
Portfolio structure

Investment Type	August 2013		September 2013	
	\$m	%	\$m	%
Listed Equities	22.6	74.0	23.2	64.1
Fixed Interest & Cash	8.0	26.0	13.0	35.9
Long Portfolio	30.6	100.0%	36.2	100.0%
Short Portfolio	(0.0)	(0.0)	(0.0)	(0.0)
Gross Assets	\$30.6m		\$36.2m	
Total shares on issue	27,078,538		31,118,811	
Total options on issue	5,960,732		1,920,459	

Top holdings

Code	Company	Market Value as % Gross Assets
GNC	Graincorp Limited	4.7%
CYA	Century Australia Investments Limited	4.0%
CLO	Clough Limited	3.7%
HIL	Hills Holdings Limited	3.6%
WIC	Westoz Investment Company Limited	2.6%
MFG	Magellan Financial Group Limited	2.6%
ELI	Emerging Leaders Investments Limited	2.4%
IPE	ING Private Equity Access Limited	2.4%
MQA	Macquarie Atlas Roads Group	2.0%
CYG	Coventry Group Limited	2.0%
FKP	FKP Property Group	2.0%
SDG	Sunland Group Limited	1.9%
CSR	CSR Limited	1.8%
BKW	Brickworks Limited	1.8%
PRT	Prime Media Group Limited	1.6%
VLW	Villa World Limited	1.6%
TSE	Transfield Services Limited	1.5%
DVN	Devine Limited	1.4%
WCB	Warrnambool Cheese & Butter Factory Co.Hold.Ltd	1.3%
INA	Ingenia Communities Group	1.1%

Sector allocation



- Financials 30.1%
- Industrials 21.0%
- Consumer Staples 6.8%
- Materials 2.3%
- Consumer Discretionary 1.8%
- Energy 1.1%
- Health Care 0.9%
- Information Technology 0.1%
- Cash and Fixed Interest 35.9%

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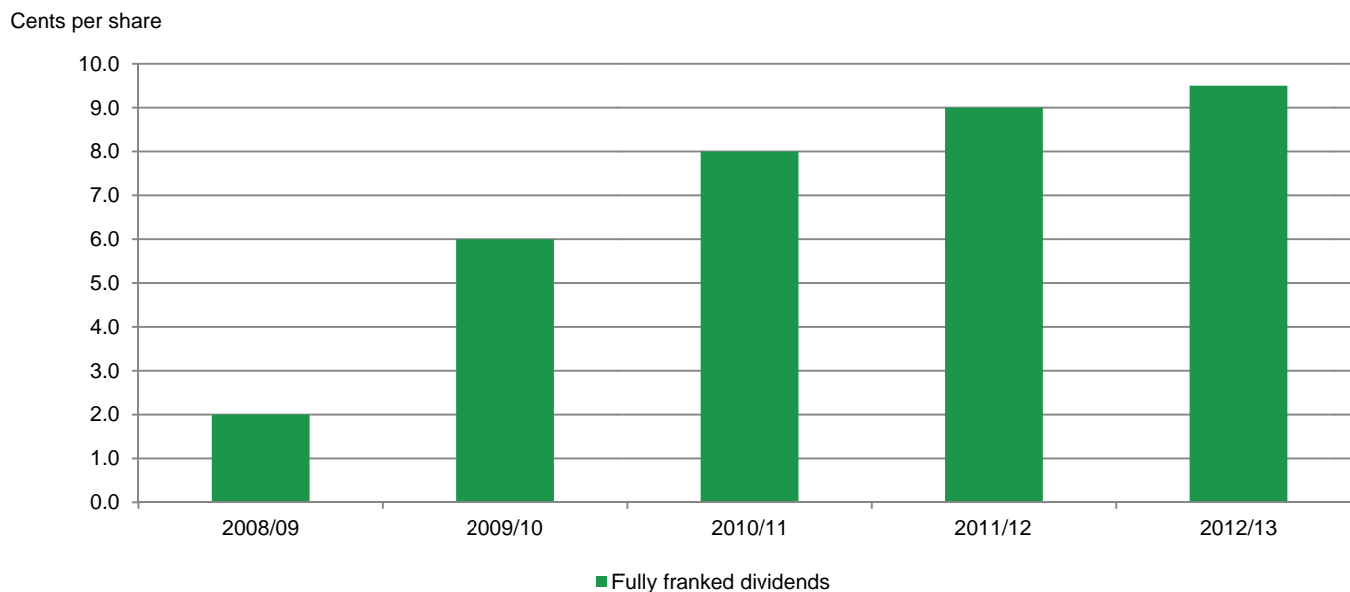
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Dividends

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 4 October 2013, the Company paid shareholders 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 8.0%, based on the last closing price.

Key dividend dates

Ex date: 23 September 2013

Record date: 27 September 2013

Payment date: 4 October 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 WAM Active 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 30 September 2013, 14,389,486 options had been exercised for a total consideration of \$15,540,645, with the remaining balance of outstanding options being 1,920,459.