

Investment Update & Net Tangible Assets Report

AS AT 30 SEPTEMBER 2014



Performance

Performance at 30 September 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	-2.9%	0.9%	0.0%	7.0%	13.5%	9.7%	12.6%
S&P/ASX All Ordinaries Accumulation Index	-5.3%	0.2%	-0.3%	5.9%	14.0%	6.7%	1.5%
Outperformance	+2.4%	+0.7%	+0.3%	+1.1%	-0.5%	+3.0%	+11.1%
UBS Bank Bill Index	0.2%	1.3%	0.7%	2.6%	3.4%	3.9%	4.4%
Outperformance	-3.1%	-0.4%	-0.7%	+4.4%	+10.1%	+5.8%	+8.2%

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

Professional Planner / Zenith Fund Awards 2014

We are pleased to share with you that Wilson Asset Management took home the award for the Listed Investment Company Category at the Professional Planner/Zenith Fund Awards 2014 on Friday. We are delighted to be recognised for our work and would like to thank our shareholders for their ongoing support.

Net Tangible Assets (NTA) figures

The following NTA figures are before the 4.8 cents per share fully franked final dividend due to be paid on 24 October 2014. The shares traded ex-dividend on 13 October 2014.

NTA before tax	105.54c
NTA after tax and before tax on unrealised gains	106.00c*
NTA after tax	105.92c**

*Includes tax assets of 0.46 cents per share.

**Includes the net effect of 0.46 cents of tax assets and 0.08 cents of deferred tax liabilities.

Market overview

The Australian sharemarket stumbled in September with the S&P/ASX All Ordinaries closing down 5.3% for the month, wiping out all of the gains since the start of the financial year. The market was weighed down by the heavy underperformance of its two biggest sectors – banks, as concerns around additional capital requirements intensified, and mining due to falling commodity prices, in particular iron ore.

Global equities also struggled during the month with the S&P 500 Index in the US falling 1.6%. Uncertainty around the timing of interest rate hikes in the US and the UK put further pressure on the AUD, which fell 6.3% over the month and caused the Australian sharemarket to significantly underperform global markets in USD terms. We believe offshore investors have continued to repatriate funds after chasing yield in Australia over the last five years.

Looking to the near term, we are cautious about the upcoming AGM season. In our view, the Australian economy continues to be lethargic, as evidenced by second quarter GDP growth slowing to 3.1% from 3.4% in the first quarter of the year. With our current cash levels, we are well placed to take advantage of opportunities as they arise. Over the short term, equity market returns are likely to remain below longer term averages, however we believe that the medium to longer term view of the market is more positive.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$36.4m
Market cap	\$47.9m
Share price	\$1.395*
NTA before tax	\$1.06*
Shares on issue	34,316,532
Fully franked dividends (FY2014)	9.6c
Dividend yield	6.9%

*Before the payment of the final dividend of 4.8c fully franked.

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

Melanie Shaw
Corporate Affairs

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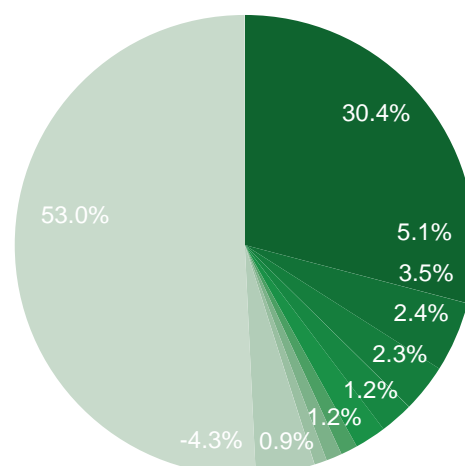
Diversified portfolio

Investment Type	August 2014		September 2014	
	\$m	%	\$m	%
Listed Equities	23.4	62.3	17.9	47.0
Fixed Interest & Cash	14.1	37.7	20.2	53.0
Long Portfolio	37.5	100.0%	38.1	100.0%
Short Portfolio	(0.0)	(0.0)	(1.7)	(4.3)
Gross Assets	\$37.5m		\$36.4m	
Total shares on issue	34,316,532		34,316,532	

Top holdings

Code	Company	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	4.3%
HHV	Hunter Hall Global Value Limited	4.1%
CBAPA	CBA Perpetual Exc Resale Listed Sec - PERLS V	3.8%
HVN	Harvey Norman Holdings Limited	3.1%
IPE	IPE Limited	2.4%
HIL	Hills Limited	2.4%
WIC	Westoz Investment Company Limited	2.3%
GMA	Genworth Mortgage Insurance Australia Limited	2.1%
IBC	Ironbark Capital Limited	2.1%
CYG	Coventry Group Limited	1.9%
SDG	Sunland Group Limited	1.6%
CTN	Contango Microcap Limited	1.4%
SDA	Speedcast International Limited	1.4%
TWE	Treasury Wine Estates Limited	1.3%
HFA	HFA Holdings Limited	1.2%
REG	Regis Healthcare Limited	1.2%
AOG	Aveo Group	1.2%
GJT	Galileo Japan Trust	1.2%
TPM	TPG Telecom Limited	1.1%
TSE	Transfield Services Limited	1.1%

Sector allocation



- Financials 30.4%
- Industrials 5.1%
- Consumer Discretionary 3.5%
- Telecommunication Services 2.4%
- Information Technology 2.3%
- Consumer Staples 1.2%
- Health Care 1.2%
- Materials 0.9%
- Short Stock -4.3%
- Cash and Fixed Interest 53.0%

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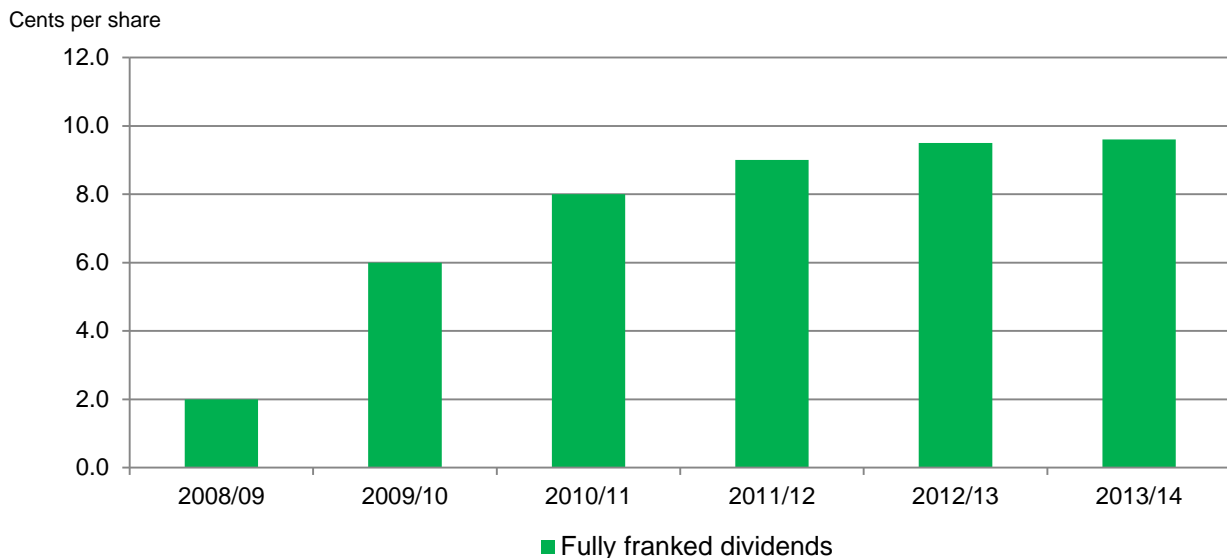
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Dividend growth

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. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. 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 5 August 2014, the Company announced a fully franked final dividend of 4.8 cents per share. This brings the FY14 full year fully franked dividend to 9.6 cents per share.

The dividend reinvestment plan (DRP) will operate at a 5% discount for the final dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 16 October 2014.

Key dividend dates

Ex date:	13 October 2014
Record date:	15 October 2014
Last election date for DRP:	16 October 2014
Payment date:	24 October 2014