



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

Performance

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 and the UBS Bank Bill Index is set out in the table below. The investment performance is before expenses, fees and taxes.

Performance as at 30 April 2013	1 Mth %	6 Mths %	Fin YTD %	1 Year %	2 Yrs %pa	3 Yrs %pa	Since Inception (Jan-08) %pa
WAA Investment Portfolio	-0.6%	+13.0%	+20.6%	+20.0%	+10.7%	+10.5%	+13.3%
S&P/ASX All Ordinaries Accumulation Index	+3.8%	+16.3%	+29.6%	+21.0%	+7.4%	+6.8%	+0.3%
Outperformance	-4.4%	-3.3%	-9.0%	-1.0%	+3.3%	+3.7%	+13.0%
UBS Bank Bill Index	+0.3%	+1.6%	+2.8%	+3.5%	+4.2%	+4.4%	+4.8%
Outperformance	-0.9%	+11.4%	+17.8%	+16.5%	+6.5%	+6.1%	+8.5%

Net Tangible Asset (NTA) figures

The following NTA figures are after the payment of the 4.75 cent per share fully franked interim dividend on 19 April 2013. The figures below have not been adjusted for the 6,639,798 remaining options on issue with an exercise price of \$1.08 per share.

NTA before tax	109.33c*
NTA after tax and before tax on unrealised gains	109.40c**
NTA after tax	107.41c***

* After the payment of 0.39 cents in tax during the month.

** Includes tax assets of 0.07 cents per share.

*** Includes the net effect of 0.07 cents of tax assets and 1.99 cents of deferred tax liabilities.

The above figures are after the exercise of 3,541,793 options during the month.

Market outlook

The S&P/ASX All Ordinaries Accumulation Index finished up 3.8% in April. The insatiable appetite for yield continued with the four major banks and Telstra representing the majority of the market's performance in April. The Small Industrials Accumulation Index lagged in April, finishing up 0.81%. The Small Resources Accumulation Index continued its slide, closing down 20.4% for the month.

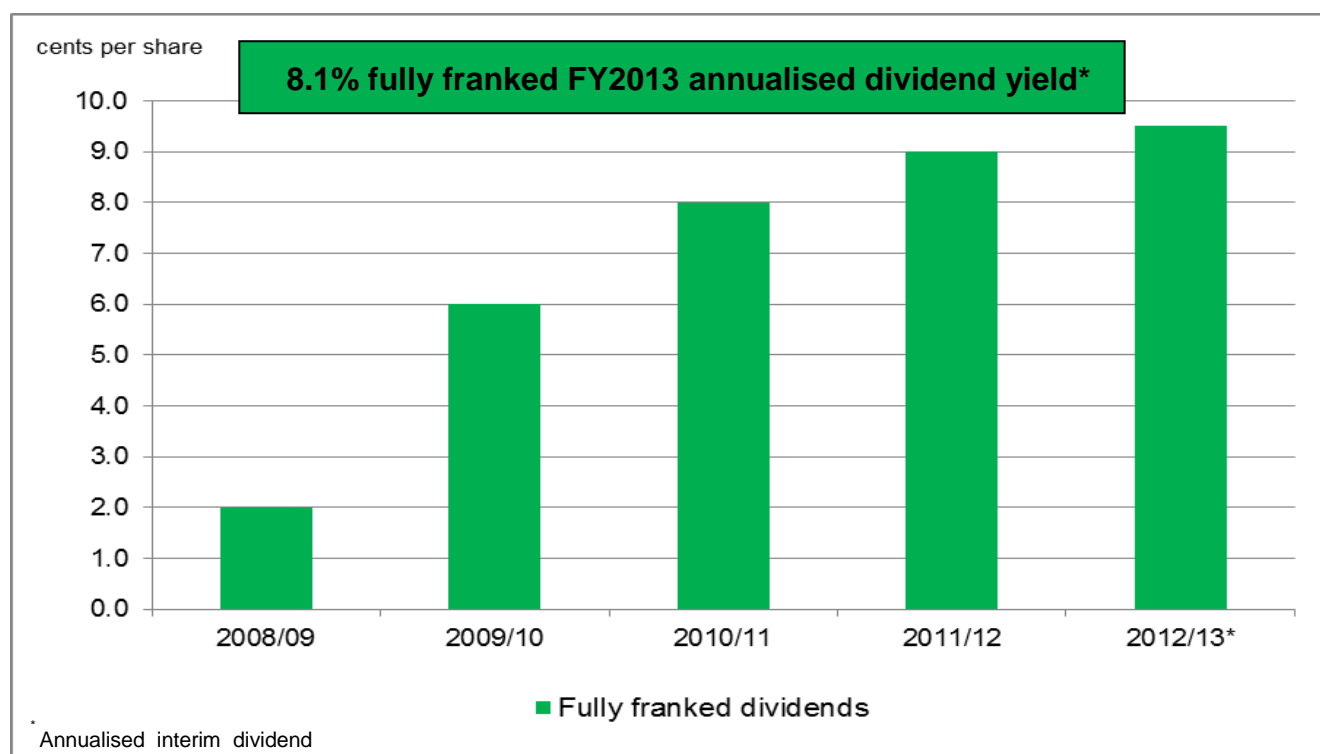
The RBA cut interest rates in early May by 0.25% which will continue to fuel the current chase for high dividend yield stocks. Resources were weak again, in particular gold stocks. Resources focused companies have had a torrid 12 months in general, with fears around global macroeconomic growth. However, with US growth slowly improving and the aggressive quantitative easing programme being undertaken by Japan, we may see an uptick in the demand for resources eventuate in late 2013. If global growth continues to improve, companies in the resources, materials and mining services sectors represent leveraged plays on a global recovery. We continue to monitor companies in these sectors for deep value opportunities.

Dividends – 4.75 cents per share fully franked interim

On 19 April 2013 WAA paid 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 13 May 2013 closing price.

Option issue – exercise at any time before 12 December 2013

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 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 WAA at \$1.08 per share. The options can be exercised in full or in part. The options are currently trading on the ASX under the code WAAO.

As at 30 April 2013, 9,670,147 options have been exercised for a total consideration of \$10,443,757, with the remaining balance of outstanding options being 6,639,798.

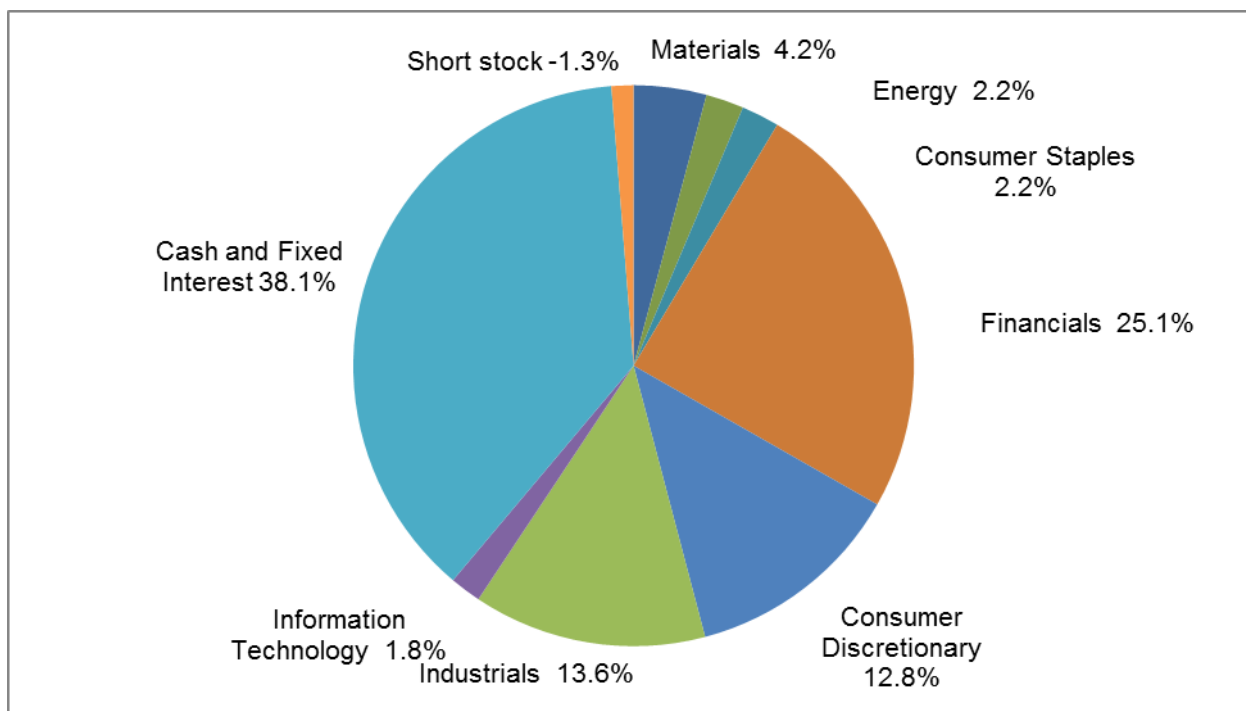
Portfolio structure

Investment Type	As at 31 Mar 2013		As at 30 Apr 2013	
	\$m	%	\$m	%
Australian Equities	17.4	62.8%	18.7	61.9%
Fixed Interest and Cash	10.3	37.2%	11.5	38.1%
Total Long Portfolio	27.7	100.0%	30.2	100.0%
Total Short Portfolio	(0.2)	(0.8%)	(0.4)	(1.3%)
Total Fund Size	\$27.5m		\$29.8m	
Total number ordinary shares on issue	22,613,836		26,399,472	
Total number options on issue	10,181,591		6,639,798	

At 30 April 2013 the major securities held in the portfolio were as follows:

Code	Company	Market Value \$	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	1,404,522	4.6%
HIL	Hills Holdings Limited	905,618	3.0%
HVN	Harvey Norman Holdings Limited	868,818	2.9%
BKW	Brickworks Limited	802,974	2.7%
FXJ	Fairfax Media Limited	785,061	2.6%
CYG	Coventry Group Limited	666,116	2.2%
SDG	Sunland Group Limited	665,556	2.2%
ELI	Emerging Leaders Investments Limited	657,717	2.2%
WIC	Westoz Investment Company Limited	578,649	1.9%
ANZ	Australia And New Zealand Banking Group Ltd	550,705	1.8%
WBC	Westpac Banking Corporation	540,124	1.8%
PRT	Prime Media Group Limited	539,315	1.8%
JBH	JB Hi-Fi Limited	526,400	1.7%
CDA	Codan Limited	516,483	1.7%
MIO	Miclyn Express Offshore Limited	512,977	1.7%
INA	Ingenia Communities Group	462,603	1.5%
TEN	Ten Network Holdings Limited	432,130	1.4%
CAA	Capral Limited	415,067	1.4%
AIX	Australian Infrastructure Fund	405,166	1.3%
FGE	Forge Group Limited	370,851	1.2%

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 30 April 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	+20.6%	+29.6%	-9.0%

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	Mar 13
Investment Portfolio	+1.4%	+1.9%	+0.7%	+2.7%	+5.3%	+4.6%	-0.1%
All Ords Accum.	+2.1%	+3.0%	+0.3%	+3.4%	+5.1%	+5.2%	-2.2%
	Apr 13						Since Inception
Investment Portfolio	-0.6%						+95.0%
All Ords Accum.	+3.8%						+1.5%

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

For more information

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