

Investment Update & Net Tangible Assets Report

AS AT 31 JULY 2014



Performance

Performance at 31 July 2014	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since Inception %pa (Jan-08)
WAA Investment Portfolio*	2.2%	8.1%	18.9%	14.1%	13.1%	13.3%
S&P/ASX All Ordinaries Accumulation Index	4.5%	10.3%	16.6%	12.6%	10.3%	2.3%
Outperformance	-2.3%	-2.2%	+2.3%	+1.5%	+2.8%	+11.0%
UBS Bank Bill Index	0.2%	1.3%	2.7%	3.5%	3.9%	4.4%
Outperformance	+2.0%	+6.8%	+16.2%	+10.6%	+9.2%	+8.9%

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

Net Tangible Assets (NTA) figures

NTA before tax	107.67c
NTA after tax and before tax on unrealised gains	107.21c
NTA after tax	107.16c

Market overview

The new financial year got off to a strong start with the S&P/ASX All Ordinaries Accumulation Index ('Index') rising 4.5% in July. After hitting a six year high, the Index recorded its strongest monthly gain since July 2013. The market was driven higher primarily by the strong performance of local mining stocks. Investor confidence in the sector was bolstered following confirmation by Chinese authorities that the world's second largest economy was on track to achieve growth of 7.5% and allaying concerns of a 'hard landing'. The local Index has now risen 50% over the last 25 months since its low in June 2012.

The United States' recovery continues to gather pace with figures out during the month showing their economy had expanded in the second quarter while unemployment had fallen to 6.1%, its lowest level since September 2008. The June US Federal Reserve Board minutes (out in July) revealed that the US Central Bank plans to stop its program of quantitative easing in October, reflecting improved economic conditions. US investors are now grappling with the growing expectation that interest rates will move higher in early 2015.

We continue to be cautious in our short term view of Australia's equity market. Reporting season, which has commenced, will provide a good opportunity to discuss current conditions with corporates along with their outlook for the next 12 months. While the May Federal Budget dampened consumer confidence and stifled growth, we expect historically low interest rates to stimulate economic activity over the longer term.

WAM Active Limited

ASX Code	WAA
Listed	Jan 2008
Gross assets	\$38.5m
Market cap	\$44.6m
Share price	\$1.30
NTA before tax	\$1.08
Shares on issue	34,316,532
Fully franked dividend (FY2014)	9.6c
Dividend yield	7.4%

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

Judith Buchan
Head of Corporate Affairs

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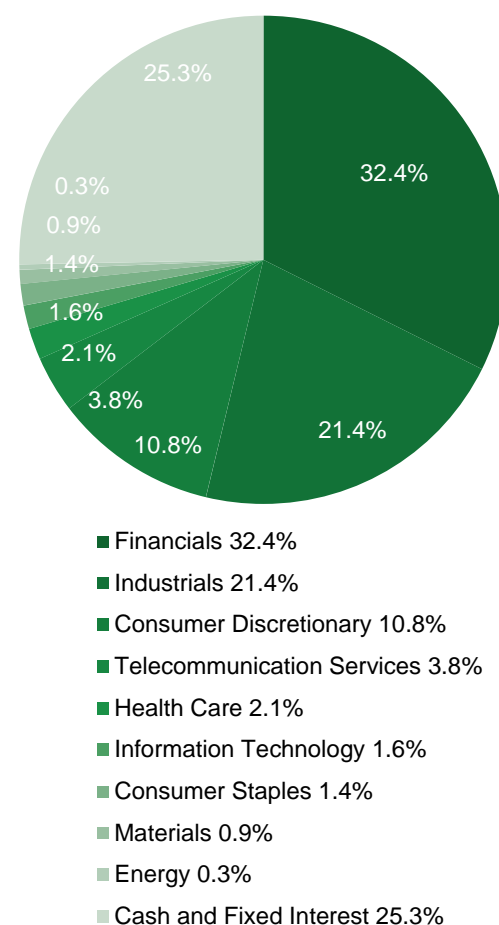
Diversified portfolio

Investment Type	June 2014		July 2014	
	\$m	%	\$m	%
Listed Equities	20.8	53.5	28.8	74.7
Fixed Interest & Cash	18.1	46.5	9.7	25.3
Long Portfolio	38.9	100.0%	38.5	100.0%
Short Portfolio	(1.1)	(2.8)	(0.0)	(0.0)
Gross Assets	\$37.8m		\$38.5m	
Total shares on issue	34,316,532		34,316,532	

Top holdings

Code	Company	Market Value as % Gross Assets
MQA	Macquarie Atlas Roads Group	4.6%
CYA	Century Australia Investments Limited	4.3%
CBAPA	CBA Perpetual Exc Resale Listed Sec - PERLS V	4.2%
CGF	Challenger Limited	3.3%
MYR	Myer Holdings Limited	3.1%
IPE	IPE Limited	3.0%
HIL	Hills Limited	2.9%
HHV	Hunter Hall Global Value Limited	2.7%
WIC	Westoz Investment Company Limited	2.6%
GMA	Genworth Mortgage Insurance Australia Limited	2.4%
CYG	Coventry Group Limited	2.3%
CCP	Credit Corp Group Limited	2.2%
SVW	Seven Group Holdings Limited	2.2%
IVC	Invocare Limited	2.1%
TLS	Telstra Corporation Limited	2.1%
RMD	Resmed Inc	2.0%
EGP	Echo Entertainment Group Limited	2.0%
SAI	SAI Global Limited	1.9%
IBC	Ironbark Capital Limited	1.8%
WBCPB	WBC Stapled Preferred Security II	1.7%

Sector allocation



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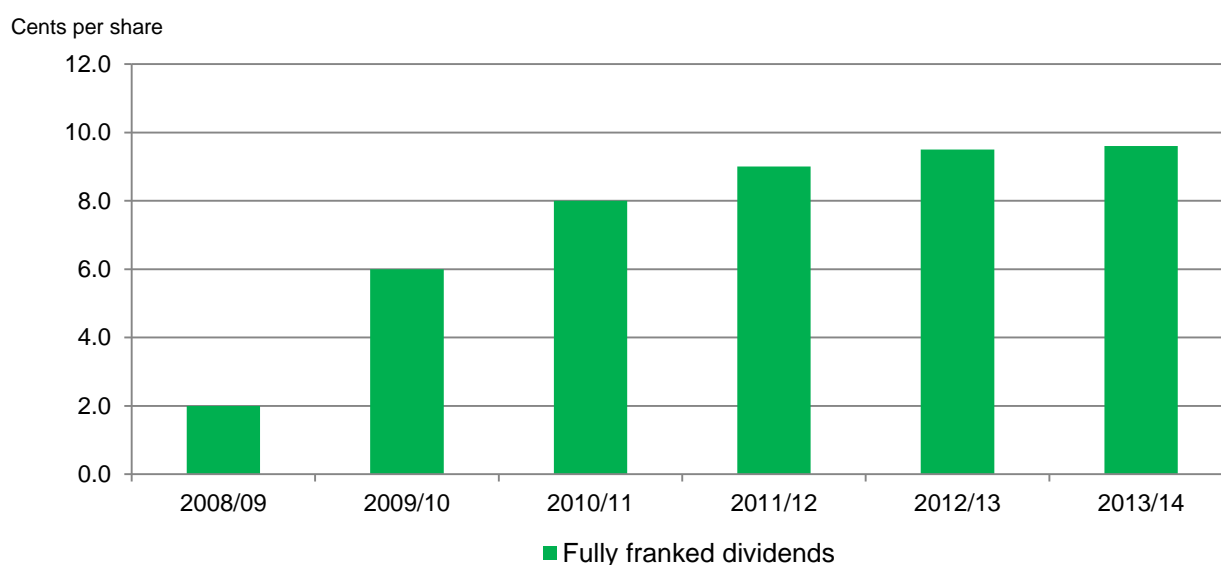
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Dividend growth

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 election 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 the DRP:	16 October 2014
Payment date:	24 October 2014

Priority offer to WAM Active shareholders in Future Generation Investment Fund Limited

WAM Active shareholders are entitled to a priority allocation to invest in the new Future Generation Investment Fund Limited. In a first for the Australian market, investors can now gain unprecedented access to Australia's best fund managers for 0.0% performance fees and 0.0% management fees. As fund managers, and many service providers, will be providing their services on a pro bono basis, this will allow the company to donate 1.0% of assets each year to children's charities to invest in Australia's future generation. Where the balance of the forgone fees is greater than the amount paid to charities, the balance will be for the benefit of shareholders.

The priority allocation closes on 28 August 2014.

For further information, including the prospectus and online application form, visit www.futuregeninvest.com.au. If you have any queries relating to the Offer, call (02) 9247 6755 or email info@wamfunds.com.au.