

WAM Active Limited (WAA)

ASX Announcement/Media Release

24 February 2016



WAM Active portfolio up 19.3%, fully franked 2.5 cent dividend

Highlights

- Investment portfolio increased 19.3% for the 12 months to 31 December 2015
- Solid 12-month outperformance: 15.5% against the market and 17.0% against the cash rate
- Fully franked 2.5 cents per share interim dividend

WAM Active Limited (ASX: WAA) ('WAM Active' or the 'Company') announces operating profit after tax of \$2.6 million for the half year to 31 December 2015, a 1,688% increase on the previous corresponding period of \$0.1 million.

The increase in operating profit is a reflection of the strong performance of the investment portfolio, which increased 14.4% in the six months to 31 December 2015, outperforming the S&P/ASX All Ordinaries Accumulation Index by 14.0% and UBS Bank Bill Index by 13.3%.

WAM Active Chairman Geoff Wilson said the positive performance was achieved due to the Company's absolute return investment strategy and flexible mandate.

"Our strong performance in the half year period points to the success of our highly active investment methodology, which saw the investment portfolio turn more than twice."

"We believe WAM Active's market-driven investment methodology will continue to offer investors capital growth and income irrespective of market conditions given the investment portfolio's low correlation to traditional markets," he said.

Chief Investment Officer Chris Stott said the Company held a high cash weighting that offered protection and allowed the manager to take advantage of volatility in the market.

"The 19.3% increase in the investment portfolio was achieved with an average 27.0% cash weighting," Mr Stott said.

Mr Stott attributed the strong result to holdings in Blackmores Limited (ASX: BKL), SG Fleet Group Limited (ASX: SGF), Mayne Pharma Group Limited (ASX: MYX), Gateway Lifestyle Group (ASX: GTY) and Myer Holdings Limited (ASX: MYR).

Investment performance

Performance at 31 December 2015	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since inception %pa (Jan-08)
WAA Investment Portfolio*	14.4%	19.3%	14.7%	11.8%	13.2%
S&P/ASX All Ordinaries Accumulation Index	0.4%	3.8%	9.3%	6.5%	2.1%
Outperformance	+14.0%	+15.5%	+5.4%	+5.3%	+11.1%
UBS Bank Bill Index (Cash)	1.1%	2.3%	2.6%	3.4%	4.1%
Outperformance	+13.3%	+17.0%	+12.1%	+8.4%	+9.1%

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

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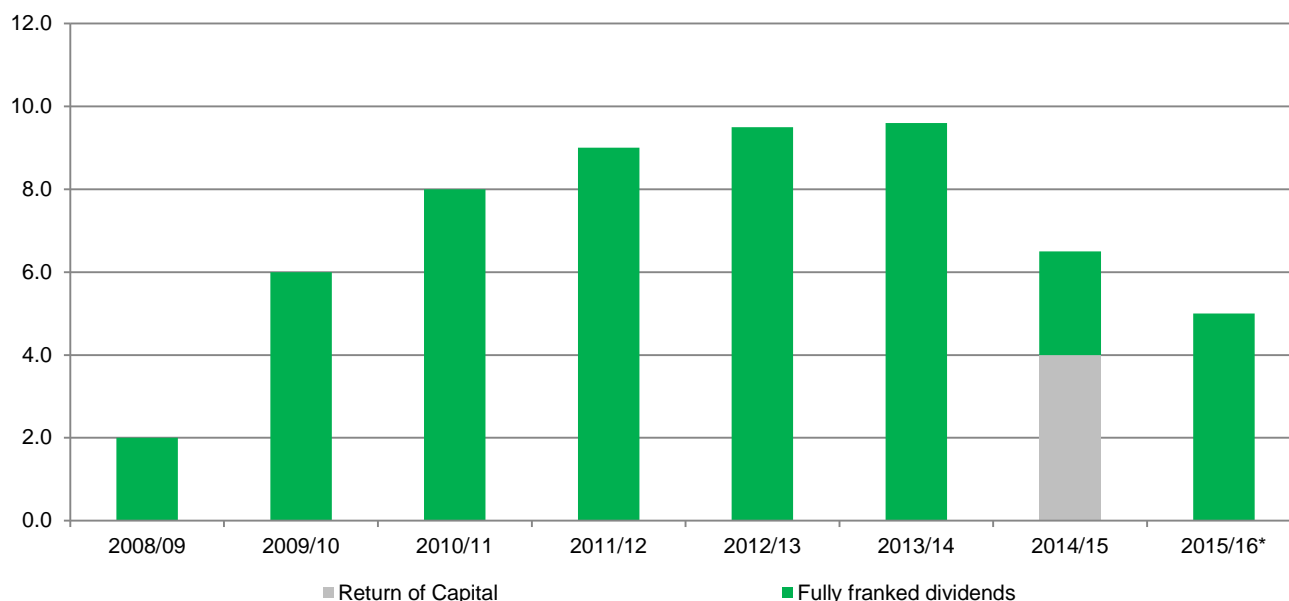


Fully franked interim dividend

The Board is pleased to announce a fully franked interim dividend of 2.5 cents per share. The interim dividend will be paid on 29 April 2016 and will trade ex dividend on 13 April 2016. The Dividend Reinvestment Plan (DRP) will operate with a 2.5% discount for the interim dividend. The last election date for the DRP will be 18 April 2016.

WAM Active's dividends since inception

Cents per share



*Annualised interim dividend

Investment portfolio performance

WAM Active's investment portfolio increased 19.3% for the 12 months to 31 December 2015 and returned 14.4% for the six months to 31 December 2015. The portfolio's top performing stocks were: Blackmores Limited (ASX: BKL), SG Fleet Group Limited (ASX: SGF), Mayne Pharma Group Limited (ASX: MYX), Gateway Lifestyle Group (ASX: GTY) and Myer Holdings Limited (ASX: MYR). The Company maintained a 22.0% average cash weighting throughout the six-month period.

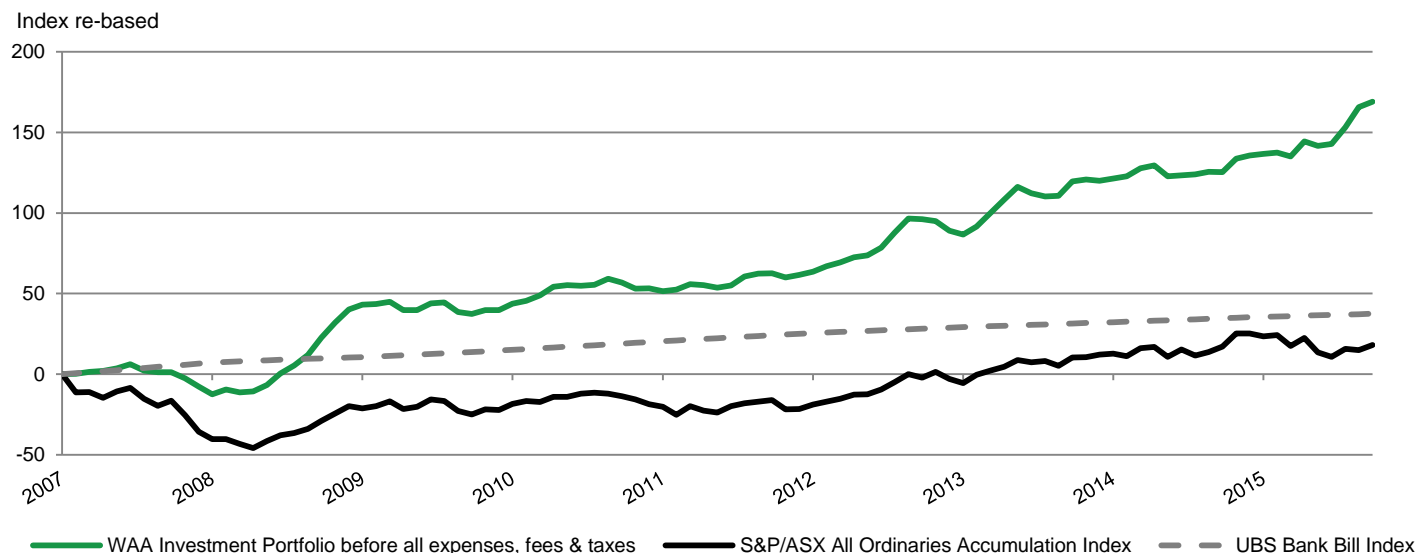
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Outperformance since Inception



Equity market performance and outlook

After recording losses during the first quarter of the 2015-2016 financial year, the S&P/ASX All Ordinaries Accumulation Index recovered ground rising 6.6% in the second quarter to post a 0.4% increase in the six months to December 2015. The slight overall increase masked the sharemarket's volatility during the period, particularly during the month of December when Australian equities recorded steep falls as commodity prices collapsed and markets globally anticipated the United States' first rate rise in almost a decade. However, the market rallied in the final two weeks of the calendar year with the Index surging almost 8.0% amid early signs of strong Christmas retail sales.

Overall, economic data released during the December quarter was positive, including better-than-expected labour force figures showing unemployment falling and very strong jobs growth. During the quarter, business confidence remained robust buoyed by the appointment of new Prime Minister Malcolm Turnbull in September. Despite these positive signs, the Federal Government's Mid-Year Economic and Fiscal Outlook, released on 15 December, provided a subdued outlook for Australia's economy with deficit projections over the next four years downgraded by \$26.0 billion to \$108.0 billion.

In January 2016, the Australian equity market experienced its worst start to the calendar year since January 2010, with the S&P/ASX All Ordinaries Accumulation Index falling 5.4%. Concerns around global economic growth and a continued slowdown in China drove the decline in equity markets. The trend has continued into February and we have now entered a bear market.

We expect the recent volatility will continue throughout the year, providing trading and short selling opportunities and slowing the record rate of initial public offerings experienced in the 2015 calendar year. Given the record low interest rate, we expect to see continued buyouts and mergers and acquisition activity.

Company outlook

With no debt and a flexible and proven investment approach, WAM Active enters 2016 well positioned to take advantage of opportunities in the market as they arise. We believe WAM Active offers investors significant diversification benefits due to its low correlation to traditional markets.

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Top holdings (as at 31 December 2015)

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	2,610,573	6.9%
CYA	Century Australia Investments Limited	1,494,762	4.0%
MYR	Myer Holdings Limited	1,253,294	3.3%
TWE	Treasury Wine Estates Limited	1,207,384	3.2%
MYX	Mayne Pharma Group Limited	1,140,274	3.0%
AOG	Aveo Group	1,056,044	2.8%
SGF	SG Fleet Group Limited	1,009,004	2.7%
BGA	Bega Cheese Limited	876,663	2.3%
DMP	Domino's Pizza Enterprises Limited	858,165	2.3%
IPP	iProperty Group Limited	814,980	2.2%
NUF	Nufarm Limited	809,867	2.2%
JBH	JB Hi-Fi Limited	808,675	2.1%
SUL	Super Retail Group Limited	802,842	2.1%
NAB	National Australia Bank Limited	793,596	2.1%
ALL	Aristocrat Leisure Limited	791,857	2.1%
PPT	Perpetual Limited	760,068	2.0%
VED	Veda Group Limited	729,772	1.9%
GJT	Galileo Japan Trust	706,418	1.9%
TGG	Templeton Global Growth Fund Limited	617,747	1.6%
HGG	Henderson Group PLC	600,172	1.6%

--Ends--

About WAM Active

WAM Active Limited (ASX: WAA) is a listed investment company managed by Wilson Asset Management. 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. WAA's investment objectives are to deliver a regular income stream via fully franked dividends, provide a positive return with low volatility, after fees, over most periods of time, and to preserve capital.

For more information visit www.wamfunds.com.au

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