17 September 2013

Dear fellow shareholder,

Dividend Reinvestment Plan ('DRP') discount 2.5% on final dividend*
I would like to thank you for your continued support of WAM Active Limited ('WAM Active' or the 'Company') and invite you to increase your holding in WAM Active at a discounted price by participating in the Dividend Reinvestment Plan ('DRP').

To participate in the DRP, please complete the attached form and return it in the reply paid envelope to Boardroom Pty Limited by ***27 September 2013***.

WAM Active FY2013 final dividend 4.75 cents per share fully franked – up 5.6%

Ex date	23 September 2013
Record date	27 September 2013
Payment date	4 October 2013

FY2013 Results and Market Overview
For FY2013, the Company was pleased to announce a full year profit of $1.5 million with the investment portfolio increasing 15.4% for the year. Full details of the Company's FY2013 results are attached.

We remain optimistic about the outlook for the Australian economy which is supported by strong fundamentals benefitting from low interest rates and a lower Australian dollar. After eight months of political uncertainty the new Coalition government is providing a more stable economic framework. These factors combined are improving business and consumer confidence which we expect will lead to a pick-up in economic activity. Corporate actions have increased in recent weeks with a number of company takeovers. We expect this trend to continue over the coming year driven by low interest rates and an improving economic environment.

WAM Active has had a strong start to the new financial year with the investment portfolio up 12% to 13 September 2013. WAM Active is well positioned to capitalise on opportunities in the market as they arise, applying our proven investment approach and flexible mandate.

Further Information
If we can help you with any information, please contact Mary-Ann Baldock on (02) 9247 6755. We hope you can join us at our November Investor Presentations in capital cities around the country. You will receive an invitation with further details in coming weeks.

Yours sincerely

Geoff Wilson
Chairman

* The DRP subscription price on the final dividend will operate with a 2.5% discount and will be calculated as the weighted average ex dividend share price of WAM Active. See the DRP rules on our website: www.wamfunds.com.au

DIVIDEND REINVESTMENT PLAN (DRP) INFORMATION

What is a DRP?
A Dividend Reinvestment Plan ('DRP') is the opportunity to invest all or part of your dividends in new shares in the Company. By participating in the DRP you will receive shares instead of a cash dividend without paying any brokerage. The Company's DRP is currently operating at a 2.5% discount. This means you have the opportunity to buy new shares in the Company at a discount to the market price without paying any brokerage.

How does the DRP work?
You can participate in the DRP and therefore elect to receive shares as part, or all, of your dividend. If you decide to participate fully in the DRP, the Company issues new shares to you in lieu of cash. These shares are newly issued shares which will contribute to an increase in the size of the Company.

What is the subscription price?
The price at which the DRP shares are issued is called the subscription price. The subscription price at which shares will be issued under the DRP is a 2.5% discount to the average price of the shares over the four days from the ex date. This average price incorporates the volume traded in the market over this period.

The subscription price is announced to the Australian Securities Exchange ('ASX') and included on our website on the record date.

How do I participate in the DRP?
To participate in the DRP, please complete and return the enclosed form in the reply paid envelope by the deadline to our share register, Boardroom Pty Limited.

What are the tax implications?
The Australian Taxation Office ('ATO') treats dividends the same whether a shareholder participates in the DRP or not. You will receive a dividend statement explaining the dividend and franked component to lodge with your annual tax return.

The shares acquired via the DRP are simply new shares purchased at the subscription price at the issue date.

Further information
For more information, please refer to the DRP rules by following the links on our website at: www.wamfunds.com.au. You can also contact the office on 02 9247 6755 for a copy of the DRP rules.

All correspondence to

BoardRoom
Smart Business Solutions

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Sydney NSW 2000
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Dividend Reinvestment Plan (DRP) - Application

This form is to be completed where the securityholder wishes to have their payments reinvested under the rules of the Dividend Reinvestment Plan. DRP rules available on request.

Option 1 **Full Participation in the DRP**

☐ All securities held will participate in DRP. No cash distribution will be issued.

Option 2 **Partial Participation in the DRP**

☐ Please write in the box the number of securities you would like to participate in the DRP. The distribution on the balance of your securities (if any) will be issued in cash.

Sign Here - This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above and agree to be bound by the rules of the DRP. I/We acknowledge that these instructions supersede any Direct Credit instructions relating to distribution payments to which I/we am/are entitled to be paid.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Day / Month / Year

SECURITIES

WAM Active Limited (WAA)

FULL YEAR RESULTS TO 30 JUNE 2013
As announced 12 August 2013

Highlights

- Operating profit after tax of $1.5m, up 280.0%
- Shareholders equity increased from $17.4m to $27.7m, up 59.2%
- Investment portfolio increased 15.4%
- Average equity weighting 66.1%
- Fully franked final dividend declared of 4.75 cents per share, up 5.6%
- Options issue raised $10.5m to date
- Since inception, outperformance of market by 13.0%

WAM Active reports full year net profit – up 280%
Full year fully franked dividend 9.5 cents

WAM Active Limited (ASX: WAA) ('WAM Active' or the 'Company') today announces an operating profit after tax of $1.5 million for the year to 30 June 2013, an increase of 280.0% over the previous corresponding period. The investment portfolio increased 15.4% for FY2013 and shareholders equity grew to $27.7 million, up 59.2% on the prior year.

The significant increase in the Company's profit result reflects the change in the value and size of the investment portfolio in part due to the option issue.

The Company also announces a fully franked final dividend of 4.75 cents per share, an increase of 5.6% on the previous corresponding period, bringing the total dividend for FY2013 to 9.5 cents per share.

WAM Active Chairman Geoff Wilson said: "WAM Active has delivered a pleasing result, with the investment portfolio increasing 15.4% with an average equity weighting of 66.1% for the year. WAM Active has again provided shareholders a fully franked final dividend, an increase of 5.6% on last year and representing an annualised fully franked dividend yield of 8.0%."

"The Company has effectively applied its proven investment approach providing investors with exposure to an active trading style capitalising on short term market mis-pricings and arbitrages," said Mr Wilson.

Investment portfolio performance

WAM Active's investment portfolio increased 15.4% for the 12 months to 30 June 2013. Gross assets increased from $17.6 million to $28.4 million, up 62.0% on the previous corresponding period.

Throughout the period, WAM Active maintained an average equity weighting of 66.1% and an average cash weighting of 33.9%. The Company's maximum equity weighting was 91.7% as at 31 January 2013 and minimum equity weighting was 52.1% as at 31 August 2012. The equity component of the investment portfolio turned over 4.9 times and traded in 296 stocks.

Chief Investment Officer Chris Stott said: "The investment portfolio delivered a sound performance in FY2013 as a result of the strategy's low correlation to equity markets and high cash weighting."

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"Over the last 12 months, WAM Active participated in several initial public offerings (IPOs) and in FY2014 we anticipate we will find further investment opportunities in the IPO market. Lower interest rates and an improving economy should lead to an increase in corporate activity in the second half of FY2014. WAM Active maintains the advantage of a flexible mandate, which allows the investment team to quickly capitalise on opportunities as they arise" said Mr Stott.

Performance as at 30 June 2013	**1 Year %**	**3 Yrs %pa**	**5 Yrs %pa**	**Since Inception (Jan-08) %pa**
WAM Active Investment Portfolio*	15.4%	10.7%	12.8%	12.0%
S&P/ASX All Ordinaries Accumulation Index	20.7%	8.0%	2.2%	-1.0%
Outperformance	**-5.3%**	**+2.7%**	**+10.6%**	**+13.0%**
UBS Bank Bill Index	3.3%	4.3%	4.5%	4.8%
Outperformance	**+12.1%**	**+6.4%**	**+8.3%**	**+7.2%**

**Investment performance is before expenses, fees and taxes.*

As WAM Active is an absolute return fund, it is not benchmarked against an equity index. The above table provides the performance of the investment portfolio against the Index as a point of reference. The UBS Bank Bill Index performance over the same period is also provided given the Company's absolute return focus.

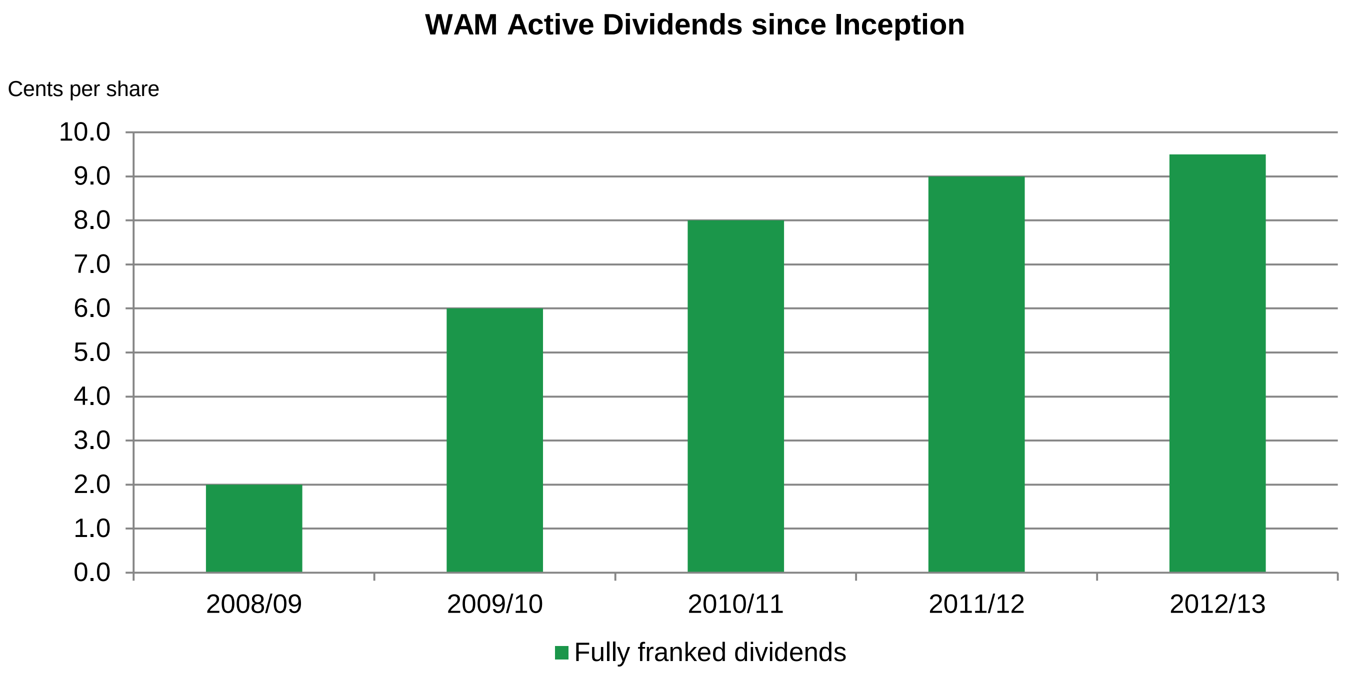
The investment portfolio's top performing stocks for the year were: Ingenia Communities Limited (INA), Clough Limited (CLO), RHG Limited (RHG), Sunland Group Limited (SDG) and Myer Holdings Limited (MYR).

Fully franked dividends

The Board has resolved to pay a fully franked final dividend of 4.75 cents per share, an increase of 5.6% on the previous corresponding period bringing the total dividend for the year to 9.5 cents per share. The final dividend will be paid on 4 October 2013 and will trade ex on 23 September 2013.

The dividend reinvestment plan will operate at a 2.5% discount.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves, 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 the final dividend.



Options issue

In May 2012, the Board announced a bonus one-for-one issue of options to acquire ordinary shares in the capital of the Company for an exercise price of $1.08. Options trade on the Australian Securities Exchange ('ASX') under the code 'WAAO'. Optionholders can exercise or sell their options, in full or in part. The last day to exercise options is 12 December 2013 and the last day to buy or sell options is 5 December 2013. If optionholders take no action, their options will expire with no value on 12 December 2013.

To date 9,702,828 (59.5%) options had been exercised for a total consideration of $10.5 million.

The objectives of the options issue are to increase shareholder value by continuing to grow the Company's assets and increase the liquidity of WAM Active shares. The proceeds from the options issue have been, and will be, invested in accordance with WAM Active's disciplined investment process focused on delivering the highest possible return while taking the minimum amount of risk.

Equity market outlook

The S&P/ASX All Ordinaries Accumulation Index closed the year up 20.7%, its strongest annual performance since the onset of the Global Financial Crisis. Markets globally have been volatile and we expect volatility to reduce in the current financial year. Much of Europe remains troubled by high unemployment and ongoing sovereign debt crises and we expect below-average growth from the region for many years. Positive signs continue to emerge from the United States that an economic recovery is underway following a deep and prolonged recession. While still expanding, data out of China indicates a slower pace of economic growth with the new regime indicating they will tighten monetary conditions over the medium term.

Australia's economy has been flagging in calendar year 2013 with political uncertainty dampening business and consumer confidence and delaying major expenditure decisions. Reflecting the poorer trading conditions, numerous companies have announced profit downgrades in recent months with softer economic conditions making it difficult for businesses to grow earnings.

While we expect weak economic conditions for the near term, we remain optimistic about the longer term outlook for the Australian economy which is supported by strong underlying fundamentals. With improving macro-economic conditions overseas, an increased availability of funding and stronger company balance sheets, corporate activity in Australia is showing signs of life after several years. In FY2014, we expect this trend to gather momentum and provide a number of investment opportunities, including IPOs and takeovers. We continue to see opportunities to invest in Listed Investment Companies (LICs), although their discount to NTA has narrowed in recent months. Over the year ahead, we also anticipate there will be select investment opportunities to short sell companies given the Australian economy remains subdued. The softer Australian dollar will continue to have a positive impact on many businesses and generates investment opportunities in a number of sectors including tourism, manufacturing and those with an export focus. In the mining services sector, we believe there are deep value opportunities. However, we expect the full benefits of the softer dollar and near record-low interest rates will not be felt until after the federal election in September.

Company outlook

With a 47.7% portfolio cash weighting as at 30 June 2013, no debt and a flexible and proven investment approach, WAM Active is well positioned to capitalise on opportunities in the market as they arise. The investment team is confident current market conditions will provide opportunities to deploy a range of active investment strategies including takeover arbitrage, initial public offerings and placements. We believe that WAM Active can continue to find trading opportunities irrespective of market conditions.

--Ends--

About WAM Active

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. 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

For further information, please contact:

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