



WAM ACTIVE LIMITED (WAA)
INVESTMENT UPDATE & NTA – AUGUST 2008

WAM Active Limited (WAA) listed on the Australian Stock Exchange in January 2008 after raising \$15.4 million.

WAA offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. This was achieved in our first eight months with the Fund outperforming the All Ordinaries Index by 17.7%.

The investment objectives of WAA are to derive an absolute return, to deliver investors an income stream in the form of fully franked dividends and to preserve capital.

NTA before tax payable and after tax assets	99.37c
NTA after tax and before tax on unrealised gains	99.37c
NTA after tax	98.83c

MARKET OUTLOOK

During August the Australian share market experienced its first positive month in three, with the much maligned Industrial Sector rising strongly on the back of lower interest rates and declining oil prices. In contrast, the resources sector fell sharply after a strong first half to the year. Resource stocks came under pressure due to concerns about world growth slowing, especially China. Until recently, it was hoped the slowdown in the USA economy would not impact the fast growing Asian region. These hopes seem to be evaporating rapidly with India, China and Japan all experiencing softer economies. This has impacted heavily on base metal prices and, to a lesser extent, agricultural commodities.

With the prospect of falling commodity prices and lower interest rates we believe the industrial market may find a bottom between now and the end of the year after a torrid 8 months that has seen 40 per cent stripped off their values. Slower world growth, however, is usually not a good sign for resource stocks and we expect Australia's mining companies may struggle to find support in the near to medium term.

PORTFOLIO STRUCTURE & STRATEGY

	As at 31 July 2008		As at 31 August 2008	
	\$m	%	\$m	%
Investment Type				
Listed Equities	5.57	36.0%	6.22	40.7%
Fixed Interest and Cash	9.91	64.0%	9.05	59.3%
Total Long Portfolio	15.48	100.0%	15.27	100.0%
Total Short Portfolio	(0.30)	100.0%	(0.09)	100.0%
	No.		No.	
Total no. of ord shares on issue	15,400,101		15,400,101	
Total no. of options on issue	15,400,100		15,400,100	

PORTFOLIO STRUCTURE & STRATEGY (continued)

During the month of August we increased our exposure to the equity market once again, taking advantage of trading opportunities in a volatile market. We took part in the following placements – CSL Limited (CSL), LinQ Resource Fund (LRF), Leighton Holdings Limited (LEI) and Orica Limited (ORI).

After accepting the Just Group (JST) take over we received Premier Investments Limited (PMV) shares and cash. As a result of the merger/demerger in Arc Energy Limited (ARQ) our shareholding was exchanged for a combination of cash and scrip in Australian Worldwide Exploration Limited (AWE) and Buru Energy Limited (BRU). Subsequently, we closed out our short position in AWE. Additionally, we shorted Australand Limited (ALZ).

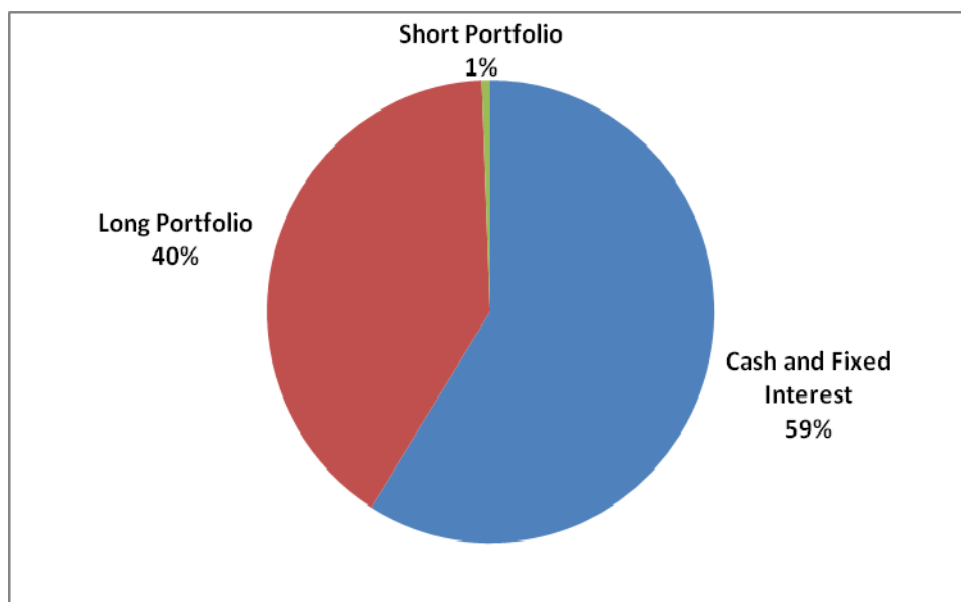
We traded out of Macquarie Group Limited (MQG) and National Australia Bank Limited (NAB) as they were impacted by the negative sentiment towards the banking sector and bought a position in AMP Limited (AMP) and added to our ASX Limited (ASX) holding. Positions in the retail sector being Woolworths Limited (WOW) and Norman Holdings Limited (HVN) were also taken.

During the month we traded positions in Qantas Airways Limited (QAN) and Virgin Blue Holdings Limited (VBA) against the falling oil price. We also traded Monadelphous Group Limited (MND), Nomad Building Solutions Limited (NOD) and IRESS Market Technology Limited (IRE) with positive results.

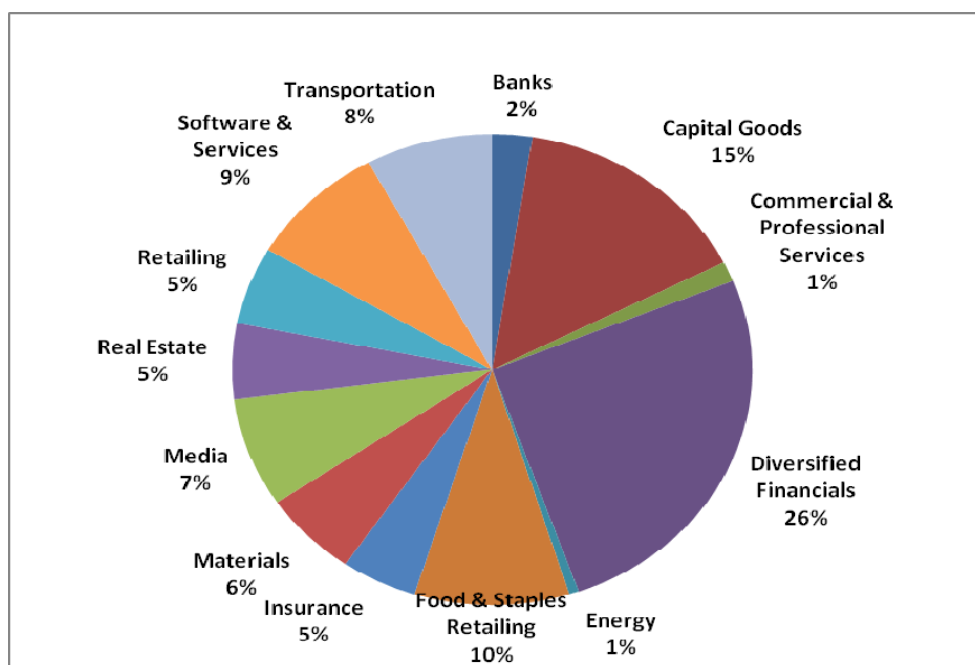
At 31 August 2008 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE as % of Long Portfolio
ASX	ASX Limited	8.8%
CPU	Computershare Limited	7.1%
NOD	Nomad Building Solutions Limited	6.6%
WOW	Woolworths Limited	6.4%
SEV	Seven Network Limited	5.3%
LLC	Lend Lease Corporation Limited	5.2%
KBC	Keybridge Capital Limited	5.2%
TOL	Toll Holdings Limited	5.1%
AMP	AMP Limited	4.7%
MCQ	Macquarie Capital Alliance Group	4.5%
BSL	Bluescope Steel Limited	4.5%
CLO	Clough Limited	4.0%
HVN	Harvey Norman Holdings Limited	4.0%
LEI	Leighton Holdings Limited	3.8%
VBA	Virgin Blue Holdings Limited	2.8%
CBA	Commonwealth Bank of Australia	2.5%
EBI	Everest Babcock & Brown Alternative Inv Trust	2.3%

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



PERFORMANCE TABLE

	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08
Gross 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%	+2.4%	-7.3%	-5.2%
	Jul 08	Aug 08					Since Inception
Gross Portfolio *	-1.1%	+0.1%					+1.3%
All Ords Accum.	-5.2%	+4.0%					-16.4%

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

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