



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – FEBRUARY 2012

WAM Active Limited (WAA) offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. The investment objectives are to deliver investors a growing income stream in the form of fully franked dividends and to preserve capital in both the short term and long term.

Since inception, WAA has outperformed the overall sharemarket. WAA's investment portfolio (before all fees, costs, taxes and dividends) has increased by 60.6% compared to a decline of 18.0% in the S&P/ASX All Ordinaries Accumulation Index.

Performance as at 29 February 2012	1 Mth %	6 Mths %	Fin Ytd %	1 Year %	2 Yrs %pa	3 Yrs %pa	Since Inception (Jan-08) %pa
WAA Investment Portfolio	+3.5%	+6.1%	+4.9%	+3.8%	+7.2%	+21.6%	+12.0%
S&P/ASX All Ordinaries Accumulation Index	+2.4%	+2.9%	-2.6%	-6.7%	+1.4%	+14.8%	-4.6%
Outperformance	+1.1%	+3.2%	+7.5%	+10.5%	+5.8%	+6.8%	+16.6%

The NTA numbers below are before the payment of a 4.5 cent per share fully franked interim dividend which is due to be paid on 24 April 2012. The shares will trade ex dividend on 11 April 2012.

NTA before tax	111.13c
NTA after tax and before tax on unrealised gains	112.83c*
NTA after tax	110.92c**

* Includes tax assets of 1.70 cents per share.

** Includes the net effect of 1.70 cents of tax assets and 1.91 cents of deferred tax liabilities.

Market Outlook

February continued the positive start to the year for equity markets with the S&P/ASX All Ordinaries Accumulation Index up 2.4%. Results season completed and was generally in line with analysts' downgraded expectations. Outside of the resources sector, forecasts for growth remains subdued for the second half of this financial year. We expect analysts' forecasts will need to be downgraded in the coming months as we move into FY13.

The Reserve Bank of Australia (RBA) kept interest rates on hold this month and appear to be on hold for the time being. Interest rates remain at long term average levels with inflation and unemployment under control. We expect further interest rate cuts towards the second half of 2012. With the major Australian banks moving independently of the RBA for the first time, the future impacts of rate cuts on the broader economy are less certain.

The US economy continues to show small but positive signs of a gradual economic recovery. During the month a second bailout for Greece was agreed and the ECB conducted its second major lending programme to European commercial banks with roughly €530bn lent. Even though the European debt crisis has been steadily improving over the past few months, to say the crisis is over would be a bridge too far at this stage.

We remain cautiously optimistic on the outlook for equity markets in 2012. We continue to research heavily for future investment opportunities.

Dividends

On 13 February 2012, the Board announced an interim dividend of 4.5 cents per share fully franked to be paid on 24 April 2012. The shares will trade ex dividend on 11 April 2012. This is a 12.5% increase on the prior year's interim dividend.

The dividend reinvestment plan will operate with a 2.5% discount. The current share price (\$1.08 being closing price 12 March 2012) is trading at 2.8% discount to the 29 February 2012 pre-tax NTA. To participate in the dividend reinvestment plan, please send your election to our share registrar no later than 17 April 2012.

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.

Providing the Company is deemed solvent by the Board, WAA should always be in a position to pay dividends. As at 29 February 2012, WAA has franking credits which allow it to pay a dividend equivalent to 10.7 cents per share. This is before the payment of the interim dividend.

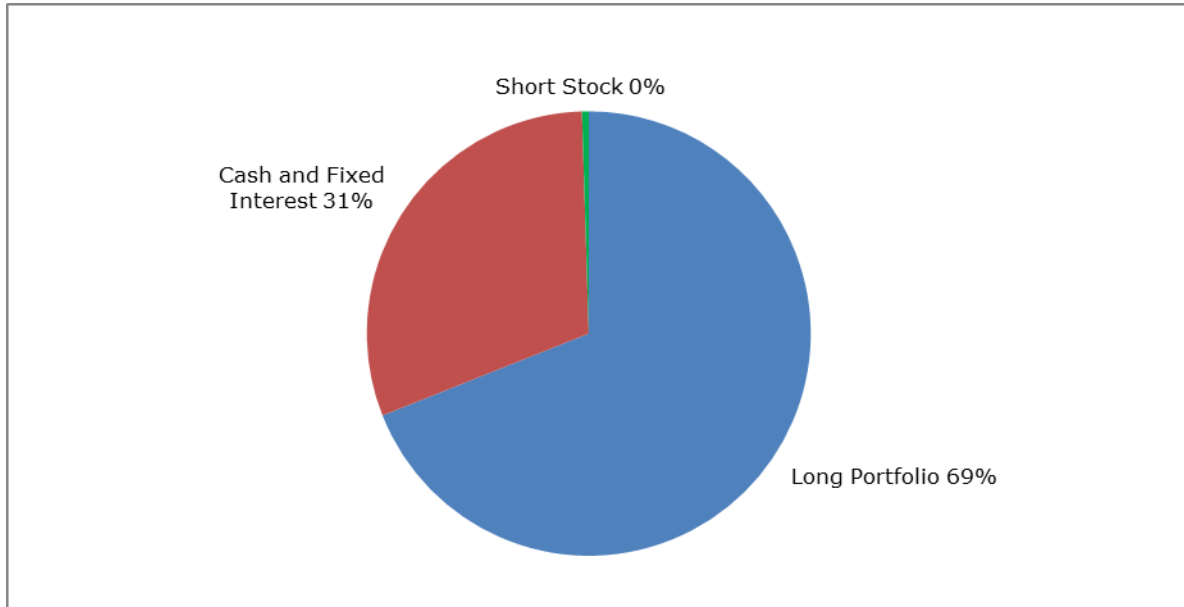
Portfolio Structure

Investment Type	As at 31 Jan 2012		As at 29 Feb 2012	
	\$m	%	\$m	%
Listed Equities	9.9	56.2%	12.7	69.3%
Fixed Interest and Cash	7.8	43.8%	5.6	30.7%
Total Long Portfolio	17.7	100.0%	18.3	100.0%
Total Short Portfolio	(0.1)		(0.1)	
Total Fund Size	\$17.6m		\$18.2m	
	No.		No.	
Total ordinary shares on issue	16,176,213		16,176,213	

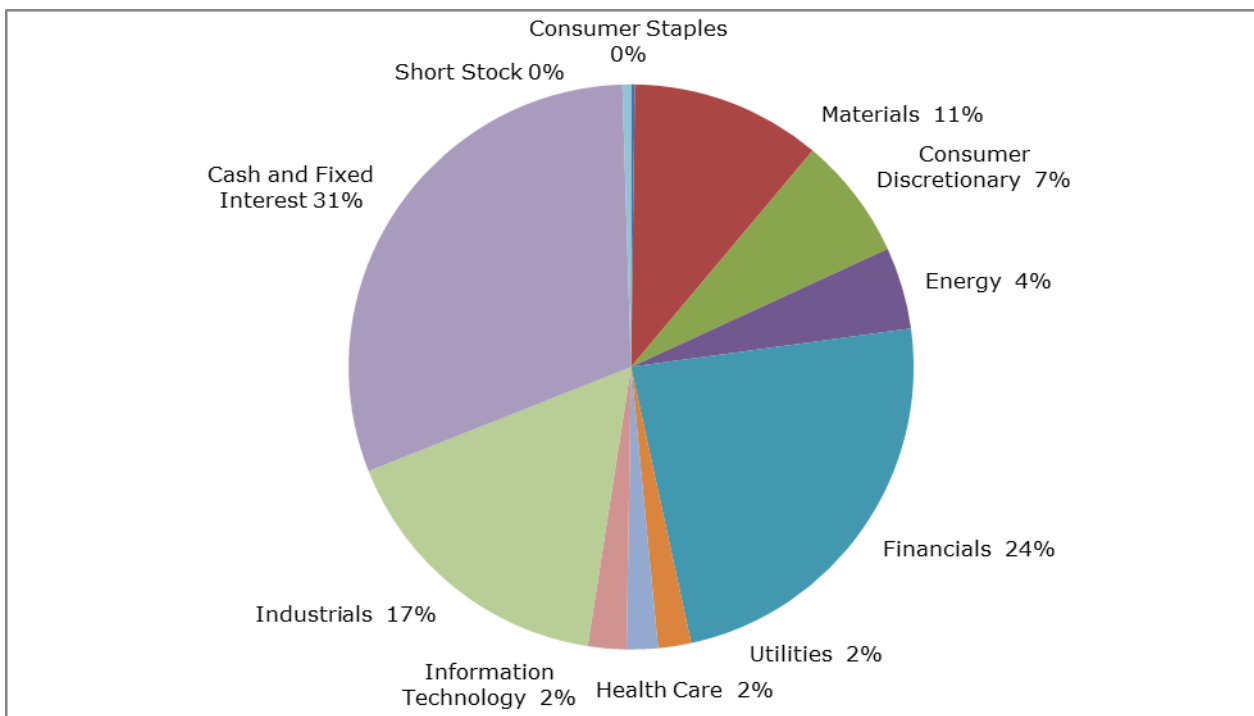
At 29 February 2012 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
CCQ	Contango Capital Partners Limited	543,205	3.0%
ILF	ING Real Estate Community Living Group	420,631	2.3%
BSL	Bluescope Steel Limited	387,450	2.1%
VAH	Virgin Australia Holdings Limited	376,991	2.1%
SDG	Sunland Group Limited	374,078	2.1%
AAX	Ausenco Limited	371,696	2.0%
BHP	BHP Billiton Limited	368,220	2.0%
SWM	Seven West Media Limited	367,900	2.0%
EGP	Echo Entertainment Group Limited	364,425	2.0%
BLD	Boral Limited	356,400	2.0%
EPX	Ethane Pipeline Income Fund	348,861	1.9%
CPU	Computershare Limited	348,300	1.9%
RIO	Rio Tinto Limited	333,878	1.8%
IFL	IOOF Holdings Limited	332,400	1.8%
SVW	Seven Group Holdings Limited	331,821	1.8%
RHG	RHG Limited	331,723	1.8%
CYG	Coventry Group Limited	305,276	1.7%
CBAPB	CBA Perpetual Exc Resale Listed Sec - PERLS IV	247,842	1.4%
SXY	Senex Energy Limited	244,529	1.3%
CDD	Cardno Limited	238,895	1.3%

Portfolio Structure – Asset Allocation



Portfolio Structure - Sector Allocation



Performance

Set out below is the performance of WAA's investment portfolio since listing to 29 February 2012 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	Gross 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%
YTD 2011/2012	+4.9%	-2.6%	+7.5%

Monthly 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%	+2.5%	-7.3%	-5.2%
	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09
Gross 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
Gross 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
Gross 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
Gross 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
Gross 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
Gross 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						Since Inception
Gross Portfolio*	+3.5%						+60.6%
All Ords Accum.	+2.4%						-18.0%

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