



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – APRIL 2010

WAM Active Limited (WAA) listed on the Australian Stock Exchange in January 2008.

WAA offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. Since inception WAA has outperformed the overall sharemarket. WAA's portfolio (before all fees, costs, taxes and dividends) has increased by 44.5% compared to a 16.6% decrease in the S&P/ASX All Ordinaries Accumulation Index. 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.

Set out below is the performance of WAA:

	Since inception	12 month	6 month	3 month
WAM Active	+44.5%	+43.8%	+1.0%	+3.4%
S&P/ASX All Ords Accum	-16.6%	+34.2%	+6.0%	+6.5%
Outperformance	+61.1%	+9.6%	-5.0%	-3.1%

In April WAA's gross portfolio (before all fees, costs and taxes) increased by 0.4%, while the S&P/ASX All Ordinaries Accumulation Index fell by 1.2%.

NTA before tax	122.58c*
NTA after tax and before tax on unrealised gains	118.54c
NTA after tax	116.54c

*This is after the payment of \$78,835 (0.51 cents a share) in tax during the month.

MARKET OUTLOOK

The surge in share prices that began in early February faded in April with the S&P/ASX All Ordinaries Index ending the month down by more than 1 per cent. The first half of April saw the market power more than 2 per cent higher resulting in the S&P/ASX All Ordinaries Index jumping above the 5000 mark for the first time in almost 2 years. This milestone proved to be a sell signal for investors with concerns over China and a slowing domestic economy triggering the decline. The downward trend has accelerated into May with the announcement of a mining tax spooking investors, lowering valuations for the metals sector and the concerns over the bailing out of the PIGS (Portugal, Ireland, Greece and Spain) by the European Union.

After enjoying a remarkable bounce during the last 13 months we believe the Australian share market has entered a significantly more difficult phase. While we do

not advocate a rampant sell off such as experienced in 2008 we do believe it will be extremely difficult for the overall market to head higher during the course of 2010 and possibly into 2011. While there will no doubt be rallies, these are likely to be met with selling.

The main reason for the soft market going forward will be disappointing earnings due to tightening monetary policy and a cooling of a very robust mining sector. On the domestic front we have been surprised in the last two months at the speed of the slowdown, especially in relation to companies that rely on consumer spending. Under these circumstances we remain cautious.

DIVIDENDS

On 26 February 2010 WAM Active Limited paid a final fully franked dividend of 3.0 cents per ordinary share.

The board is committed to paying an increasing stream of fully franked dividends to shareholders over time. Dividends can only be paid if the Company has sufficient profits and franking credits.

OPTION ISSUE

The Directors of WAA announced a 1 for 1 bonus issue for its shareholders on 8 February 2010. The options have an exercise price of \$1.15 per option and can be exercised any time up until the expiry date of 30 April 2011.

PORTFOLIO STRUCTURE & STRATEGY

	As at 31 March 2010		As at 30 April 2010	
Investment Type	\$m	%	\$m	%
Listed Equities	11.45	57.1%	7.90	38.5%
Fixed Interest and Cash	8.60	42.9%	12.62	61.5%
Total Long Portfolio	20.05	100.0%	20.52	100.0%
Total Short Portfolio	(0.00)		(0.47)	
	No.		No.	
Total no. of ord shares on issue	15,602,308		15,602,308	
Total no. of options on issue	15,489,219		15,489,219	

During the month of April we continued to increase our cash level to an average of 61.5%.

We established positions in Geo Property Group (GPM), Ozgrowth Limited (OZG), PaperlinX Limited (PPX), Westoz Investment Company Limited (WIC) and increased our holdings in Austin Engineering Limited (ANG), Keybridge Capital Limited (KBC), PaperlinX SPS Trust (PXUPA), Van Eyk Three Pillars Limited (VTP) and Webjet Limited (WEB).

We took advantage of the following capital raisings: Seymour Whyte Limited (SWL), Central Petroleum Limited (CTP), Mirvac Group (MGR), NSL Consolidated Limited (NSL), Molopo Energy Limited (MPO), Western Plains Resources Ltd (WPG), Aurora Minerals Limited (ARM), Atlas Iron Limited (AGO), Super Cheap Auto Group Limited (SUL).

We traded positions in CSL Limited (CSL), FKP Property Group (FKP), Mineral Deposits Limited (MDL), Specialty Fashion Group Limited (SFH) and Silex Systems Limited (SLX).

We reduced our holdings in Abm Resources NL (ABU), Bendigo and Adelaide Bank Limited (BEN), Clive Peeters Limited (CPR), Finbar Group Limited (FRI), New Hope Corporation Limited (NHC), Monadelphous Group Limited (MND), Sims Metal Management Limited (SGM), Select Harvests Limited (SHV), Sirtex Medical Limited (SRX), Tower Australia Group Limited (TAL) and Ten Network Holdings Limited (TEN).

We exited positions in A1 Minerals Limited (AAM), Alchemy Resources Limited (ALY), Australia and New Zealand Banking Group Limited (ANZ), Ausdrill Limited (ASL), Blackmores Limited (BKL), Commonwealth Bank of Australia (CBA), Customers Limited (CUS), Century Australia Investments Limited (CYA), Fletcher Building Limited (FBU), Fortescue Metals Group Ltd (FMG), Global Construction Services Limited (GCS), McPherson's Limited (MCP), Virgin Blue Holdings Limited (VBA), Wesfarmers Limited (WES) and Whitehaven Coal Limited (WHC).

At 30 April 2010 the major securities held in the portfolio were:

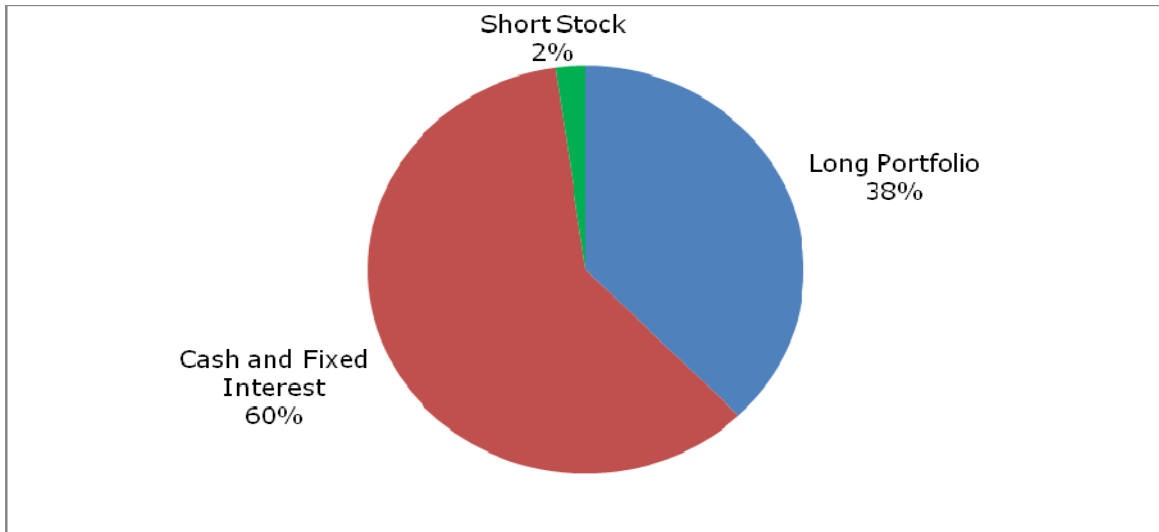
CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
RHG	RHG Limited	685,059	8.7%	3.4%
VTP	Van Eyk Three Pillars Limited	478,628	6.1%	2.4%
COO	Charter Hall Office Reit	382,500	4.8%	1.9%
PXUPA	PaperlinX SPS Trust	353,665	4.5%	1.8%
FXJ	Fairfax Media Limited	351,900	4.5%	1.8%
WBC	Westpac Banking Corporation	346,800	4.4%	1.7%
MND	Monadelphous Group Limited	341,003	4.3%	1.7%
NAB	National Australia Bank Ltd	337,960	4.3%	1.7%
FXL	Flexigroup Limited	309,828	3.9%	1.5%
CCP	Credit Corp Group Limited	301,862	3.8%	1.5%
BEN	Bendigo and Adelaide Bank Limited	243,542	3.1%	1.2%
DVN	Devine Limited	241,719	3.1%	1.2%
WEB	Webjet Limited	238,012	3.0%	1.2%
DYE	Dyesol Limited	221,487	2.8%	1.1%

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	June 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 **	+2.7%	+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%
							Since Inception
Gross Portfolio **							+44.4%
All Ords Accum.							-16.6%

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

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION

