



**WAM ACTIVE LIMITED (WAA)**  
**ABN 49 126 420 719**  
**INVESTMENT UPDATE & NTA – APRIL 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. The strong performance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index is set out in the table below. The performance relates to the investments and excludes expenses and taxes.

<b>Performance as at 30 April 2012</b>	<b>1 Mth %</b>	<b>6 Mths %</b>	<b>Fin Ytd %</b>	<b>1 Year %</b>	<b>2 Yrs %pa</b>	<b>3 Yrs %pa</b>	<b>Since Inception (Jan-08) %pa</b>
WAA Investment Portfolio	+0.0%	+4.3%	+6.1%	+2.1%	+6.1%	+17.4%	+11.9%
S&P/ASX All Ordinaries Accumulation Index	+1.1%	+4.7%	-0.4%	-4.6%	+0.3%	+10.5%	-4.0%
<b>Outperformance</b>	<b>-1.1%</b>	<b>-0.4%</b>	<b>+6.5%</b>	<b>+6.7%</b>	<b>+5.8%</b>	<b>+6.9%</b>	<b>+15.9%</b>

The following NTA figures are after the payment of a fully franked interim dividend of 4.5 cents per share paid on the 24 April 2012.

<b>NTA before tax</b>	<b>107.35c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>108.62c*</b>
<b>NTA after tax</b>	<b>107.17c**</b>

\* Includes tax assets of 1.27 cents per share.

\*\* Includes the net effect of 1.27 cents of tax assets and 1.45 cents of deferred tax liabilities.

## Market Outlook

April saw a continuation of the positive trend in the Australian equity market with the S&P/ASX All Ordinaries Accumulation Index rising 1.1% for the month. Volatility remained a constant theme with the European sovereign debt crisis. The UK economy officially entered another recession and Spain's unemployment moved closer to 25% - depression like levels.

In April, the market had to contend with the start of the "confession season" as earnings downgrades came at a ferocious pace. The downgrades reflected the continued weakness in the non-mining economy. We expect a continuation of earnings downgrades in the coming month. Consumers continue to deleverage which will continue to put pressure on the retail and housing sectors.

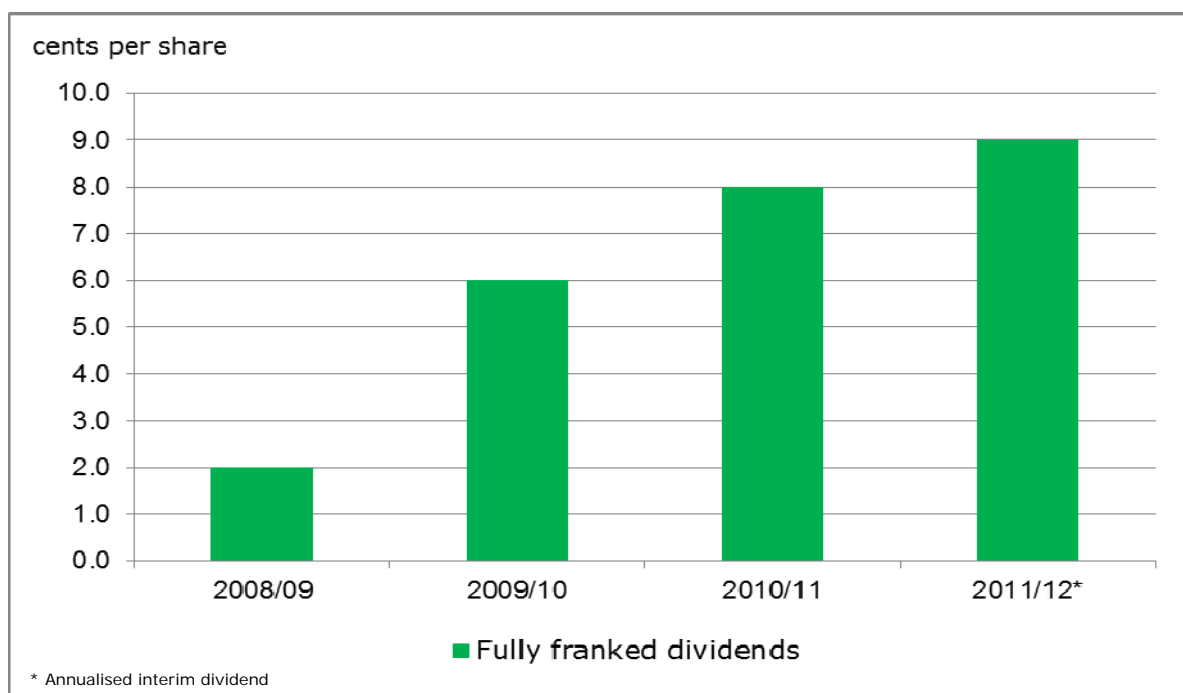
A benign inflation figure in April allowed the Reserve Bank to cut interest rates by 0.5% in early May. We believe this rate cut will ultimately be a positive for the market. A succession on regular rate cuts is needed to stimulate the non-mining economy. Lower interest rates lead to an expansion of price to earnings ratios, an increase in economic and corporate activity, and a flow of funds from fixed interest to the equity market.

## Dividends

On 24 April 2012, the Company paid a fully franked interim dividend of 4.5 cents per share. This is a 12.5% increase on the prior year's interim dividend.

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, the Company should always be in a position to pay dividends. As at 30 April 2012, the Company has franking credits which allow it to pay a dividend equivalent to 6.6 cents per share. This is after the payment of the interim dividend.



## Portfolio Structure

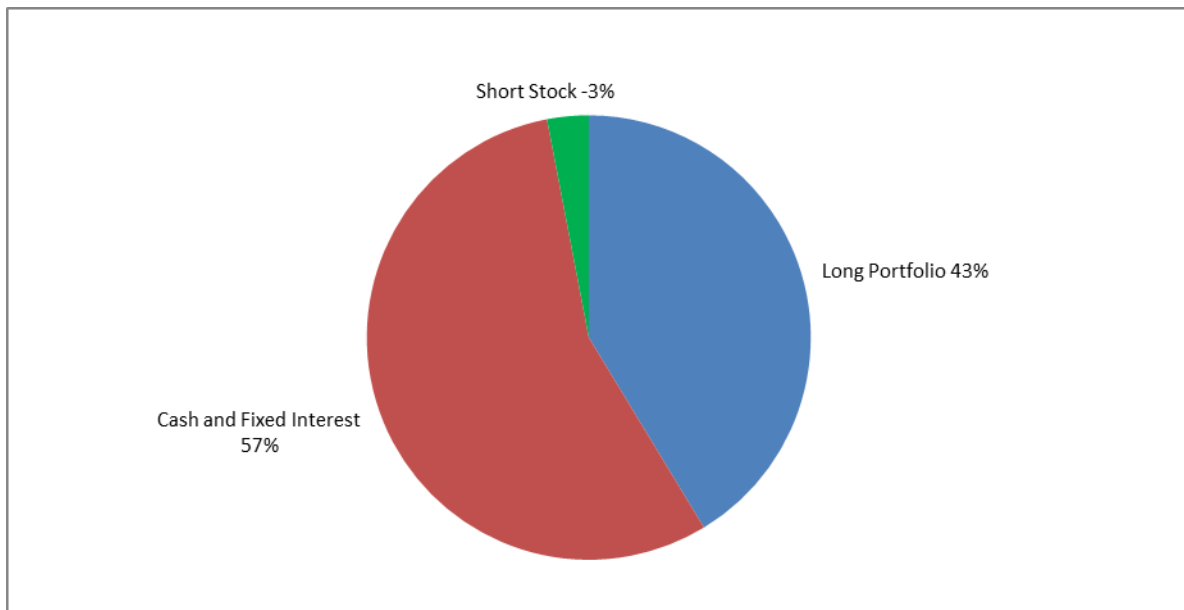
Investment Type	As at 31 Mar 2012		As at 30 Apr 2012	
	\$m	%	\$m	%
Listed Equities	10.8	58.4%	7.8	42.6%
Fixed Interest and Cash	7.7	41.6%	10.5	57.4%
<b>Total Long Portfolio</b>	<b>18.5</b>	<b>100.0%</b>	<b>18.3</b>	<b>100.0%</b>
<b>Total Short Portfolio</b>	<b>(0.0)</b>		<b>(0.5)</b>	
<b>Total Fund Size</b>	<b>\$18.5m</b>		<b>\$17.8m*</b>	
	<b>No.</b>		<b>No.</b>	
<b>Total ordinary shares on issue</b>	16,176,213		16,309,945	

\* This is after the payment of the 4.5 cents per share fully franked interim dividend during the month.

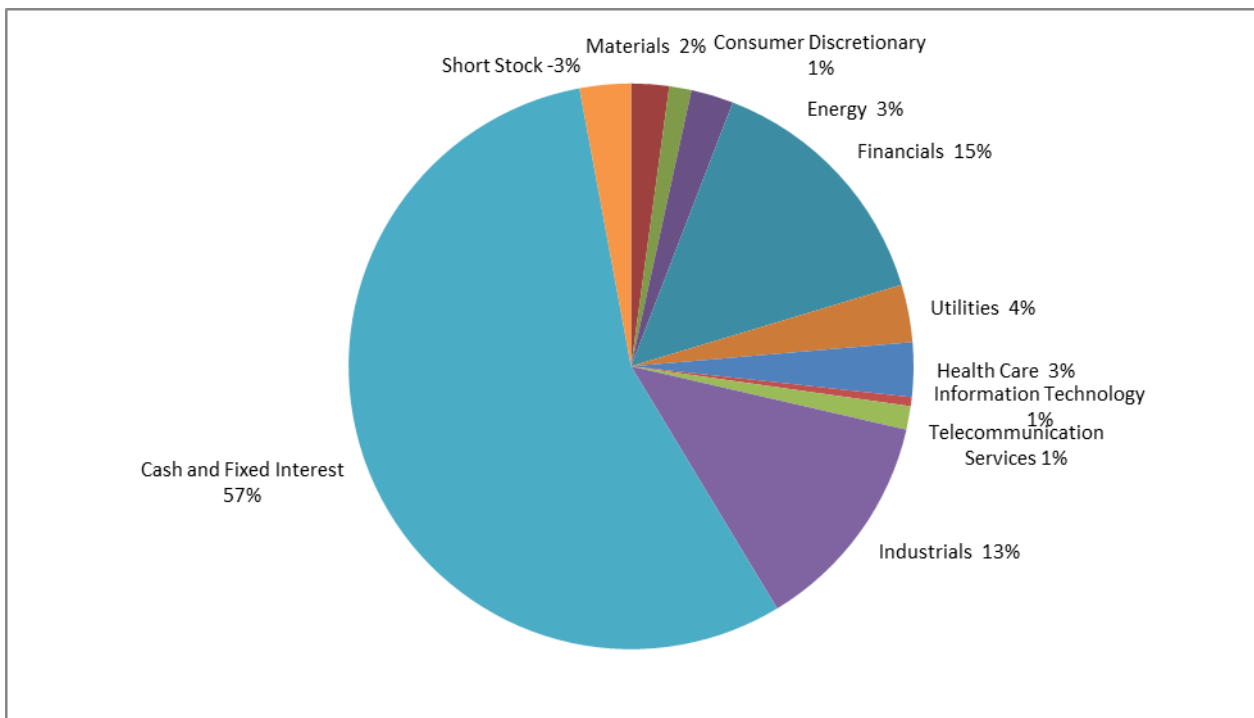
At 30 April 2012 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
CCQ	Contango Capital Partners Limited	567,347	3.1%
LDW	Ludowici Limited	510,508	2.8%
EPX	Ethane Pipeline Income Fund	447,887	2.4%
SDG	Sunland Group Limited	419,779	2.3%
ILF	ING Real Estate Community Living Group	402,067	2.2%
AIX	Australian Infrastructure Fund	384,229	2.1%
CLO	Clough Limited	363,953	2.0%
CYG	Coventry Group Limited	350,307	1.9%
RHG	RHG Limited	295,677	1.6%
MIO	Miclyn Express Offshore Limited	294,715	1.6%
IIN	iiNet Limited	253,380	1.4%
CMIPC	CMI Limited Conv Pref Class A	251,815	1.4%
CBAPB	CBA Perpetual Exc Resale Listed Sec - PERLS IV	250,299	1.4%
SPL	Starpharma Holdings Limited	212,694	1.2%
MMX	Murchison Metals Limited	204,216	1.1%
CND	Clarius Group Limited	194,342	1.1%
API	Australian Pharmaceutical Industries Limited	184,860	1.0%
CIF	Challenger Infrastructure Fund	173,745	0.9%
TGP	Trafalgar Corporate Group	170,552	0.9%
NFK	Norfolk Group Limited	169,425	0.9%

## Portfolio Structure – Asset Allocation



## Portfolio Structure - Sector Allocation



## Performance

Set out below is the performance of WAA's investment portfolio since listing to 30 April 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	+6.1%	-0.4%	+6.5%

## Monthly Performance Table

	<b>Jan 08</b>	<b>Feb 08</b>	<b>Mar 08</b>	<b>Apr 08</b>	<b>May 08</b>	<b>Jun 08</b>	<b>Jul 08</b>
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%
	<b>Aug 08</b>	<b>Sep 08</b>	<b>Oct 08</b>	<b>Nov 08</b>	<b>Dec 08</b>	<b>Jan 09</b>	<b>Feb 09</b>
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%
	<b>Mar 09</b>	<b>Apr 09</b>	<b>May 09</b>	<b>Jun 09</b>	<b>July 09</b>	<b>Aug 09</b>	<b>Sep 09</b>
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%
	<b>Oct 09</b>	<b>Nov 09</b>	<b>Dec 09</b>	<b>Jan 10</b>	<b>Feb 10</b>	<b>Mar 10</b>	<b>Apr 10</b>
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%
	<b>May 10</b>	<b>Jun 10</b>	<b>Jul 10</b>	<b>Aug 10</b>	<b>Sep 10</b>	<b>Oct 10</b>	<b>Nov 10</b>
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%
	<b>Dec 10</b>	<b>Jan 11</b>	<b>Feb 11</b>	<b>Mar 11</b>	<b>Apr 11</b>	<b>May 11</b>	<b>Jun 11</b>
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%
	<b>Jul 11</b>	<b>Aug 11</b>	<b>Sep 11</b>	<b>Oct 11</b>	<b>Nov 11</b>	<b>Dec 11</b>	<b>Jan 12</b>
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%
	<b>Feb 12</b>	<b>Mar 12</b>	<b>Apr 12</b>				<b>Since Inception</b>
Gross Portfolio*	+3.5%	+1.1%	+0.0%				+62.5%
All Ords Accum.	+2.4%	+1.2%	+1.1%				-16.1%

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