WAM ACTIVE LIMITED (WAA)
INVESTMENT UPDATE & NTA – JANUARY 2009

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 13 months with the Fund outperforming the All Ordinaries Accumulation Index by 32.1%.

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.

In January WAA's gross portfolio (before all fees, costs and taxes) decreased by 1.92%, while the All Ordinaries Accumulation Index fell by 4.95%.

NTA before tax payable and after tax assets	90.20c*
NTA after tax and before tax on unrealised	90.20c
NTA after tax	89.85c

* This includes 5.3 cents per share in tax assets.

MARKET OUTLOOK

The Australian share market's New Year's rally ran out of steam during the course of January as the global and domestic economic climate continued to sour. The All Ordinaries Accumulation Index fell 4.95% for the month. The downward pressure on the market came primarily from the industrial and financial stocks. The leading Industrials Index has now declined 63% since reaching a peak on November 1, 2007. Despite all the negative sentiment the share market has not fallen below the 21 November 2008, intraday low of 3201. This is the first time since the bear market began 15 months ago that the index has moved sideways. While we are far from convinced the worst is over, the recent resilience is an encouraging sign that the worst is behind us. The significant decline in share prices has begun to unveil some extreme valuation situations. We are investigating many of these opportunities and in some instances taken positions. We have also participated in the recent spate of capital raisings by large companies, which have for the most part been done at reasonable share price discounts.

PORTFOLIO STRUCTURE & STRATEGY

	As at 31 December 2008			As at 31 January 2009	
Investment Type	**$m**	**%**		**$m**	**%**
Listed Equities	3.92	29.1%		4.08	30.7%
Fixed Interest and Cash	9.54	70.9%		9.21	69.3%
Total Long Portfolio	**13.46**	**100.0%**		**13.29**	**100.0%**
Total Short Portfolio	**-**	**-**		**(0.11)**	**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	

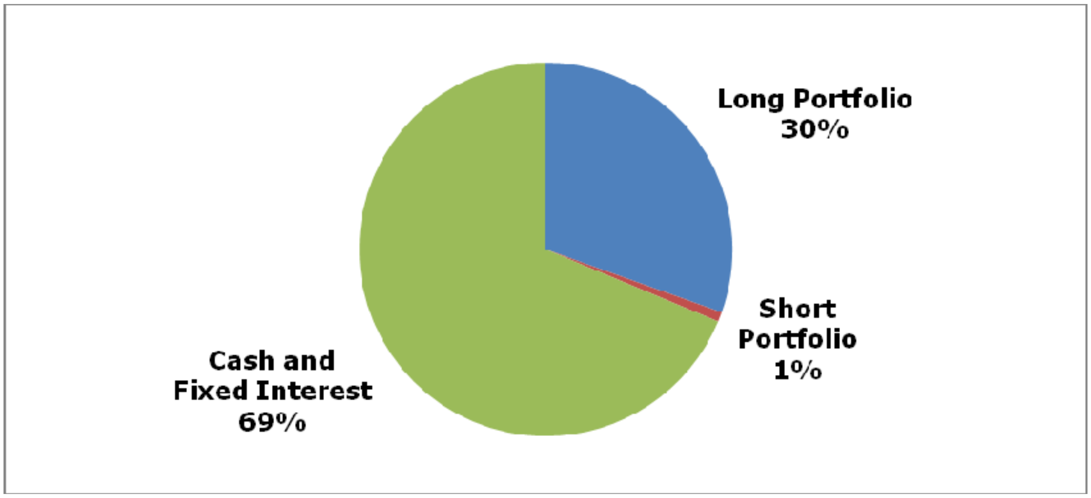
During the month of January we maintained our cash level at an average of 69%. We took positions in Contango Capital Partners Limited (CCQ), Macquarie Leisure Trust Group (MLE), RHG Limited (RHG), RR Australia Limited (RRA) and Super Cheap Auto Group Limited (SUL). We also traded a position in Tabcorp Holdings Limited (TAH) following a capital raising.

We short sold and closed out a position in Sims Metal Management Limited (SGM).

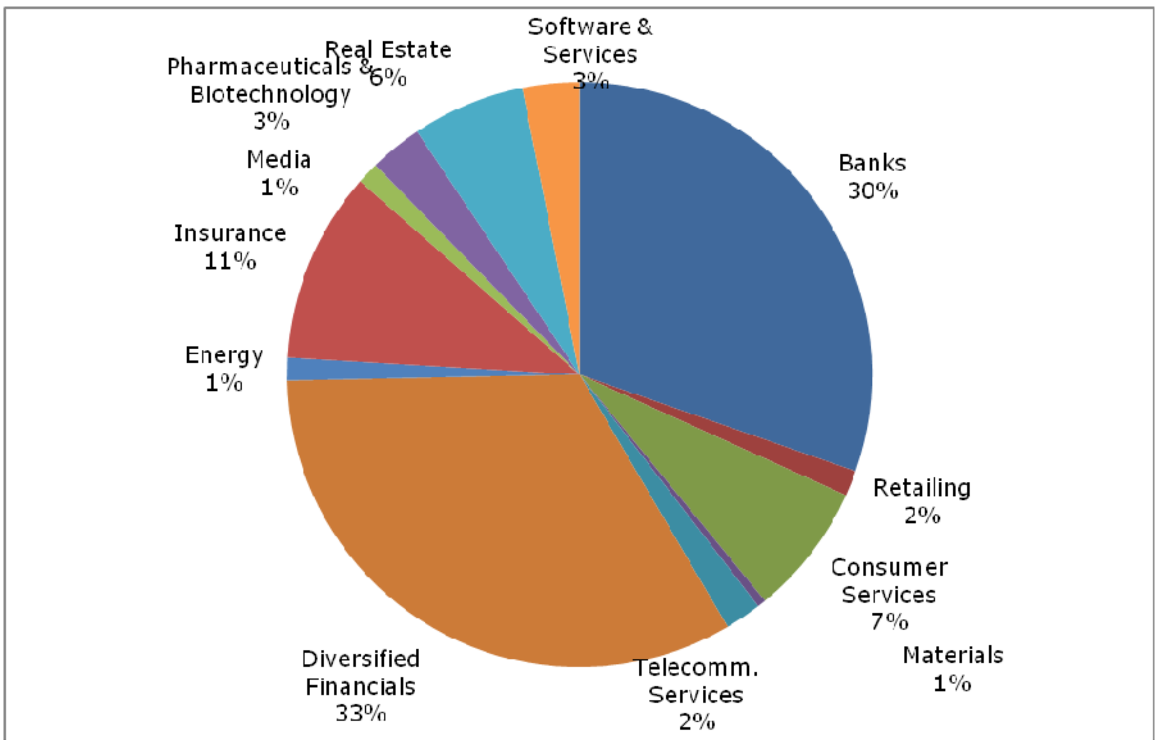
At 31 January 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
ASX	ASX Limited	14.0%	4.3%
NAB	National Australia Bank Limited	9.9%	3.1%
EFG	Everest Financial Group Limited	9.5%	2.9%
WBC	Westpac Banking Corporation	7.6%	2.3%
QBE	QBE Insurance Group Limited	6.9%	2.1%
CCQ	Contango Capital Partners Limited	6.7%	2.1%
MLE	Macquarie Leisure Trust Group	6.2%	1.9%
CBA	Commonwealth Bank of Australia	5.6%	1.7%
TTS	Tatts Group Limited	4.0%	1.2%
AMP	AMP Limited	3.7%	1.1%
TAH	Tabcorp Holdings Limited	3.3%	1.0%
BEN	Bendigo and Adelaide Bank Limited	2.9%	0.9%
PGL	Progen Pharmaceuticals Limited	2.9%	0.9%
ANZPB	Australia and New Zealand Banking Group Limited	2.7%	0.8%

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%	+2.5%	-7.3%	-5.2%
	Aug 08	**Sep 08**	**Oct 08**	**Nov 08**	**Dec 08**	**Jan 08**	**Since Inception**
Gross Portfolio *	+0.1%	-3.8%	-5.3%	-5.2%	+3.4%	-1.9%	-11.2%
All Ords Accum.	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-43.3%

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

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