WAM ACTIVE LIMITED (WAA)
INVESTMENT UPDATE & NTA – JULY 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 19 months with the Fund outperforming the S&P/ASX All Ordinaries Accumulation Index as shown in the table below. 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 WAM Active Limited since listing to 30 June 2009:

	Gross Portfolio	**All Ords. Accumulation Index**	**Outperformance**
2007/2008	+2.2%	-15.2%	+17.4%
2008/2009	+9.6%	-22.2%	+31.8%

In July WAA's gross portfolio (before all fees, costs and taxes) increased by 9.56%, while the S&P/ASX All Ordinaries Accumulation Index increased by 7.65%.

NTA before tax^	**110.13c**
NTA after tax and before tax on unrealised gains	**112.67c**
NTA after tax	**106.91c**

^In previous NTA announcements we have included tax assets and stated NTA before tax payable and after tax assets. As at 31 July 2009 these tax assets totalled 2.54 cents per share. From now we will be excluding all tax assets from this NTA line.

MARKET OUTLOOK

The bull market that has suddenly gripped equity markets around the globe, gathered momentum in July. The Australian All Ordinaries Accumulation Index powered higher by 7.7 per cent in July as investors charged into the market in fear of missing the upside. We have been very positive about the prospects of the market since it turned in March. More recently we have become increasingly cautious. While we believe that a long term low may have been posted in March, the dramatic change in sentiment that has driven the market 43 per cent higher may have become excessively bullish. When everyone is bullish the market becomes susceptible to bad news because no one is looking out for what can possibly go wrong. To pinpoint exactly what could derail equities at this stage is difficult to tell, however, an anaemic economic recovery or rising interest rates could easily be the catalyst. We wait in anticipation.

DIVIDENDS

On 1 July 2009 the Directors of WAM Active Limited declared a final fully franked dividend of 2.0 cents per ordinary share to be paid on 20 July 2009. The shares traded ex dividend on 6 July 2009. The DRP price was $0.82.

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.

OPTIONS

On the 17 June 2009 a total of 15,400,100 WAM Active Limited quoted options (ASX Code: WAAO) exercisable at $1.00 expired. No options were exercised.

PORTFOLIO STRUCTURE & STRATEGY

	As at 30 June 2009			**As at 31 July 2009**	
Investment Type	**$m**	**%**		**$m**	**%**
Listed Equities	12.15	73.4%		13.18	74.1%
Fixed Interest and Cash	4.41	26.6%		4.60	25.9%
Total Long Portfolio	**16.56**	**100.0%**		**17.78**	**100.0%**
Total Short Portfolio	**(0.10)**	**100.0%**		**-**	**-**
	No.			**No.**	
Total no. of ord shares on issue	15,400,101			15,489,219	
Total no. of options on issue	**-**			**-**	

During the month of July we maintained our cash level at an average of 26%. We established various positions in SP Telemedia Limited (SOT), Centrepoint Alliance Limited (CAF), Tower Australia Group Limited (TAL), Premium Investors Limited (PRV), GrainCorp Limited (GNC), Decmil Group Limited (DCG), News Corporation (NWSLV), Arrow Energy Limited (AOE), BC Iron Limited (BCI), Toll Holdings Limited (TOL), ARB Corporation Limited (ARP).

We have purchased the ANZ August $15.50 put option to protect part of our long Australia and New Zealand Banking Group Limited (ANZ) underlying position.

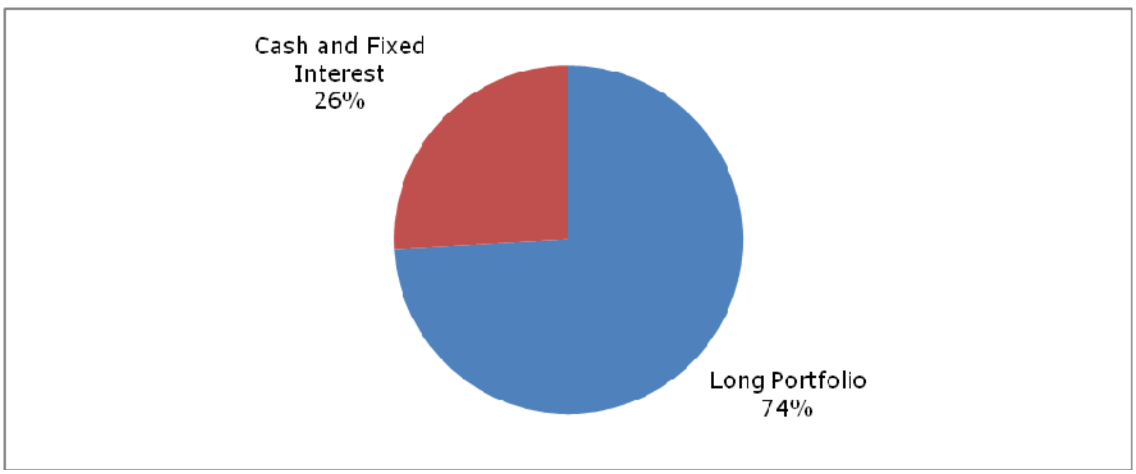
We took advantage of the following capital raisings: Hastings Diversified Utilities Fund (HDF), Transpacific Industries Group Ltd (TPI), OceanaGold Corporation (OGC), Asciano Group (AIO), National Australia Bank Limited (NAB), FKP Property Group (FKP), Virgin Blue Holdings Limited (VBA), Mirabela Nickel Limited (MBN), North Queensland Metals Limited (NQM), Whitehaven Coal Limited (WHC), Linc Energy Ltd (LNC), Western Plains Resources (WPG) and Peninsula Minerals Limited (PEN).

We exited positions in News Corporation (NWS), Seek Limited (SEK), WorleyParsons Limited (WOR), Hastie Group Limited (HST), Fairfax Media Limited (FXJ), Cudeco Limited (CDU), Specialty Fashion Group Limited (SFH), Central Petroleum Limited (CTP), Mortgage Choice Limited (MOC), Emeco Holdings Limited (EHL), Atlas Iron Limited (AGO), CSG Limited (CSV), Australian Infrastructure Fund (AIX), FSA Group Limited (FSA), Comet Ridge Limited (COI), Coventry Group Limited (CYG) and ROC Oil Company Limited (ROC).

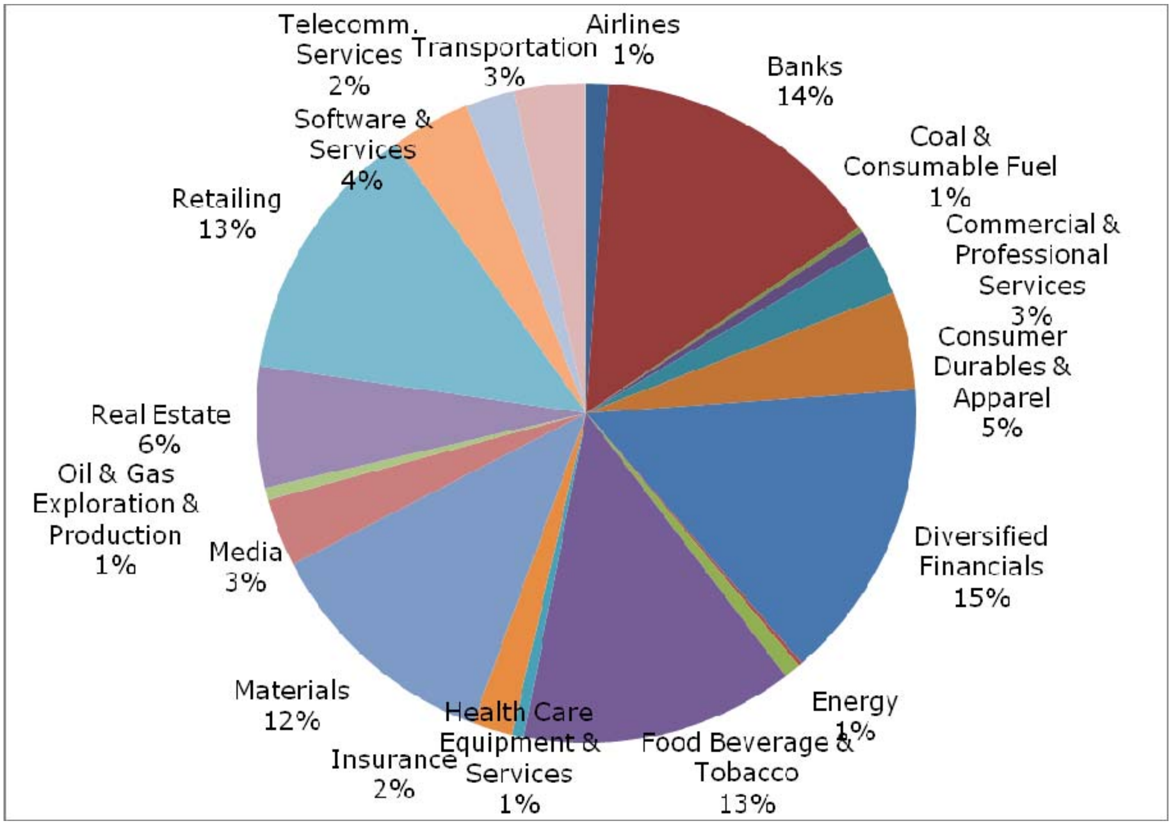
At 31 July 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE $	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
LNN	Lion Nathan Limited	1,537,816	11.7%	8.6%
NAB	National Australia Bank Limited	931,839	7.1%	5.2%
PBG	Pacific Brands Limited	825,154	6.3%	4.6%
MCP	McPherson's Limited	633,706	4.8%	3.6%
FKP	FKP Property Group	480,250	3.6%	2.7%
FXL	Flexigroup Limited	472,824	3.6%	2.7%
RHG	RHG Limited	470,476	3.6%	2.6%
FBU	Fletcher Building Limited	457,028	3.5%	2.6%
EFG	Everest Financial Group Limited	446,607	3.4%	2.5%
OKN	Oakton Limited	444,430	3.4%	2.5%
ABC	Adelaide Brighton Limited	351,615	2.7%	2.0%
PMV	Premier Investments Limited	350,280	2.7%	2.0%
CCQ	Contango Capital Partners Limited	344,285	2.6%	1.9%
BLD	Boral Limited	339,320	2.6%	1.9%

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 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**		**Since Inception**
Gross Portfolio *	+4.5%	+7.6%	+5.0%	+6.2%	+9.6%		+22.8%
All Ords Accum.	+8.1%	+6.1%	+2.2%	+3.9%	+7.7%		-28.9%

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

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