



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – JULY 2011

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. Since inception WAA has outperformed the overall sharemarket. WAA's portfolio (before all fees, costs, taxes and dividends) has increased by 53.4% compared to a decline of 18.6% in the S&P/ASX All Ordinaries Accumulation Index. 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.

Performance as at 31 July 2011	1 Mth %	6 Mths %	Fin Ytd %	1 Year %	2 Yrs %pa	Since Inception (Jan-08) %pa
WAM Active Limited *	+0.2%	-1.2%	+0.2%	+9.9%	+11.8%	+12.7%
S&P/ASX All Ordinaries Accumulation Index	-3.4%	-5.4%	-3.4%	+4.0%	+7.0%	-5.6%
Outperformance	+3.6%	+4.2%	+3.6%	+5.9%	+4.8%	+18.3%

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

The following NTA figures are before the payment of a fully franked final dividend of 4.0 cents per share to be paid on 30 September 2011.

NTA before tax	112.31c*
NTA after tax and before tax on unrealised gains	113.18c**
NTA after tax	112.52c***

* After the payment of 0.15 cents per share of tax during the month

** Includes tax assets of 0.87 cents per share.

*** Includes the net effect of 0.87 cents of tax assets and 0.66 cents of deferred tax liabilities.

Market Outlook

Macroeconomic data and overseas events drove the Australian market once again in July. Volatility was rife with the S&P/ASX All Ordinaries Accumulation Index falling away sharply late in the month to finish on its lows down 3.4%. The European debt crisis and political posturing in the US over lifting its debt ceiling dominated the direction of the equity market rather than individual company fundamentals. Results season in the US was generally more positive than analyst expectations.

Market Outlook (continued)

In Australia, investors continue to grapple with large sentiment shifts regarding the future direction of interest rates and softening economic data. Expectations at the time of writing are for interest rate cuts by the end of 2011, which is strongly against the Reserve Bank's views. We have not seen this type of disparity between the bond market and the Reserve Bank for many years.

At the time of writing the Australian market is down 6.5% for August month to date after being down a whopping 15% intra month. The US did manage to lift their debt ceiling which was a short term aberration with investors focusing on the chance of a double dip global recession. The US and Europe remain in a precarious state and we expect it could take years for both economies to fully recover. If interest rate cuts do eventuate domestically, we see this as a positive for the equity market and would assist us in changing our defensive stance. As such we remain cautious and will continue to research for stock opportunities.

Dividends

On 2 August 2011 the Board announced a fully franked final dividend of 4.0 cents per share. This is a 33% increase on the final dividend last year and brings the full year dividend to 8.0 cent per share fully franked. The final dividend dates are as follows:

Ex Date:	19 September 2011
Record Date:	23 September 2011
Payment Date:	30 September 2011

The dividend re-investment plan will be operating at no discount. The current share price (\$1.00 being closing price 11 August 2011) is a 11.0% discount to the 31 July 2011 pre-tax NTA. To participate in the dividend re-investment plan, please send your election to our share registrar no later than the 23 September 2011.

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. Dividends are paid on a six-monthly basis. Government legislation introduced in June 2010 now enables companies to pay dividends if the company is deemed solvent. Dividend payments will be made with consideration to cash flow, cash holdings and available franking credits.

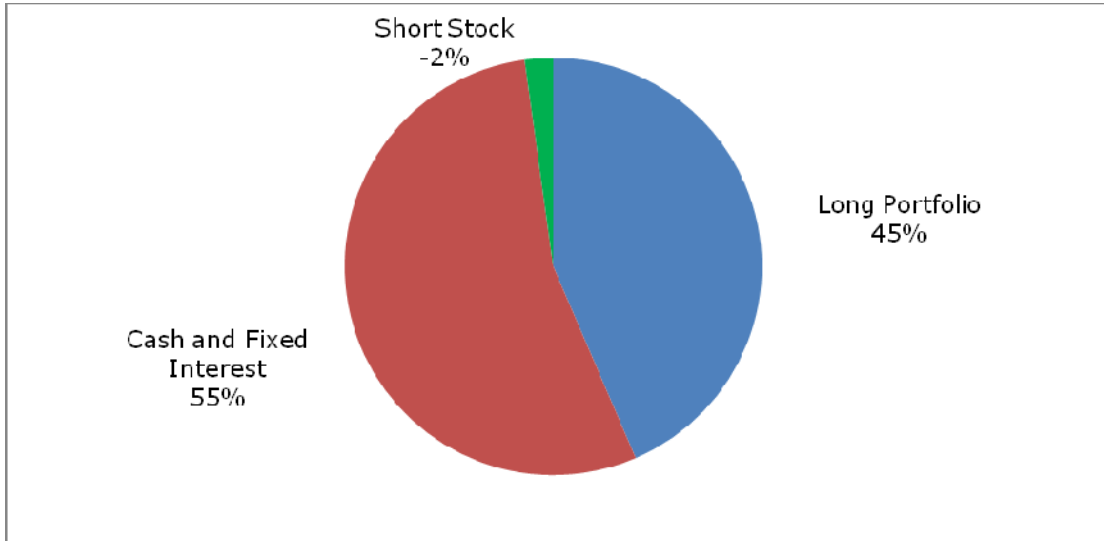
Portfolio Structure

Investment Type	As at 30 June 2011		As at 31 July 2011	
	\$m	%	\$m	%
Listed Equities	7.3	39.0%	8.3	44.6%
Fixed Interest and Cash	11.4	61.0%	10.3	55.4%
Total Long Portfolio	18.7	100.0%	18.6	100.0%
Total Short Portfolio	(0.2)		(0.4)	
Total Fund Size	\$18.5m		\$18.2m	
	No.		No.	
Total ordinary shares on issue	16,066,653		16,066,653	

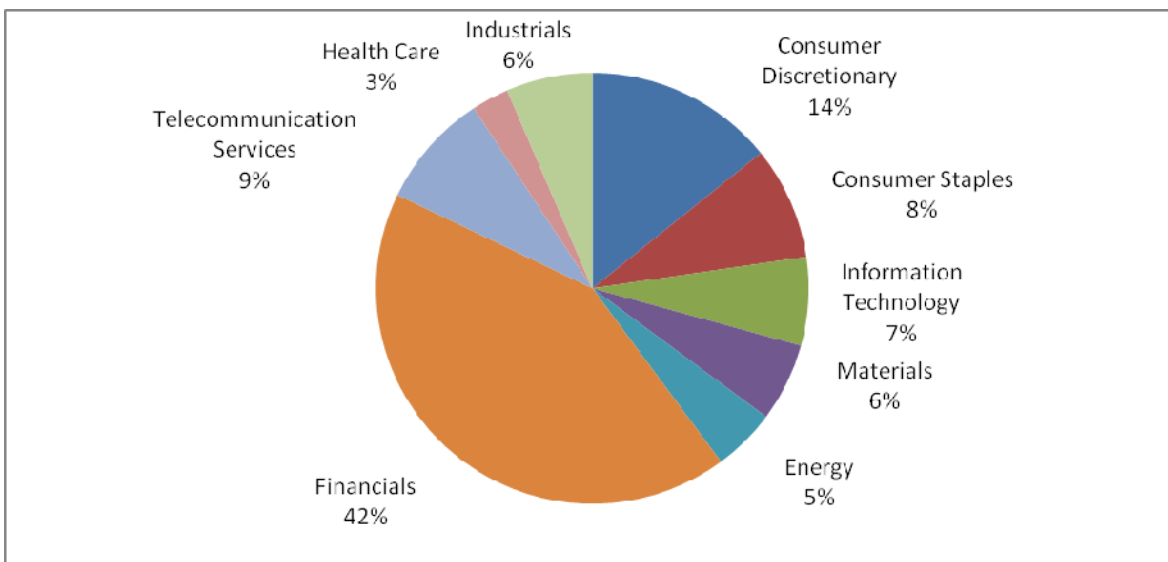
At 31 July 2011 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
SGI	Signature Capital Investments Limited	1,095,089	6.0%
TLS	Telstra Corporation Limited	547,170	3.0%
CCQ	Contango Capital Partners Limited	424,037	2.3%
CGF	Challenger Limited	366,750	2.0%
DKN	DKN Financial Group Limited	364,500	2.0%
TAH	Tabcorp Holdings Limited	357,420	2.0%
TEN	Ten Network Holdings Limited	356,400	2.0%
TWE	Treasury Wine Estates Limited	350,880	1.9%
MSF	Maryborough Sugar Factory Limited (The)	347,125	1.9%
WPL	Woodside Petroleum Limited	345,150	1.9%
SUL	Super Retail Group Limited	313,200	1.7%
SYM	Symex Holdings Limited	297,987	1.6%
CCP	Credit Corp Group Limited	230,354	1.3%
FXL	FlexiGroup Limited	189,002	1.0%
MLB	Melbourne IT Limited	185,838	1.0%
UXC	UXC Limited	184,214	1.0%
CYG	Coventry Group Limited	183,442	1.0%
RHG	RHG Limited	173,749	1.0%
CAH	Catalpa Resources Limited	169,772	0.9%
TPM	Tpg Telecom Limited	164,906	0.9%

Portfolio Structure – Asset Allocation



Long Portfolio Structure - Sector Allocation



Performance

Set out below is the performance of WAA since listing to July 2011 on a financial year basis. The performance data 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%
2011/2012	+0.2%	-3.4%	+3.6%

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						Since Inception
Gross Portfolio*	+0.2%						+53.4%
All Ords Accum.	-3.4%						-18.6%

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