WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – MARCH 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 43.9% compared to a 15.6% 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	+43.9%	+54.2%	+2.7%	-0.7%
S&P/ASX All Ords Accum	-15.6%	+44.0%	+5.2%	+1.5%
Outperformance	+59.5%	+10.2%	-2.5%	-2.2%

In March WAA's gross portfolio (before all fees, costs and taxes) increased by 2.9%, while the S&P/ASX All Ordinaries Accumulation Index increased by 5.8%.

NTA before tax	**122.59c***
NTA after tax and before tax on unrealised gains	**119.44c**
NTA after tax	**116.12c**

*This is after the payment of $170,222 (1.09 cents a share in tax).

MARKET OUTLOOK

The Australian share market powered higher in March with a strong performance from the resources and banking sectors. The S&P/ASX All Resources Index shot up 11 per cent for the month, as investors became increasingly attracted to the world growth story lead by China and a recovery in the US. Bank stocks also posted a strong month following a string of operating updates from the major Australian banks in February. The sector is being buoyed by a reduction in bad debts and an expansion in interest margins. In contrast the general industrial sector has struggled to move higher since

about October 2009, coinciding with the decision by the Reserve Bank of Australia to start lifting official interest rates.
We are becoming increasingly cautious as the market continues to rise. Valuations are fair, however, rising interest rates and a measure of exuberance appearing in the resources sector are reasons for our cautious approach. We believe that official interest rates in Australia will continue to rise throughout 2010. Other major global economies will also look to tighten monetary policy later in the year which will weigh heavily on shares as liquidity is removed from the system.

DIVIDENDS

On 26 February 2010 WAM Active Limited paid a final fully franked dividend of 3.0 cents per ordinary share. The DRP price was $1.143.

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 28 February 2010			As at 31 March 2010	
Investment Type	**$m**	**%**		**$m**	**%**
Listed Equities	12.15	61.6%		11.45	57.1%
Fixed Interest and Cash	7.57	38.4%		8.60	42.9%
Total Long Portfolio	**19.72**	**100.0%**		**20.05**	**100.0%**
Total Short Portfolio	**(0.00)**			**(0.00)**	
	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 March we increased our cash level to an average of 40.7%.

We established positions in Centrebet International Limited (CIL), Fortescue Metals Group Ltd (FMG), New Hope Corporation Limited (NHC), Norfolk Group Limited (NFK), Select Harvests Limited (SHV), Sims Metal Management Limited (SGM), Sylvania Resources Limited (SLV) and Webjet Limited (WEB).

We took advantage of the following capital raisings: A1 Minerals Limited (AAM), Endocoal Limited (EOC), Global Construction Services Limited (GCS), Alchemy Resources Limited (ALY), Finbar Group Limited (FRI), Miclyn Express Offshore Limited (MIO), Molopo Energy Limited (MPO) and Ausdrill Limited (ASL).

We traded positions in Credit Corp Group Limited (CCP), Living and Leisure Australia Group (LLA), Lycopodium Limited (LYL) and Red 5 Limited (RED).

We reduced our holdings in Coffey International Limited (COF), Fletcher Building Limited (FBU), Clive Peeters Limited (CPR), Commonwealth Bank of Australia (CBA), McPherson's Limited (MCP) and STW Communications Group Limited (SGN).

We exited positions in Avoca Resources Limited (AVO), Everest Financial Group Limited (EFG), Aevum Limited (AVE), Antares Energy Limited (AZZ), DWS Advanced Business Solutions Limited (DWS), Hillgrove Resources Limited (HGO) and Tpg Telecom Limited (TPM).

At 31 March 2010 the major securities held in the portfolio were:

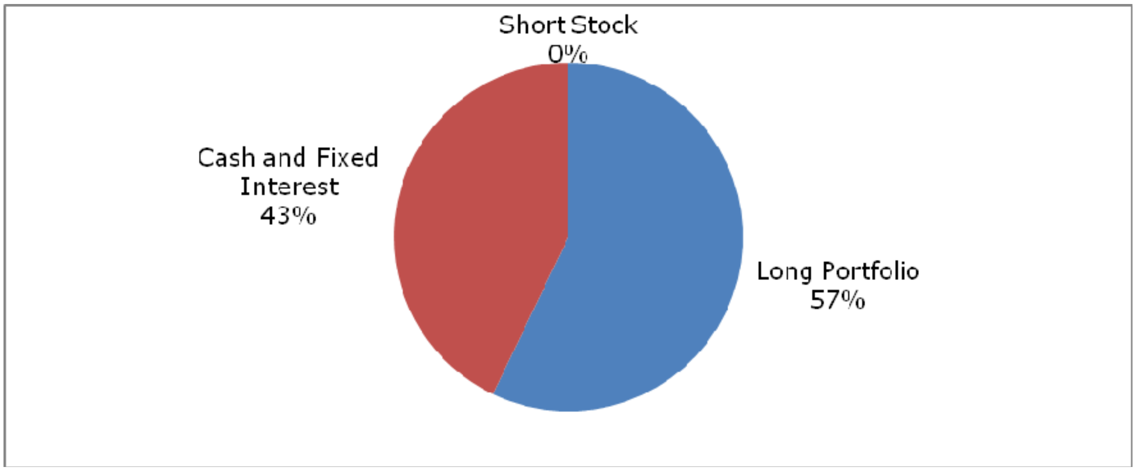
CODE	COMPANY	MARKET VALUE $	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
VBA	Virgin Blue Holdings Ltd	625,004	5.5%	3.1%
RHG	RHG Ltd	610,052	5.3%	3.0%
WES	Wesfarmers Ltd	556,643	4.9%	2.8%
TEN	Ten Network Holdings Ltd	484,500	4.2%	2.4%
MND	Monadelphous Group Ltd	390,150	3.4%	1.9%
BEN	Bendigo and Adelaide Bank Ltd	374,000	3.3%	1.9%
SGM	Sims Metal Management Ltd	368,220	3.2%	1.8%
FXJ	Fairfax Media Ltd	367,200	3.2%	1.8%
CQO	Charter Hall Office Reit	363,375	3.2%	1.8%
ANZ	ANZ Banking Group Ltd	362,141	3.2%	1.8%
WBC	Westpac Banking Corporation	354,960	3.1%	1.8%
FMG	Fortescue Metals Group Ltd	337,365	2.9%	1.7%
NAB	National Australia Bank Ltd	332,166	2.9%	1.7%
CBA	Commonwealth Bank of Australia	325,356	2.8%	1.6%

PERFORMANCE TABLE

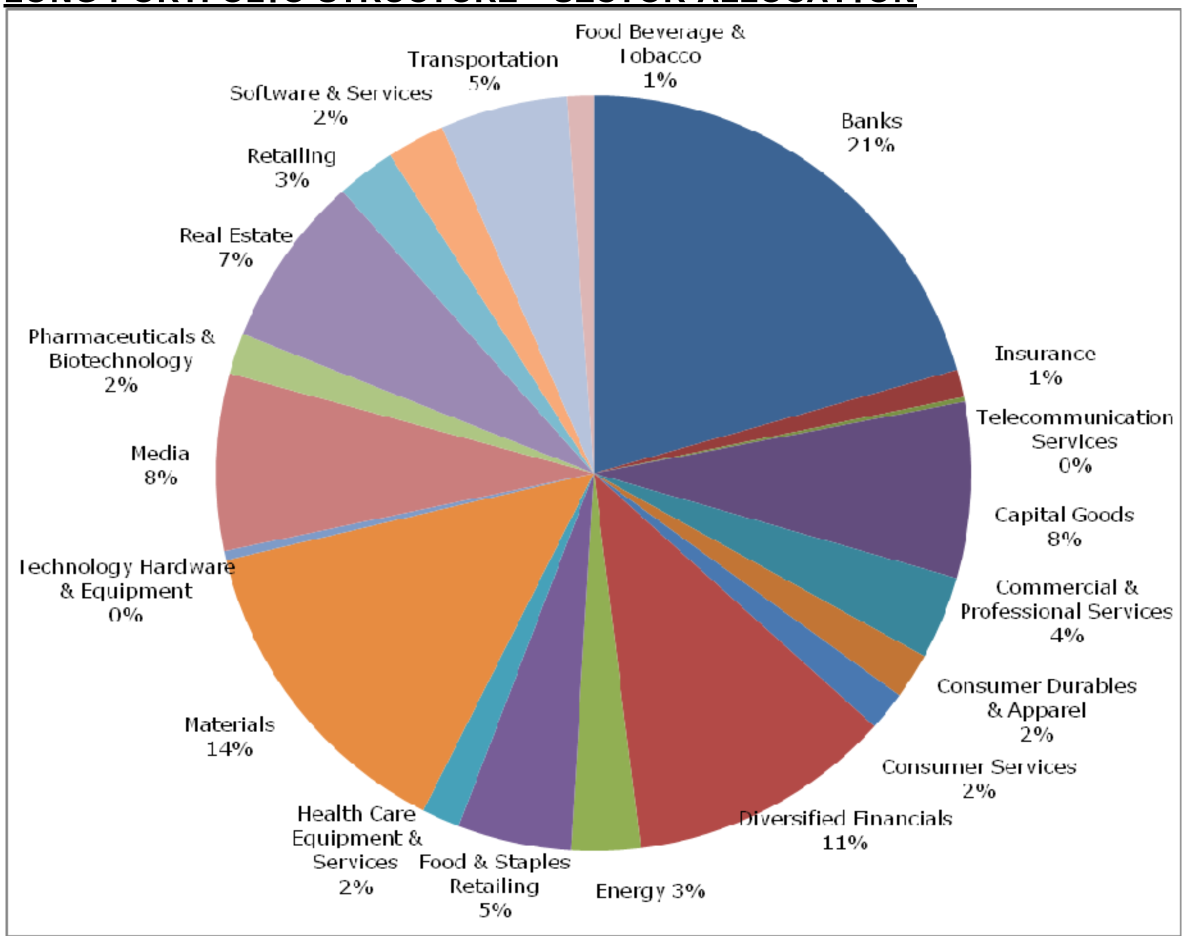
	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08
Gross Portfolio **	+0.3%	+1.2%	+0.5%	+1.6%	+2.4%	-3.7%	-1.1%
All Ords Accum.	-11.2%	+0.3%	-4.1%	+4.6%	+2.5%	-7.3%	-5.2%
	Aug 08	**Sep 08**	**Oct 08**	**Nov 08**	**Dec 08**	**Jan 09**	**Feb 09**
Gross Portfolio **	+0.1%	-3.8%	-5.3%	-5.2%	+3.4%	-1.9%	+0.6%
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**	**Since Inception**
Gross Portfolio **	+2.7%	+0.3%	+1.0%	-3.6%	+0.0%	+2.9%	+43.9%
All Ords Accum.	-1.9%	+1.9%	+3.7%	-5.8%	+1.8%	+5.8%	-15.6%

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

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



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