



**WAM ACTIVE LIMITED (WAA)**  
**ABN 49 126 420 719**  
**INVESTMENT UPDATE & NTA – MARCH 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 investments only and does not take into account expenses and taxes.

<b>Performance as at 31 March 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	+1.1%	+6.5%	+6.1%	+4.6%	+6.3%	+20.3%	+12.1%
S&P/ASX All Ordinaries Accumulation Index	+1.2%	+11.0%	-1.5%	-6.2%	-0.9%	+12.3%	-4.3%
<b>Outperformance</b>	<b>-0.1%</b>	<b>-4.5%</b>	<b>+7.6%</b>	<b>+10.8%</b>	<b>+7.2%</b>	<b>+8.0%</b>	<b>+16.4%</b>

The NTA numbers below are before the payment of a 4.5 cent per share fully franked interim dividend which is due to be paid on 24 April 2012. The shares traded ex dividend on 11 April 2012.

<b>NTA before tax</b>	<b>111.99c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>113.57c*</b>
<b>NTA after tax</b>	<b>111.72c**</b>

\* Includes tax assets of 1.58 cents per share.

\*\* Includes the net effect of 1.58 cents of tax assets and 1.85 cents of deferred tax liabilities.

## Market Outlook

The Australian equity market continued its strong start to 2012 finishing higher by 1.2% for the month. Investor sentiment benefited from continued positive macroeconomic data prints in the US, along with the Federal Reserve confirming its current policy settings would remain in place. The euro region stayed crisis-free for another month while investors' views around China's near-term growth profile remained volatile. Bonds declined as investors' switched into equities. Notably the S&P500 has risen almost 30% off its lows in early October 2011, while the Australian market continues to lag up just over 10%.

Domestic macroeconomic news flow continued to surprise on the downside with the non-mining side of the economy continuing to weaken. This outlook was reflected in the Reserve Bank statement this week which indicated a high probability that the cash rate will reduce at the next meeting in May. A series of successive rate cuts is needed to stimulate the non-mining economy out of recession. Earnings downgrades from retailers in March were confirmation of this. Interestingly, fashion retailer Orotan cited the current malaise in the retail sector as a structural shift to online, rather than cyclical.

After a strong start to 2012, we remain cautiously optimistic on the outlook for equity markets. We continue to research heavily for new investment opportunities.

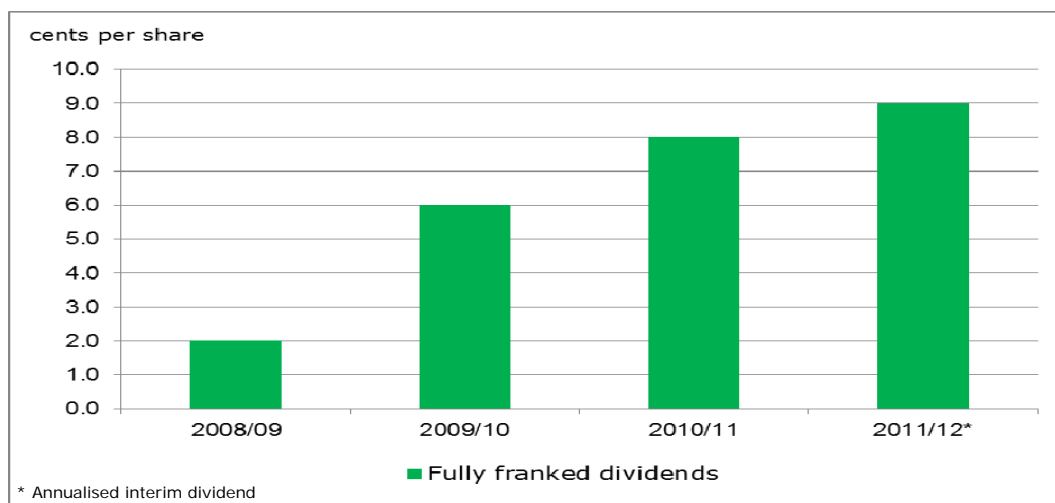
## Dividends

On 13 February 2012, the Board announced an interim dividend of 4.5 cents per share fully franked to be paid on 24 April 2012. The shares traded ex dividend on 11 April 2012. This is a 12.5% increase on the prior year's interim dividend.

The dividend reinvestment plan will operate with a 2.5% discount. The current share price (\$1.105 being closing price 11 April 2012) is trading at 1.3% discount to the 31 March 2012 pre-tax NTA. To participate in the dividend reinvestment plan, please send your election to our share registrar no later than 17 April 2012.

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, WAA should always be in a position to pay dividends. As at 31 March 2012, WAA has franking credits which allow it to pay a dividend equivalent to 10.4 cents per share. This is before the payment of the interim dividend.



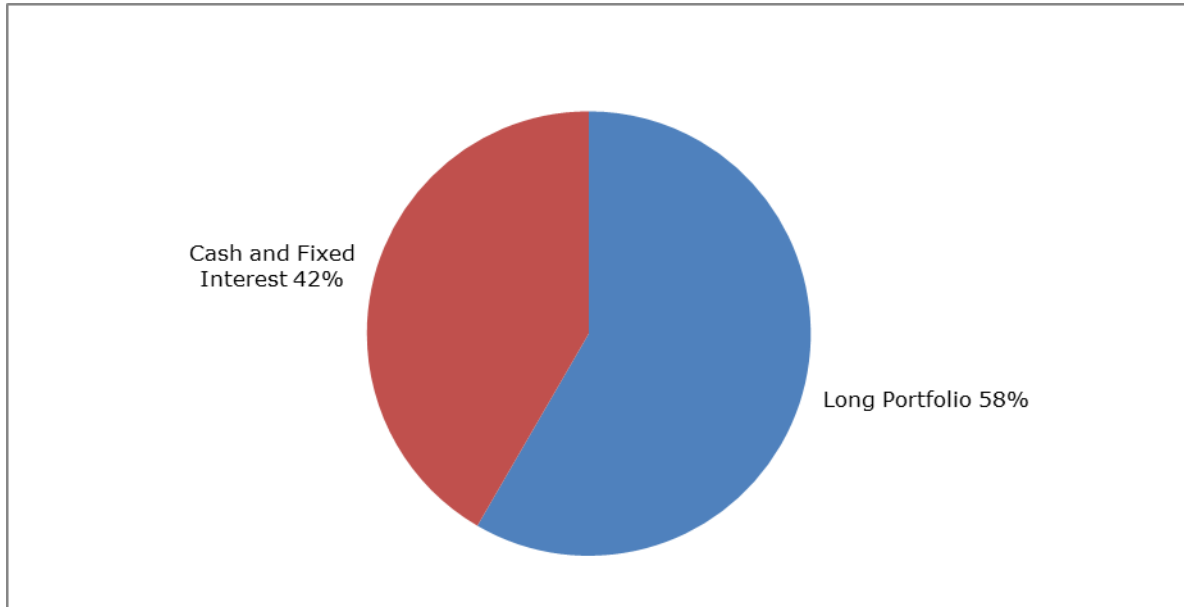
## Portfolio Structure

Investment Type	As at 29 Feb 2012		As at 31 Mar 2012	
	\$m	%	\$m	%
Listed Equities	12.7	69.3%	10.8	58.4%
Fixed Interest and Cash	5.6	30.7%	7.7	41.6%
<b>Total Long Portfolio</b>	<b>18.3</b>	<b>100.0%</b>	<b>18.5</b>	<b>100.0%</b>
<b>Total Short Portfolio</b>	<b>(0.1)</b>		<b>(0.0)</b>	
<b>Total Fund Size</b>	<b>\$18.2m</b>		<b>\$18.5m</b>	
	<b>No.</b>		<b>No.</b>	
<b>Total ordinary shares on issue</b>	16,176,213		16,176,213	

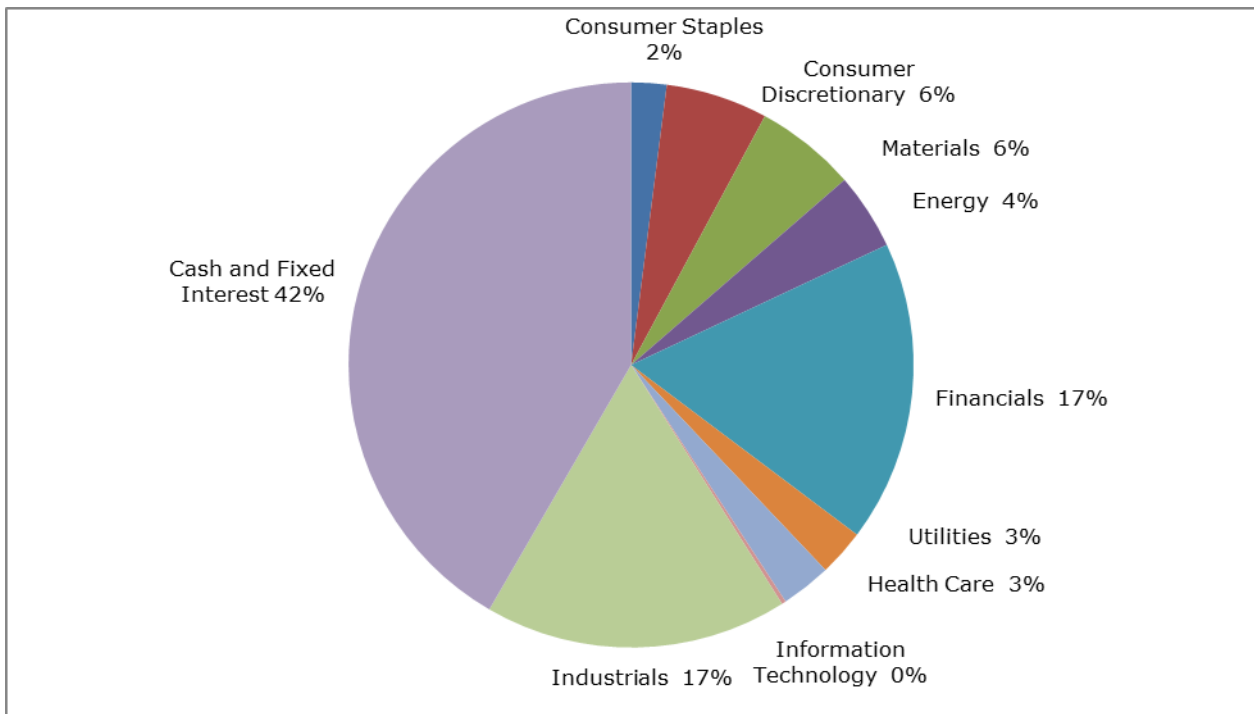
At 31 March 2012 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
CCQ	Contango Capital Partners Limited	543,205	2.9%
ILF	ING Real Estate Community Living Group	430,646	2.3%
EPX	Ethane Pipeline Income Fund	397,045	2.2%
AIX	Australian Infrastructure Fund	386,460	2.1%
SDG	Sunland Group Limited	386,446	2.1%
GFF	Goodman Fielder Limited	372,973	2.0%
EGP	Echo Entertainment Group Limited	372,053	2.0%
BSL	Bluescope Steel Limited	364,388	2.0%
CYG	Coventry Group Limited	349,182	1.9%
VAH	Virgin Australia Holdings Limited	339,037	1.8%
MIO	Miclyn Express Offshore Limited	333,467	1.8%
CLO	Clough Limited	324,723	1.8%
RHG	RHG Limited	302,888	1.6%
SVW	Seven Group Holdings Limited	297,355	1.6%
CDD	Cardno Limited	274,735	1.5%
CBAPB	CBA Perpetual Exc Resale Listed Sec - PERLS IV	250,312	1.4%
SWM	Seven West Media Limited	245,040	1.3%
CMIPC	CMI Limited Conv Pref Class A	239,564	1.3%
ACR	Acrux Limited	238,800	1.3%
FGE	Forge Group Limited	203,100	1.1%

## Portfolio Structure – Asset Allocation



## Portfolio Structure - Sector Allocation



## Performance

Set out below is the performance of WAA's investment portfolio since listing to 31 March 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%	-1.5%	+7.6%

## 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>Since Inception</b>
Gross Portfolio*	+3.5%	+1.1%					+62.4%
All Ords Accum.	+2.4%	+1.2%					-17.0%

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