



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – NOVEMBER 2009

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 43.5% compared to a 19.8% 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 WAM Active Limited:

	Since inception	12 month	6 month	3 month
WAM Active	+43.5%	+64.1%	+36.1%	+8.8%
S&P/ASX	-19.8%	+34.5%	+26.3%	+6.1%
Outperformance	+63.3%	+29.6%	+9.8%	+2.7%

In November WAA's gross portfolio (before all fees, costs and taxes) increased by 0.34%, while the S&P/ASX All Ordinaries Accumulation Index increased by 1.94%.

NTA before tax	127.01c
NTA after tax and before tax on unrealised gains	124.95c
NTA after tax	119.23c

MARKET OUTLOOK

The Australian share market resumed its upward trajectory during November with the S&P/ASX All Ordinaries Accumulation Index increasing 1.9 per cent for the month. This means the last 8 out of 9 months have been up in what has been an exceptional year for equities. November was characterised by a strong surge in resource stocks and a relatively weak performance by the industrial and banking sectors. The banking sector had become relatively expensive after a staggering rise from March and investors looked elsewhere to allocate funds. We believe the market will continue to move higher into the new calendar year, however stock selection will become increasingly important with the market leadership narrowing to a handful of sectors.

As we move deeper into 2010 the picture becomes cloudier and we would suspect that equity prices may retreat as interest rates rise around the world. In the longer term we would anticipate that share prices will level out in 2011 or possibly 2012 before starting a much longer and sustainable recovery. History tells us that share markets take between 5 and 7 years before they reach a new high. If we believe November 2007 was a multi-year high this would mean late 2012 is the earliest we could anticipate hitting an all time high on the Australian market.

DIVIDENDS

On 20 July 2009 WAM Active Limited paid a final fully franked dividend of 2.0 cents per ordinary share. 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.

PORTFOLIO STRUCTURE & STRATEGY

	As at 31 October 2009		As at 30 November 2009	
Investment Type	\$m	%	\$m	%
Listed Equities	14.42	69.3%	15.40	73.7%
Fixed Interest and Cash	6.40	30.7%	5.50	26.3%
Total Long Portfolio	20.82	100.0%	20.90	100.0%
Total Short Portfolio	(0.01)		(0.01)	
	No.		No.	
Total no. of ord shares on issue	15,489,219		15,489,219	
Total no. of options on issue	-		-	

During the month of November we maintained our cash level at an average of 28.5%. We established positions in Equinox Minerals (EQX), Harvey Norman Holdings (HVN), Lion Selection (LST), Mt Gibson Iron Ore (MGX), OZ Minerals (OZL), Pacific Brands (PBG), Pan Aust (PNA), Qantas Airways (QAN), Rivercity Motorway (RCY), Toll Holdings (TOL), Wesfarmers (WES) and Westfield Group (WDC). We also short sold WorleyParsons (WOR).

We took advantage of the following capital raisings: The Maryborough Sugar Factory (MSF), Kathmandu Holdings (KMD), Bow Energy (BOW), A1 Minerals (AAM), New Guinea Energy (NGE), Elk Petroleum (ELK), Tox Free Solutions (TOX), Prime Infrastructure Group (PIH), MEO Australia (MEO), Boom Logistics (BOL), Sims Metal Management (SGM), ARB Corporation (ARP), Ampella Mining (AMX), Commonwealth Office Property Fund (CPA), VDM Group (VMG) and Macquarie Media Group (MMG).

We reduced our holdings in Heritage Building Society (HBSHA), Willmott Forests (WFL), Globe Metals & Mining (GBE), Runge (RUL), Focus Minerals (FML), Integra Mining (IGR), Silver Chef (SIV), Credit Corp (CCP), Oakton (OKN), Photon Group (PGA), Newsat (NWT) and A1 Minerals (AAM).

We exited positions in FKP Property Group (FKP), Oil Search (OSH), Ridley Corporation (RIC), FSA Group (FSA), Toro Energy (TOE), Saracen Mineral Holdings (SAR), MacArthur Coal (MCC), QBE Insurance (QBE), Jackgreen (JGL), Liquified

Natural Gas (LNG), Myer Holdings (MYR), Paragon Care (PGC), Pluton Resources (PLV), Australian Pharmaceutical Industries (API), UXC Limited (UXC), Unilife Medical Solutions (UNI), KSC Corporation (KSC), Vulcan Resources (VCN) and ING industrial Fund (IIF).

At 30 November 2009 the major securities held in the portfolio were:

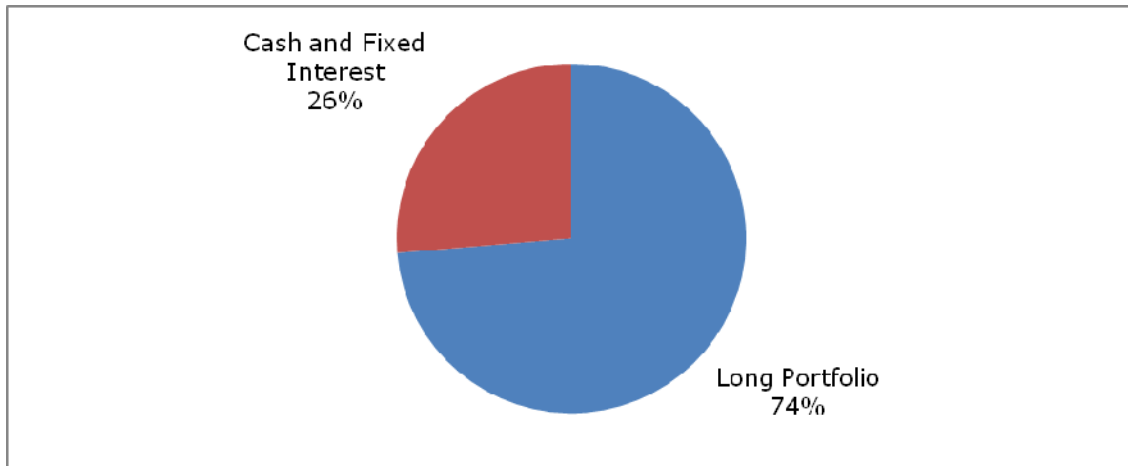
CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
MCP	McPherson's Limited	887,266	5.8%	4.3%
TLS	Telstra Corporation Limited	649,639	4.2%	3.1%
FXL	Flexigroup Limited	525,709	3.4%	2.5%
TOL	Toll Holdings Limited	483,735	3.1%	2.3%
SKE	Skilled Group Limited	477,358	3.1%	2.3%
WES	Wesfarmers Limited	430,321	2.8%	2.1%
VBA	Virgin Blue Holdings Limited	420,803	2.7%	2.0%
RHG	RHG Limited	412,373	2.7%	2.0%
PBG	Pacific Brands Limited	399,330	2.6%	1.9%
SOT	SP Telemedia Limited	395,080	2.6%	1.9%
FLT	Flight Centre Limited	389,685	2.5%	1.9%
POL	Polaris Metals NL	387,600	2.5%	1.9%
NAB	National Australia Bank Limited	380,646	2.5%	1.8%
CUS	Customers Limited	373,764	2.4%	1.8%

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					Since Inception
Gross Portfolio **	+2.7%	+0.3%					+43.5%
All Ords Accum.	-1.9%	+1.9%					-19.8%

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

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION

