



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – SEPTEMBER 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 52.5% compared to a decline of 25.3% 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 30 September 2011	1 Mth %	6 Mths %	Fin Ytd %	1 Year %	2 Yrs %pa	Since Inception (Jan-08) %pa
WAM Active Limited*	+0.7%	-1.8%	-0.4%	+6.2%	+4.3%	+11.9%
S&P/ASX All Ordinaries Accumulation Index	-6.3%	-15.5%	-11.3%	-8.4%	-3.3%	-7.5%
Outperformance	+7.0%	+13.7%	+10.9%	+14.6%	+7.6%	+19.4%

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

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

NTA before tax	107.33c
NTA after tax and before tax on unrealised gains	108.88c*
NTA after tax	108.08c**

*Includes tax assets of 1.55 cents per share.

**Includes the net effect of 1.55 cents of tax assets and 0.80 cents of deferred tax liabilities.

Market Outlook

The Australian market continued its downward trajectory with September producing the sixth straight month of negative returns. The S&P/ASX All Ordinaries Accumulation Index closed the month down 6.3% with investors continuing to grapple with slowing economic growth globally. Focus was once again centered on Europe and the potential solutions being proposed to resolve the financial crisis, in particular stopping Greece defaulting. We continue to expect a prolonged period of deleveraging globally over the next few years.

Market Outlook (continued)

Locally, the Reserve Bank minutes in October have indicated a high probability of a cut in interest rates on Melbourne Cup day. If this scenario plays out, we believe this could be positive for industrial earnings growth over the next 1-2 years. In the meantime, we expect the equity markets will continue to be led by offshore events in Europe and the US. As such, we remain cautious with higher than average cash levels.

Dividends

On 30 September 2011, the Company paid a fully franked final dividend of 4.0 cents per share. This brings the full year dividend to 8.0 cent per share fully franked.

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. Essentially, WAM Active will always be in a position to pay dividends providing it is solvent.

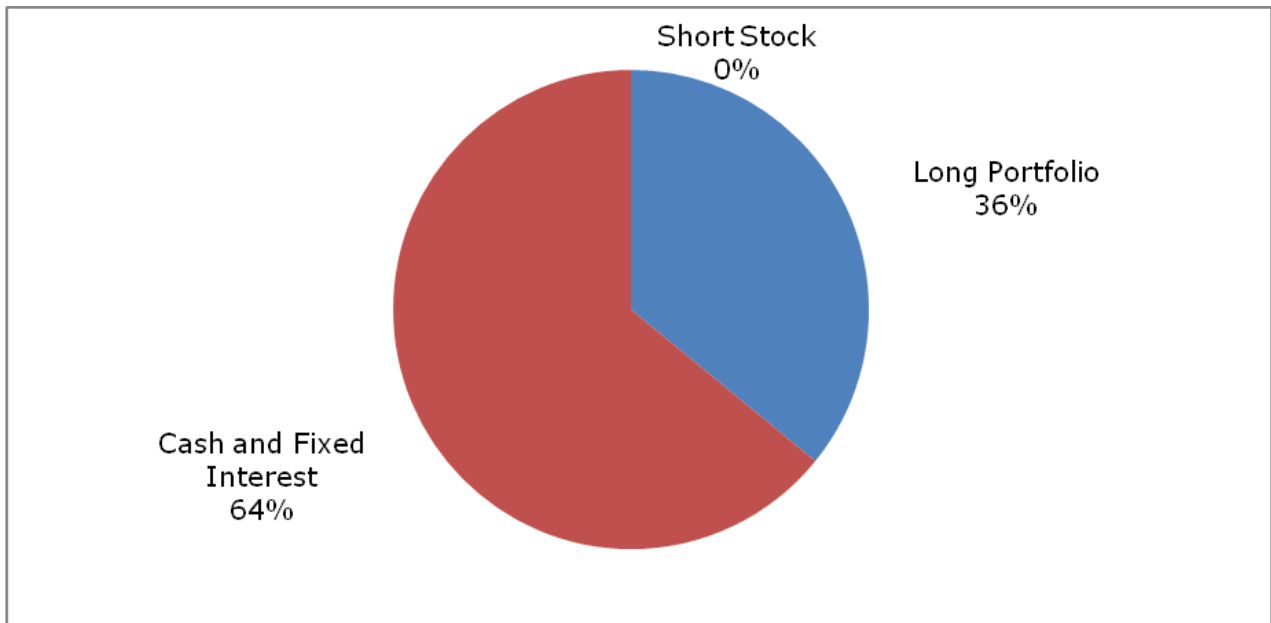
Portfolio Structure

Investment Type	As at 31 Aug 2011		As at 31 Aug 2011	
	\$m	%	\$m	%
Listed Equities	5.9	32.3%	6.3	35.9%
Fixed Interest and Cash	12.3	67.7%	11.2	64.1%
Total Long Portfolio	18.2	100.0%	17.5	100.0%
Total Short Portfolio	(0.3)		(0.0)	
Total Fund Size	\$17.9m		\$17.5m	
	No.		No.	
Total ordinary shares on issue	16,066,653		16,176,213	

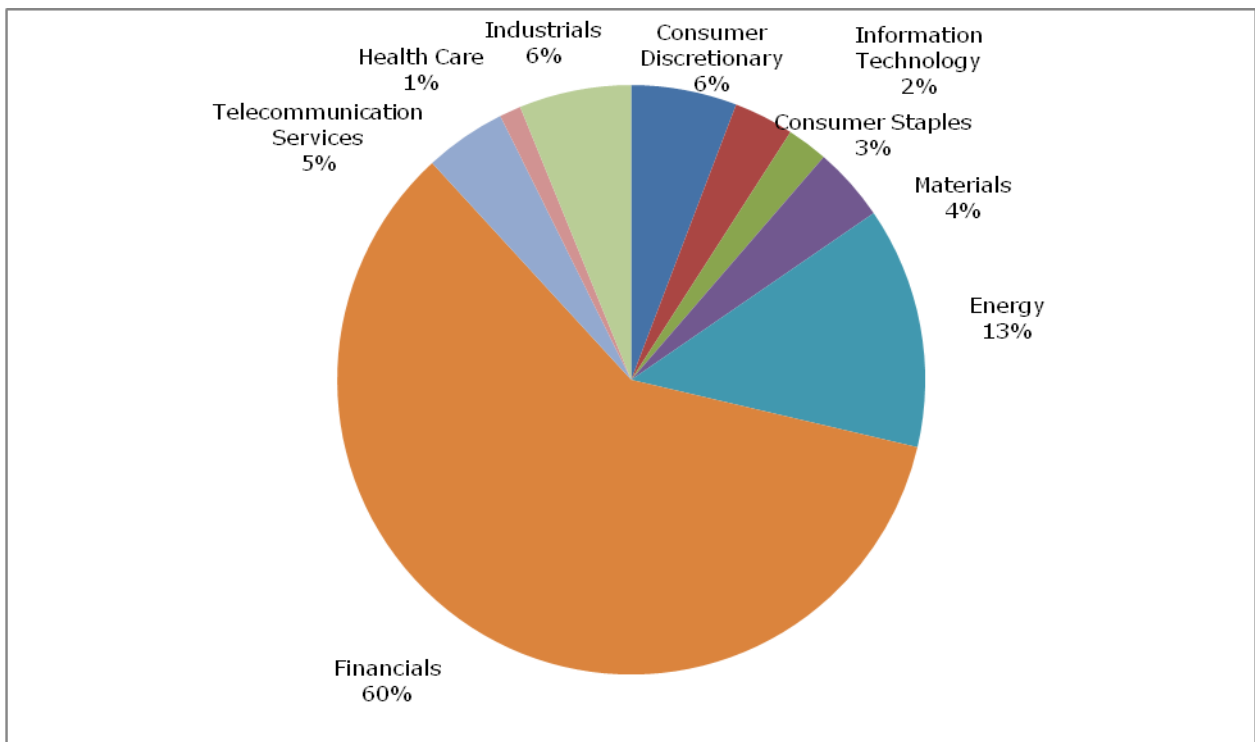
At 30 September 2011 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
SGI	Signature Capital Investments Limited	1,139,736	6.5%
CNA	Coal & Allied Industries Limited	808,289	4.6%
DKN	DKN Financial Group Limited	560,475	3.2%
CCQ	Contango Capital Partners Limited	502,326	2.9%
TLS	Telstra Corporation Limited	281,821	1.6%
SOE	Souls Private Equity Limited	275,251	1.6%
SYM	Symex Holdings Limited	249,082	1.4%
SDG	Sunland Group Limited	229,500	1.3%
MSF	Maryborough Sugar Factory Limited (The)	206,711	1.2%
CYG	Coventry Group Limited	186,718	1.1%
FXJ	Fairfax Media Limited	179,438	1.0%
RHG	RHG Limited	174,810	1.0%
IMFG	IMF (Australia) Ltd 10.25% Sec Red Conv Note	146,338	0.8%
ROK	Rock Building Society Limited (The)	115,662	0.7%
TGP	Trafalgar Corporate Group	108,002	0.6%
RCR	RCR Tomlinson Limited	99,750	0.6%
UXC	UXC Limited	95,991	0.5%
MFNHA	Macquarie Fortress Australia Notes Trust Series 1 Floating Rate Note	93,840	0.5%
EFG	Everest Financial Group Limited	92,388	0.5%
NBL	Noni B Limited	91,769	0.5%

Portfolio Structure – Asset Allocation



Long Portfolio Structure - Sector Allocation



Performance

Set out below is the performance of WAA since listing to September 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%
YTD 2011/2012	-0.4%	-11.3%	+10.9%

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	Aug 11	Sep 11				Since Inception
Gross Portfolio*	+0.0%	-1.2%	+0.7%				+52.5%
All Ords Accum.	-3.4%	-2.0%	-6.3%				-25.3%

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