



WAM ACTIVE LIMITED (WAA)
ABN 49 126 420 719
INVESTMENT UPDATE & NTA – JUNE 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 53.2% compared to a decline of 15.8% 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 June 2011	1 Mth %	6 Mths %	Fin Ytd %	2 Yrs %pa	Since Inception (Jan-08) %pa
WAM Active Limited *	-2.3%	-0.7%	+11.5%	+16.9%	+12.9%
S&P/ASX All Ordinaries Accumulation Index	-2.4%	-2.0%	+12.2%	+13.0%	-4.8%
Outperformance	+0.1%	+1.3%	-0.7%	+3.9%	+17.7%

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

The following NTA figures are after the payment of an interim dividend of 4.0 cents per share fully franked paid on 31 March 2011.

NTA before tax	112.76c
NTA after tax and before tax on unrealised gains	113.39c*
NTA after tax	112.67c**

* Includes tax assets of 0.63 cents per share.

** Includes the net effect of 0.63 cents of tax assets and 0.72 cents of deferred tax liabilities.

Market Outlook

The conclusion to the financial year was eventful with the S&P/ASX All Ordinaries Accumulation Index bouncing back late in the month to only finish down 2.4% for the month after being down more almost 6% at one stage. Deteriorating macroeconomic data from the US and in particular Europe was the focus for investors during the month. A resolution from the Greek government towards the end of the month drove the market higher as confidence returned. Commodity prices continued their weakness as further questions are being asked about Chinese growth off the back of significant monetary tightening over the last 6 months.

Market Outlook (continued)

At the time of writing another interest rate increase has been announced in China. We expect the economic data from China will continue to show weakness over the next 6 months and in turn see commodity prices trade lower.

In Australia, Analysts have commenced adjusting earnings expectations downwards for the new financial year. We expect this to continue during the corporate reporting season in August. Focus points over the upcoming months will be how reporting season and results look along with further clarity from the Reserve Bank on the future direction of interest rates in Australia. The RBA have softened their tone recently, however given the nature of the two speed economy in Australia we see further rate increases placing our economy in a precarious position. As such we remain cautious and will continue to look for individual stock opportunities.

Dividends

On 31 March 2011 the company paid an interim dividend of 4.0 cents per share fully franked. This is a 33% increase on the interim dividend from the previous year.

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 not be reliant on reported profit and retained earnings as it was previously. Rather it will be with consideration to cash flow, cash holdings and available franking credits.

Portfolio Structure

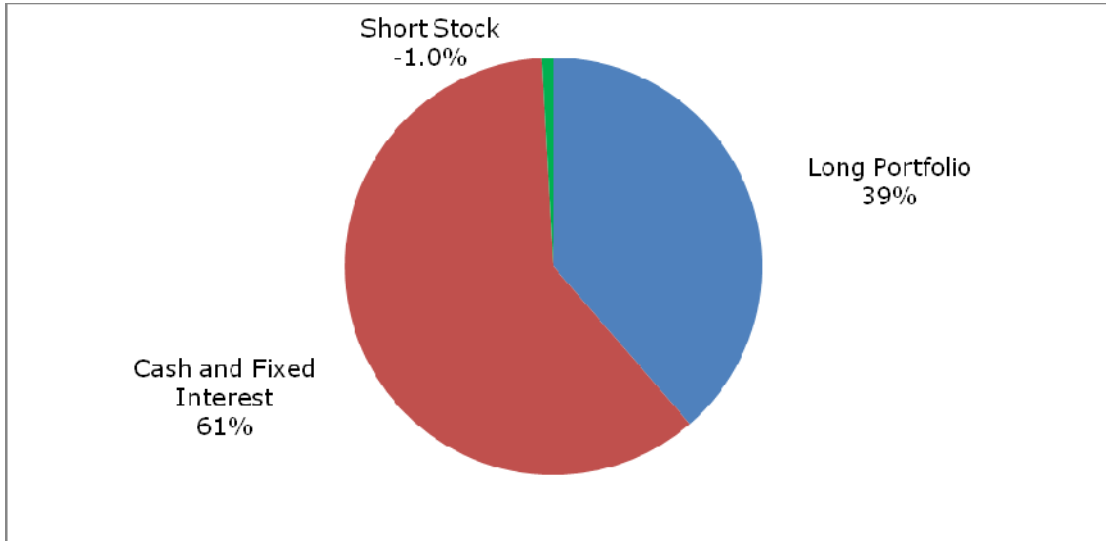
Investment Type	As at 31 May 2011		As at 30 June 2011	
	\$m	%	\$m	%
Listed Equities	10.0	51.8%	7.3	39.0%
Fixed Interest and Cash	9.3	48.2%	11.4	61.0%
Total Long Portfolio	19.3	100.0%	18.7	100.0%
Total Short Portfolio	(0.2)		(0.2)	
Total Fund Size	\$19.1m		\$18.5m	
	No.		No.	
Total ordinary shares on issue	16,066,653		16,066,653	

Portfolio Structure (continued)

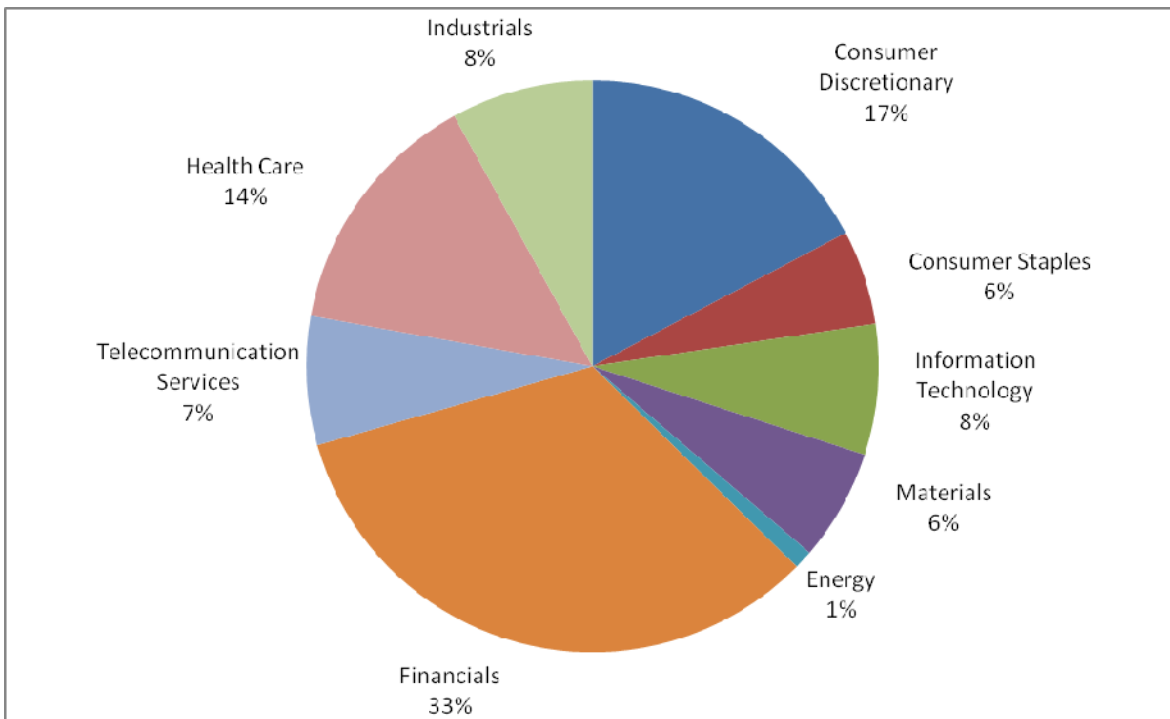
At 30 June 2011 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
SGI	Signature Capital Investments Limited	1,038,348	5.6%
AUN	Austar United Communications Limited	764,633	4.1%
ISF	Isoft Group Limited	570,634	3.1%
TLS	Telstra Corporation Limited	528,870	2.9%
MSF	Maryborough Sugar Factory Limited (The)	388,667	2.1%
CCQ	Contango Capital Partners Limited	365,607	2.0%
SYM	Symex Holdings Limited	358,174	1.9%
CCP	Credit Corp Group Limited	299,070	1.6%
SPL	Starpharma Holdings Limited	292,500	1.6%
FLT	Flight Centre Limited	194,580	1.1%
MLB	Melbourne IT Limited	180,588	1.0%
UXC	UXC Limited	178,964	1.0%
RHG	RHG Limited	166,868	0.9%
RVA	Reva Medical Inc	165,534	0.9%
IMFG	IMF (Australia) Ltd 10.25% Sec Red Conv Note	155,556	0.8%
CYG	Coventry Group Limited	144,705	0.8%
SPT	Spotless Group Limited	139,800	0.8%
CIL	Centrebet International Limited	133,991	0.7%
ILF	ING Real Estate Community Living Group	129,238	0.7%
TGP	Trafalgar Corporate Group	126,722	0.7%

Portfolio Structure – Asset Allocation



Long Portfolio Structure - Sector Allocation



Performance

Set out below is the performance of WAA since listing to June 2011 on a financial year basis. The performance data excludes 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%

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

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%
							Since Inception
Gross Portfolio*							+53.2%
All Ords Accum.							-15.8%

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