



WAM ACTIVE LIMITED (WAA)
INVESTMENT UPDATE & NTA – FEBRUARY 2009

WAM Active Limited (WAA) listed on the Australian Stock Exchange in January 2008 after raising \$15.4 million.

WAA offers investors exposure to an active trading style with the aim of achieving a sound return with a low correlation to traditional markets. This was achieved in our first 14 months with the Fund outperforming the All Ordinaries Accumulation Index by 35.0%.

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.

In February WAA's gross portfolio (before all fees, costs and taxes) increased by 0.62%, while the All Ordinaries Accumulation Index fell by 4.26%.

NTA before tax payable and after tax assets	90.71c*
NTA after tax and before tax on unrealised	90.71c
NTA after tax	90.11c

* This includes 5.4 cents per share in tax assets.

MARKET OUTLOOK

In last month's report we talked about the market consolidating from October 2008 through to January 2009. Unfortunately the market failed to hold and during February the market declined 4.8%. This sell off continued into March, seeing the All Ordinaries Index hit a new low. From 1 November 2007 to 6 March 2009, the benchmark index has fallen 55%, making it the second worst bear market in Australian history. The sheer size of the fall and the opportunities arising make us confident that a sizeable rally could take place. The much more difficult question is whether March 2009 is the bottom of the bear market. Only time can tell. In the meantime we are looking to take advantage of extreme value situations.

PORTFOLIO STRUCTURE & STRATEGY

	As at 31 January 2009			As at 28 February 2009	
Investment Type	\$m	%		\$m	%
Listed Equities	4.08	30.7%		2.29	17.1%
Fixed Interest and Cash	9.21	69.3%		11.05	82.9%
Total Long Portfolio	13.29	100.0%		13.34	100.0%
Total Short Portfolio	(0.11)	100.0%		(0.10)	100.0%
	No.			No.	
Total no. of ord shares on issue	15,400,101			15,400,101	
Total no. of options on issue	15,400,100			15,400,100	

During the month of February we increased our cash level to 82.9%. We took positions in Technology One Limited (TNE), Australian Agricultural Company Limited (AAC), Melbourne IT Limited (MLB) and increased our holdings in Contango Capital Partners Limited (CCQ), Eservglobal Limited (ESV), McPherson's Limited (MCP) and short sold a position in Transpacific Industries Group Ltd (TPI).

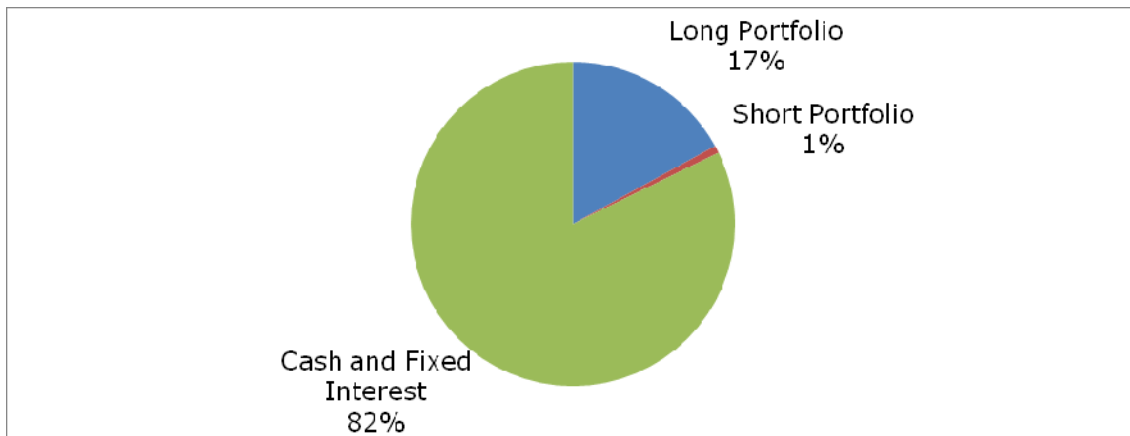
We took advantage of the following placements - Lend Lease Corporation Limited (LLC), Insurance Australia Group Limited (IAG), Po Valley Energy Limited (PVE), PIPE Networks Limited (PWK), Newcrest Mining Limited (NCM), Qantas Airways Limited (QAN), Suncorp-Metway Limited (SUN) and Westfield Group (WDC). We also traded postions in Adelaide Brighton Limited (ABC) and RIO Tinto Limited (RIO).

We substantially reduced our exposure to the financial sector and closed out positions in AMP Limited (AMP), ASX Limited (ASX), Bendigo and Adelaide Bank Limited (BEN), Commonwealth Bank of Australia (CBA), Mortgage Choice Limited (MOC), National Australia Bank Limited (NAB) and QBE Insurance Group Limited (QBE).

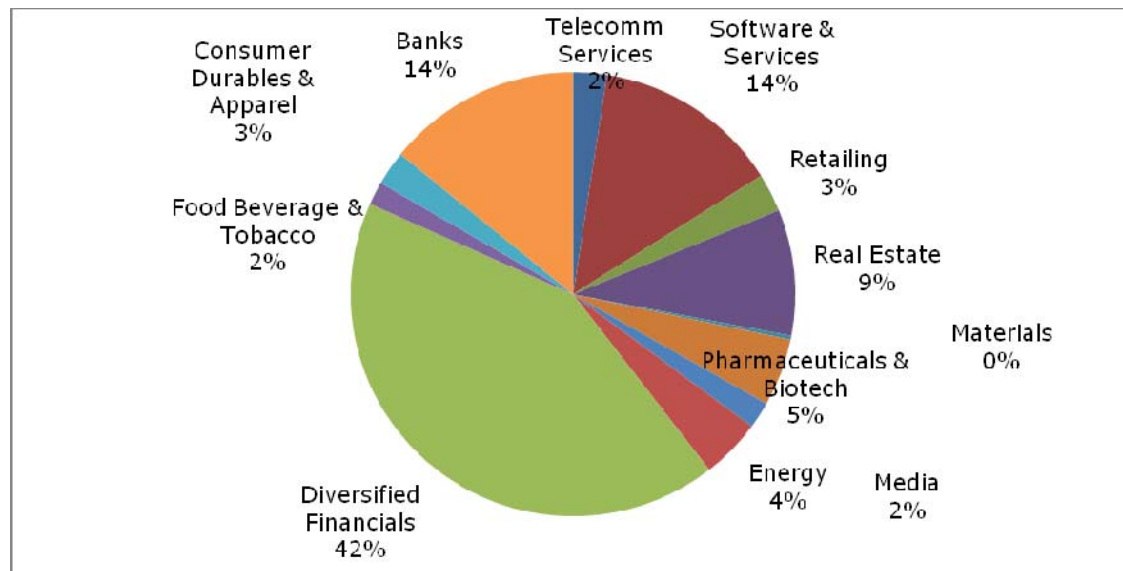
At 28 February 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
EFG	Everest Financial Group Limited	20.1%	3.5%
CCQ	Contango Capital Partners Limited	14.7%	2.5%
MLE	Macquarie Leisure Trust Group	9.2%	1.6%
RHG	RHG Limited	5.7%	1.0%
PGL	Progen Pharmaceuticals Limited	4.9%	0.8%
TNE	Technology One Limited	4.9%	0.8%
ANZPB	ANZ Banking Group Limited Conv Prefs	4.5%	0.8%
MVU	MatrixView Limited	4.0%	0.7%
ESV	Eservglobal Limited	3.5%	0.6%
ASX	ASX Limited	3.2%	0.5%
MCP	McPherson's Limited	2.5%	0.4%
AMM	Amcom Telecommunications Limited	2.5%	0.4%
AIQ	Alternative Investment Trust	2.2%	0.4%
PVE	Po Valley Energy Limited	2.2%	0.4%

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



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%
							Since Inception
Gross Portfolio *							-10.7%
All Ords Accum.							-45.7%

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

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