



2 August 2011

**WAM ACTIVE LIMITED
ABN 49 126 420 719
RESULTS SUMMARY
FOR YEAR ENDED 30 JUNE 2011**

“33% INCREASE IN DIVIDENDS”

Key Highlights

- A 33% increase in the fully franked full year dividend to 8.0 cents per share. A fully franked dividend yield of 7.7% based on the 1 August 2011 closing price.
- The gross portfolio increased 11.5% for the 12 months to 30 June 2011. This was achieved with an average cash weighting of 55.2% for the year.
- Over the course of the year, the equity component of the market driven portfolio turned over 6.9 times. The best performing trade types for the FY2011 were trades based on valuation (low price to earnings multiples or discount to NTA) and takeover arbitrages.

Performance as at 30 June 2011	1 Yr %	2 Yrs %pa	Since Inception (Jan-08) %pa
WAM Active Limited	+11.5%	+16.9%	+12.9%
S&P/ASX All Ordinaries Accumulation Index	+12.2%	+13.0%	-4.8%
Outperformance	-0.7%	+3.9%	+17.7%

WAM ACTIVE LIMITED

WAM Active Limited (WAA) today announced an operating profit before tax for the year ended 30 June 2011 of \$1.14m, and an after tax operating profit of \$1.21m. The result reflected the performance of the investment portfolio over the last 12 months. Net profit reflects the change in the value of the portfolio over a 12 month period. This year the increase in the portfolio +11.5% was less than last year +22.7%.

"This is our fourth year of operation and as an absolute return fund we are pleased to deliver another positive result" said Geoff Wilson, Chairman of WAM Active.

The Board's policy of paying a growing stream of fully franked dividends when possible was continued with a 33% increase in the fully franked final dividend to 4.0 cents per share. This brings the full year ordinary dividend to 8.0 cents per share fully franked.

"The company has maximum flexibility, with 61% of the portfolio in cash, to take advantage of what we believe will be a year full of opportunities" said Geoff Wilson, Chairman of WAM Active.

Over the course of the year, the equity component of the market driven portfolio turned over 6.9 times and we traded in 302 individual stocks.

The best performing market driven strategies employed were trades based on valuation (low/PE or discount to NTA), followed by takeovers and then capital raisings.

The top contributing stocks for the year were RHG Limited, Tower Australia Group, Village Roadshow and Healthscope.

Dividends

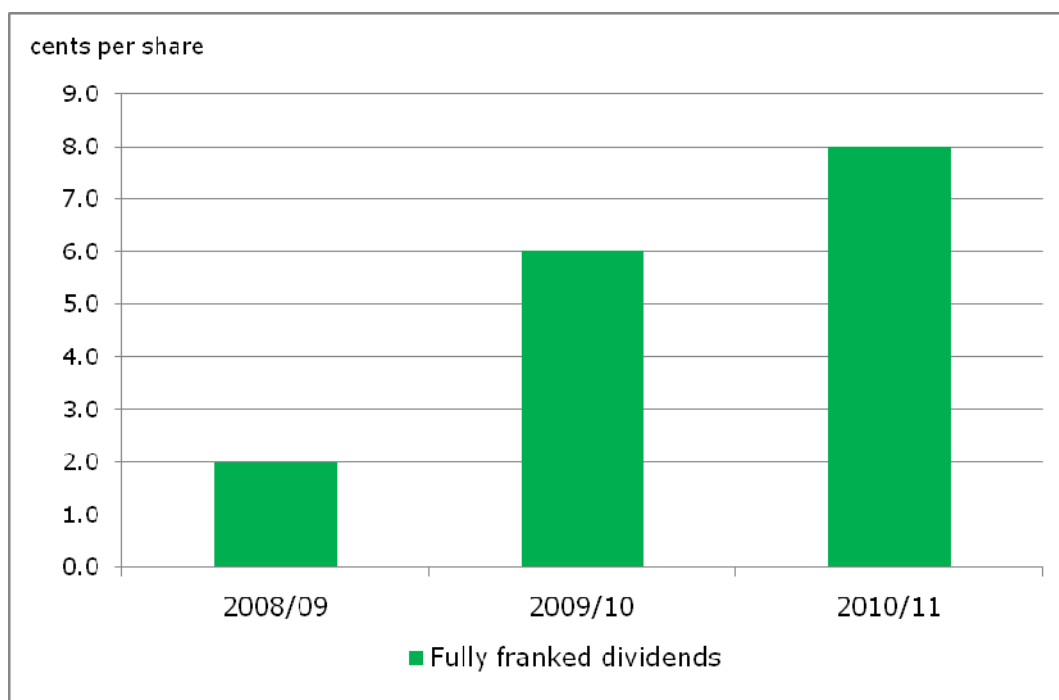
A fully franked final dividend of 4.0 cents per share has been declared by the Board and will be paid on the 30 September 2011. The shares will trade ex dividend on 19 September 2011. This brings the full year dividend to 8.0 cents per share fully franked.

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 generally 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.

The dividend re-investment plan will operate at the weighted average market price of shares sold on the books closing date (i.e record date) and the three trading days prior to the date. To participate in the dividend re-investment plan, please send your election to our share registrar no later than 23 September 2011. The current share price (\$1.06 being closing price 1 August 2011) is a 6% discount to the 30 June 2011 pre-tax NTA.

Dividends (continued)



Net Asset Backing

The net tangible assets (NTA) on listing in January 2008 were 98.4 cents per share.

Below is a table of the company's position as at 30 June 2011.

NTA before tax (cents per share)	112.76c
NTA after tax and before tax on unrealised gains (cents per share)	113.39c*
NTA after tax (cents per share)	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

The above figures are after the payment of 12.0 cents a share in fully franked dividends since inception in 2008.

Performance

- The gross portfolio increased 11.5% for the 12 months to 30 June 2011.
- The performance was achieved with an average cash weighting of 55.2% during the year. The return on our cash holdings was 5.2% while the return on our equity portion was 19.3%.
- The after tax NTA, adjusted for dividends, increased 5.6% for the year ended 30 June 2011. This was after the payment of 3.4 cents a share in tax during the year.
- The share price, adjusted for dividends, rose 12.3% for the year ended 30 June 2011.

Performance (continued)

Set out below is the investment performance of WAM Active since listing to 30 June 2011. The performance data is before all expenses, fees and taxes is used as a guide to how the company has performed against the S&P/ASX All Ordinaries Accumulation Index, which is also a before tax and expenses measure.

Financial Year	WAM Active 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%

Investment Process and Strategy

WAM Active's philosophy is to take advantage of relative short term arbitrages and mispricing of securities listed on the ASX, rather than investing in listed entities for a prolonged period of time. These opportunities are not limited to company size or sector. The total fund generally turns over between 5 and 10 times a year depending on the opportunities available.

WAM Active has a Market Driven investment process where we scour the market for trading opportunities. These could include participating in initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangements), corporate spin-offs, restructurings, arbitrage opportunities, LIC discount arbitrages, relative value arbitrages and trading market themes or trends.

In a bid to preserve shareholder's capital, the Manager of WAM Active spends a significant amount of time attempting to mitigate the risk associated with trading in listed securities. The following measures are taken to implement this strategy;

- An investment in cash if no trades can be identified. On average the fund has held approximately 55 per cent since listing in January 2008;
- A spread of investments;
- A strong awareness of each investee company's liquidity;
- The ability to short sell securities in a bid to profit from a decline in a company's share price; and
- A stop loss for short term trading opportunities.

Portfolio Structure

Investment Type	As at 30 June 2010		As at 30 June 2011	
	\$m	%	\$m	%
Listed Equities	4.4	22.4%	7.3	39.0%
Fixed Interest and Cash	15.2	77.6%	11.4	61.0%
Long Portfolio	19.6	100.0%	18.7	100.0%
Short Portfolio	(0.7)		(0.2)	
Ordinary shares on issue	No. 15,604,808		No. 16,066,653	

At 30 June 2011 the top 20 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%

Outlook

In the first half of the year, discounted capital raisings provided significant opportunities. In the second half, as the market began to struggle, the amount of capital raisings declined and the risk reward equation increased significantly. Our strategy has involved trading oversold positions, earnings momentum/surprises, discount to asset plays, short selling and takeover arbitrages.

Looking ahead we believe the benign outlook for growth will result in a continuation of corporate activity, particularly in the smaller industrial sectors as companies take advantage of their strong balance sheets to buy growth. China's goal to increase their equity investments in resource projects will continue. The current reporting season will provide opportunities on the short side, as the market gets further evidence on how much the economy slowed in the June quarter. We are extremely well positioned for any pick up in low risk reward trading as we are holding over 60% of our assets in cash.

We would like to thank our investors for their continued support throughout the year which once again has been a volatile one for equity markets. We look forward to seeing you at our shareholder presentation in November, where we will give you a further update on the Company's performance and the broader equity markets.

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