WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the year ended 30 June 2008^

	$	**Up/Down^**	**% mvmt**
Revenue from ordinary activities	1,649,926	Up	305%
Profit from ordinary activities before income tax expense attributable to members	825,647	Up	596%
Net profit after income tax expense for the year attributable to members	641,196	Up	592%

Dividend Information	**Amt per share**	**Franked amount per share**	**Tax rate for franking**
Final dividend per share	2.0c	2.0c	30%
Total dividends per share for the year	2.0c	2.0c	30%

The final dividend was declared on 1 July 2009 for shareholders on record date of 10 July 2009 and paid on 20 July 2009.

The Dividend Reinvestment Plan is in operation and the final dividend of 2.0 cents per share qualified. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at no discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date for the relevant dividend and the 3 trading days preceding that date). To participate in the dividend re-investment plan, shareholders must return DRP election forms to our share registrar no later than record date.

	30 June 09	**30 June 08**
Net tangible asset backing	103.37c	99.42c

This report is based on the Financial Report which is in the process of being audited. All the documents comprise the information required by Listing Rule 4.3A.

^The Company was incorporated on 6 July 2007 and commenced trading upon its official quotation on the Australian Stock Exchange on 11 January 2008. Therefore comparative figures for June 2008 are for six months and not for a full year.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
Proceeds from sale of investments		40,736,899	16,094,263
Cost of investments sold		(41,660,564)	(16,039,311)
Unrealised gain/(loss) on held for trading financial assets		1,785,732	(244,512)
Other revenue from ordinary activities	**2**	787,860	596,767
Performance fees		(218,315)	-
Management fees		(147,200)	(79,884)
Directors fees		(108,977)	(48,489)
Brokerage expense on share purchases		(147,931)	(59,251)
Other expenses from ordinary activities		(201,857)	(100,957)
Profit before income tax		**825,647**	**118,626**
Income tax expense	**3(a)**	(184,451)	(25,953)
Profit attributable to members of the Company	**12**	**641,196**	**92,673**
Basic earnings per share	**15**	**4.16 cents**	**0.60 cents**
Diluted earnings per share	**15**	**4.16 cents**	**0.60 cents**

The accompanying notes form part of these financial statements.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	2009	2008
		$	$
ASSETS			
Cash and cash equivalents	**13**	4,399,628	9,993,027
Trade and other receivables	**6**	710,844	2,529,541
Held for trading financial assets	**7**	11,766,412	3,436,096
Deferred tax assets	**3(b)**	466,592	105,677
TOTAL ASSETS		**17,343,476**	**16,064,341**
LIABILITIES			
Financial liabilities	**8**	98,442	357,042
Trade and other payables	**9**	671,660	320,488
Deferred tax liabilities	**3(c)**	605,719	60,352
TOTAL LIABILITIES		**1,375,821**	**737,882**
NET ASSETS		**15,967,655**	**15,326,459**
EQUITY			
Issued capital	**10**	15,233,786	15,233,786
Reserves	**11**	1,043,109	-
(Accumulated losses)/Retained earnings	**12**	(309,240)	92,673
TOTAL EQUITY		**15,967,655**	**15,326,459**

The accompanying notes form part of these financial statements.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 $	2008 $
Total equity as at 1 July 2008		**15,326,459**	**1**
Profit for the year attributable to members of the Company	**12**	641,196	92,673
Shares issued in the year	**10(b)**	-	15,400,100
Capitalised float costs	**10(b)**	-	(166,315)
Total equity as at 30 June 2009 attributable to members of the Company		**15,967,655**	**15,326,459**

The accompanying notes form part of these financial statements.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009	2008
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		295,466	47,901
Interest received		506,309	452,700
Other investment income received		2,216	-
Underwriting fees		6,008	-
Investment management fees		(122,207)	(56,962)
Brokerage expense on share purchases		(147,931)	(59,251)
Payments for administration expenses		(276,853)	(100,148)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**14**	**263,008**	**284,240**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		42,543,648	13,680,346
Payments for purchase of investments		(48,407,665)	(19,134,067)
Revenue from options written		7,610	
NET CASH USED IN INVESTING ACTIVITIES		**(5,856,407)**	**(5,453,721)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	15,400,101
Payments for float costs		-	(237,593)
NET CASH PROVIDED BY FINANCING ACTIVITIES		**-**	**15,162,508**
NET (DECREASE)/INCREASE IN CASH HELD		**(5,593,399)**	**9,993,027**
Cash at beginning of financial year		9,993,027	-
CASH AT END OF FINANCIAL YEAR	**13**	**4,399,628**	**9,993,027**

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

WAM Active Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs with the exception of “held-for-trading” financial assets and certain other financial assets and liabilities which have been measured at fair value.

Accounting Policies

(a) Financial Instruments

i) Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the Income Statement immediately. Financial instruments are classified and measured as set out below.

ii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Income Statement.

iii) Classification and Subsequent Measurement

Investments consist of shares in publicly listed and unlisted companies, exchange traded call and put options and investments in fixed interest securities.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at fair value rather than historical cost and by presenting the Balance Sheet on a liquidity basis.

The Company may short sell securities in anticipation of a decline in the market value of that security, or it may short sell securities for various arbitrage transactions. Short sales or borrowed stock are classified as a financial liability and are revalued to fair value through the Income Statement.

iv) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in Income Statement in the year in which they arise. Unrealised gains and losses are then transferred to an asset revaluation reserve, net of the potential tax charges that may arise from the future sale of the investments, where they are above cost.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

v) Financial Liabilities

Borrowed stock and exchange traded call and put options are classified as financial liabilities at fair value through the Income Statement. Realised and unrealised gains and losses arising from changes in fair value are included in the Income Statement in the year in which they arise.

vi) Fair Value

Fair value is determined based on current market prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Balance Sheet. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be removed or settled.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and fixed interest securities maturing within three months.

(d) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

(e) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets and are stated at their amortised cost less impairment losses (refer Note 1(g)).

(f) Trade and Other Payables

Trade and other payables are non-derivative financial liabilities and are stated at their amortised cost.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Balance Sheet.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives revenue and investment income from listed, unlisted and fixed interest securities.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

There are no estimates or judgements that have a material impact on the financial results of the Company for the year ended 30 June 2009.

(l) New Standards and Interpretations Not Yet Adopted

There are no impending new accounting standards that will result in any material change in relation to amounts recognised in the financial statements.

2. OTHER REVENUE FROM ORDINARY ACTIVITIES	**2009 $**	**2008 $**
Interest	472,072	494,009
Australian sourced dividends	251,253	88,856
Foreign sourced dividends	21,109	13,242
Trust distributions	27,593	660
Underwriting fees	6,008	-
Revenue from options written	7,610	-
Other income	2,215	-
	787,860	**596,767**

WAM ACTIVE LIMITED
A.B.N. 49 126 420 719

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

3. TAXATION	2009 $	2008 $
(a) Income Tax Expense		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax (benefit)/expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	247,694	35,588
Imputation credit gross up	33,214	4,129
Franking credit offset	(110,712)	(13,764)
Other non-assessable items	14,255	-
Under provision in prior year	-	-
	184,451	**25,953**
Total income tax expense results in a:		
Deferred tax liability	547,734	60,352
Deferred tax asset	(363,283)	(34,399)
Under provision in prior year	-	-
	184,451	**25,953**
(b) Deferred Tax Assets		
Tax losses	417,444	43,705
Provisions	6,210	4,950
Capitalised float costs	42,938	57,022
Under provision in prior year		-
	466,592	**105,677**
Movement in deferred tax assets:		
Balance at the beginning of the year	105,677	-
Capitalised float costs	-	71,278
Credited to the Income Statement	363,282	34,399
Under provision in prior year	(2,367)	-
At reporting date	**466,592**	**105,677**
(c) Deferred Tax Liabilities		
Fair value adjustments	592,030	29,332
Income provisions	13,689	31,020
	605,719	**60,352**
Movement in deferred tax liabilities:		
Balance at the beginning of the year	60,352	-
Charged to the Income Statement	547,734	60,352
Over provision in prior year	(2,367)	-
At reporting date	**605,719**	**60,352**

	2009 $	2008 $
4. DIVIDENDS		
(a) Ordinary Dividends Paid During the Year	**-**	**-**
(b) Dividends Not Recognised at Year End		
In addition to the above dividends, since the end of the year, the Directors have declared the following dividend which have not been recognised as a liability at the end of the financial year:-		
Final dividend for the year ended 30 June 2009 of 2.0 cents per share fully franked at 30% tax rate paid 20 July 2009	**308,002**	**-**
(c) Dividend Franking Account		
Balance of franking account at year end adjusted for franking credits, arising from payment of provision for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial years.	109,252	13,764
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in (b) above as follows:	(132,001)	-
	(22,749)	**13,764**

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax.

The balance of the franking account does not include the tax to be paid on unrealised investment gains and accrued income currently recognised as a deferred tax liability of $605,719 (2008: $60,352).

	2009 $	2008 $
5. AUDITORS REMUNERATION		
Remuneration of the auditor of the Company for:		
Auditing or reviewing the financial report	29,028	9,900
Non-audit services		
Other services provided by a related practice of the auditor:		
Taxation Services	7,179	6,600
Investigating Accountant's Report	-	7,700
	36,207	**24,200**

The Company's Audit & Risk Committee oversees the relationship with the Company's External Auditors. The Audit & Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

	2009 $	2008 $
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	607,168	2,413,916
Prepayments	8,762	7,893
Income receivable	66,416	96,166
GST receivable	28,498	11,566
	710,844	**2,529,541**

Trade debtors relate to outstanding settlements, and are on the terms operating in the securities industry. These are non-interest bearing and require the settlement within three (3) days of the date of a transaction. Income receivable relates to accrued income and is non-interest bearing and unsecured.

7. HELD FOR TRADING FINANCIAL ASSETS	2009 $	2008 $
Listed investments	11,232,482	3,254,796
Unlisted investments	518,860	181,300
Exchange traded options	15,070	-
	11,766,412	**3,436,096**

8. FINANCIAL LIABILITIES

Borrowed stock	**98,442**	**357,042**

Borrowed stock is carried at fair value. The Company provides cash collateral backing of 105% of the fair value of the borrowed stock to the stock lender. The level of borrowed stock plus other borrowings can not exceed 50% of the net asset value of the Company as outlined in the Company's Management Agreement.

9. TRADE AND OTHER PAYABLES

Trade creditors	284,893	228,810
Sundry creditors	386,767	91,678
	671,660	**320,488**

Trade creditors relate to outstanding settlements, and are on the terms operating in the securities industry. These do not incur interest and require settlement within three (3) days of the date of the transaction. Sundry creditors are settled within the terms of payment offered. No interest is applicable on these accounts.

10. ISSUED CAPITAL

(a) Paid-up Capital

15,400,101 ordinary shares fully paid (2008: 15,400,101)	**15,233,786**	**15,233,786**

(b) Movement in Ordinary Share Capital

Balance at the beginning of the year	**15,233,786**	-
1 ordinary share issued on incorporation 6 July 2007	-	1
15,400,100 ordinary shares issued on 3 January 2008 under prospectus	-	15,400,100
Transaction costs arising from the Initial Public Offer (net of tax)	-	(166,315)
At reporting date	**15,233,786**	**15,233,786**

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(c) Options

The Company issued a prospectus dated 6 November 2007 and shareholders who subscribed for shares were issued with one option for each share they acquired. The Company issued 15,400,100 options to acquire fully paid ordinary shares exercisable at $1.00 per option. The options began trading on the Australian Securities Exchange on 11 January 2008 (ASX Code: WAAO) and on the 17 June 2009 all of these options expired. No options were exercised.

10. ISSUED CAPITAL (CONTINUED)
(d) Capital Management

The Board effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. At the core of this management is the belief that shareholder value should be preserved at all costs. Shareholder value will be preserved through the management of the level of distributions to shareholders, share and options to buy shares issues as well as the use of share buy-backs when shares are trading at a significant discount to NTA.

11. RESERVES	**2009 $**	**2008 $**
Balance at the beginning of the year	-	-
Transfer to asset revaluation reserve	1,043,109	-
At reporting date	**1,043,109**	

This reserve is used to record increments and decrements on the revaluation of investments, net of potential tax as described in accounting policy note 1(a)(iv).

12. (ACCUMULATED LOSSES)/RETAINED EARNINGS		
Balance at the beginning of the year	92,673	-
Transfer to asset revaluation reserve	(1,043,109)	-
Profit for the year attributable to members of the Company	641,196	92,673
At reporting date	**(309,240)**	**92,673**

13. CASH AND CASH EQUIVALENTS

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at bank and on hand	2,244,128	3,062,178
Fixed interest securities	2,155,500	6,930,849
	4,399,628	**9,993,027**

The weighted average interest rate for cash and fixed interest securities as at 30 June 2009 is 3.08% (2008: 7.50%). The fixed interest securities have an average maturity of 19 days (2008: 10 days). The fixed interest securities are all rated A1+ by Standard & Poor's. The fixed interest securities include the cash collateral for the borrowed stock (refer Note 8).

14. CASH FLOW INFORMATION

Reconciliation of Operating Profit after Income Tax		
Operating profit after income tax	641,196	92,673
Add/(less) items classified as Investing/Financing Activities:		
Realised loss/(gain) on sale of investments	923,665	(54,951)
Revenue from options written	(7,610)	**-**
(Less)/add non cash items:		
Unrealised profit/(loss) on investments	(1,785,732)	244,512
Net cash provided by Operating Activities before changes in assets and liabilities:		
Decrease/(Increase) in receivables	11,948	(115,625)
Increase in deferred tax assets	12,824	9,306
Increase in payables	295,090	91,678
Decrease in current tax assets/liabilities	(373,740)	(43,705)
Increase in deferred tax liabilities	545,367	60,352
Net cash provided by Operating Activities	**263,008**	**284,240**

15. EARNINGS PER SHARE	2009 $	2008 $
Profit after income tax used in the calculation of basic earnings per share	641,196	92,673
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share:	15,400,101	15,400,101
Add: Weighted average number of options outstanding	n/a	-
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share:	15,400,101	15,400,101

16. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of local money market instruments, short term investments, accounts receivable and accounts payable.

The terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are included under the appropriate note for that instrument.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial and market risk of the Company.

(a) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Balance Sheet, is the carrying amount net of any provision for impairment of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counter parties and that they are of a sufficient quality rating. The Manager is satisfied that the Company is currently sufficiently diversified so as to reduce exposure to any individual credit risk.

(b) Liquidity Risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company.

The Company's inward cash flows depend upon the level of sales of securities, dividends and interest received and any exercise of Company options that may be on issue from time to time.

The Manager monitors the Company's cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. The Company holds a portion of its portfolio in cash and fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows.

(c) Market Risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(c) Market Risk (continued)

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

The Manager seeks to reduce market risk of the Company by not being overly exposed to one investee company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The company enters into option contracts for the purpose of enhancing returns via the premiums that is earns from the writing of these contracts. Where the Company sells a call option it is obligated to deliver securities at an agreed price if the taker exercises the option. As at balance date there were call options outstanding which potentially required the Company if they were exercised to deliver securities to the value of $528,000 (2008: nil), however these call options were written against the underlying securities already owned by the Company. This exchange traded option was entered into within the constraints and controls imposed by the Australian Securities Exchange Limited. Dealing and administrative (including settlement) functions are separated. The total exposure position is determined daily and the Manager regularly reviews the investment and trading transactions of the Company. Shares to the value of $44,880 (2008: nil) are held by the Australian Clearing House (ACH) as collateral for sold option positions written by the Company. These shares are held by ACH under the terms of ACH Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

(d) Net Fair Values

The carrying amounts of financial instruments on the Balance Sheet approximate their net fair values.

17. EVENTS AFTER THE BALANCE SHEET DATE

On 20 July 2009 the Directors paid a fully franked final dividend of 2.0 cents per share.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

18. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in securities during the financial year was 1,573 (2008: 615). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was $330,685 (2008: $122,552).

	2009 $	2008 $
19. CONTINGENT LIABILITIES		
Estimates of material amounts of contingent liabilities, not provided for in the accounts, arising from:		
Sub-underwriting agreements entered into during the year of which the offer closes after balance date.	**-**	**140,000**
20. CAPITAL COMMITMENTS		
Capital commitments exist for placements entered into before year end, which settled after period end in July and August 2009.	**425,314**	**-**

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

G.J. Wilson	Chairman
M.J. Kidman	Non-Executive Director
J.B. Abernethy	Non-Executive Director
C.E. Cuffe	Non-Executive Director
R.J. Walker	Non-Executive Director

a) Remuneration

There are no executives that are paid by the Company. MAM Pty Limited, the Manager of the Company, remunerates Geoff Wilson and Matthew Kidman as employees and/or directors of MAM Pty Limited. The Manager is also contracted to provide day-to-day management of the Company.

	Directors' Fees	Post-employment Superannuation	Total
Total Directors remuneration paid by the Company for the year ended 30 June 2009	**$104,632**	**$5,368**	**$110,000**

b) Share and Option holdings

As at 30 June 2009 the Company's key management personnel held the following interests in the Company:

Ordinary Shares held:

Directors	Balance at 30 June 2008	Acquisitions	Disposals	Balance at 30 June 2009
G.J. Wilson	1,933,501	-	-	1,933,501
M.J. Kidman	205,000	-	-	205,000
J.B. Abernethy	60,000	-	-	60,000
C.E. Cuffe	-	100,000	-	100,000
R.J. Walker	1,542,000	-	-	1,542,000
	3,740,501	**100,000**	**-**	**3,840,501**

Options held:

Directors	Balance at 30 June 2008	Issued/ Acquisitions	Disposals/ Exercised/ Lapsed	Balance at 30 June 2009
G.J. Wilson	1,690,500	-	(1,690,500)	-
M.J. Kidman	205,000	-	(205,000)	-
J.B. Abernethy	-	-	-	-
C.E. Cuffe	-	-	-	-
R.J. Walker	1,300,000	-	(1,300,000)	-
	3,195,500	**-**	**(3,195,500)**	**-**

22. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions.

Geoff Wilson and Matthew Kidman are Directors of MAM Pty Limited, the entity appointed to manage the investment portfolio of WAM Active Limited and manage the day-to-day operations of the Company. Entities associated with Geoff Wilson and Matthew Kidman hold 80% and 20% respectively of the issued shares of MAM Pty Limited. In its capacity as Manager, MAM Pty Limited was paid a management fee of 1%p.a (plus GST) of gross assets amounting to $157,970 inclusive of GST (2008: $85,729). As at 30 June 2009, the balance payable to the Manager was $55,587 (2008: $28,766).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% of the increase in the gross value of the Portfolio above the high water mark:

The high water mark is the greater of the:

- The highest gross value of the portfolio as at the last day of the last performance period for which a performance fee was last paid or payable; and
- the gross proceeds raised from the issue of shares pursuant to the original prospectus.

If the gross value of the portfolio falls below a previous high water mark then no further Performance Fees can be accrued or paid until the loss has been fully recovered. As at 30 June 2009, a performance fee of $234,289 inclusive of GST is payable to MAM Pty Limited (2008: nil).

These amounts are in addition to the above Directors' remuneration.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.