

WAM CAPITAL LIMITED

A.B.N. 34 086 587 395



WAM CAPITAL LTD (WAM) - MARCH 2008 **INVESTMENT UPDATE & NTA**

WAM is an investment company whose mission is to provide superior returns to its investors over the medium to long term. WAM is managed by Wilson Asset Management (International) Pty Limited.

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 444.6% compared to a 157.6% increase in the All Ordinaries Accumulation Index.

In March WAM's gross portfolio (before all fees, costs and taxes) fell by 5.28%, while the All Ordinaries Accumulation Index fell by 4.11%.

NTA before tax	147.49c
NTA after tax and before tax on unrealised gains	147.49c
NTA after tax	145.20c

The above figures are after the payment of the interim dividend of 8.00 cents a share fully franked, paid on the 11 March 2008.

MARKET OUTLOOK

March proved to be a difficult month for equities with the All Ordinaries Accumulation Index falling 4.1% after being down 7% earlier in the month. From the market top on 1 November 2007 to the lowest point on 17 March 2008, the All Ordinaries Index fell approximately 26%. The burning question now being asked by the investment community is whether the March low was the low for this bear market? Unfortunately, a turning point in a market can only be confirmed in hindsight. However, there are several strong arguments in favour of the market being at or near a bottom. The most obvious one was the decision by the US Central Bank to orchestrate, by guaranteeing \$30 billion of liabilities, the sale of the investment bank Bear Stearns to JP Morgan. This action signalled to the US market that the Federal Reserve would do everything in its power to prevent a collapse of the country's financial system. This gave great comfort to equity investors.

On the local front, the All Industrials market has fallen more than 30% while the much maligned Financial Index has fallen 38%. Effectively, the market has seen price to earnings multiples contract among industrial and financial stocks at a rapid rate and present the best value since early 2003.

Do these factors mean the sharemarket is ready for a sustained rally? While we believe a market bottom is being formed and the worst is behind us, the chances of a strong and sustained rally are still doubtful. The US is already in a recession, the world economy is slowing and the Australian economy is about to feel the impact of several interest rate rises. As a consequence company earnings will be under pressure. In these circumstances we believe the market will trade in a range before moving higher in the second half of the calendar year.

DIVIDEND

On the 11 March the Directors paid an interim dividend of 8.00 cents a share fully franked.

PERFORMANCE

- The gross portfolio has decreased 19.65% for the 9 months to 31 March 2008.
- The gross portfolio has decreased 10.81% for the 12 months to 31 March 2008.

Set out below is the performance of WAM Capital Limited since listing to 31 December 2007:

	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1999/2000	+33.3%	+11.3%	+22.0%
2000/2001	+30.2%	+8.9%	+21.3%
2001/2002	+32.7%	-4.5%	+37.2%
2002/2003	+12.3%	-1.1%	+13.4%
2003/2004	+27.3%	+22.4%	+4.9%
2004/2005	+13.9%	+24.8%	-10.9%
2005/2006	+27.4%	+24.2%	+3.2%
2006/2007	+44.1%	+30.3%	+13.8%
Half year 2008	-5.1%	+3.7%	-8.8%

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	+11.8%	+18.0%	-6.1%
3 years	+20.4%	+21.3%	-0.9%
5 years	+22.3%	+21.4%	+0.9%
7 years	+23.2%	+15.1%	+8.1%
Since inception	+24.8%	+14.0%	+10.7%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 March 2008, listed securities made up approximately 52.8% of the portfolio, while fixed interest and cash made up the remaining 47.2%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

Investment Type	As at 29 February 2008		As at 31 March 2008	
	\$m	%	\$m	%
Listed Equities	98.85	58.4%	81.08	52.8%
Fixed Interest and Cash	70.40	41.6%	72.44	47.2%
Long Portfolio	169.25	100.0%	153.52	100.0%
Short Portfolio	0.56	100.0%	-	-
	No.		No.	
Total no. of ord shares on issue	105,052,558		106,158,940	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

At 31 March 2008 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
Adtrans Group Ltd (ADG)	2,117,580
Aevum Ltd (AVE)	927,086
ASX Ltd (ASX)	1,068,368
Australia & New Zealand Banking Group Ltd (ANZ)	1,431,474
Bank of Queensland Reset Prefs (BOQPB)	1,592,640
Chandler MacLeod Ltd (CHD)	826,235
Clime Investment Ltd (CIW)	1,522,795
Coote Industrial Ltd (CXG)	1,078,000
Devine Ltd (DVN)	1,316,700
Dyno Nobel Ltd (DXL)	1,393,974
Dyno Nobel SPS Trust (DYNPA)	1,875,018
Eservglobal Ltd (ESV)	1,759,756
Everest Babcock & Brown Alternative Inv Trust (EBI)	1,725,000
HFA Accelerator Plus Ltd (HAP)	966,985
HFA Holdings Ltd (HFA)	1,977,875
Imdex Ltd (IMD)	1,414,560
Industrial Minerals Ltd (IDM)	1,256,000
ITX Group Ltd (ITX)	1,691,024
Keybridge Capital Ltd (KBC)	973,785
Ludowici Ltd (LDW)	972,623
McMillan Shakespeare Ltd (MMS)	2,622,165
Melbourne IT Ltd (MLB)	4,021,860
Mitchell Communications Group Ltd (MCU)	2,051,723
National Australia Bank Ltd (NAB)	1,716,289
NewSat Ltd (NWT)	738,189
Nomad Building Solutions Ltd (NOD)	1,403,396
Photon Group Ltd (PGA)	2,593,452
Premier Investments Ltd (PMV)	2,388,992
Proto Resources Ltd (PRW)	829,421
Rattoon Holdings Ltd (RTN)	2,197,114
Reckon Ltd (RKN)	6,595,624
Reef Casino Trust (RCT)	961,272
Reverse Corp Ltd (REF)	1,992,579
RR Australia Ltd (RRA)	1,489,272
Service Stream Ltd (SSM)	3,590,598
SP Telemedia Ltd (SOT)	791,558
Sydney Gas Ltd (SGL)	837,009
Tower Ltd (TWR)	1,110,266
Watpac Ltd (WTP)	1,348,685

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PERFORMANCE TABLE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00	Feb 00	Mar 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%	+5.4%	+5.3%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%	+1.6%	+0.5%
	Apr 00	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00
Gross Portfolio *	-5.7%	-2.9%	+3.6%	+2.9%	+5.2%	-0.7%	+2.5%	+1.9%
All Ordinaries Accum.	-1.5%	-1.3%	+7.7%	-1.3%	+1.7%	+0.2%	-1.1%	+1.1%
	Dec 00	Jan 01	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	+0.1%	+1.7%	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-2.0%	+4.4%	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%	+3.1%	+4.9%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%	-1.1%	+0.8%
	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02
Gross Portfolio *	-0.4%	+0.7%	-2.2%	-3.0%	+3.9%	-1.1%	+1.1%	+1.6%
All Ordinaries Accum.	-1.8%	+0.9%	-4.4%	-4.1%	+1.8%	-4.1%	+2.6%	+1.5%
	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
Gross Portfolio *	+1.5%	+1.3%	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-1.5%	-1.3%	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04	Feb 04	Mar 04
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%	+2.7%	+0.1%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%	+3.1%	+2.0%
	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04	Nov 04
Gross Portfolio *	-1.3%	-0.8%	+1.0%	+2.4%	+1.2%	+2.5%	+2.9%	+3.3%
All Ordinaries Accum.	-0.1%	+1.6%	+2.7%	+0.6%	+1.1%	+3.8%	+3.1%	+4.6%
	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Gross Portfolio *	+0.7%	+2.7%	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+3.0%	+1.3%	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06
Gross Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%	+4.9%	+5.3%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%	+0.7%	+4.8%
	Apr 06	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06
Gross Portfolio *	+2.1%	-2.3%	+0.5%	+0.4%	+3.4%	+2.4%	+4.7%	+3.6%
All Ordinaries Accum.	+2.4%	-4.3%	+1.9%	-1.5%	+3.2%	+1.3%	+4.8%	+2.5%
	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07
Gross Portfolio *	+6.1%	+3.8%	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+0.3%
All Ordinaries Accum.	+3.6%	+2.0%	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	-1.9%
	Aug 07	Sep 07	Oct 07	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08
Gross Portfolio *	-4.2%	+1.7%	+3.1%	-4.8%	-1.1%	-9.5%	-1.3%	-5.3%
All Ordinaries Accum.	+1.7%	+5.8%	+3.1%	-2.4%	-2.4%	-11.2%	+0.3%	-4.1%
								Since Inception
Gross Portfolio *								+444.6%
All Ordinaries Accum.								+157.6%

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