



## **WAM CAPITAL LIMITED (WAM)** **INVESTMENT UPDATE & NTA – APRIL 2009**

WAM Capital Limited (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 has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 369.34% compared to a 87.75% increase in the All Ordinaries Accumulation Index.

In April WAM's gross portfolio (before all fees, costs and taxes) increased by 5.21%, while the All Ordinaries Accumulation Index increased by 6.07%.

<b>NTA before tax payable and after tax assets</b>	<b>133.13c*</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>133.13c</b>
<b>NTA after tax</b>	<b>130.69c</b>

\*This figure includes 11.4 cents per share in tax assets.

### **MARKET OUTLOOK**

Australian equities roared ahead in April as investors around the globe shrugged off the bear market in the belief the global economy will stage a solid recovery in 2010. The benchmark All Ordinaries Index has now posted its longest and largest rally since the bear began on November 1, 2007 rising 24 per cent since hitting a bottom on March 6, 2009. In last month's update we said it was far too early to determine whether the current rally was another false dawn or the official end to the second worst bear market in Australian share market history. The consensus view is that we are in the middle of a bear market rally, however sentiment is gradually becoming more positive by the day.

Can the market continue to move higher? Previous bear markets have ended with rallies of between 25 per cent and 45 per cent over the following year. This would suggest that if the bear market has run its course the current rally is already half way completed. We would expect that more stable tone will settle in and share prices will rise more steadily over the course of the next 6 to 9 months. No doubt there will be some small corrections along the way, but we would see these as buying opportunities rather than a sign that equities will fall dramatically. This belief is borne out of the fact that leading economic indicators from the US and Australia are improving at the margin. The share market is a great forecasting mechanism and investors will look to price in an economic recovery well ahead of time.

## **PERFORMANCE**

Set out below is the performance of WAM Capital Limited since listing to **31 December 2008**:

	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%
2007/2008	-23.0%	-12.1%	-10.9%
Half year 2008/09	-16.3%	-29.7%	+13.4%

Set out below is the performance of WAM Capital Limited since listing to **30 April 2009**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-15.3%	-30.4%	+15.1%
3 years	-0.7%	-6.5%	+5.8%
5 years	+7.7%	+6.3%	+1.4%
7 years	+10.7%	+6.2%	+4.6%
Since inception	+17.5%	+6.8%	+10.7%

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

## **PORTFOLIO STRUCTURE & STRATEGY**

As at 30 April 2009, listed securities made up approximately 56.4% of the portfolio, while fixed interest and cash made up the remaining 43.6%. 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.

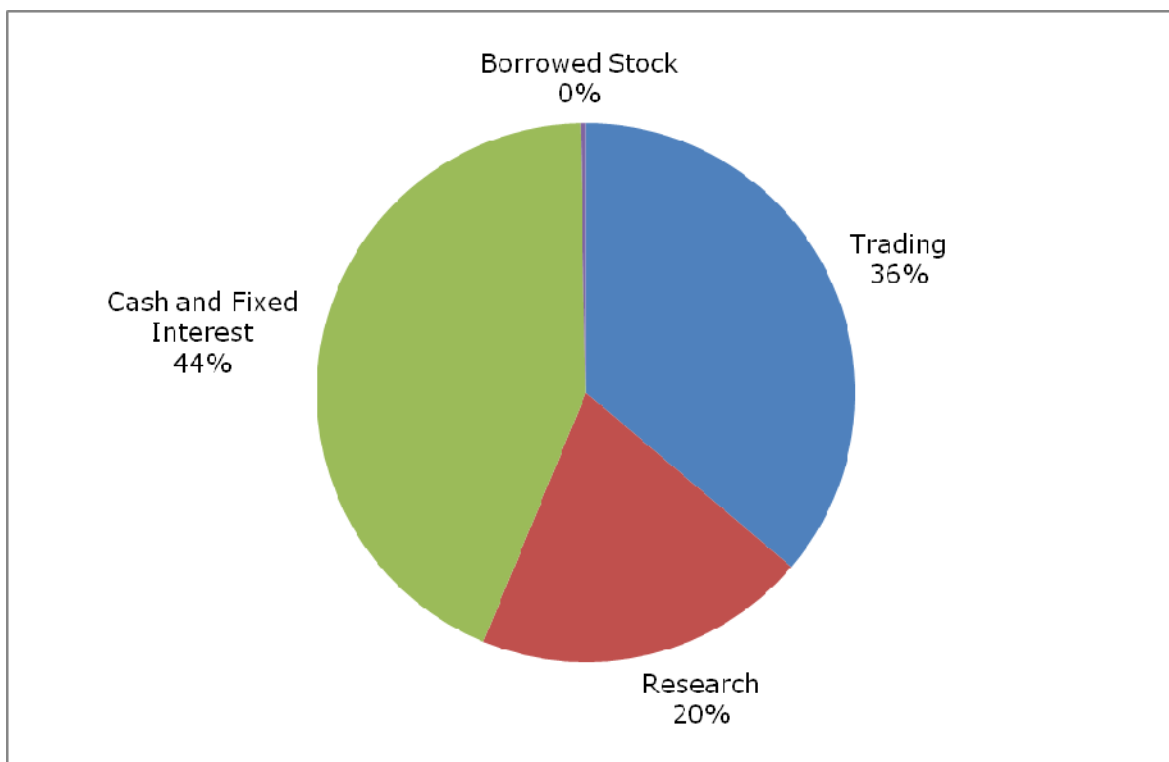
Investment Type	As at 31 March 2009		As at 30 April 2009	
	\$m	%	\$m	%
Listed Equities	50.08	41.7%	71.23	56.4%
Fixed Interest and Cash	69.94	58.3%	55.02	43.6%
<b>Long Portfolio</b>	<b>120.02</b>	<b>100.0%</b>	<b>126.25</b>	<b>100.0%</b>
<b>Short Portfolio</b>	<b>(0.44)</b>	<b>100.0%</b>	<b>(0.44)</b>	<b>100.0%</b>
	<b>No.</b>		<b>No.</b>	
<b>Total no. of ord shares on issue</b>	102,785,383		102,785,383	

**PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)**

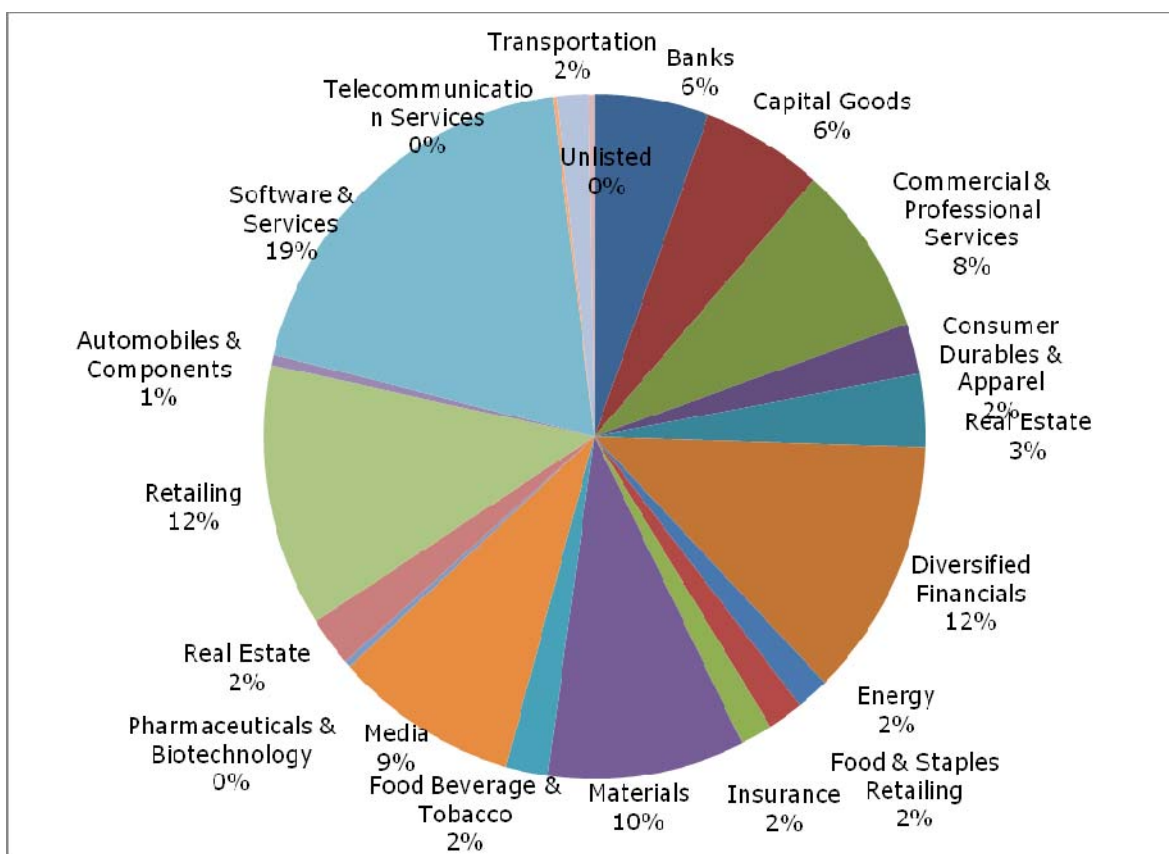
At 30 April 2009 the major securities held in the portfolio were:

<b>CODE</b>	<b>COMPANY</b>	<b>MARKET VALUE \$</b>
ABC	Adelaide Brighton Limited	1,279,455
AXA	AXA Asia Pacific Holdings Limited	1,111,001
CCQ	Contango Capital Partners Limited	1,469,747
CLO	Clough Limited	1,029,013
CWN	Crown Limited	1,571,781
EFG	Everest Financial Group Limited	1,855,199
FAN	Fantastic Holdings Limited	1,127,112
FBU	Fletcher Building Limited	1,801,275
FXJ	Fairfax Media Limited	1,211,070
HGG	Henderson Group PLC.	1,123,105
HVN	Harvey Norman Holdings Limited	1,087,700
IPL	Incitec Pivot Limited	1,004,544
ITX	ITX Group Limited	988,854
LEI	Leighton Holdings Limited	1,076,677
LNN	Lion Nathan Limited	1,455,693
MCP	McPherson's Limited	938,401
MCU	Mitchell Communications Group Limited	1,870,343
MLB	Melbourne IT Limited	3,098,976
MLE	Macquarie Leisure Trust Group	1,337,442
MMS	McMillan Shakespeare Limited	3,070,820
NWS	News Corporation	1,116,900
NWT	NewSat Limited	849,666
OST	OneSteel Limited	1,242,041
PBG	Pacific Brands Limited	1,277,500
PGA	Photon Group Limited	880,168
RCG	RCG Corporation Limited	1,274,722
RHG	RHG Limited	1,177,968
RKN	Reckon Limited	5,528,161
RRA	RR Australia Limited	1,979,511
RTN	Ratton Holdings Limited	976,495
SEK	Seek Limited	1,404,995
SKT	Sky Network Television Limited	1,185,269
TRS	The Reject Shop Limited	1,116,050
TSE	Transfield Services Limited	1,181,503
WBC	Westpac Banking Corporation	856,090
WES	Wesfarmers Limited	1,239,540

## **PORTFOLIO STRUCTURE – GROSS ASSET ALLOCATION**



## **LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION**



## PERFORMANCE TABLE

	<b>Aug 99</b>	<b>Sep 99</b>	<b>Oct 99</b>	<b>Nov 99</b>	<b>Dec 99</b>	<b>Jan 00</b>	<b>Feb 00</b>	<b>Mar 00</b>
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%
	<b>Apr 00</b>	<b>May 00</b>	<b>Jun 00</b>	<b>Jul 00</b>	<b>Aug 00</b>	<b>Sep 00</b>	<b>Oct 00</b>	<b>Nov 00</b>
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%
	<b>Dec 00</b>	<b>Jan 01</b>	<b>Feb 01</b>	<b>Mar 01</b>	<b>Apr 01</b>	<b>May 01</b>	<b>Jun 01</b>	<b>July 01</b>
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%
	<b>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>	<b>Nov 01</b>	<b>Dec 01</b>	<b>Jan 02</b>	<b>Feb 02</b>	<b>Mar 02</b>
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%
	<b>Apr 02</b>	<b>May 02</b>	<b>Jun 02</b>	<b>Jul 02</b>	<b>Aug 02</b>	<b>Sep 02</b>	<b>Oct 02</b>	<b>Nov 02</b>
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%
	<b>Dec 02</b>	<b>Jan 03</b>	<b>Feb 03</b>	<b>Mar 03</b>	<b>Apr 03</b>	<b>May 03</b>	<b>Jun 03</b>	<b>Jul 03</b>
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%
	<b>Aug 03</b>	<b>Sept 03</b>	<b>Oct 03</b>	<b>Nov 03</b>	<b>Dec 03</b>	<b>Jan 04</b>	<b>Feb 04</b>	<b>Mar 04</b>
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%
	<b>Apr 04</b>	<b>May 04</b>	<b>Jun 04</b>	<b>Jul 04</b>	<b>Aug 04</b>	<b>Sep 04</b>	<b>Oct 04</b>	<b>Nov 04</b>
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%
	<b>Dec 04</b>	<b>Jan 05</b>	<b>Feb 05</b>	<b>Mar 05</b>	<b>Apr 05</b>	<b>May 05</b>	<b>Jun 05</b>	<b>Jul 05</b>
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%
	<b>Aug 05</b>	<b>Sep 05</b>	<b>Oct 05</b>	<b>Nov 05</b>	<b>Dec 05</b>	<b>Jan 06</b>	<b>Feb 06</b>	<b>Mar 06</b>
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%
	<b>Apr 06</b>	<b>May 06</b>	<b>Jun 06</b>	<b>Jul 06</b>	<b>Aug 06</b>	<b>Sep 06</b>	<b>Oct 06</b>	<b>Nov 06</b>
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%
	<b>Dec 06</b>	<b>Jan 07</b>	<b>Feb 07</b>	<b>Mar 07</b>	<b>Apr 07</b>	<b>May 07</b>	<b>Jun 07</b>	<b>Jul 07</b>
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%
	<b>Aug 07</b>	<b>Sep 07</b>	<b>Oct 07</b>	<b>Nov 07</b>	<b>Dec 07</b>	<b>Jan 08</b>	<b>Feb 08</b>	<b>Mar 08</b>
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%
	<b>Apr 08</b>	<b>May 08</b>	<b>Jun 08</b>	<b>Jul 08</b>	<b>Aug 08</b>	<b>Sep 08</b>	<b>Oct 08</b>	<b>Nov 08</b>
Gross Portfolio *	+1.7%	+2.3%	-7.9%	-1.6%	+1.7%	-5.3%	-9.2%	-5.6%
All Ordinaries Accum.	+4.6%	+2.4%	-7.3%	-5.2%	+4.0%	-10.6%	-13.9%	-7.2%
	<b>Dec 08</b>	<b>Jan 09</b>	<b>Feb 09</b>	<b>Mar 09</b>	<b>Apr 09</b>			<b>Since Inception</b>
Gross Portfolio *	3.1%	-1.5%	+1.1%	+2.6%	+5.2%			+369.3%
All Ordinaries Accum.	-0.1%	-4.9%	-4.3%	+8.1%	+6.1%			+87.8%

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

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