



WAM CAPITAL LIMITED (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – APRIL 2010

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 567.7% compared to a 151.9% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In April WAM's gross portfolio (before all fees, costs and taxes) increased by 0.78%, while the S&P/ASX All Ordinaries Accumulation Index fell by 1.18%.
- The gross portfolio has increased by 42.27% for the 12 months to 30 April 2010, while the S&P/ASX All Ordinaries Accumulation Index has increased by 34.17%.

| | |
|---|-------------------|
| NTA before tax | 160.31c*** |
| NTA after tax and before tax on unrealised gains | 162.48c* |
| NTA after tax | 156.51c** |

* Includes tax assets of 2.17 cents per share.

** This includes the net effect of 2.17 cents of tax assets and 5.97 cents of deferred tax liabilities.

*** This is after the payment of \$102,714 (0.10 cents a share) in tax during the month.

MARKET OUTLOOK

The surge in share prices that began in early February faded in April with the S&P/ASX All Ordinaries Index ending the month down by more than 1 per cent. The first half of April saw the market power more than 2 per cent higher resulting in the S&P/ASX All Ordinaries Index jumping above the 5000 mark for the first time in almost 2 years. This milestone proved to be a sell signal for investors with concerns over China and a slowing domestic economy triggering the decline. The downward trend has accelerated into May with the announcement of a mining tax spooking investors, lowering valuations for the metals sector and the concerns over the bailing out of the PIGS (Portugal, Ireland, Greece and Spain) by the European Union.

After enjoying a remarkable bounce during the last 13 months we believe the Australian share market has entered a significantly more difficult phase. While we do not advocate a rampant sell off such as experienced in 2008 we do believe it will be extremely difficult for the overall market to head higher during the course of 2010 and

possibly into 2011. While there will no doubt be rallies, these are likely to be met with selling.

The main reason for the soft market going forward will be disappointing earnings due to tightening monetary policy and a cooling of a very robust mining sector. On the domestic front we have been surprised in the last two months at the speed of the slowdown, especially in relation to companies that rely on consumer spending. Under these circumstances we remain cautious.

DIVIDENDS

On 25 February 2010 WAM Capital Limited paid a final fully franked dividend of 4.0 cents per ordinary share.

The boards policy is to pay a growing stream of fully franked dividends to shareholders on a six-monthly basis. This policy is dependent on the profitability, retained earnings and availability of franking credits of the Company.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to 30 April 2010:

| Annualised performance | Gross Portfolio* | S&P/ASX All Ords. Accumulation Index | Outperformance |
|-------------------------------|-------------------------|---|-----------------------|
| 1 year | +42.3% | +34.2% | +8.1% |
| 3 years | +2.1% | -3.7% | +5.9% |
| 5 years | +13.2% | +8.6% | +4.6% |
| 7 years | +15.6% | +11.7% | +3.9% |
| Since inception | +19.3% | +9.0% | +10.3% |

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

Set out below is the performance of WAM Capital Limited since listing to 30 April 2010:

| | Gross Portfolio* | S&P/ASX 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% |
| 2008/2009 | -3.0% | -22.2% | +19.2% |
| YTD 2009/2010 | +32.1% | +26.4% | +5.7% |

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

PORTFOLIO STRUCTURE & STRATEGY

As at 30 April 2010, listed securities made up 53.7% of the portfolio, while fixed interest and cash made up the remaining 46.3%. 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 heavily research companies that meet this profile, with over 700 company visits during the last year.

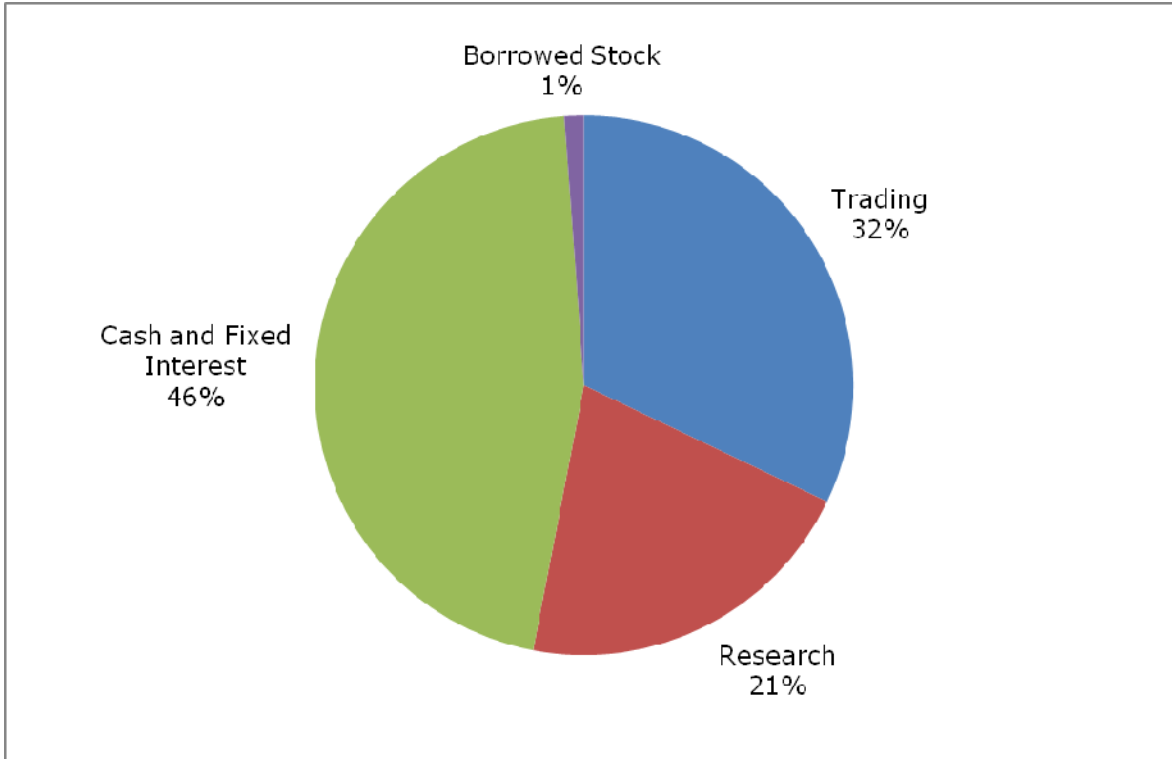
| Investment Type | As at 31 March 2010 | | As at 30 April 2010 | |
|---------------------------------------|----------------------------|---------------|----------------------------|---------------|
| | \$m | % | \$m | % |
| Listed Equities | 105.85 | 63.1% | 91.78 | 53.7% |
| Fixed Interest and Cash | 61.97 | 36.9% | 79.25 | 46.3% |
| Long Portfolio | 167.82 | 100.0% | 171.03 | 100.0% |
| Short Portfolio | (0.00) | | (2.03) | |
| | No. | | No. | |
| Total ordinary shares on issue | 103,931,192 | | 103,931,192 | |

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

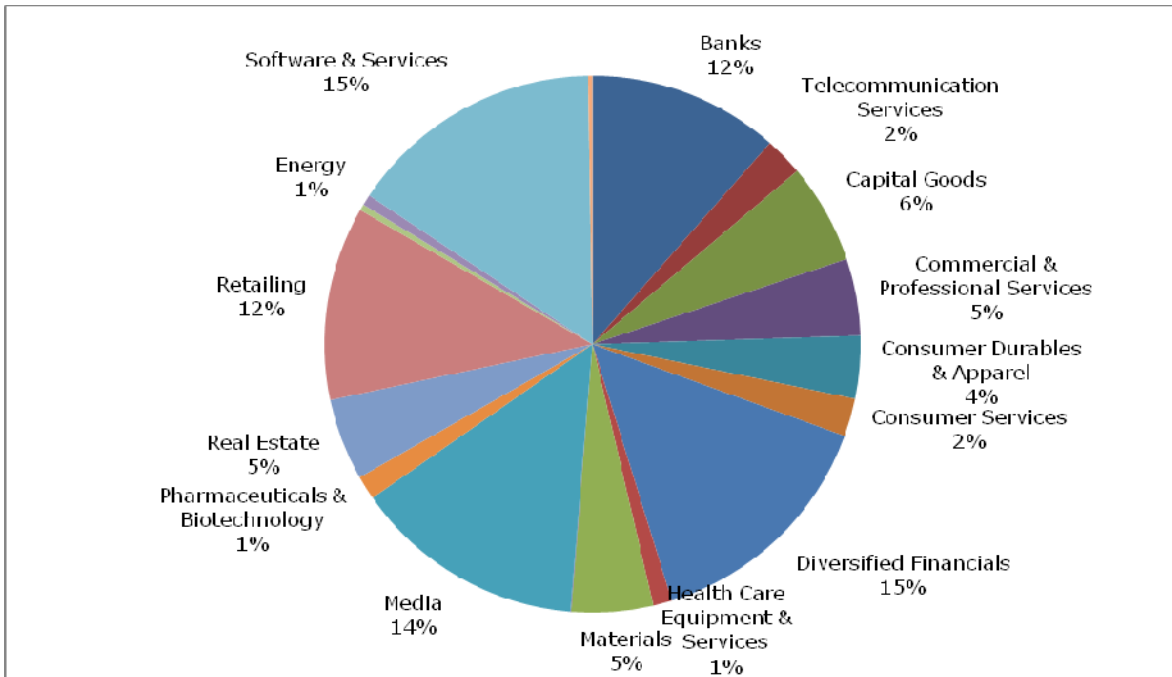
At 30 April 2010 the major securities held in the portfolio were:

| CODE | COMPANY | MARKET VALUE \$ | MARKET VALUE as % of Long Portfolio | MARKET VALUE as % of Gross Assets |
|-------------|-----------------------------------|----------------------------|--|--|
| RKN | Reckon Limited | 9,147,280 | 10.0% | 5.4% |
| REA | REA Group Limited | 3,824,806 | 4.2% | 2.2% |
| MCP | McPherson's Limited | 3,446,887 | 3.8% | 2.0% |
| RHG | RHG Limited | 3,079,520 | 3.4% | 1.8% |
| ORL | OrotonGroup Limited | 2,931,871 | 3.2% | 1.7% |
| MCU | Mitchell Communications Group | 2,916,364 | 3.2% | 1.7% |
| MYS | Mystate Limited | 2,631,389 | 2.9% | 1.5% |
| AHE | Automotive Holdings Group Limited | 2,402,739 | 2.6% | 1.4% |
| MMS | McMillan Shakespeare Limited | 2,306,816 | 2.5% | 1.4% |
| IRE | IRESS Market Technology Limited | 2,246,649 | 2.5% | 1.3% |
| VTP | Van Eyk Three Pillars Limited | 2,055,287 | 2.2% | 1.2% |
| SGN | STW Communications Group Limited | 1,977,706 | 2.2% | 1.2% |
| TGA | Thorn Group Limited | 1,886,410 | 2.1% | 1.1% |
| CIW | Clime Investment Limited | 1,730,856 | 1.9% | 1.0% |
| COO | Charter Hall Office Reit | 1,642,500 | 1.8% | 1.0% |
| TSM | Thinksmart Limited | 1,577,231 | 1.7% | 0.9% |
| PXUPA | PaperlinX SPS Trust | 1,518,205 | 1.7% | 0.9% |
| FXJ | Fairfax Media Limited | 1,511,100 | 1.7% | 0.9% |
| WBC | Westpac Banking Corporation | 1,489,200 | 1.6% | 0.9% |
| TRS | The Reject Shop Limited | 1,480,160 | 1.6% | 0.9% |
| SKT | Sky Network Television Limited | 1,467,476 | 1.6% | 0.9% |
| MND | Monadelphous Group Limited | 1,464,307 | 1.6% | 0.9% |
| NAB | National Australia Bank Limited | 1,451,240 | 1.6% | 0.8% |
| WYL | Wattyl Limited | 1,427,769 | 1.6% | 0.8% |
| MLB | Melbourne IT Limited | 1,347,725 | 1.5% | 0.8% |
| CCP | Credit Corp Group Limited | 1,320,229 | 1.4% | 0.8% |
| ITX | ITX Group Limited | 1,293,324 | 1.4% | 0.8% |
| FXL | Flexigroup Limited | 1,260,729 | 1.4% | 0.7% |
| MAQ | Macquarie Telecom Group Limited | 1,099,984 | 1.2% | 0.6% |
| DEX | Dexion Limited | 1,060,346 | 1.2% | 0.6% |
| BEN | Bendigo and Adelaide Bank Limited | 1,045,798 | 1.1% | 0.6% |
| BKL | Blackmores Limited | 1,040,756 | 1.1% | 0.6% |
| WEB | Webjet Limited | 1,022,057 | 1.1% | 0.6% |

PORTFOLIO STRUCTURE – GROSS ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



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. | -2.5% | -1.2% | +0.5% | +5.4% | +5.6% | -0.7% | +1.9% | +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% |
| | | | | | | | | |
| | Apr 08 | May 08 | Jun 08 | Jul 08 | Aug 08 | Sep 08 | Oct 08 | Nov 08 |
| 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% |
| | | | | | | | | |
| | Dec 08 | Jan 09 | Feb 09 | Mar 09 | Apr 09 | May 09 | Jun 09 | Jul 09 |
| Gross Portfolio * | +3.1% | -1.5% | +1.1% | +2.6% | +5.2% | +3.6% | +4.1% | +8.2% |
| All Ordinaries Accum. | -0.1% | -4.9% | -4.3% | +8.1% | +6.1% | +2.2% | +3.9% | +7.7% |
| | | | | | | | | |
| | Aug 09 | Sep 09 | Oct 09 | Nov 09 | Dec 09 | Jan 10 | Feb 10 | Mar 10 |
| Gross Portfolio * | +7.6% | +6.9% | +2.3% | +0.6% | +1.6% | -2.4% | -0.5% | +3.7% |
| All Ordinaries Accum. | +6.5% | +6.1% | -1.9% | +1.9% | +3.7% | -5.9% | +1.8% | +5.8% |
| | | | | | | | | |
| | Apr 10 | | | | | | | Since inception |
| Gross Portfolio * | +0.8% | | | | | | | +567.72% |
| All Ordinaries Accum. | -1.2% | | | | | | | +151.91% |

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

For further information please contact Mr Geoff Wilson or Mr Matthew Kidman on (02) 9247 6755

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