



WAM CAPITAL LIMITED (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – DECEMBER 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 557.58% compared to a 151.26% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In December WAM's gross portfolio (before all fees, costs and taxes) increased by 1.60%, while the S&P/ASX All Ordinaries Accumulation Index increased by 3.69%.
- The gross portfolio has increased by 50.48% for the 12 months to 31 December 2009, while the S&P/ASX All Ordinaries Accumulation Index has increased by 39.58%.

NTA before tax	163.63c
NTA after tax and before tax on unrealised gains	166.87c*
NTA after tax	159.33c**

* Includes tax assets of 3.25 cents per share.

** This includes the net effect of 3.25 cents of tax assets and 7.50 cents of deferred tax liabilities.

MARKET OUTLOOK

The traditional Christmas rally arrived late in 2009 but was strong enough to lift the All Ordinaries Accumulation index by a healthy 3.7 per cent for the month. This took the total gains for the 2009 calendar year to approximately 33 per cent. For much of December the market tracked sideways, as has been the case since the middle of October when the Reserve Bank of Australia lifted official interest rates. The late surge in December is likely to continue into the early part of 2010 as investors around the globe become increasingly confident that the worst of the global financial crises is behind us. We believe the significant rally we have enjoyed since March 2009 will lose momentum as we progress into 2010. Valuations are no longer ridiculously cheap and historically low interest rates will start to move higher. In the short term the ability to simply buy any stocks and enjoy the rebound in prices is coming to an end. We believe sectors that have been left behind in the rally may enjoy a better first half in

2010, while the star performers of last year may flounder. This is an extremely difficult period for investors as the sector rotation has started to take place. Later in 2010 we would expect a much more defensive positioning will be needed as valuations become stretched and interest rates rise. In the longer term we would anticipate that share prices will level out in 2011 or possibly 2012 before starting a much longer and sustainable recovery. History tells us that share markets take between 5 and 7 years before they reach a new high. If we believe November 2007 was a multi-year high this would mean late 2012 is the earliest we could anticipate hitting an all time high on the Australian market.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to 31 December 2009:

Annualised performance	Gross Portfolio*	S&P/ASX All Ords. Accumulation Index	Outperformance
1 year	+50.5%	+39.6%	+10.9%
3 years	+4.6%	-0.6%	+5.2%
5 years	+12.3%	+8.2%	+4.1%
7 years	+15.8%	+11.9%	+3.9%
Since inception	+19.8%	+9.2%	+10.6%

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

Set out below is the performance of WAM Capital Limited since listing to 31 December 2009:

	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	+30.1%	+26.1%	+4.0%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 December 2009, listed securities made up 63.3% of the portfolio, while fixed interest and cash made up the remaining 36.7%. 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.

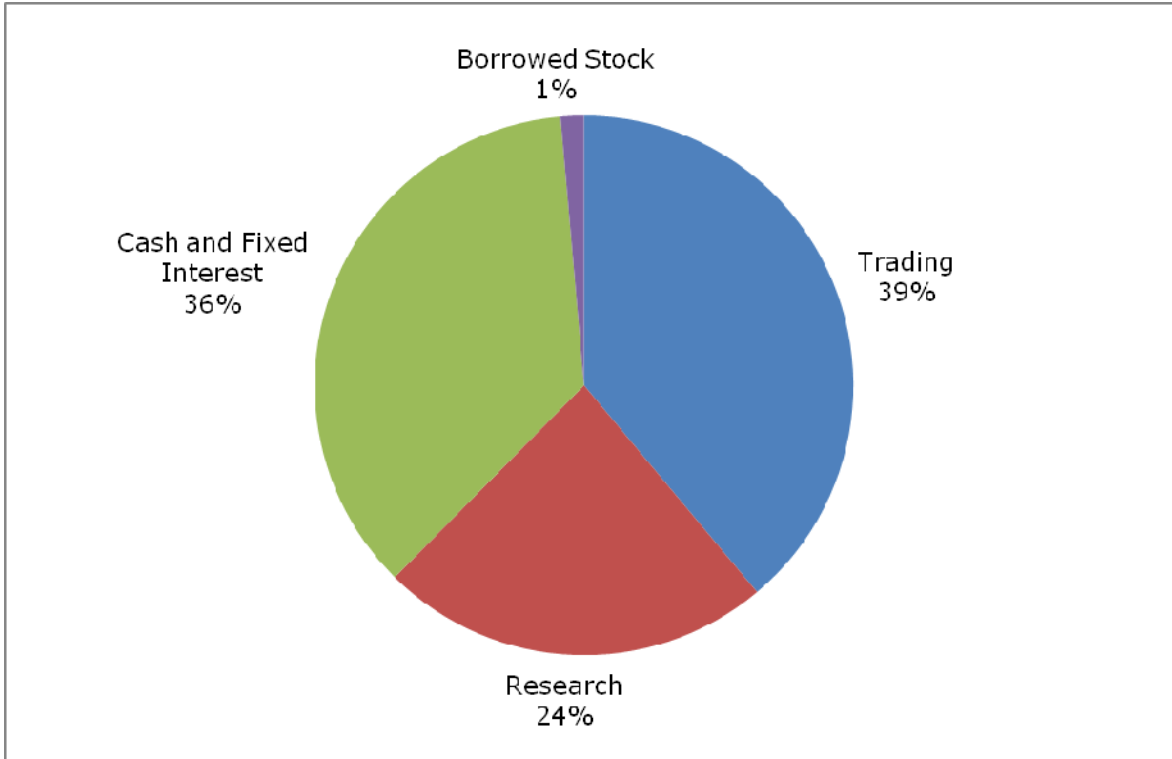
Investment Type	As at 30 November 2009		As at 31 December 2009	
	\$m	%	\$m	%
Listed Equities	126.46	74.83%	109.72	63.29%
Fixed Interest and Cash	42.54	25.17%	63.64	36.71%
Long Portfolio	169.00	100.0%	173.36	100.0%
Short Portfolio	0.75		2.45	
	No.		No.	
Total no. of ord shares on issue	103,367,063		103,367,063	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

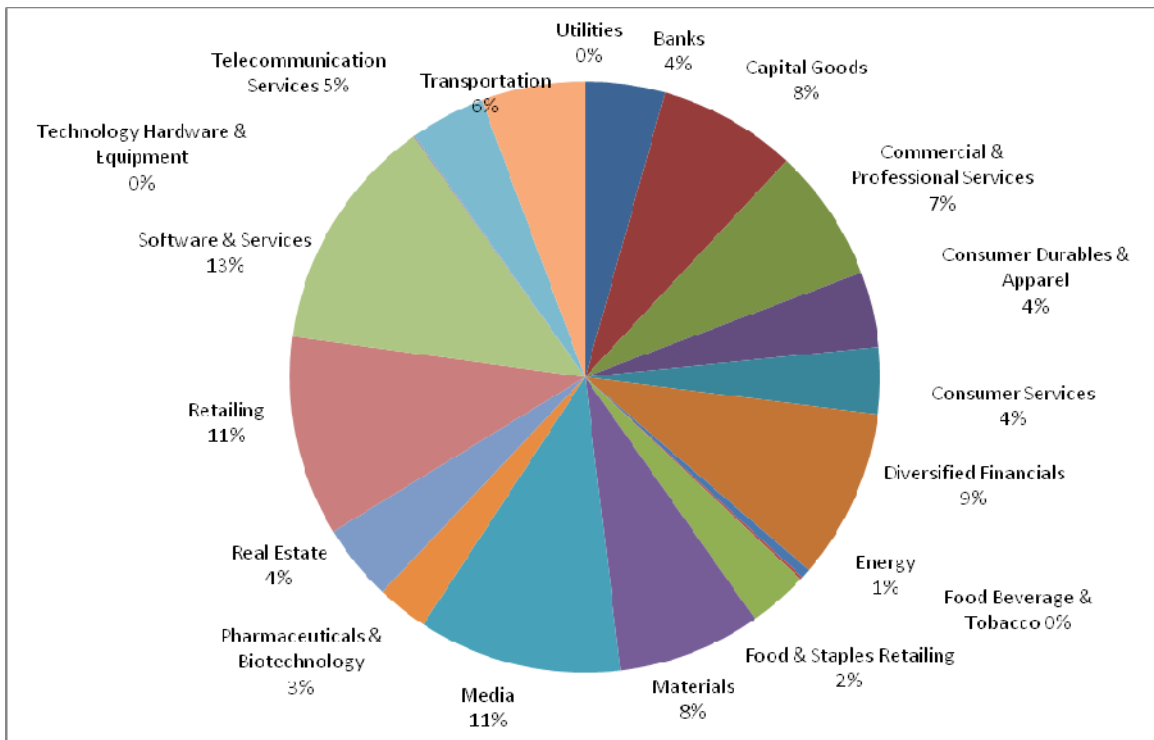
At 31 December 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
RKN	Reckon Limited	8,325,993	7.6%	4.9%
MCP	McPherson's Limited	4,144,076	3.8%	2.4%
MMS	McMillan Shakespeare Limited	3,335,318	3.0%	2.0%
ORL	OrotonGroup Limited	3,168,699	2.9%	1.9%
REA	REA Group Limited	3,098,229	2.8%	1.8%
AHE	Automotive Holdings Group Limited	2,837,790	2.6%	1.7%
TGA	Thorn Group Limited	2,264,089	2.1%	1.3%
MCU	Mitchell Communications Group Limited	2,247,856	2.1%	1.3%
VBA	Virgin Blue Holdings Limited	2,246,049	2.1%	1.3%
TOL	Toll Holdings Limited	2,233,070	2.0%	1.3%
PBP	Probiotec Limited	2,116,154	1.9%	1.2%
FXL	Flexigroup Limited	2,034,784	1.9%	1.2%
NVT	Navitas Limited	2,025,954	1.9%	1.2%
WES	Wesfarmers Limited	1,940,304	1.8%	1.1%
RCG	RCG Corporation Limited	1,937,109	1.8%	1.1%
MYS	Mystate Limited	1,843,049	1.7%	1.1%
COF	Coffey International Limited	1,838,007	1.7%	1.1%
FBU	Fletcher Building Limited	1,826,384	1.7%	1.1%
RHG	RHG Limited	1,792,978	1.6%	1.0%
WTP	Watpac Limited	1,782,000	1.6%	1.0%
QAN	Qantas Airways Limited	1,746,160	1.6%	1.0%
CIW	Clime Investment Limited	1,730,856	1.6%	1.0%
TEN	Ten Network Holdings Limited	1,665,860	1.5%	1.0%
AAD	Ardent Leisure Group	1,656,710	1.5%	1.0%
MTS	Metcash Limited	1,631,550	1.5%	1.0%
TWO	Talent2 International Limited	1,558,379	1.4%	0.9%
TLS	Telstra Corporation Limited	1,557,614	1.4%	0.9%
FXJ	Fairfax Media Limited	1,524,240	1.4%	0.9%
CUS	Customers Limited	1,507,248	1.4%	0.9%
WYL	Wattyl Limited	1,456,587	1.3%	0.9%
SKT	Sky Network Television Limited	1,448,663	1.3%	0.8%
WDC	Westfield Group	1,373,130	1.3%	0.8%
BOL	Boom Logistics Limited	1,352,041	1.2%	0.8%

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			Since Inception
Gross Portfolio *	+7.6%	+6.9%	+2.3%	+0.6%	+1.6%			+557.6%
All Ordinaries Accum.	+6.5%	+6.1%	-1.9%	+1.9%	+3.7%			+151.3%

*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