



WAM CAPITAL LTD (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – JUNE 2010

WAM Capital Ltd (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 Ltd.

Since inception in August 1999 WAM has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 556.1% compared to a 126.8% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In June WAM's gross portfolio (before all fees, costs and taxes) increased by 0.7%, while the S&P/ASX All Ordinaries Accumulation Index fell by 2.6%.
- WAM's gross portfolio has increased by 29.8% for the 12 months to 30 June 2010, while the S&P/ASX All Ordinaries Accumulation Index has increased by 13.8%.

NTA before tax	154.58c
NTA after tax and before tax on unrealised gains	157.60c*
NTA after tax	152.44c**

* Includes tax assets of 3.0 cents per share.

** This includes the net effect of 3.0 cents of tax assets and 5.2 cents of deferred tax liabilities.

MARKET OUTLOOK

The Australian share market staged a strong rally during the first 3 weeks of June following the sharp sell-off in May. This was only short lived though with the benchmark S&P/ASX All Ordinaries Index ending the month of June down 2.6 per cent. Sentiment around the globe turned decidedly bearish in late June with investors becoming increasingly concerned about the sustainability of the economic recovery in the USA. The softer economic data from the world's largest economy came hot on the heels of the sovereign debt problems that emerged in Europe back in April. To make matters worse signs have also emerged that China is attempting to reign in growth in a bid to restrain price inflation, especially among residential property.

As stated in last month's announcement we do not believe that we are simply experiencing a correction in a new bull market that began in March 2009. Instead, we believe that we are in a much longer bear market that will provide some excellent buying opportunities in the months and years to come.

With the S&P/ASX All Ordinaries Index currently trading at around 4,200 points and the overall market trading on a historically low price to earnings multiple of around 11 times we believe a buying opportunity may present itself in the coming months.

DIVIDENDS

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

The board is committed to paying an increasing stream of fully franked dividends to shareholders on a six-monthly basis. Newly introduced government legislation now enables companies to pay fully franked dividends if the company has sufficient franking credits and is deemed solvent by the Directors. Dividend payments will not be reliant on profit as it was previously. Essentially, WAM will always be in a position to pay a dividend irrespective of current year profit or retained earnings.

PERFORMANCE

Set out below is the performance of WAM since listing to 30 June 2010:

Annualised performance	Gross Portfolio*	S&P/ASX All Ords. Accumulation Index	Outperformance
1 year	+29.8%	+13.8%	+16.0%
3 years	-1.1%	-8.0%	+6.9%
5 years	+12.2%	+4.7%	+7.5%
7 years	+14.5%	+9.8%	+4.7%
Since inception	+18.8%	+7.8%	+11.0%

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

	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%
2009/2010	+29.8%	+13.8%	+16.0%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 30 June 2010, listed securities made up 44.7% of the portfolio, while fixed interest and cash made up the remaining 55.3%. 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.

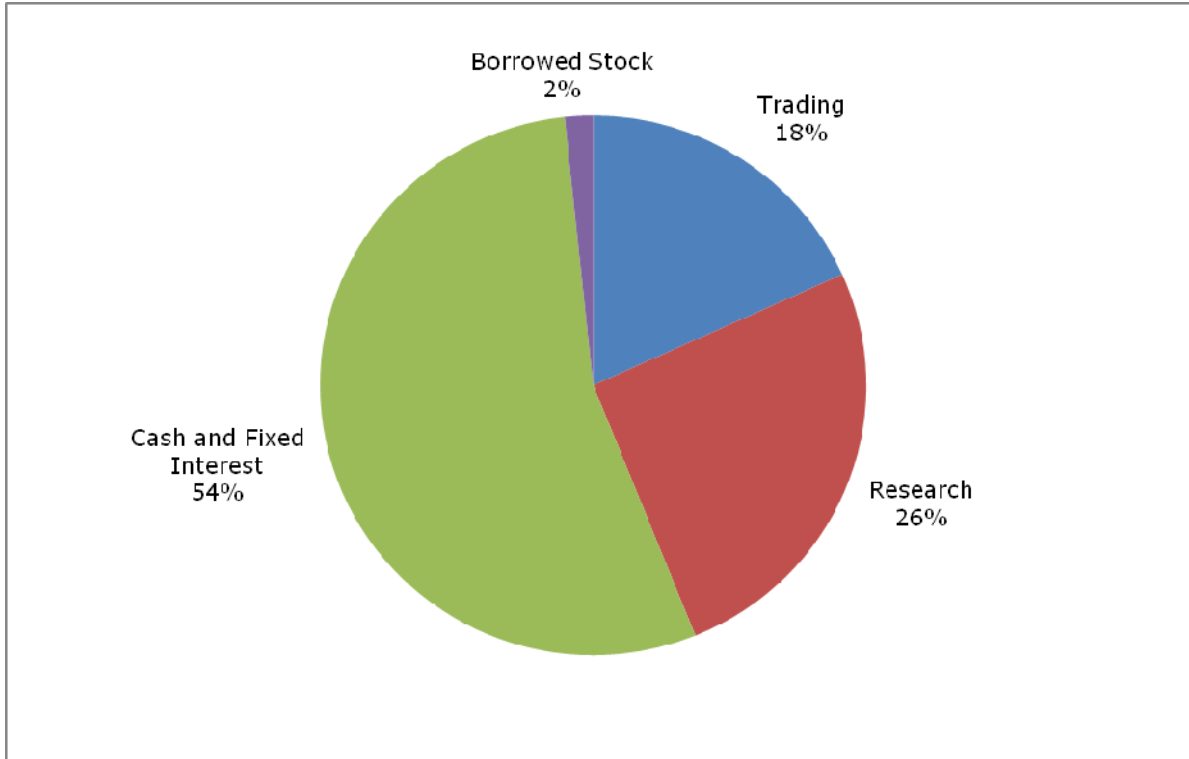
	As at 31 May 2010		As at 30 June 2010	
Investment Type	\$m	%	\$m	%
Listed Equities	86.74	52.3%	75.08	44.7%
Fixed Interest and Cash	79.02	47.7%	93.06	55.3%
Long Portfolio	165.76	100.0%	168.14	100.0%
Short Portfolio	(0.80)		(2.86)	
	No.		No.	
Total ordinary shares on issue	103,931,192		103,931,192	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

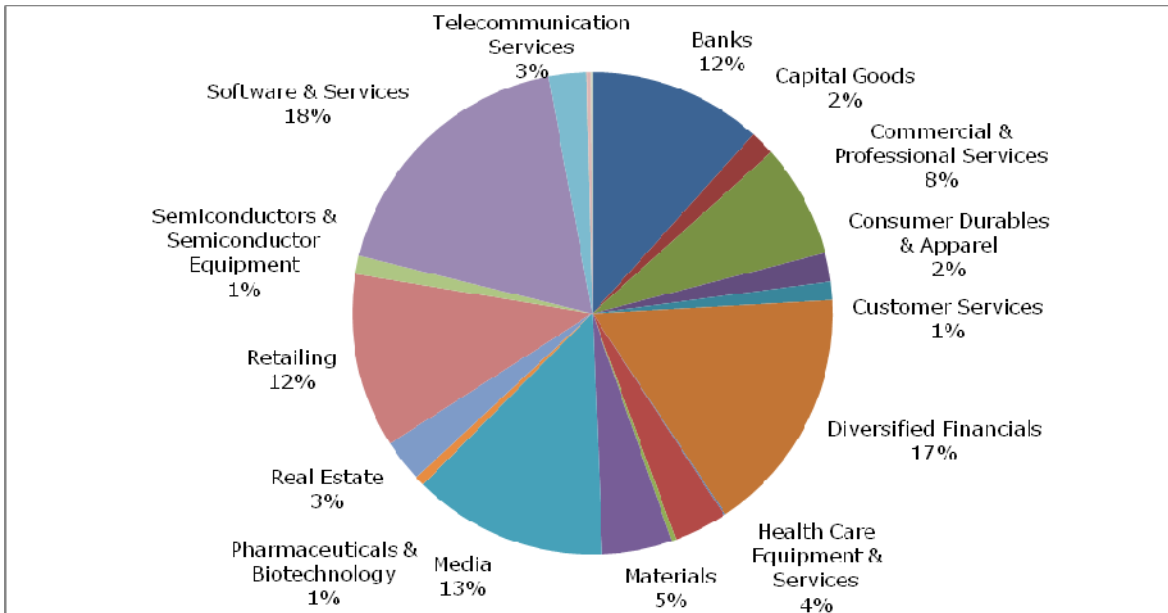
At 30 June 2010 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
RKN	Reckon Ltd	8,264,415	11.0%	5.0%
MMS	McMillan Shakespeare Ltd	4,103,595	5.5%	2.5%
REA	REA Group Ltd	3,218,670	4.3%	1.9%
RHG	RHG Ltd	3,006,783	4.0%	1.8%
WYL	Wattyl Ltd	2,771,054	3.7%	1.7%
ORL	OrotonGroup Ltd	2,764,605	3.7%	1.7%
MYS	Mystate Ltd	2,648,365	3.5%	1.6%
MCU	Mitchell Communications Group Ltd	2,448,890	3.3%	1.5%
IRE	IRESS Market Technology Ltd	2,294,169	3.1%	1.4%
SGN	STW Communications Group Ltd	2,289,082	3.1%	1.4%
NAB	National Australia Bank Ltd	2,281,440	3.0%	1.4%
AHE	Automotive Holdings Group Ltd	1,889,928	2.5%	1.1%
TGA	Thorn Group Ltd	1,862,085	2.5%	1.1%
VTP	Van Eyk Three Pillars Ltd	1,816,828	2.4%	1.1%
TSM	Thinksmart Ltd	1,704,316	2.3%	1.0%
CIW	Clime Investment Ltd	1,577,002	2.1%	1.0%
HSP	Healthscope Ltd	1,515,480	2.0%	0.9%
SKT	Sky Network Television Ltd	1,467,476	2.0%	0.9%
MCP	McPherson's Ltd	1,445,225	1.9%	0.9%
HAP	HFA Accelerator Plus Ltd	1,387,312	1.9%	0.8%
TRS	The Reject Shop Ltd	1,381,600	1.8%	0.8%
PXUPA	PaperlinX SPS Trust	1,345,509	1.8%	0.8%
ITX	ITX Group Ltd	1,235,988	1.7%	0.7%
MLB	Melbourne IT Ltd	1,193,468	1.6%	0.7%
BKL	Blackmores Ltd	1,177,172	1.6%	0.7%
CXP	Corporate Express Australia Ltd	1,098,251	1.5%	0.7%
MAQ	Macquarie Telecom Group Ltd	1,026,652	1.4%	0.6%
DYE	Dyesol Ltd	918,565	1.2%	0.6%
AMM	Amcom Telecommunications Ltd	887,124	1.2%	0.5%
RCG	RCG Corporation Ltd	881,008	1.2%	0.5%
CAF	Centrepont Alliance Ltd	871,331	1.2%	0.5%
HOM	Homeloans Ltd	833,137	1.1%	0.5%
WIC	Westoz Investment Company Ltd	802,891	1.1%	0.5%

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	May 10	Jun 10					Since inception
Gross Portfolio *	+0.8%	-2.4%	0.7%					+556.1%
All Ordinaries Accum.	-1.2%	-7.6%	-2.6%					+126.8%

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

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

Level 11, 139 Macquarie Street, Sydney NSW 2000 | GPO Box 4658 Sydney NSW 2001 | ABN 34 086 587 395
Phone 02 9247 6755 | Fax 02 9247 6855 | info@wami.com.au | www.wilsonassetmanagement.com.au