



## **WAM CAPITAL LIMITED (WAM)** **INVESTMENT UPDATE & NTA – MARCH 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 346.11% compared to a 77.01% increase in the All Ordinaries Accumulation Index.

In March WAM's gross portfolio (before all fees, costs and taxes) increased by 2.58%, while the All Ordinaries Accumulation Index increased by 8.05%.

<b>NTA before tax payable and after tax assets</b>	<b>128.25c*</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>128.25c</b>
<b>NTA after tax</b>	<b>126.48c</b>

\*This figure includes 12.4 cents per share in tax assets.

### **MARKET OUTLOOK**

March saw the Australian share market rise for the first month since August 2008. The All Ordinaries Index hit a low on March 6 and then rose 20 per cent in just four weeks, the strongest rally for that period in 27 years. The rally, which was broad based, came on the back of a similar upward move in US and other global equity markets. The unknown is whether the sharp rebound in share prices was due to equities simply being substantially oversold in the short term or if the bear market has officially ended. Unfortunately we cannot answer this question yet. Investors are trying to determine whether the share market has factored in the worst economic outcome, or if the recession will be more severe than expected and unemployment will reach levels not seen since the Great Depression. Once again this question will only be answered with the benefit of time. However, we do believe that we have entered a period where companies are attractively valued, a scenario we have not seen since early 2003.

## **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 **31 March 2009**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-18.1%	-31.3%	+13.2%
3 years	-1.7%	-7.6%	+5.9%
5 years	+6.3%	+5.0%	+1.3%
7 years	+9.9%	+5.0%	+4.9%
Since inception	+16.9%	+6.1%	+10.7%

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

## **PORTFOLIO STRUCTURE & STRATEGY**

As at 31 March 2009, listed securities made up approximately 41.7% of the portfolio, while fixed interest and cash made up the remaining 58.3%. 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 research heavily to find companies that meet this profile.

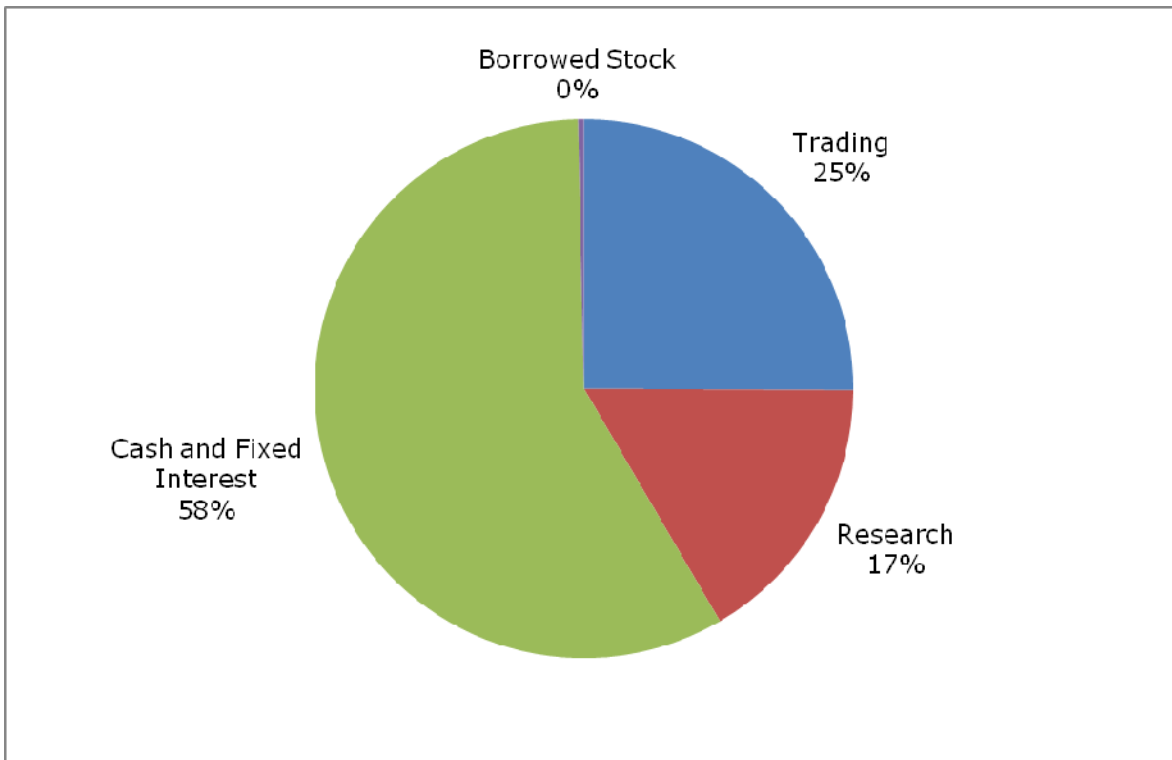
Investment Type	As at 28 February 2009		As at 31 March 2009	
	\$m	%	\$m	%
Listed Equities	34.72	29.7%	50.08	41.7%
Fixed Interest and Cash	82.32	70.3%	69.94	58.3%
<b>Long Portfolio</b>	<b>117.04</b>	<b>100.0%</b>	<b>120.02</b>	<b>100.0%</b>
<b>Short Portfolio</b>	<b>(0.44)</b>	<b>100.0%</b>	<b>(0.44)</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)**

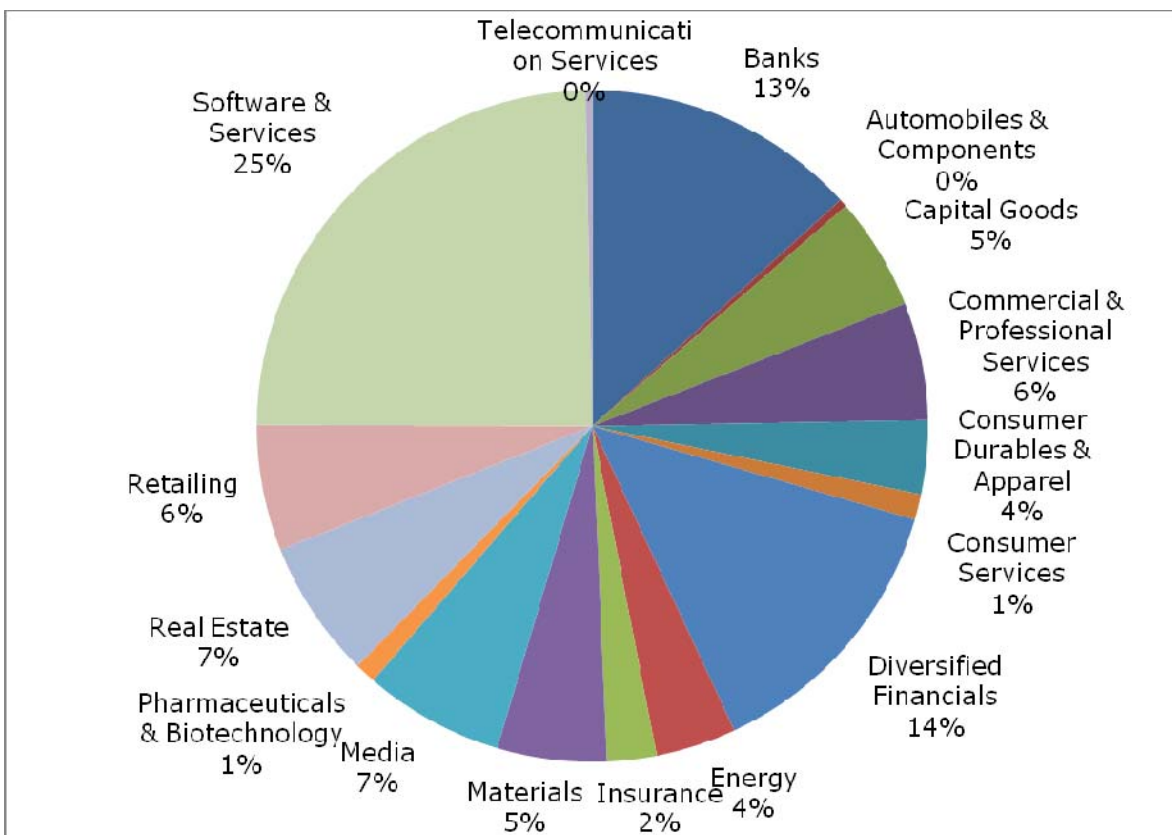
At 31 March 2009 the major securities held in the portfolio were:

<b>CODE</b>	<b>COMPANY</b>	<b>MARKET VALUE \$</b>
ANZ	Australia & New Zealand Banking Group Ltd	1,207,238
BBG	Billabong International Limited	1,154,130
BEL	Bentley International Ltd	675,791
CBA	Commonwealth Bank of Australia	1,463,522
CCQ	Contango Capital Partners Limited	1,451,180
CIW	Clime Investment Ltd	807,733
CLO	Clough Limited	872,045
CPU	Computershare Limited	846,041
EFG	Everest Financial Group Limited (EBB)	1,884,187
ESV	Eservglobal Ltd	576,754
FLX	Felix Resources Limited	540,575
GPT	GPT Group	666,855
ITX	ITX Group Limited	888,293
JHX	James Hardie Industries N.V.	564,144
LEI	Leighton Holdings Limited	986,230
LLC	Lend Lease Corporation Limited	1,214,928
MCU	Mitchell Communications Group Ltd	1,465,102
MLB	Melbourne IT Ltd	3,001,260
MLE	Macquarie Leisure Trust Group	1,259,425
MMS	McMillan Shakespeare Ltd	2,455,936
MVU	MatrixView Limited	545,722
NAB	National Australia Bank Ltd	1,173,840
NWT	NewSat Ltd	637,249
PGA	Photon Group Ltd	809,254
QBE	QBE Insurance Group Limited	597,852
RCT	Reef Casino Trust	608,806
RHG	RHG Limited	928,500
RKN	Reckon Ltd	5,322,568
RRA	RR Australia Ltd	1,476,579
RTN	Rattoon Holdings Ltd	976,495
SKT	Sky Network Television Limited	931,050
SRL	Straits Resources Limited	1,067,618
SUN	Suncorp-Metway Limited	591,300
TRS	The Reject Shop Ltd	1,060,500
WBC	Westpac Banking Corporation	1,143,835
WOR	WorleyParsons Limited	1,116,900

**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>Since Inception</b>
Gross Portfolio *	3.1%	-1.5%	+1.1%	+2.6%				+346.1%
All Ordinaries Accum.	-0.1%	-4.9%	-4.3%	+8.1%				+77.0%

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

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