



**WAM CAPITAL LTD (WAM)  
ABN 34 086 587 395  
INVESTMENT UPDATE & NTA – NOVEMBER 2011**

WAM Capital Limited (WAM) is an investor in listed Australian equities. The investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital. WAM concentrates on identifying undervalued growth company's, these are generally found in the small to medium size industrial companies sector.

Since inception in August 1999 WAM has outperformed the overall share market. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 664.5% compared to a 133.6% increase in the S&P/ASX All Ordinaries Accumulation Index.

<b>Performance as at 30 November 2011</b>	<b>1 Mth %</b>	<b>6 Mths %</b>	<b>Fin Ytd %</b>	<b>1 Year %</b>	<b>3 Yrs %pa</b>	<b>5 Yrs %pa</b>	<b>10 Yrs %pa</b>	<b>Since Inception %pa (Aug-99)</b>
WAM Capital*	-1.3%	-3.5%	-1.1%	+3.5%	+21.7%	+7.1%	+14.8%	+17.9%
S&P/ASX All Ordinaries Accumulation Index	-3.4%	-10.4%	-8.2%	-6.6%	+9.0%	-1.1%	+6.8%	+7.1%
<b>Outperformance</b>	<b>+2.1 %</b>	<b>+6.9%</b>	<b>+7.1%</b>	<b>+10.1%</b>	<b>+12.7%</b>	<b>+8.2%</b>	<b>+8.0%</b>	<b>+10.8%</b>

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

<b>NTA before tax</b>	<b>159.14c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>159.98c*</b>
<b>NTA after tax</b>	<b>156.22c**</b>

\*Includes tax assets of 0.84 cents per share

\*\*Includes the net effect of 0.84 cents of tax assets and 3.77 cents of deferred tax liabilities

### **Market Outlook**

The European debt crisis continued to weigh on investor sentiment and equity markets over the course of November. Despite a 0.25% cut in interest rates by the RBA on Melbourne Cup day, the S&P/ASX All Ordinaries Accumulation Index finished down 3.4% for the month its 6th down month in the last 7. The failure of the US debt super committee to reach any sort of agreement by its scheduled deadline in late November also weighed on investors. It also shows that in the US, which was dealing with its own debt crisis back in early August, just how difficult it is to implement the necessary measures to reign in large government deficits and impose fiscal discipline.

## Market Outlook (contd)

Positive US retail sales growth, wage growth and a slight uptick in economic activity indicators gave us some small hints that things maybe improving in the world's largest economy. Intervention by global credit markets to address rising funding costs and credit spreads at the end of the month has led to a strong relief rally in early December but we don't view this as being a major turning point in the European debt crisis and continue to remain cautious on the outlook for equity markets.

## Dividends

On 15 September 2011, the company paid a fully franked final dividend of 5.0 cents per share. This brought the FY2011 dividend to 10.0 cents per share fully franked.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the company has sufficient franking credits, and it is within prudent business practices. Dividends are paid on a six-monthly basis. Dividend payments will be made with consideration to cash flow, cash holdings and available franking credits.

Providing the company is deemed solvent by the Board, WAM should always be in a position to pay dividends.

## Portfolio Structure

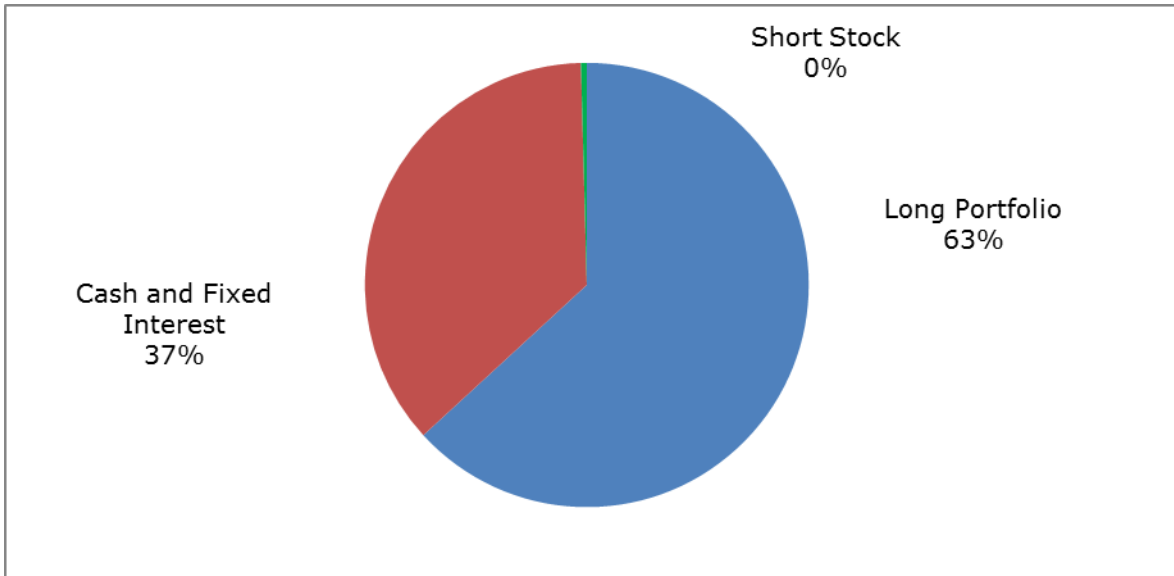
As at 30 November 2011, listed securities made up 63.4% of the portfolio, while fixed interest and cash made up the remaining 36.6%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to research heavily in an attempt to identify companies that meet this profile, with over 700 company visits a year.

Investment Type	As at 31 October 2011		As at 30 November 2011	
	\$m	%	\$m	%
Listed Equities	117.6	68.0%	107.9	63.4%
Fixed Interest and Cash	55.4	32.0%	62.2	36.6%
<b>Long Portfolio</b>	<b>173.0</b>	<b>100.0%</b>	<b>170.1</b>	<b>100.0%</b>
<b>Short Portfolio</b>	<b>(1.3)</b>		<b>(0.7)</b>	
<b>Total Fund Size</b>	<b>\$171.7m</b>		<b>\$169.4m</b>	
	<b>No.</b>		<b>No.</b>	
<b>Total ordinary shares on issue</b>	105,899,497		105,899,497	

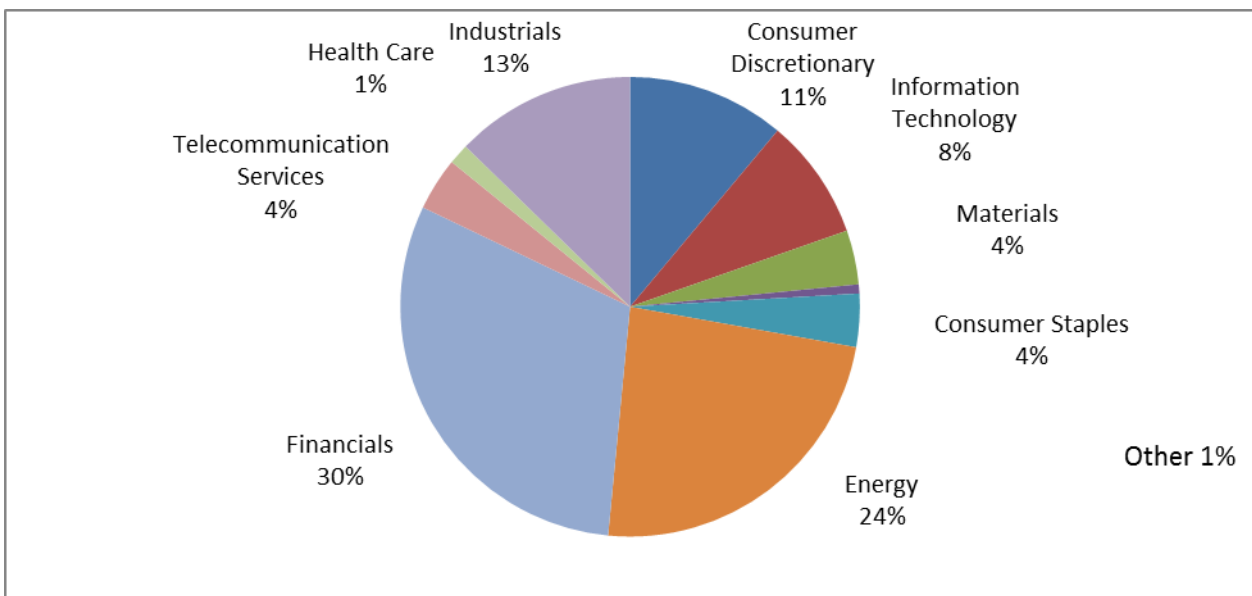
At 30 November 2011 the major securities held in the portfolio were:

<b>Code</b>	<b>Company</b>	<b>Market Value \$</b>	<b>Market Value as % Gross Assets</b>
CNA	Coal & Allied Industries Limited	19,497,591	11.5%
RKN	Reckon Limited	7,232,294	4.3%
SGI	Signature Capital Investments Limited	7,029,614	4.2%
ELI	Emerging Leaders Investments Limited	4,321,209	2.6%
SOE	Souls Private Equity Limited	4,031,163	2.4%
MMS	McMillan Shakespeare Limited	3,405,175	2.0%
HUN	Hunnu Coal Limited	2,688,337	1.6%
CCQ	Contango Capital Partners Limited	2,633,237	1.6%
NHC	New Hope Corporation Limited	2,619,600	1.5%
BRG	Breville Group Limited	2,270,087	1.3%
MSF	Maryborough Sugar Factory Limited (The)	2,067,005	1.2%
SDG	Sunland Group Limited	2,061,006	1.2%
MYS	Mystate Limited	2,025,687	1.2%
FGL	Foster's Group Limited	1,831,352	1.1%
BHP	BHP Billiton Limited	1,808,856	1.1%
RCR	RCR Tomlinson Limited	1,804,536	1.1%
MAQ	Macquarie Telecom Group Limited	1,717,162	1.0%
TSE	Transfield Services Limited	1,687,202	1.0%
SGN	STW Communications Group Limited	1,495,895	0.9%
RHG	RHG Limited	1,467,402	0.9%

## Portfolio Structure – Gross Asset Allocation



## Long Portfolio Structure – Sector Allocation



## Performance

Set out below is the performance of WAM since listing to 30 November 2011 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to how the company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

<b>Financial Year</b>	<b>Gross Portfolio</b>	<b>S&amp;P/ASX All Ordinaries Accumulation Index</b>	<b>Outperformance</b>
1999/2000	+33.3%	+11.3%	<b>+22.0%</b>
2000/2001	+30.2%	+8.9%	<b>+21.3%</b>
2001/2002	+32.7%	-4.5%	<b>+37.2%</b>
2002/2003	+12.3%	-1.1%	<b>+13.4%</b>
2003/2004	+27.3%	+22.4%	<b>+4.9%</b>
2004/2005	+13.9%	+24.8%	<b>-10.9%</b>
2005/2006	+27.4%	+24.2%	<b>+3.2%</b>
2006/2007	+44.1%	+30.3%	<b>+13.8%</b>
2007/2008	-23.0%	-12.1%	<b>-10.9%</b>
2008/2009	-3.0%	-22.2%	<b>+19.2%</b>
2009/2010	+29.8%	+13.8%	<b>+16.0%</b>
2010/2011	+17.9%	+12.2%	<b>+5.7%</b>
YTD 2011/2012	-1.1%	-8.2%	<b>+7.1%</b>

## Monthly 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>	<b>Apr 00</b>
WAM Capital*	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%	+5.4%	+5.3%	-5.7%
All Ordinaries Accum.	-2.5%	-1.2%	+0.5%	+5.4%	+5.6%	-0.7%	+1.9%	+0.5%	-1.5%
	<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>	<b>Dec 00</b>	<b>Jan 01</b>
WAM Capital*	-2.9%	+3.6%	+2.9%	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	-1.3%	+7.7%	-1.3%	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	<b>Feb 01</b>	<b>Mar 01</b>	<b>Apr 01</b>	<b>May 01</b>	<b>Jun 01</b>	<b>July 01</b>	<b>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>
WAM Capital*	-0.2%	-3.7%	+3.9%	+6.7%	+6.9%	-1.0%	+4.6%	-2.9%	+8.6%
All Ordinaries Accum.	-0.2%	-4.8%	+5.7%	+1.6%	+3.8%	-4.5%	-1.3%	-6.7%	+6.8%
	<b>Nov 01</b>	<b>Dec 01</b>	<b>Jan 02</b>	<b>Feb 02</b>	<b>Mar 02</b>	<b>Apr 02</b>	<b>May 02</b>	<b>Jun 02</b>	<b>Jul 02</b>
WAM Capital*	+3.8%	+3.3%	+7.0%	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	+3.4%	+2.7%	+1.3%	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	<b>Aug 02</b>	<b>Sep 02</b>	<b>Oct 02</b>	<b>Nov 02</b>	<b>Dec 02</b>	<b>Jan 03</b>	<b>Feb 03</b>	<b>Mar 03</b>	<b>Apr 03</b>
WAM Capital*	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%	-1.7%	-0.4%	+3.8%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%	-5.1%	+3.4%	+4.4%
	<b>May 03</b>	<b>Jun 03</b>	<b>Jul 03</b>	<b>Aug 03</b>	<b>Sept 03</b>	<b>Oct 03</b>	<b>Nov 03</b>	<b>Dec 03</b>	<b>Jan 04</b>
WAM Capital*	+1.5%	+3.5%	+3.6%	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+0.5%	+1.3%	+3.6%	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	<b>Feb 04</b>	<b>Mar 04</b>	<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>
WAM Capital*	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%	+1.2%	+2.5%	+2.9%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%	+1.1%	+3.8%	+3.1%
	<b>Nov 04</b>	<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>
WAM Capital*	+3.3%	+0.7%	+2.7%	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+4.6%	+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>	<b>Apr 06</b>
WAM Capital*	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%	+4.9%	+5.3%	+2.1%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%	+0.7%	+4.8%	+2.4%
	<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>	<b>Dec 06</b>	<b>Jan 07</b>
WAM Capital*	-2.3%	+0.5%	+0.4%	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
All Ordinaries Accum.	-4.3%	+1.9%	-1.5%	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	<b>Feb 07</b>	<b>Mar 07</b>	<b>Apr 07</b>	<b>May 07</b>	<b>Jun 07</b>	<b>Jul 07</b>	<b>Aug 07</b>	<b>Sep 07</b>	<b>Oct 07</b>
WAM Capital*	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+0.3%	-4.2%	+1.7%	+3.1%
All Ordinaries Accum.	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	-1.9%	+1.7%	+5.8%	+3.1%
	<b>Nov 07</b>	<b>Dec 07</b>	<b>Jan 08</b>	<b>Feb 08</b>	<b>Mar 08</b>	<b>Apr 08</b>	<b>May 08</b>	<b>Jun 08</b>	<b>Jul 08</b>
WAM Capital*	-4.8%	-1.1%	-9.5%	-1.3%	-5.3%	+1.7%	+2.3%	-7.9%	-1.6%
All Ordinaries Accum.	-2.4%	-2.4%	-11.2%	+0.3%	-4.1%	+4.6%	+2.4%	-7.3%	-5.2%
	<b>Aug 08</b>	<b>Sep 08</b>	<b>Oct 08</b>	<b>Nov 08</b>	<b>Dec 08</b>	<b>Jan 09</b>	<b>Feb 09</b>	<b>Mar 09</b>	<b>Apr 09</b>
WAM Capital*	+1.7%	-5.3%	-9.2%	-5.6%	+3.1%	-1.5%	+1.1%	+2.6%	+5.2%
All Ordinaries Accum.	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-4.3%	+8.1%	+6.1%
	<b>May 09</b>	<b>Jun 09</b>	<b>Jul 09</b>	<b>Aug 09</b>	<b>Sep 09</b>	<b>Oct 09</b>	<b>Nov 09</b>	<b>Dec 09</b>	<b>Jan 10</b>
WAM Capital*	+3.6%	+4.1%	+8.2%	+7.6%	+6.9%	+2.3%	+0.6%	+1.6%	-2.4%
All Ordinaries Accum.	+2.2%	+3.9%	+7.7%	+6.5%	+6.1%	-1.9%	+1.9%	+3.7%	-5.9%
	<b>Feb 10</b>	<b>Mar 10</b>	<b>Apr 10</b>	<b>May 10</b>	<b>Jun 10</b>	<b>Jul 10</b>	<b>Aug 10</b>	<b>Sept 10</b>	<b>Oct 10</b>
WAM Capital*	-0.5%	+3.7%	+0.8%	-2.4%	+0.7%	+2.5%	+1.5%	+4.4%	+1.4%
All Ordinaries Accum.	+1.8%	+5.8%	-1.2%	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%
	<b>Nov 10</b>	<b>Dec 10</b>	<b>Jan 11</b>	<b>Feb 11</b>	<b>Mar 11</b>	<b>Apr 11</b>	<b>May 11</b>	<b>Jun 11</b>	<b>Jul 11</b>
WAM Capital*	+2.3%	+3.7%	+1.4%	+2.1%	+0.1%	+1.2%	-1.4%	-2.4%	+0.2%
All Ordinaries Accum.	-0.7%	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%	-1.9%	-2.4%	-3.4%
	<b>Aug 11</b>	<b>Sept 11</b>	<b>Oct 11</b>	<b>Nov 11</b>	<b>Dec 11</b>	<b>Jan 12</b>	<b>Feb 12</b>	<b>Mar 12</b>	<b>Since inception</b>
WAM Capital*	-1.8%	-0.8%	+2.6%	-1.3%					+664.5%
All Ordinaries Accum.	-2.0%	-6.3%	+7.2%	-3.4%					+133.6%

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

For further information please contact Geoff Wilson or Chris Stott.  
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