

WAM CAPITAL LIMITED

A.B.N. 34 086 587 395



WAM CAPITAL LTD (WAM) - JUNE 2008 **INVESTMENT UPDATE & NTA**

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 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 422.0% compared to a 156.2% increase in the All Ordinaries Accumulation Index.

In June WAM's gross portfolio (before all fees, costs and taxes) fell by 7.92%, while the All Ordinaries Accumulation Index fell by 7.32%.

NTA before tax payable and after tax assets	141.17c
NTA after tax and before tax on unrealised gains	141.17c
NTA after tax	139.41c

The above figures are after the payment of the interim dividend of 8.00 cents a share fully franked, paid on the 11 March 2008.

MARKET OUTLOOK

After a 17% rally from 17 March 2008 to 19 May 2008, the Australian sharemarket tumbled during June to hit a new low. The All Ordinaries Accumulation index fell 7.3% in June 2008 and since reaching a high on 19 May 2008 has fallen 11.2%. The hardest hit sectors during this six week period have been the Industrials (down 16.0%), Property (down 14.9%) and Financials (down 16.7%). By far and away the strongest sector since mid May 2008 has been the Resources sector. In June alone, the All Resources index outperformed the All Industrials index by 10.8%. The markets willingness to move into commodity base stocks has the potential to create an asset bubble. Conversely, the decline in most other sectors is providing opportunities as valuations improve. We remain cautious in the immediate term and continue to hold high cash levels. However, we believe that in the coming months the market will reach a nadir with investors losing all belief in equities. This will be a very good buying opportunity. Timing of a market bottom is difficult to judge, but we wait with anticipation.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to **30 June 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%

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-23.0%	-12.1%	-10.9%
3 years	+12.2%	+12.5%	-0.2%
5 years	+15.5%	+16.8%	-1.3%
7 years	+17.4%	+10.8%	+6.6%
Since inception	+20.4%	+11.1%	+9.2%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 30 June 2008, listed securities made up approximately 46.7% of the portfolio, while fixed interest and cash made up the remaining 53.3%. 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 31 May 2008		As at 30 June 2008	
	\$m	%	\$m	%
Listed Equities	107.75	66.3%	69.33	46.7%
Fixed Interest and Cash	54.66	33.7%	79.21	53.3%
Long Portfolio	162.41	100.0%	148.54	100.0%
Short Portfolio	(2.61)	100.0%	(1.82)	100.0%
	No.		No.	
Total no. of ord shares on issue	106,158,940		106,158,940	

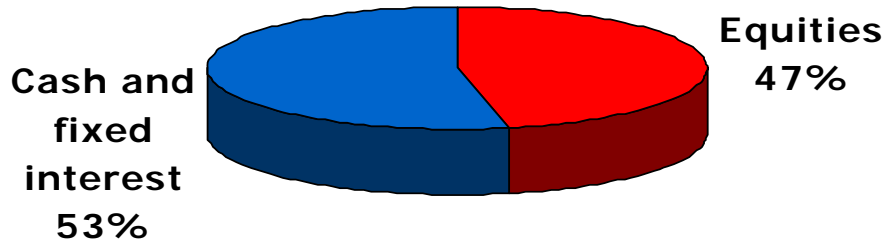
PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

At 30 June 2008 the major securities held in the portfolio were:

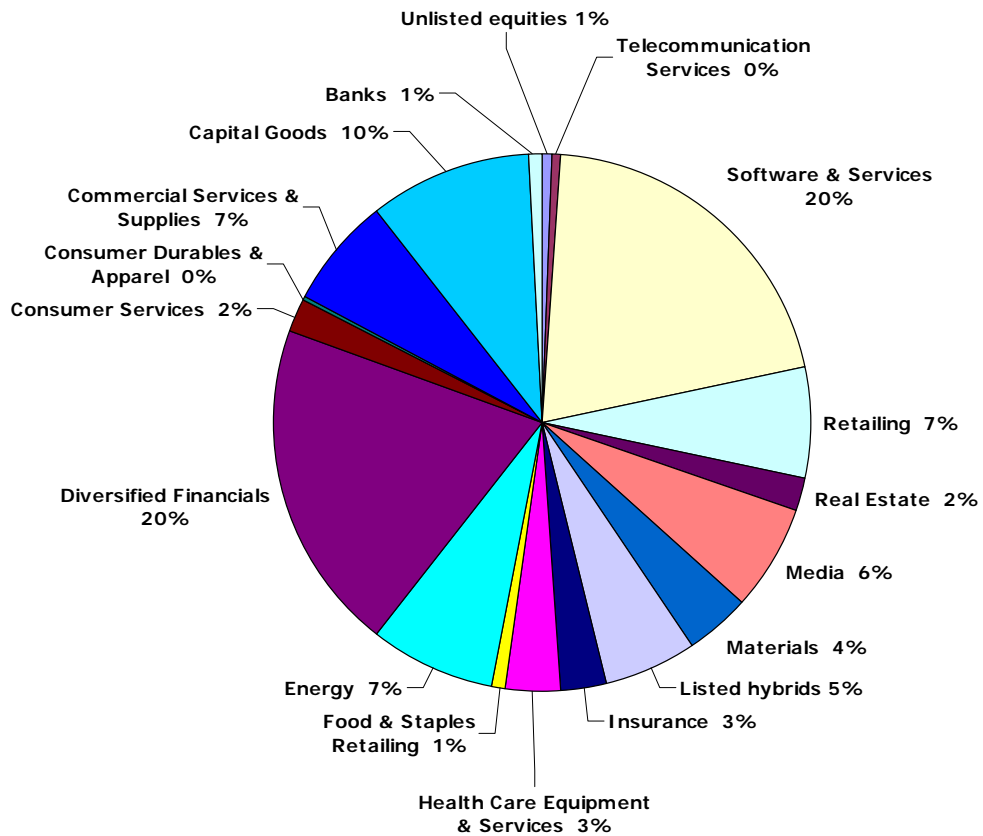
COMPANY	MARKET VALUE \$
AED Oil Ltd (AED)	685,860
Aevum Ltd (AVE)	1,013,780
ARC Energy Ltd (ARQ)	2,115,540
Bank of Queensland Reset Prefs (BOQPB)	1,619,184
Clime Investment Ltd (CIW)	1,423,173
Clough Limited (CLO)	1,456,415
Devine Ltd (DVN)	872,137
Dyno Nobel SPS Trust (DYNPA)	1,974,807
Eservglobal Ltd (ESV)	1,443,000
Henderson Group PLC (HGI)	1,038,807
HFA Accelerator Plus Ltd (HAP)	2,007,908
HFA Holdings Ltd (HFA)	3,057,458
Impact Capital Ltd (ICD)	1,171,036
Industrial Minerals Ltd (IDM)	1,379,980
ITX Group Limited (ITX)	1,268,268
Just Group Ltd (JST)	1,502,130
Keybridge Capital Ltd (KBC)	1,601,613
Linc Energy Ltd (LNC)	893,550
Ludowici Ltd (LDW)	1,013,149
MatrixView Ltd (MVU)	625,739
McMillan Shakespeare Ltd (MMS)	2,098,675
Melbourne IT Ltd (MLB)	3,710,061
Mitchell Communications Group Ltd (MCU)	1,840,516
Nomad Building Solutions Ltd (NOD)	1,508,577
Photon Group Ltd (PGA)	2,271,231
Primary Health Care Ltd (PRY)	1,407,640
Rattoon Holdings Ltd (RTN)	976,495
Reckon Ltd (RKN)	6,567,341
Reef Casino Trust (RCT)	740,179
RR Australia Ltd (RRA)	1,732,838
Seek Ltd (SEK)	2,070,000
Service Stream Ltd (SSM)	1,697,663
Sydney Gas Ltd (SGL)	1,366,545
The Reject Shop Ltd (TRS)	864,500
Tower Ltd (TWR)	1,900,984
Watpac Ltd (WTP)	744,564

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

Asset Allocation



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.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%	+1.6%	+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					Since Inception
Gross Portfolio *	+1.7%	+2.3%	-7.9%					+422.0%
All Ordinaries Accum.	+4.6%	+2.4%	-7.3%					+156.0%

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

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