WAM CAPITAL LTD (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – APRIL 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 predominately on small to medium industrial companies.

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 703.6% compared to a 165.6% increase in the S&P/ASX All Ordinaries Accumulation Index.

In April WAM's gross portfolio (before all fees, costs and taxes) rose by 1.2%, while the S&P/ASX All Ordinaries Accumulation Index fell by 0.6%.

Annualised Performance as at 30 April 2011	6 months	1 Year	3 Years	5 Years	10 Years	Since Inception (Aug-99)
WAM Capital Limited*	+11.3%	+20.3%	+13.2%	+10.9%	+18.3%	+19.4%
S&P/ASX All Ordinaries Accumulation Index	+5.5%	+5.4%	-0.5%	+3.0%	+8.4%	+8.7%
Outperformance	**+5.8%**	**+14.9%**	**+13.7%**	**+7.9%**	**+9.9%**	**+10.7%**

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

The following NTA figures are after the payment of a 5.0 cent per share fully franked interim dividend which was paid on the 11 March 2011.

NTA before tax	**175.06c***
NTA after tax and before tax on unrealised gains	**174.60c**
NTA after tax	**166.58c**

* This is after the payment of 0.93 cents per share in tax during the month.

Market Outlook

Should we have sold all our shares in May and gone away for the winter? This philosophy has been trumpeted by American investors for decades. It refers to the fact that in the northern hemisphere market activity dries up and share prices drift as stock brokers and investors take off for a well earned summer break. Unsurprisingly, the performance of the US share market has lent credibility to the saying, with the key benchmark indexes delivering virtually no gain for investors over many years. In contrast, the months from October to April have proven extremely fruitful with market participants focused on making money rather than sunning themselves.

Market Outlook (continued)

How does the local share market look heading into the northern summer? After a sharp rebound into early April from the shock of the Japanese earthquake the overall market faded with the benchmark S&P ASX All Ordinaries Accumulation index closing the month down 0.6 per cent. The downward trend has continued into May with the S&P ASX All Ordinaries index close to 3 per cent down for the month at the time of writing this report.

The biggest contributor to the downdraft has been the selloff in the resources sector, especially the smaller miners. Commodity prices from oil and gas to minerals and food, soared in the first quarter of the year. However, investor enthusiasm for commodities has waned as the Chinese economy slowed on the back of tightening monetary policy by the central government.

We remain cautious about the Australian share market and in particular the resources sector. China, with a sharp eye on inflation, is determined to cap economic growth in the short to medium term. This should see commodity prices and mining stock under perform until the end of the northern summer in September. In contrast the industrial and financial sectors of the Australian market look to represent relatively good value, however, with the spectre of higher official interest rates it may be too early to delve into this section of the market.

Dividends

On 11 March 2011 the company paid a fully franked interim dividend of 5.0 cents per share. This is a 25% increase on the interim dividend last year.

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. Government legislation introduced in June 2010 now enables companies to pay dividends if the company is deemed solvent. Dividend payments will not be reliant on reported profit and retained earnings as it was previously. Rather it will be with consideration to cash flow, cash holdings and available franking credits. Essentially, WAM Capital will always be in a position to pay dividends providing it is solvent.

Portfolio Structure

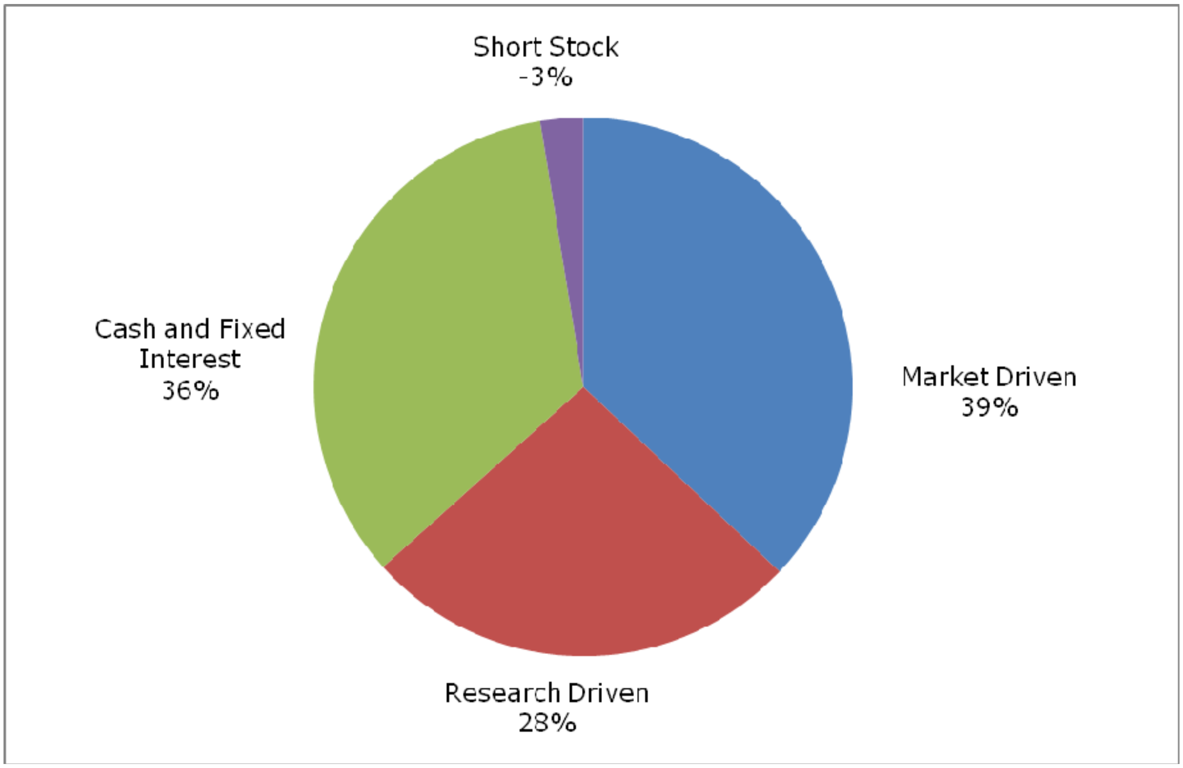
As at 30 April 2011, listed securities made up 65.0% of the portfolio, while fixed interest and cash made up the remaining 35.0%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to heavily research companies that meet this profile, with over 700 company visits a year.

Investment Type	As at 31 Mar 2011 $m	%		As at 30 Apr 2011 $m	%
Listed Equities	117.3	62.9%		124.3	65.0%
Fixed Interest and Cash	69.3	37.1%		66.8	35.0%
Long Portfolio	**186.6**	**100.0%**		**191.1**	**100.0%**
Short Portfolio	**(1.5)**			**(5.0)**	
Total Fund Size	**$185.1m**			**$186.1m**	
	No.			**No.**	
Total ordinary shares on issue	105,063,158			105,063,158	

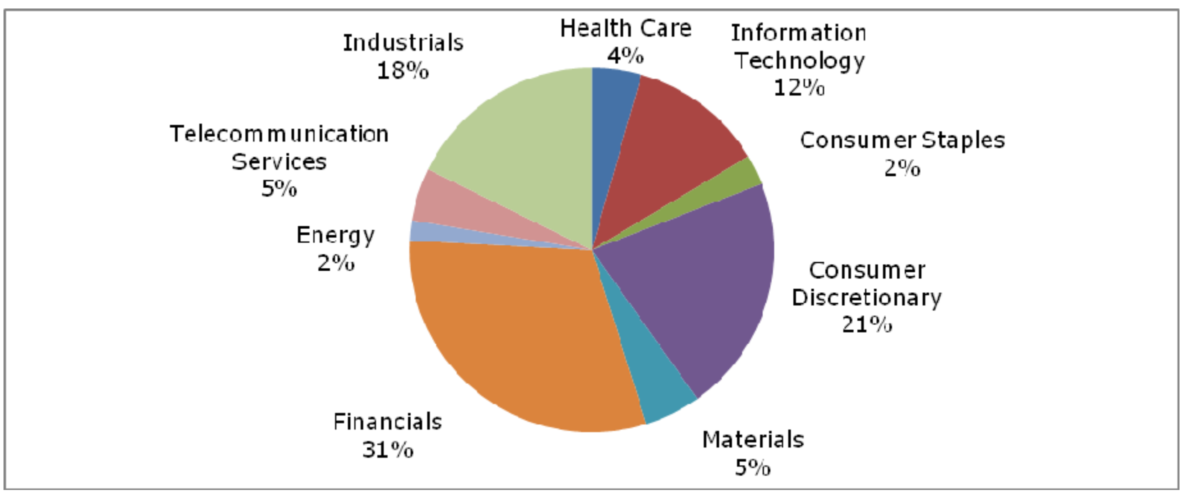
At 30 April 2011 the major securities held in the portfolio were:

Code	Company	Market Value $	Market Value as % Gross Assets
RHG	RHG Limited	10,357,085	5.6%
RKN	Reckon Limited	8,026,491	4.3%
ELI	Emerging Leaders Investments Limited	5,011,103	2.7%
SGI	Signature Capital Investments Limited	4,818,250	2.6%
MMS	McMillan Shakespeare Limited	4,320,201	2.3%
RPX	RP Data Limited	3,790,569	2.0%
SGN	STW Communications Group Limited	3,487,611	1.9%
MSF	Maryborough Sugar Factory Limited (The)	3,303,238	1.8%
MYS	Mystate Limited	3,109,526	1.7%
CCP	Credit Corp Group Limited	2,771,909	1.5%
BRG	Breville Group Limited	2,710,361	1.5%
AUN	Austar United Communications Limited	2,560,104	1.4%
MAQ	Macquarie Telecom Group Limited	2,368,244	1.3%
SKE	Skilled Group Limited	2,089,817	1.1%
ARP	ARB Corporation Limited	2,060,949	1.1%
TGA	Thorn Group Limited	1,980,612	1.1%
SAI	SAI Global Limited	1,968,315	1.1%
CAF	Centrepoint Alliance Limited	1,816,575	1.0%
BKL	Blackmores Limited	1,797,386	1.0%
NVT	Navitas Limited	1,780,324	1.0%

Portfolio Structure – Gross Asset Allocation



Long Portfolio Structure – Sector Allocation



Performance

Set out below is the performance of WAM since listing to 30 April 2011 on a financial year basis. The performance data excludes 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.

Financial Year	Gross Portfolio*	S&P/ASX All Ordinaries 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%**
YTD 2010/2011	+22.5%	+17.1%	**+5.4%**

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

Monthly 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**	**Jul 10**	**Aug 10**	**Sept 10**	**Oct 10**	**Nov 10**
Gross Portfolio*	+0.8%	-2.4%	+0.7%	+2.5%	+1.5%	+4.4%	+1.4%	+2.3%
All Ordinaries Accum.	-1.2%	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%	-0.7%
	Dec 10	**Jan 11**	**Feb 11**	**Mar 11**	**Apr 11**	**May 11**	**Jun 11**	**Since inception**
Gross Portfolio*	+3.7%	+1.4%	+2.1%	+0.1%	+1.2%			+703.6%
All Ordinaries Accum.	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%			+165.6%

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

For further information please contact Geoff Wilson, Matthew Kidman Chris Stott or Martin Hickson 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@wamfunds.com.au | www.wamfunds.com.au