



WAM CAPITAL LIMITED (WAM) **INVESTMENT UPDATE & NTA – AUGUST 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 488.2% compared to a 128.5% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In August WAM's gross portfolio (before all fees, costs and taxes) increased by 7.56%, while the S&P/ASX All Ordinaries Accumulation Index increased by 6.47%.
- The gross portfolio has increased by 12.53% for the 12 months to 31 August 2009, while the S&P/ASX All Ordinaries Accumulation Index has fallen by 9.48%.

NTA before tax	147.16c
NTA after tax and before tax on unrealised gains	154.12c*
NTA after tax	147.20c**

These numbers are after the payment of a fully franked dividend of 4.0 cents per share on 17 August 2009.

* Includes tax assets of 6.96 cents per share.

** This includes the net effect of 6.96 cents of tax assets and 6.92 cents of deferred tax liabilities.

MARKET OUTLOOK

The Australian share market's red hot streak since March 2009 continued in August with the All Ordinaries Accumulation Index rallying more than 6 per cent. August was the sixth consecutive up month as investors piled into the market in the belief the global financial meltdown was well and truly behind us. The market was propelled higher during the month on the back of improving domestic economic conditions with banking and building material sectors leading the charge. In contrast the mining sector took a breather with news that Chinese authorities were taking steps to slow their economy.

The Australian market has now risen approximately 45 per cent since it hit a bottom on March 6, 2009. This has been a dramatic increase that very few pundits predicted. While the local market continues to trade more than 30 per cent off its all time high in

November, 2007 we are becoming increasingly cautious. The Reserve Bank of Australia has made the decisive move of declaring the next interest rate move will be up. We expect this to either happen just before or just after Christmas. Unfortunately, with the Australian economy performing better than initially predicted, the RBA will probably have to increase rates by between 1.5 and 2 per cent over the next 18 months. Increasing rates slow economic growth and also lower company valuations. Therefore, we would expect the market to pause and maybe even head down while the upward rate cycle unfolds.

DIVIDENDS

On 17 August 2009 WAM Capital Limited paid a fully franked dividend of 4.0 cents per ordinary share. The DRP price is \$1.2259.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders over time. Dividends can only be paid if the Company has sufficient profits and franking credits.

PERFORMANCE

Set out below is the performance of WAM Capital Limited since listing to 31 August 2009:

	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%
2008/2009	-3.0%	-22.2%	+19.2%
YTD 2009/2010	+16.4%	+14.6%	+1.8%

Set out below is the performance of WAM Capital Limited since listing to 31 August 2009:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	+12.5%	-9.5%	+22.0%
3 years	+6.4%	+0.2%	+6.2%
5 years	+11.8%	+9.3%	+2.5%
7 years	+14.5%	+10.1%	+4.4%
Since inception	+19.2%	+8.5%	+10.7%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 August 2009, listed securities made up approximately 70.9% of the portfolio, while fixed interest and cash made up the remaining 29.1%. 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.

	As at 31 July 2009		As at 31 August 2009	
Investment Type	\$m	%	\$m	%
Listed Equities	92.36	63.6%	108.98	70.9%
Fixed Interest and Cash	52.94	36.4%	44.78	29.1%
Long Portfolio	145.30	100.0%	153.76	100.0%
Short Portfolio	-	-	(0.27)	100.0%
	No.		No.	
Total no. of ord shares on issue	102,785,383		103,367,063	

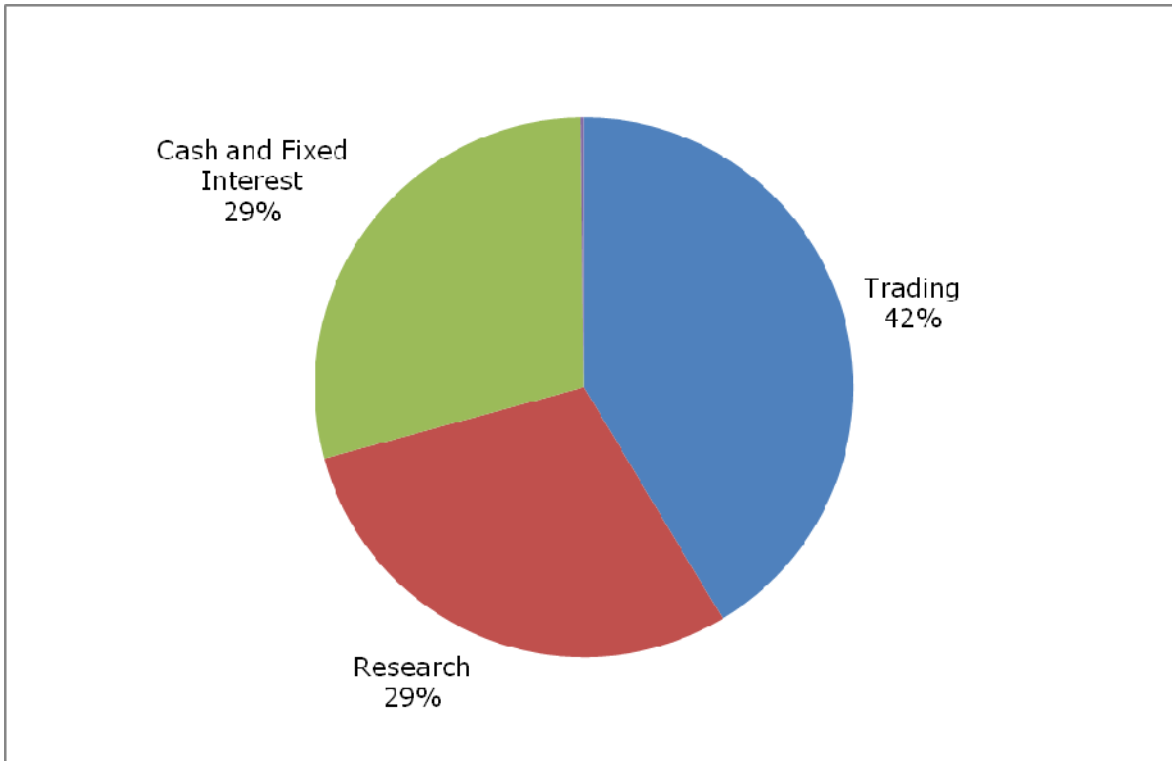
PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

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

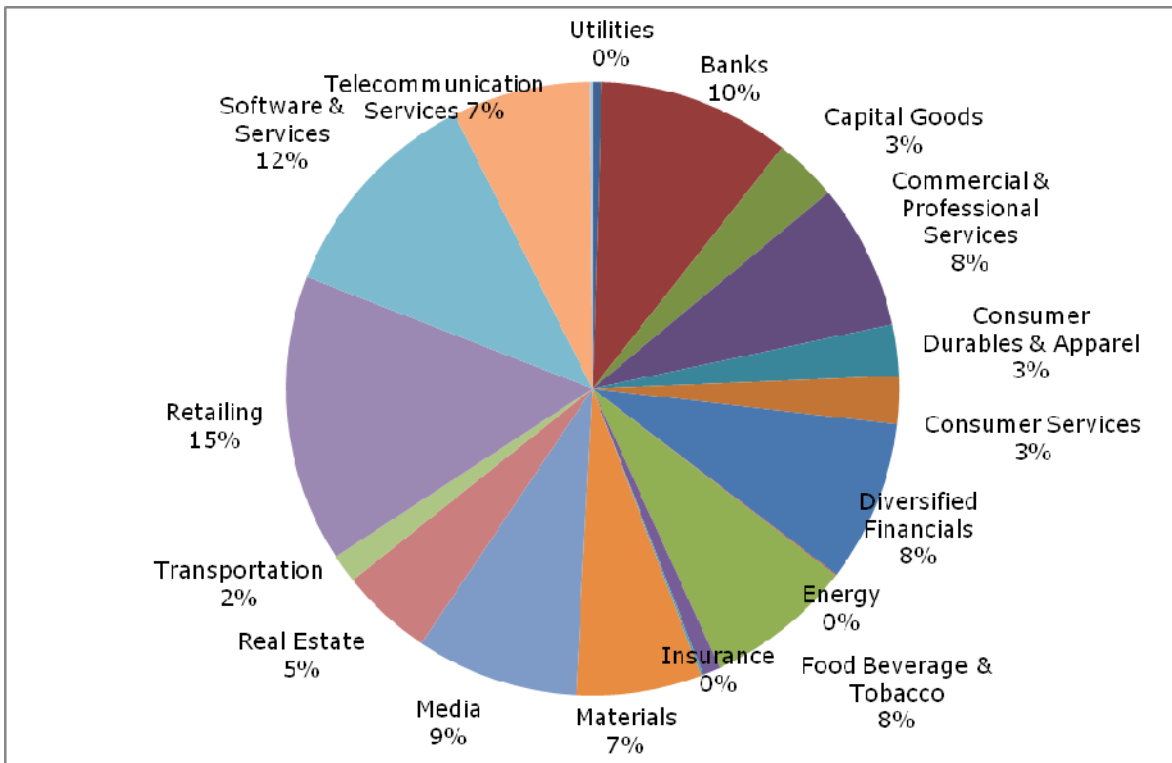
CODE	COMPANY	MARKET VALUE \$	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
LNN	Lion Nathan Limited	8,424,900	7.8%	5.5%
RKN	Reckon Limited	6,443,310	5.9%	4.2%
TLS*	Telstra Corporation Limited	5,645,065	5.2%	3.7%
MMS	McMillan Shakespeare Limited	3,974,738	3.7%	2.6%
NAB	National Australia Bank Limited	3,341,843	3.1%	2.2%
PBG	Pacific Brands Limited	3,315,923	3.1%	2.2%
MCP	McPherson's Limited	2,842,383	2.6%	1.9%
FKP	FKP Property Group	2,664,500	2.5%	1.7%
MCU	Mitchell Communications Group Limited	2,545,712	2.3%	1.7%
ORL	OrotonGroup Limited	2,317,570	2.1%	1.5%
FXL	Flexigroup Limited	2,312,640	2.1%	1.5%
WBC	Westpac Banking Corporation	2,305,110	2.1%	1.5%
AHE	Automotive Holdings Group Limited	2,289,280	2.1%	1.5%
RRA	RR Australia Limited	2,260,066	2.1%	1.5%
RHG	RHG Limited	2,222,105	2.0%	1.4%
FBU	Fletcher Building Limited	2,175,254	2.0%	1.4%
CLO	Clough Limited	1,908,726	1.8%	1.2%
RCG	RCG Corporation Limited	1,804,827	1.7%	1.2%
MLB	Melbourne IT Limited	1,768,657	1.6%	1.2%
ABC	Adelaide Brighton Limited	1,661,473	1.5%	1.1%
VBA	Virgin Blue Holdings Limited	1,627,027	1.5%	1.1%
REA	REA Group Limited	1,601,600	1.5%	1.0%
CCQ	Contango Capital Partners Limited	1,566,441	1.4%	1.0%
PBA	Peoplebank Australia Limited	1,473,075	1.4%	1.0%
OKN	Oakton Limited	1,454,880	1.3%	0.9%
PMV	Premier Investments Limited	1,429,528	1.3%	0.9%
SKT	Sky Network Television Limited	1,418,561	1.3%	0.9%
MLE	Macquarie Leisure Trust Group	1,374,094	1.3%	0.9%
CIW	Clime Investment Limited	1,349,237	1.2%	0.9%
NWSLV	News Corporation	1,336,555	1.2%	0.9%
ANZ*	ANZ Banking Group Limited	1,329,795	1.2%	0.9%
JBH	JB Hi-Fi Limited	1,298,670	1.2%	0.8%
NWT	NewSat Limited	1,274,498	1.2%	0.8%

* Indicates that options were outstanding against part of the holding

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.	-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	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							Since Inception
Gross Portfolio *	+7.6%							+488.2%
All Ordinaries Accum.	+6.5%							+128.5%

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

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