



WAM CAPITAL LIMITED (WAM) **INVESTMENT UPDATE & NTA – FEBRUARY 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 334.61% compared to a 63.82% increase in the All Ordinaries Accumulation Index.

In February WAM's gross portfolio (before all fees, costs and taxes) increased by 1.06%, while the All Ordinaries Accumulation Index fell by 4.26%.

NTA before tax payable and after tax assets	125.50c*
NTA after tax and before tax on unrealised gains	125.50c
NTA after tax	124.51c

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

MARKET OUTLOOK

In last month's report we talked about the market consolidating from October 2008 through to January 2009. Unfortunately the market failed to hold and during February the market declined 4.8%. This sell off continued into March, seeing the All Ordinaries Index hit a new low. From 1 November 2007 to 6 March 2009, the benchmark index has fallen 55%, making it the second worst bear market in Australian history. The sheer size of the fall and the opportunities arising make us confident that a sizeable rally could take place. The much more difficult question is whether March 2009 is the bottom of the bear market. Only time can tell. In the meantime we are looking to take advantage of extreme value situations.

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 **28 February 2009**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-24.4%	-39.0%	+14.6%
3 years	-0.9%	-8.5%	+7.6%
5 years	+5.8%	+3.8%	+2.0%
7 years	+10.2%	+4.0%	+6.3%
Since inception	+16.6%	+5.3%	+11.3%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 28 February 2009, listed securities made up approximately 29.7% of the portfolio, while fixed interest and cash made up the remaining 70.3%. 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.

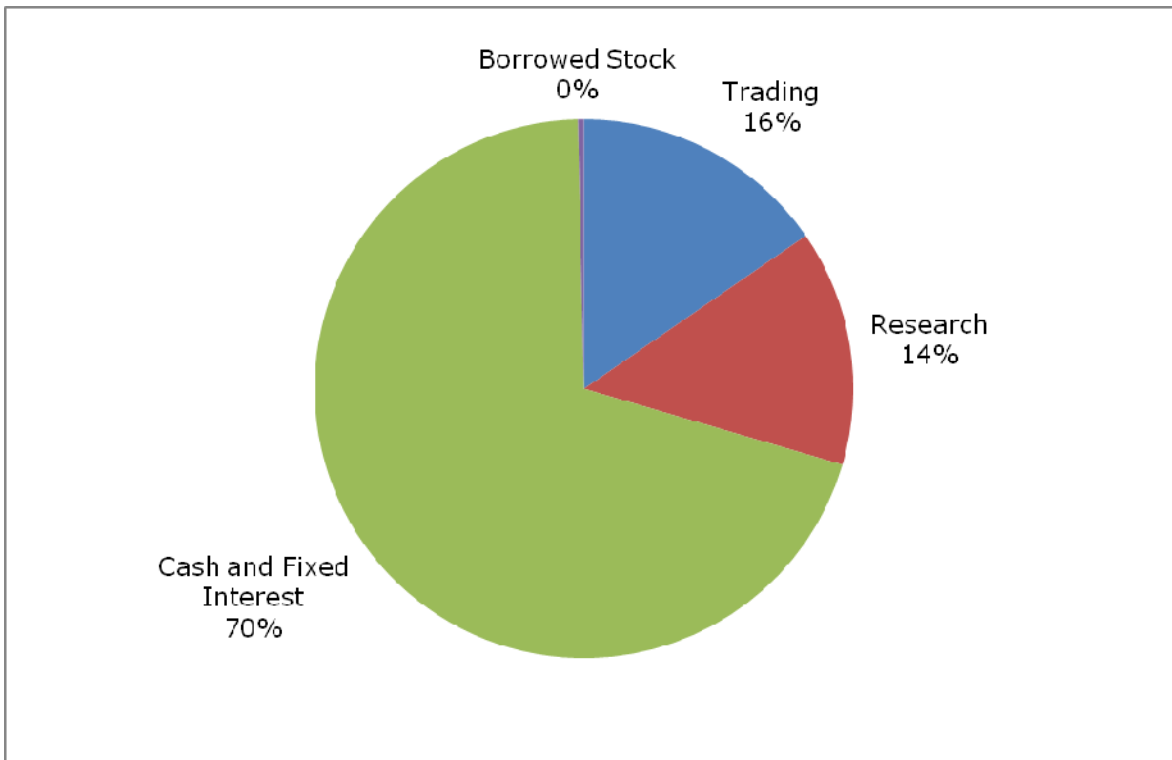
Investment Type	As at 31 January 2009		As at 28 February 2009	
	\$m	%	\$m	%
Listed Equities	42.58	36.7%	34.72	29.7%
Fixed Interest and Cash	73.33	63.3%	82.32	70.3%
Long Portfolio	115.91	100.0%	117.04	100.0%
Short Portfolio	(0.50)	-	(0.44)	100.0%
	No.		No.	
Total no. of ord shares on issue	102,785,383		102,785,383	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

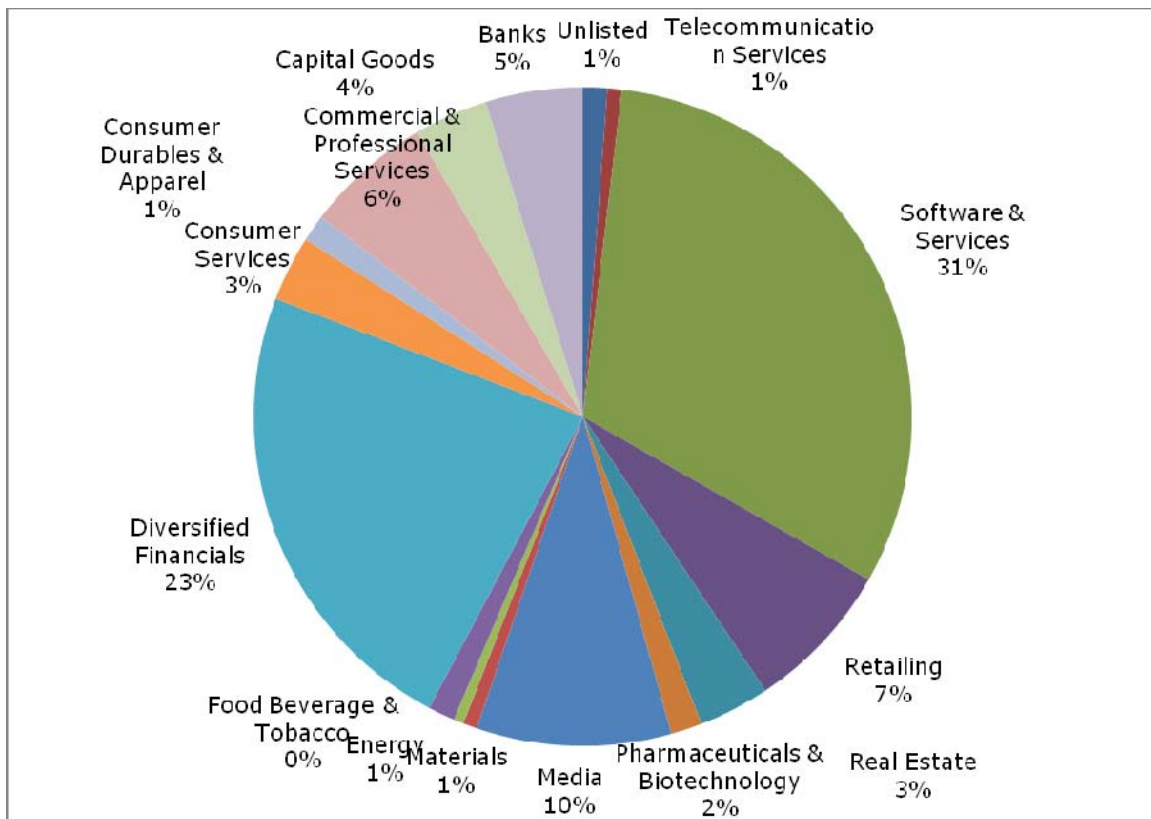
At 28 February 2009 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$
RKN	Reckon Limited	4,934,226
MLB	Melbourne IT Limited	2,624,358
MMS	McMillan Shakespeare Limited	2,166,486
EFG	Everest Financial Group Limited	2,008,731
CCQ	Contango Capital Partners Limited	1,491,490
MCU	Mitchell Communications Group Limited	1,355,999
RRA	RR Australia Limited	1,325,919
TRS	The Reject Shop Limited	1,050,400
ASX	ASX Limited	1,035,285
ITX	ITX Group Limited	1,022,375
MLE	Macquarie Leisure Trust Group	1,003,082
ESV	Eservglobal Limited	979,361
PGA	Photon Group Limited	917,710
RTN	Ratton Holdings Limited (Listed NSX)	878,846
SKT	Sky Network Television Limited	856,456
CLO	Clough Limited	723,797
CIW	Clime Investment Limited	692,342
RCT	Reef Casino Trust	592,784
RHG	RHG Limited	579,758
MVU	MatrixView Limited	546,982
LDW	Ludowici Limited	533,639
PGL	Progen Pharmaceuticals Limited	531,170
TNE	Technology One Limited	494,714
ANZPB	Australia and New Zealand Banking Group Limited	484,374
BEL	Bentley International Limited	409,859
HOM	Homeloans Limited	384,047

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					Since Inception
Gross Portfolio *	3.1%	-1.5%	+1.1%					+334.6%
All Ordinaries Accum.	-0.1%	-4.9%	-4.3%					+63.8%

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

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