



WAM CAPITAL LIMITED (WAM) **INVESTMENT UPDATE & NTA – NOVEMBER 2008**

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 323.6% compared to a 80.2% increase in the All Ordinaries Accumulation Index.

In November WAM's gross portfolio (before all fees, costs and taxes) decreased by 5.65%, while the All Ordinaries Accumulation Index fell by 7.22%.

NTA before tax payable and after tax assets	122.89*
NTA after tax and before tax on unrealised gains	122.89c
NTA after tax	122.58c

*This includes 12.3 cents per share in tax assets.

The above figures are after the payment of \$4.66m for the equal access share buy-back.

MARKET OUTLOOK

The Australian share market fell into its worst bear market in 34 years during November with the All Ordinaries Index down a staggering 52 per cent from its top only one year earlier. The benchmark All Ordinaries Index was down more than 16 per cent for the month when it hit a bottom on November 21, before rebounding to close down just 7.2 per cent. Euphoria surrounding the election of Barack Obama as the next President of the United States quickly evaporated as concerns surrounding the global recession gripped the market. So far, Japan, Germany and New Zealand have officially declared they are in recession, while the US, United Kingdom and the rest of Europe are expected to follow suit early in the New Year. We would expect the Australian economy to suffer a similar fate over the next six months as growth stalls.

The question investors now have to ponder is whether the 50 per cent decline in the share market sufficiently prices in a drop in earnings due to the pending recession. Throughout the last significant recession in 1990/91 the earnings of Australian companies fell by approximately 30 per cent. If this was the case again, there is a strong argument the share market has priced in the collapse in earnings that will hit Australian companies during 2009. However, it is still too early to estimate the size of the earnings decline and until the picture becomes clearer we would expect the heightened volatility of the past three months to continue. We do believe however, that several very attractive buying opportunities have presented themselves in recent times. We also expect the next six months will be a very good buying opportunity as the plight of company earnings become clearer.

SHARE BUY-BACK

On the 30th October a total of 3,373,557 ordinary shares (55% of shares accepted) were tendered to be bought back at \$1.38 per share totalling \$4,655,509. Payment for shares bought back was made on 7 November 2008.

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%

Set out below is the performance of WAM Capital Limited since listing to **30 November 2008**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-34.8%	-41.8%	+6.9%
3 years	+0.6%	-3.2%	+3.9%
5 years	+7.1%	+7.1%	+0.0%
7 years	+11.9%	+5.8%	+6.1%
Since inception	+16.7%	+6.5%	+10.2%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 30 November 2008, listed securities made up approximately 33.4% of the portfolio, while fixed interest and cash made up the remaining 66.6%. 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 to find companies that meet this profile.

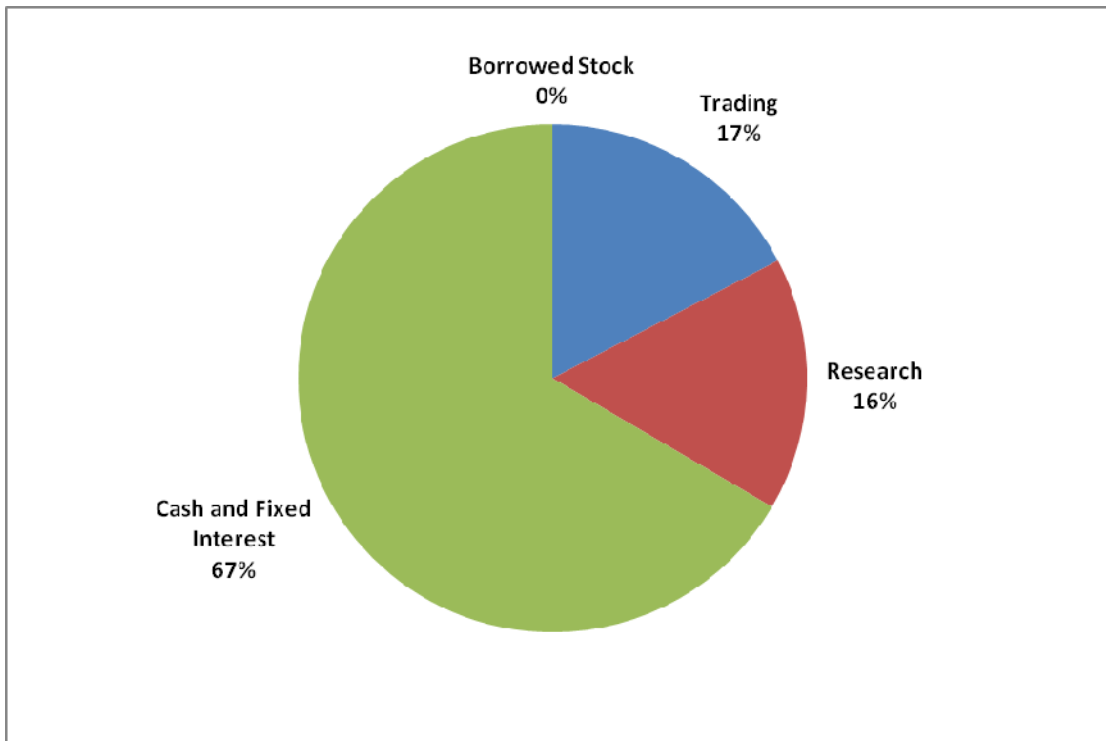
Investment Type	As at 31 October 2008		As at 30 November 2008	
	\$m	%	\$m	%
Listed Equities	45.86	36.4%	38.13	33.4%
Fixed Interest and Cash	80.25	63.6%	75.93	66.6%
Long Portfolio	126.11	100.0%	114.06	100.0%
Short Portfolio	-	-	-	-
	No.		No.	
Total no. of ord shares on issue	106,158,940		102,785,383	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

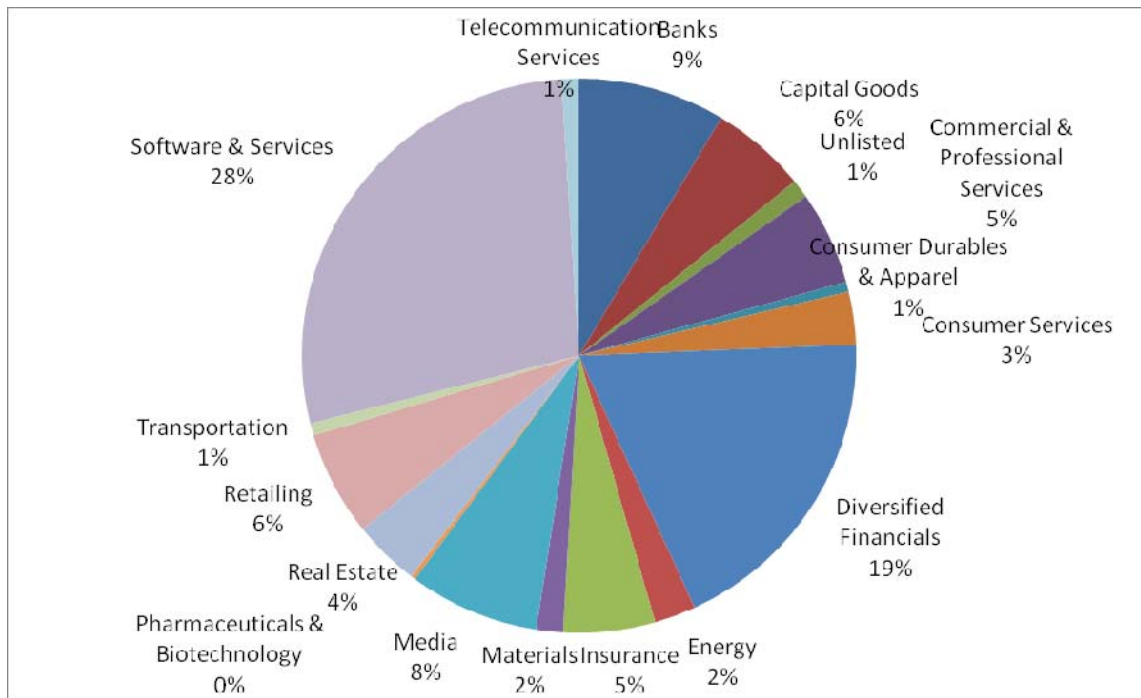
At 30 November 2008 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$
ALZ	Australand Property Group	658,880
AMP	AMP Limited	730,320
ANZPB	Australia and New Zealand Banking Group Limited	505,317
ASX	ASX Limited	2,333,925
BEL	Bentley International Limited	444,014
BLE	Blue Ensign Technologies Limited	525,000
CIW	Clime Investment Limited	668,891
CLO	Clough Limited	815,315
EBI	Everest Babcock & Brown Alternative Inv Trust	403,810
ESV	Eservglobal Limited	1,026,456
HAP	HFA Accelerator Plus Limited	555,379
ITX	ITX Group Limited	838,012
LDW	Ludowici Limited	569,215
MCU	Mitchell Communications Group Limited	1,418,102
MLB	Melbourne IT Limited	2,365,004
MLE	Macquarie Leisure Trust Group	678,028
MMS	McMillan Shakespeare Limited	1,527,085
MVU	MatrixView Limited	560,212
NAB	National Australia Bank Limited	1,917,000
PGA	Photon Group Limited	534,360
QBE	QBE Insurance Group Limited	1,310,929
RCT	Reef Casino Trust	647,256
RKN	Reckon Limited	5,166,605
RRA	RR Australia Limited	1,245,477
RTN	Rattoon Holdings Limited	1,171,794
SGL	Sydney Gas Limited	679,622
SKT	Sky Network Television Limited	773,573
SSM	Service Stream Limited	690,798
TRS	The Reject Shop Limited	974,650

PORTFOLIO STRUCTURE - ASSET ALLOCATION



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%	-1.7%	+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%
								Since Inception
Gross Portfolio *								+323.6%
All Ordinaries Accum.								+80.2%

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

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