



WAM CAPITAL LIMITED (WAM) **INVESTMENT UPDATE & NTA – OCTOBER 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 349.0% compared to a 94.2% increase in the All Ordinaries Accumulation Index.

In October WAM's gross portfolio (before all fees, costs and taxes) decreased by 9.21%, while the All Ordinaries Accumulation Index fell by 13.92%.

NTA before tax payable and after tax assets	128.38*
NTA after tax and before tax on unrealised gains	128.38c
NTA after tax	127.81c

*This includes 10.1 cents per share in tax assets.

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

MARKET OUTLOOK

October was a traumatic period for equity markets around the globe. The All Ordinaries Accumulation Index fell 14% for the month and at one stage was down more than 19%. The index has now fallen 38% for the calendar year and 43% since its peak on 1 November 2007.

The September/October months were the worst consecutive months for the Australian market in 21 years. The latest bout of selling is based on growing fears that the World, including Australia will plunge into recession in 2009. Most economists believe the USA, UK and Europe are already in recession, with the rest of the world set to follow in 2009. Equity investors are concerned this slow down will result in company earnings falling dramatically in the coming year. Until there is more clarity on earnings we believe the market will find it difficult to break the bear trend. We are excited about the opportunities that are beginning to appear.

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 **31 October 2008**:

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	-34.2%	-38.7%	+4.5%
3 years	+3.7%	+0.6%	+3.0%
5 years	+8.2%	+8.2%	+0.0%
7 years	+13.4%	+7.5%	+6.0%
Since inception	+17.6%	+7.4%	+10.2%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 October 2008, listed securities made up approximately 36.4% of the portfolio, while fixed interest and cash made up the remaining 63.6%. 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.

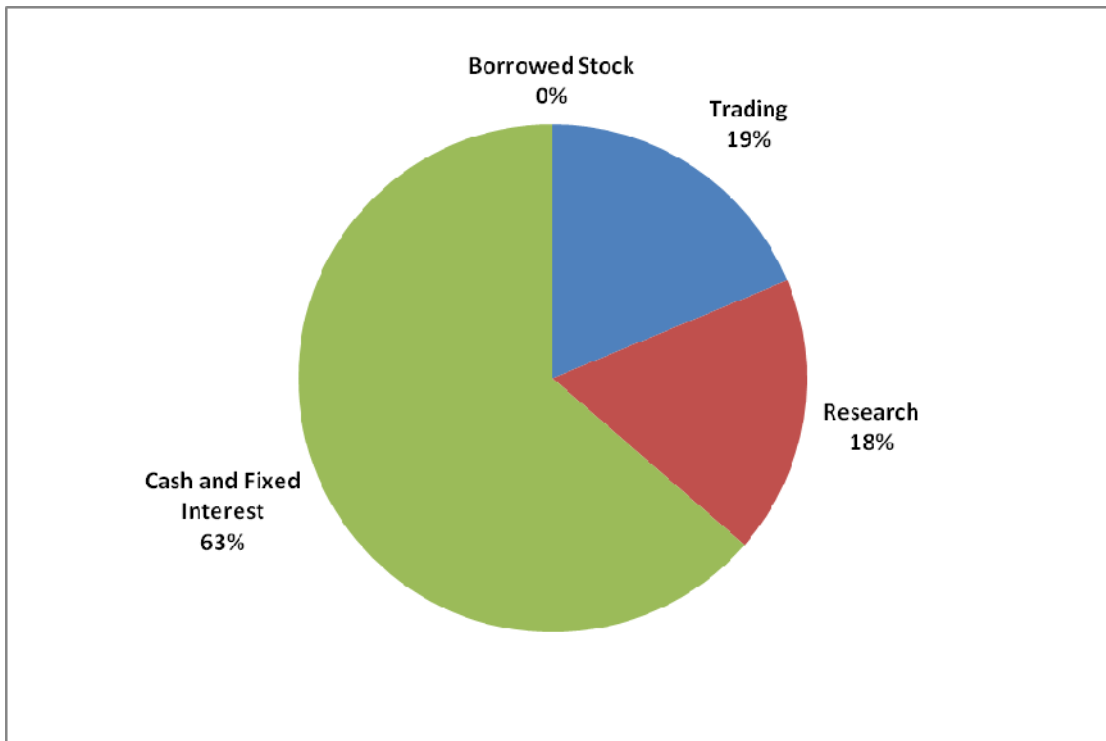
Investment Type	As at 30 September 2008		As at 31 October 2008	
	\$m	%	\$m	%
Listed Equities	61.81	44.5%	45.86	36.4%
Fixed Interest and Cash	77.11	55.5%	80.25	63.6%
Long Portfolio	138.92	100.0%	126.11	100.0%
Short Portfolio	-	-	-	-
	No.		No.	
Total no. of ord shares on issue	106,158,940		106,158,940	

PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

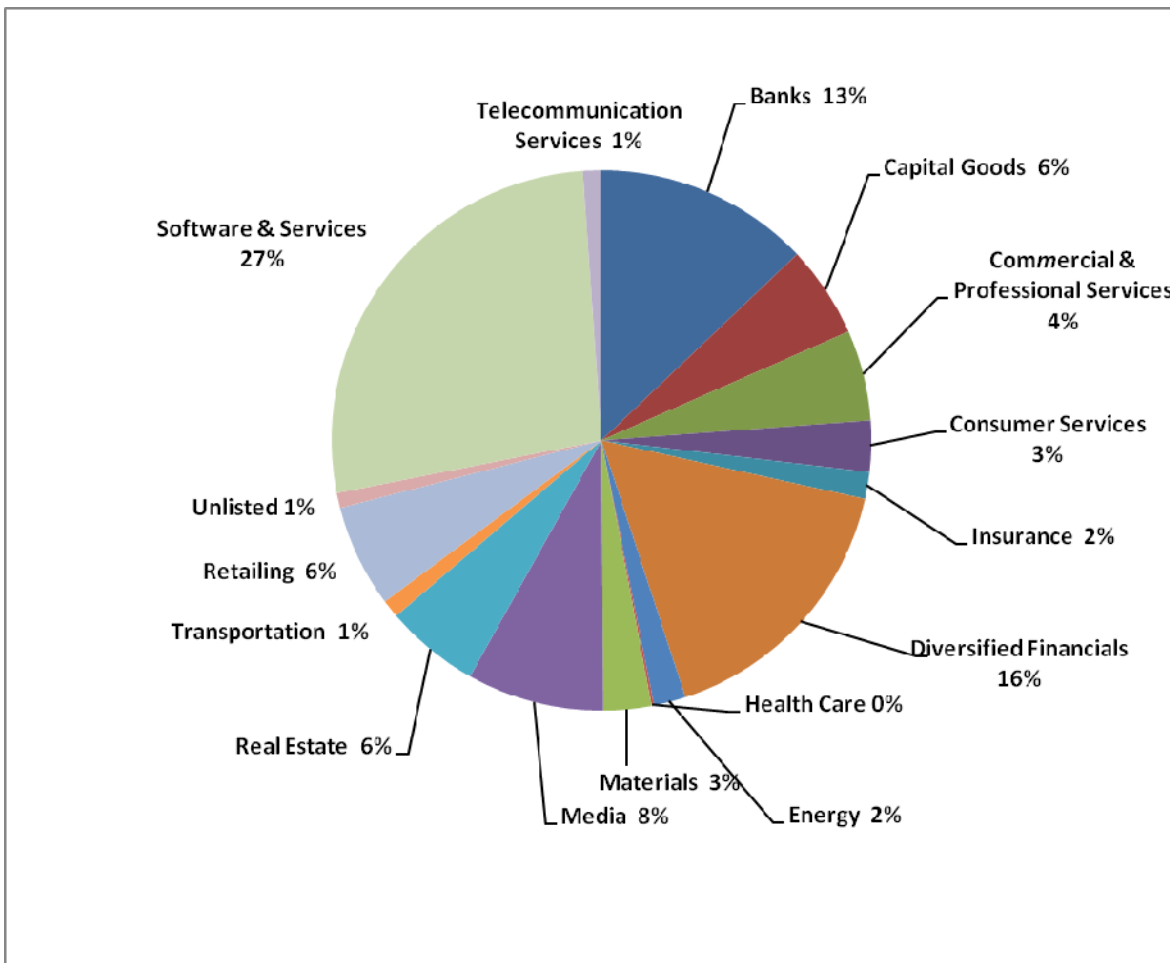
At 31 October 2008 the major securities held in the portfolio were:

CODE	COMPANY	MARKET VALUE \$
ALZ	Australand Property Group	670,240
AMP	AMP Limited	735,760
ANZ	Australia & New Zealand Banking Group Limited	986,048
ASX	ASX Limited	1,207,960
ASZ	ASG Group Limited	866,701
BOQ	Bank of Queensland Limited	913,899
CBA	Commonwealth Bank of Australia	1,430,650
CIW	Clime Investment Limited	796,977
CLO	Clough Limited	794,674
ESV	Eservglobal Limited	1,319,817
HAP	HFA Accelerator Plus Limited	875,790
HFA	HFA Holdings Limited	1,054,296
IDM	Industrial Minerals Limited	867,416
ITX	ITX Group Limited	1,106,176
MCU	Mitchell Communications Group Limited	1,176,723
MLB	Melbourne IT Limited	2,753,860
MLE	Macquarie Leisure Trust Group	690,245
MMS	McMillan Shakespeare Limited	1,834,208
MVU	MatrixView Limited	821,644
NAB	National Australia Bank Limited	1,277,468
PGA	Photon Group Limited	1,262,282
RCT	Reef Casino Trust	672,890
RKN	Reckon Limited	5,138,976
RRA	RR Australia Limited	1,353,780
RTN	Rattoon Holdings Limited	1,074,145
SGP	Stockland	704,675
SKT	Sky Network Television Limited	886,846
SSM	Service Stream Limited	811,854
TRS	The Reject Shop Limited	969,600

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	Since Inception
Gross Portfolio *	+1.7%	+2.3%	-7.9%	-1.7%	+1.7%	-5.3%	-9.2%	+349.0%
All Ordinaries Accum.	+4.6%	+2.4%	-7.3%	-5.2%	+4.0%	-10.6%	-13.9%	+94.2%

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

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