WAM CAPITAL LIMITED (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – OCTOBER 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 543.56% compared to a 137.69% increase in the S&P/ASX All Ordinaries Accumulation Index.

- In October WAM's gross portfolio (before all fees, costs and taxes) increased by 2.33%, while the S&P/ASX All Ordinaries Accumulation Index decreased by 1.89%.

- The gross portfolio has increased by 43.23% for the 12 months to 31 October 2009, while the S&P/ASX All Ordinaries Accumulation Index has increased by 22.41%.

NTA before tax	**159.36c**
NTA after tax and before tax on unrealised gains	**163.84c***
NTA after tax	**156.25c****

* Includes tax assets of 4.5 cents per share.
** This includes the net effect of 4.5 cents of tax assets and 7.6 cents of deferred tax liabilities.

MARKET OUTLOOK

The Australian share market experienced its first down month in nine during October, falling 1.9 per cent. This decline was not unexpected given the market had risen a hefty 58 per cent from its lows on March 6, 2009. During its staggering rise the market has failed to have a correction of more than 8 per cent, reflecting improving economic conditions and the significant amount of money sitting in cash, waiting for an opportunity to invest. We believe the market will continue to track higher through the course of 2009 and possibly into 2010. However, the medium to longer term outlook is not so easy to predict. Official interest rates are on the rise and valuations, while not expensive, are no longer historically cheap. As will be discussed at length at our Annual General Meeting and subsequent presentations, share markets following a crash, like we experienced in 2008, do not automatically enter a multi-year bull market. To reach all time record highs is most likely to happen over five to seven years.

PERFORMANCE

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

Annualised performance	Gross Portfolio*	All Ords. Accumulation Index	Outperformance
1 year	+43.2%	+22.4%	+20.8%
3 years	+7.2%	-0.5%	+7.6%
5 years	+12.7%	+8.7%	+4.0%
7 years	+16.0%	+11.0%	+5.0%
Since inception	+19.9%	+8.8%	+11.1%

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

Set out below is the performance of WAM Capital Limited since listing to 31 October 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	+27.3%	+19.3%	+8.0%

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

PORTFOLIO STRUCTURE & STRATEGY

As at 31 October 2009, listed securities made up 69.9% of the portfolio, while fixed interest and cash made up the remaining 30.1%. 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 heavily research companies that meet this profile, with over 700 company visits during the last year.

	As at 30 September 2009			As at 31 October 2009	
Investment Type	**$m**	**%**		**$m**	**%**
Listed Equities	119.79	73.1%		117.64	69.93%
Fixed Interest and Cash	44.03	26.9%		50.59	30.07%
Long Portfolio	**163.82**	**100.0%**		**168.23**	**100.0%**
Short Portfolio	**-**	**-**		**0.75**	
	No.			**No.**	
Total no. of ord shares on issue	103,367,063			103,367,063	

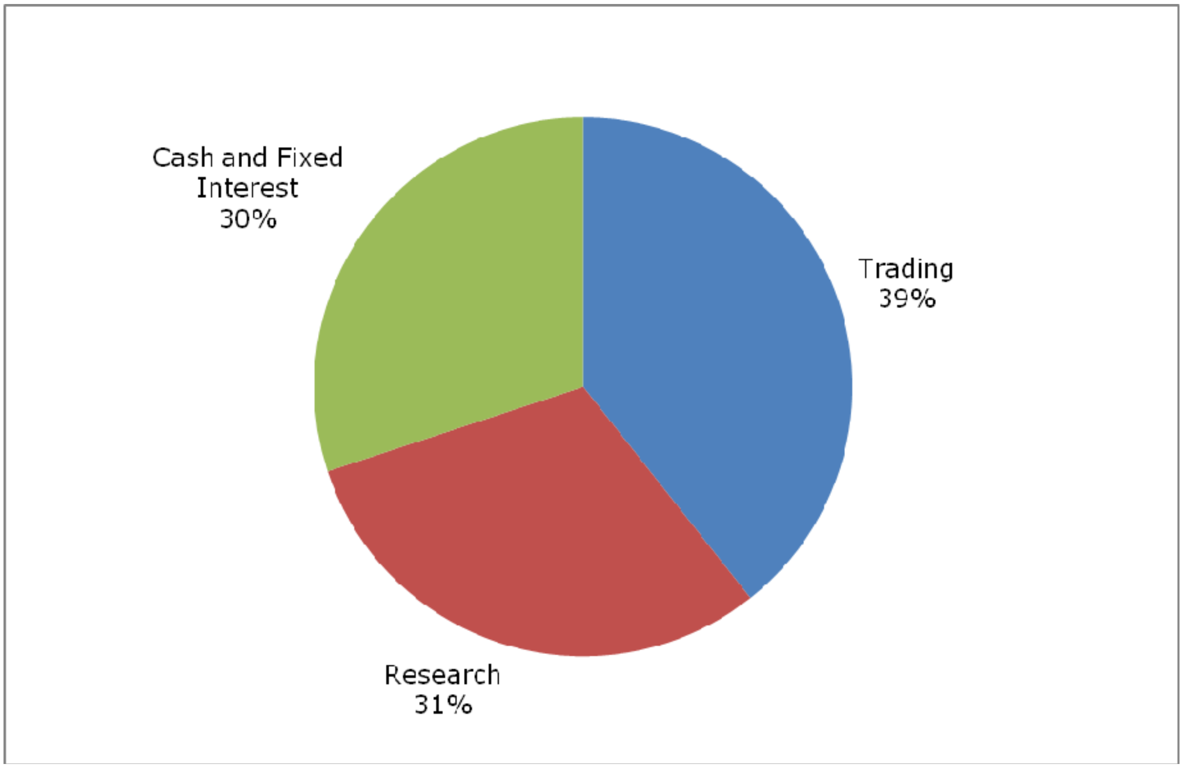
PORTFOLIO STRUCTURE & STRATEGY (CONTINUED)

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

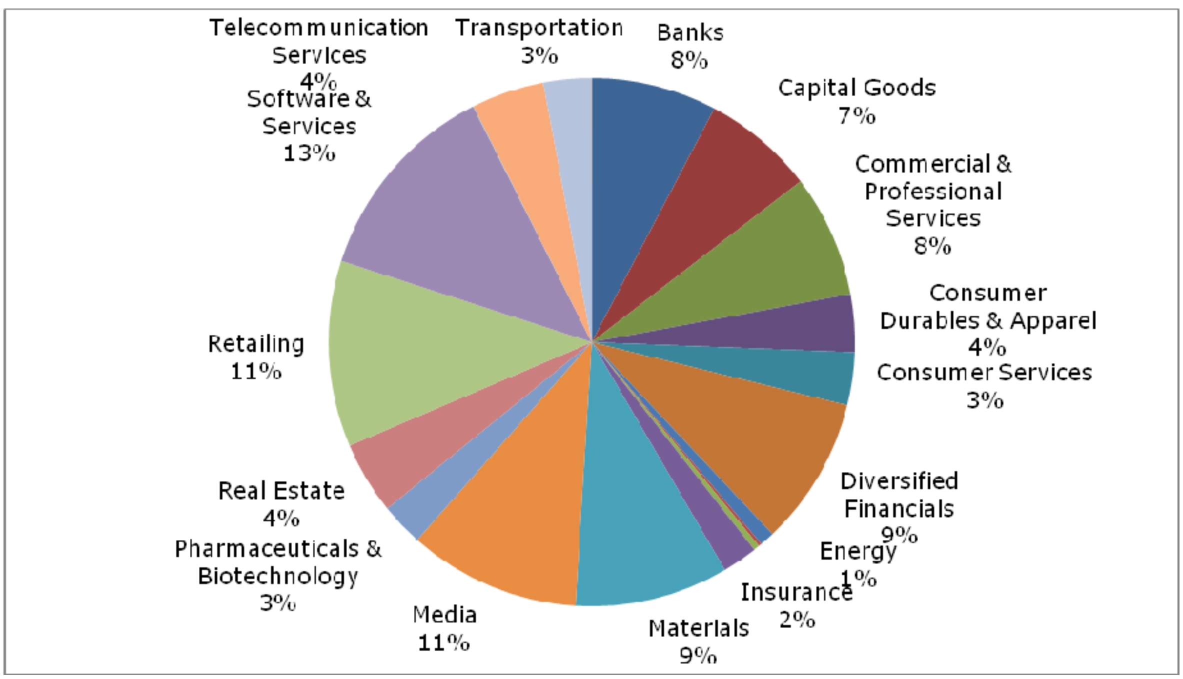
CODE	COMPANY	MARKET VALUE $	MARKET VALUE as % of Long Portfolio	MARKET VALUE as % of Gross Assets
RKN	Reckon Limited	7,356,033	6.3%	4.4%
MCP	McPherson's Limited	3,998,999	3.4%	2.4%
ORL	OrotonGroup Limited	3,235,954	2.8%	1.9%
MMS	McMillan Shakespeare Limited	3,225,326	2.7%	1.9%
TLS*	Telstra Corporation Limited	2,719,462	2.3%	1.6%
REA	REA Group Limited	2,632,692	2.2%	1.6%
AHE	Automotive Holdings Group Limited	2,588,445	2.2%	1.5%
MCU	Mitchell Communications Group Limited	2,427,133	2.1%	1.4%
PBP	Probiotec Limited	2,311,548	2.0%	1.4%
TGA	Thorn Group Limited	2,282,868	1.9%	1.4%
WBC	Westpac Banking Corporation	2,086,342	1.8%	1.2%
FXL	Flexigroup Limited	1,997,275	1.7%	1.2%
SKE	Skilled Group Limited	1,970,998	1.7%	1.2%
FBU	Fletcher Building Limited	1,888,776	1.6%	1.1%
RHG	RHG Limited	1,859,508	1.6%	1.1%
PGA	Photon Group Limited	1,836,452	1.6%	1.1%
NAB	National Australia Bank Limited	1,821,596	1.6%	1.1%
HBSHA	Heritage Building Society Limited	1,766,244	1.5%	1.1%
WTP	Watpac Limited	1,752,300	1.5%	1.0%
VBA	Virgin Blue Holdings Limited	1,738,141	1.5%	1.0%
RCG	RCG Corporation Limited	1,725,788	1.5%	1.0%
MYS	Mystate Limited	1,718,866	1.5%	1.0%
QBE	QBE Insurance Group Limited	1,662,210	1.4%	1.0%
FLT	Flight Centre Limited	1,624,741	1.4%	1.0%
CUS	Customers Limited	1,610,131	1.4%	1.0%
CIW	Clime Investment Limited	1,577,002	1.3%	0.9%
ALS	Alesco Corporation Limited	1,570,800	1.3%	0.9%
TOL	Toll Holdings Limited	1,564,025	1.3%	0.9%
NVT	Navitas Limited	1,535,120	1.3%	0.9%
TWO	Talent2 International Limited	1,534,884	1.3%	0.9%
JBH	JB Hi-Fi Limited	1,518,400	1.3%	0.9%
SKT	Sky Network Television Limited	1,448,663	1.2%	0.9%
WYL	Wattyl Limited	1,442,581	1.2%	0.9%

* 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.	-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%
Gross Portfolio *	**Dec 00**	**Jan 01**	**Feb 01**	**Mar 01**	**Apr 01**	**May 01**	**Jun 01**	**July 01**
All Ordinaries Accum.	+0.1%	+1.7%	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
	-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**					**Since Inception**
Gross Portfolio *	+7.6%	+6.9%	+2.3%					+543.6%
All Ordinaries Accum.	+6.5%	+6.1%	-1.9%					+137.7%

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

For further information please contact Mr Geoff Wilson or Mr Matthew Kidman 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@wami.com.au | www.wilsonassetmanagement.com.au