



WAM CAPITAL LTD (WAM)
ABN 34 086 587 395
INVESTMENT UPDATE & NTA – NOVEMBER 2010

WAM Capital Limited (WAM) is an investor in listed Australian equities. Its objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital. WAM concentrates mostly on small to medium industrial companies and delivers strong risk adjusted returns to the investor. WAM is managed by Wilson Asset Management (International) Pty Ltd.

Since inception in August 1999 WAM has outperformed the overall share market. WAM's portfolio (before all fees, costs, taxes and dividends) has increased by 638.9% compared to a 150.1% increase in the S&P/ASX All Ordinaries Accumulation Index.

In November WAM's gross portfolio (before all fees, costs and taxes) rose by 2.3%, while the S&P/ASX All Ordinaries Accumulation Index decline by 0.7%.

Annualised Performance as at 30 November 2010	1 Year	3 Year	5 Year	10 Year	Since Inception (Aug-99)
WAM Capital Limited*	+14.2%	+4.4%	+12.2%	+17.3%	+19.3%
S&P/ASX All Ords Accum	+3.2%	-6.8%	+4.7%	+8.0%	+8.4%
Outperformance	+11.0%	+11.2%	+7.5%	+9.3%	+10.9%

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

NTA before tax	168.61c
NTA after tax and before tax on unrealised gains	169.22c*
NTA after tax	161.98c**

* Includes tax assets of 0.6 cents per share.

** This includes the net effect of 0.6 cents of tax assets and 7.2 cents of deferred tax liabilities.

MARKET OUTLOOK

After a strong start to November the Australian share market trended lower during the month as concerns about the European sovereign debt crisis dominated investors thinking around the globe. The benchmark S&P/ASX All Ordinaries Accumulation index finished November down 0.7 per cent. Most of the selling pressure was centred upon the banking sector with the S&P/ASX 300 Financials Accumulation Index dropping 2.45 per cent while the S&P/ASX 200 Resources Accumulation Index rose 1.31 per cent. This overall decline though seems to be short lived with the market powering out of the blocks in the first half of December.

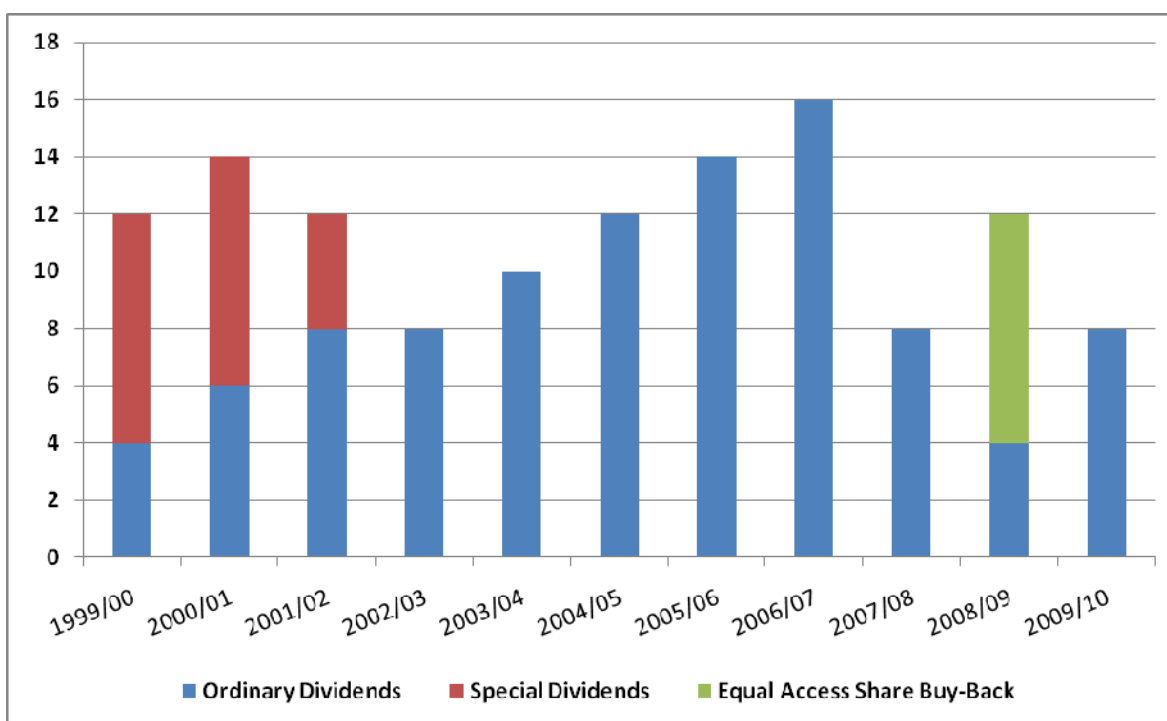
MARKET OUTLOOK (CONTINUED)

We would expect the market to head higher for the finish of the calendar year. The impetus for the rise though is more likely to come from the much maligned financial and industrial sectors rather than the well performed resources sector. The balance of world growth is likely to change in the coming 6 to 12 months with the US economy showing early signs of growth after a prolonged downturn. This should see the overall market move higher in the coming period. Contrastingly, China, the engine room for world growth during 2010, is facing rising inflation which will see the Government lifting interest rates in a bid to temper growth. This should see the staggering rise of commodity prices ease in the coming months. While this change in fortunes is not good for the Australian economy, it will happen gradually. It should also mean that our share market will be dragged higher by the US market, which is still the biggest influence on domestic share prices. The concerns about Sovereign debt in Europe, while important, is unlikely to derail share prices so long as the economic recovery is the US continues.

DIVIDENDS

On 17 September 2010 the company paid a fully franked final dividend of 4.0 cents per share. This brought the FY2010 dividend to 8.0 cents per share fully franked. In line with our dividend policy and in the current environment the board is anticipating an increase in dividends for this year.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the company has sufficient franking credits, and it is within prudent business practices. Dividends are paid on a six-monthly basis. Recently introduced government legislation now enables companies to pay dividends if the company is deemed solvent. Dividend payments will not be reliant on reported profit and retained earnings as it was previously. Rather it will be with consideration to cash flow, cash holdings and available franking credits. Essentially, WAM Capital will always be in a position to pay dividends providing it is solvent.



PORTFOLIO STRUCTURE

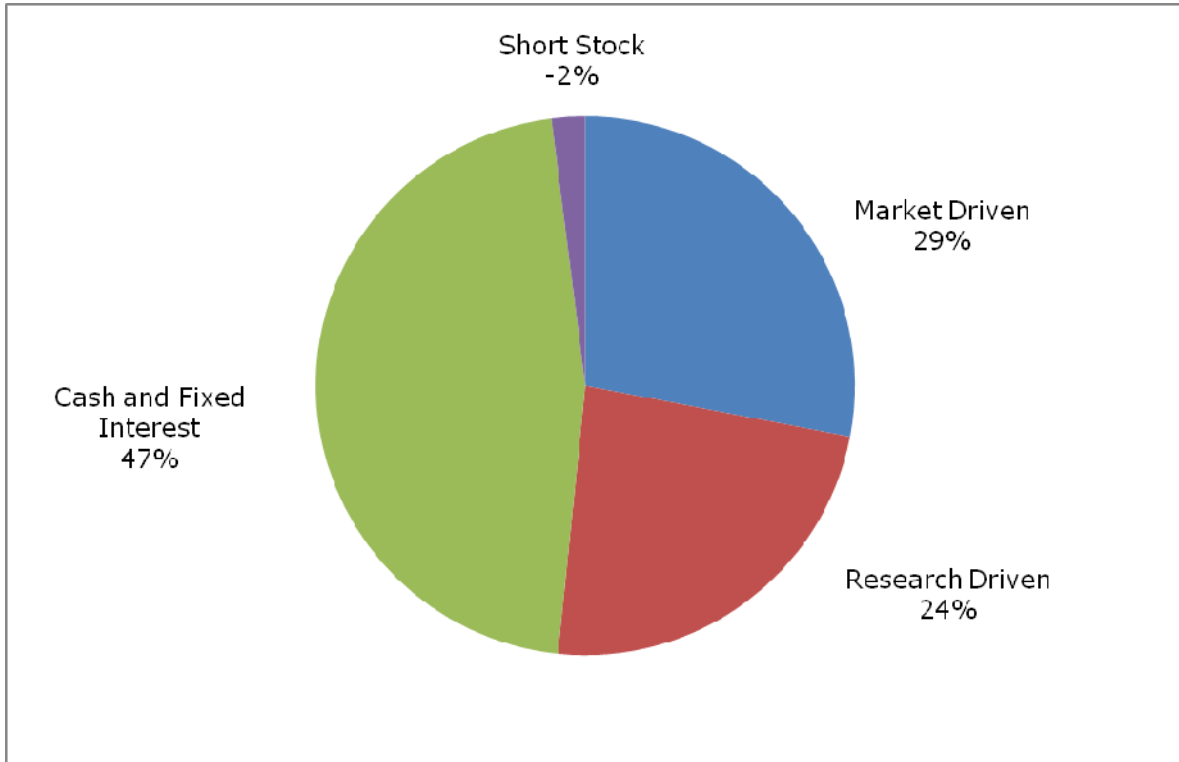
As at 30 November 2010, listed securities made up 52.7% of the portfolio, while fixed interest and cash made up the remaining 47.3%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, are well positioned in growth industries and have proven management. We continue to heavily research companies that meet this profile, with over 700 company visits during the last year.

Investment Type	As at 31 Oct 2010		As at 30 Nov 2010	
	\$m	%	\$m	%
Listed Equities	99.30	56.0%	95.40	52.7%
Fixed Interest and Cash	78.12	44.0%	85.67	47.3%
Long Portfolio	177.42	100.0%	181.07	100.0%
Short Portfolio	(3.78)		(3.73)	
	No.		No.	
Total ordinary shares on issue	104,482,025		104,482,025	

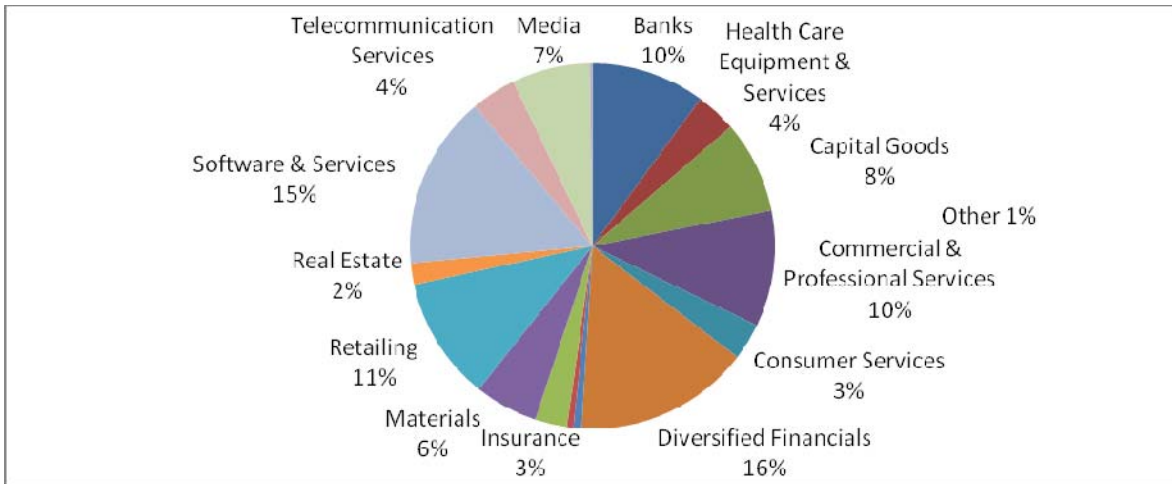
At 30 November 2010 the major securities held in the portfolio were:

Code	Company	Market Value \$	Market Value as % Gross Assets
RKN	Reckon Limited	8,701,661	4.9%
MMS	McMillan Shakespeare Limited	6,606,757	3.7%
RHG	RHG Limited	5,282,826	3.0%
MYS	Mystate Limited	3,055,806	1.7%
TAL	Tower Australia Group Limited	2,708,303	1.5%
SGN	STW Communications Group Limited	2,645,895	1.5%
TGA	Thorn Group Limited	2,630,544	1.5%
FLT	Flight Centre Limited	2,492,220	1.4%
PRV	Premium Investors Limited	2,360,728	1.3%
ITX	ITX Group Limited	2,345,425	1.3%
SGI	Signature Capital Investments Limited	2,251,398	1.3%
ORL	OrotonGroup Limited	2,024,000	1.1%
BKL	Blackmores Limited	2,000,027	1.1%
MAQ	Macquarie Telecom Group Limited	1,974,822	1.1%
SAI	SAI Global Limited	1,925,717	1.1%
IRE	IRESS Market Technology Limited	1,896,409	1.1%
BRG	Breville Group Limited	1,752,798	1.0%
CSR	CSR Limited	1,737,400	1.0%
CIW	Clime Investment Management Limited	1,730,856	1.0%
AMM	Amcom Telecommunications Limited	1,660,363	0.9%

PORTFOLIO STRUCTURE – GROSS ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



PERFORMANCE

Set out below is the performance of WAM since listing to 30 November 2010 on a financial year basis 1 July to 30 June. The performance data excludes all expenses, fees and taxes and is used as a guide to how the company has performed against the S&P/ASX All Ordinaries Accumulation Index which is before tax and expenses.

Financial Year	Gross Portfolio*	S&P/ASX All Ordinaries 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%
2009/2010	+29.8%	+13.8%	+16.0%
YTD 2010/2011	+12.6%	+10.3%	+2.3%

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

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%
	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	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10
Gross Portfolio *	+7.6%	+6.9%	+2.3%	+0.6%	+1.6%	-2.4%	-0.5%	+3.7%
All Ordinaries Accum.	+6.5%	+6.1%	-1.9%	+1.9%	+3.7%	-5.9%	+1.8%	+5.8%
	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sept 10	Oct 10	Nov 10
Gross Portfolio *	+0.8%	-2.4%	+0.7%	+2.5%	+1.5%	+4.4%	+1.4	+2.3%
All Ordinaries Accum.	-1.2%	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2	-0.7%
	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Since inception
Gross Portfolio *								+638.9%
All Ordinaries Accum.								+150.1%

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