

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL MAY 2002 INVESTMENT UPDATE & NTA

Since inception in August 1999 WAM Capital Ltd (WAM) has outperformed the overall sharemarket. WAM's portfolio (before all fees, costs, taxes and dividend) has increased by 129.9% compared to a 21.5% increase in the All Ordinaries Accumulation Index.

- In May WAM's portfolio (before all fees, costs and taxes) increased by 0.7% while the All Ordinaries Accumulation Index rose by 0.9%.
- Since 30th June 2001 WAM's gross portfolio has increased by 35.7% against a flat performance by the All Ordinaries Accumulation Index.
- The NTA before all taxes was 140.8c a share, as at 31st May.
- The NTA after all taxes was 130.3c a share, as at 31st May.

The above figure is after the exercise of 10,834,718 at \$1.20 options to the end of May and the payment of 4c fully franked interim dividend.

The above figures have not been adjusted for the remaining options on issue.

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.

MARKET OUTLOOK

The recent rise in official interest rates and expectations of further increases will temper the sharemarkets performance in the near term. Tax loss selling, together with the restructuring of portfolios for year end, could provide some excellent buying opportunities.

PORTFOLIO STRUCTURE & STRATEGY

As at 31st May 2002 equities made up approximately 69% of the portfolio, while fixed interest and cash made up the remaining 31%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, that are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

DIVIDENDS

The directors declared an interim dividend of 4 cents a share fully franked. This was paid on the 19th April and went ex-dividend on the 5th April 2002.

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The major securities held as at 31st May 2002 in the fund give exposure to:

Sydney Aquarium	Ten Network	Plaspak Group
Healthscope	Oamps	Colorado
Snack Foods	Roberts	Housewares
Pacific Strategic Investments	ASX	Burns Philp (Prefs.)
Brian McGuigan Wines	DCA Group	Ridley Corp
Port Douglas Reef (9% C.N.)	Timbercorp (Prefs)	Gribbles Group
Metcash	Nova Health	International Wine Fund
Brazin		

PERFORMANCE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%
	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00
Gross Portfolio *	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%	+2.9%
All Ordinaries Accum.	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%	-1.3%
	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
Gross Portfolio *	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
Gross Portfolio *	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%
	Feb 02	Mar 02	Apr 02	May 02	Since Inception	
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	+129.9%	
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	+21.5%	

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

NTA before tax *	140.8c
NTA after tax and before tax on unrealised gains*	136.2c
NTA after tax *	130.3c

* This is after the payment of the interim fully franked dividend of 4 cents a share and not adjusted for the options on issue.

For further information please visit our website www.wamcapital.com.au or contact;

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