

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL OCTOBER 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 123.3% compared to a 11.2% increase in the All Ordinaries Accumulation Index.

- In October WAM's portfolio (before all fees, costs and taxes) increased by 0.6% while the All Ordinaries Accumulation Index rose 2.6%.
- The ex dividend NTA before all taxes was 123.3c a share, as at 31st October.
- The ex dividend NTA after all taxes was 119.3c a share, as at 31st October.

The above figures are after the payment of a 4c fully franked final dividend and a 4c fully franked special dividend. The above figures are after 19,827,891 options, with a strike price of \$1.20 each, have been exercised and not 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 Annual General Meeting period that is currently taking place has turned into a mine field for investors as some companies have communicated lower earnings to the market. Those companies that have downgraded their earnings have been harshly treated by investors. This lowering of investors expectations should bode well for a solid December half reporting period.

PORTFOLIO STRUCTURE & STRATEGY

As at 31st October 2002 equities made up approximately 59% of the portfolio, while fixed interest, cash and debt securities made up the remaining 41%. 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 company paid, on 7th November 2002, a final dividend of 4 cents a share fully franked, and a special dividend of 4 cents a share fully franked.

OPTION EXPIRY

The current series of options, exercisable at \$1.20 each, will expire on December 17, 2002. These options will cease trading on the ASX on December 10, 2002.

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

McGuigan Simeon Wines Ltd	Oamps Ltd
Australian Stock Exchange Ltd	Burns Philip Ltd 7.5 % (Conv. Pref.)
RG Capital Radio Ltd	Port Douglas Reef Resorts Ltd (Conv. Notes)
Colorado Group Ltd	Timbercorp Ltd 9% (Conv. Pref.)
Roberts Ltd	Select Harvests Ltd
Nova Health Ltd	Reynolds Wines Ltd 8.75% (Conv.Pref.)
Plaspak Group Ltd	Sirtex Medical Ltd
The International Wine Fund Ltd	Insurance Group Australia Ltd
Loftus Capital Partners Ltd	Metcash Trading Ltd

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	Jun 02	Jul 02
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.6%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	Aug 02	Sep 02	Oct 02	Since Inception		
Gross Portfolio *	+4.2%	-1.4%	+0.6%	+123.3%		
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+11.2%		

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

NTA before tax **	123.3c
NTA after tax and before tax on unrealised gains*	122.0c
NTA after tax *	119.3c

* This is after the final payment of the dividend of 4 cents a share fully franked and the special dividend of 4 cents a share fully franked.

** This is after the payment of 4.1 cents a share in tax on profits made for the year to 30 June 2002 and the exercise of 19,827,891 options.

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

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