

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JULY 2000 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 37.2% compared to a 10.3% increase in the All Ordinaries Accumulation Index.

In July WAM Capital Ltd's (WAM) portfolio (before all fees, costs and taxes) increased 2.9% while the All Ordinaries Accumulation Index decreased by 1.3%.

Before taxes on unrealised gains the NTA is 125.0c a share. This is calculated on the equities being valued at the lower of cost and market value. After all taxes, fees, costs and dividends, WAM's net tangible asset backing is 119.6c a share.

WAM paid a 2c fully franked dividend to shareholders on 31<sup>st</sup> March 2000.

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**

We expect the Australian sharemarket to trade in a tight range in the short term. The upward trend in official interest rates is close to completion, however a slowing economy may impact negatively on company earnings. We remain cautious, but are gradually reducing our cash positions as we find companies that meet our strict investment criteria.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31<sup>st</sup> July 2000 equities made up approximately 56% of the portfolio, the remainder being held in fixed interest and cash. We continue to focus on companies with relatively favourable earnings multiples, exceptionally strong earnings per share growth, well positioned in growth industries and proven management. We continue to research heavily to find companies that meet this profile.

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## DIVIDEND POLICY

As announced in our June update, the board is considering recommending a fully franked final dividend of 2c a share. The board is also considering recommending a fully franked special dividend. The size of the fully franked special dividend will depend on the final 30 June result. The board anticipates a fully franked dividend of around 8c a share will be paid.

## HOLDINGS

The major securities held as at 31<sup>st</sup> July 2000 in the fund give exposure to;

Flight Centre	Mayne Nickless
Snack Foods	KAZ Computer Services
Brian McGuigan Wines	Renewable Energy
Bristle	Prime Television
Port Douglas Reef Resorts (9% Convertible Note)	Stargames
Reef Casino	Noni B (10.5% Convertible Note)

## PERFORMANCE

		<b>Aug 99</b>	<b>Sep 99</b>	<b>Oct 99</b>	<b>Nov 99</b>	<b>Dec 99</b>
Gross Portfolio *		+1.4%	+5.1%	+4.1%	+11.0%	+4.9%
All Ordinaries Accumulation Index		-1.9%	-1.7%	+0.5%	+5.9%	+3.7%
	<b>Jan 00</b>	<b>Feb 00</b>	<b>Mar 00</b>	<b>Apr 00</b>	<b>May 00</b>	<b>Jun 00</b>
Gross Portfolio *	-2.0%	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%
All Ordinaries Accumulation Index	-1.8%	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%
	<b>Jul 00</b>					<b>Since Inception</b>
Gross Portfolio *	+2.9%					+37.2%
All Ordinaries Accumulation Index	-1.3%					+10.3%

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

NTA before tax 31/07/00 *	129.6c
NTA after tax on realised gains but before tax on unrealised gains based on the lower of cost and market value 31/07/00*	125.0c
NTA after tax on realised gains but before tax on unrealised gains based on market value 31/07/00*	121.9c
NTA after all tax 31/07/00 *	119.6c

\* These figures are after payment of a 2c fully franked interim dividend, undiluted for options on issue and before provision for the full year dividend.

For further information please visit our website [www.wamcapital.com.au](http://www.wamcapital.com.au) or contact;

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