

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JULY 2001 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 71.8 % compared to a 16.3% increase in the All Ordinaries Accumulation Index.

- Since 30<sup>th</sup> June 2001 WAM's gross portfolio has reduced by 1.0% against a 4.5 % fall in the All Ordinaries Accumulation Index.
- The NTA after all taxes was 122.7c a share, as at 31<sup>st</sup> July 2001.
- The above figures have been calculated after the payment of a 3c fully franked interim dividend which was paid on 2nd April 2001.

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**

After hitting a record high in June 2001, the All Ordinaries Accumulation Index has edged lower in the new financial year. We believe the market will consolidate until there are clear signs of profit recovery following the recent series of interest rate cuts. We see this period as providing buying opportunities

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31<sup>st</sup> July 2001 equities made up approximately 73% of the portfolio, while fixed interest, cash and listed debt instruments made up the remaining 27%. 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.

### **AUGUST UPDATE**

At the time of this report the ASX All Ordinaries Accumulation Index was up 1.8% for August. The Fund has increased by approximately the same amount, during the month.

### **DIVIDENDS**

The directors declared an interim dividend of 3c fully franked paid on 2<sup>nd</sup> April 2001. On the 30<sup>th</sup> October 2000 the company paid a 10c fully franked dividend made up of a 2c fully franked final dividend and an 8c fully franked special dividend. The final dividend for 2001 will be announced with the 2001 full year result.

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## HOLDINGS

The Major securities held as at 31st July 2001 in the fund give exposure to;

|   |                           |
|---|---------------------------|
| FH Faulding                               | QBE                       |
| Healthscope                               | Lang Corporation          |
| Snack Foods                               | Metcash (9% Pref.)        |
| Pacific Strategic Investments             | Noni B (10.5% Conv. Note) |
| OPSM                                      | Oamps                     |
| Reef Casino                               | Roberts                   |
| Brian McGuigan Wines                      | Just Jeans                |
| Port Douglas Reef Resorts (9% Conv. Note) | ION                       |
| Burns Philp                               | Telecasters Australia     |
| RG Capital Radio                          | ASX                       |

## 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>Aug 00</b> | <b>Sep 00</b> | <b>Oct 00</b> | <b>Nov 00</b> | <b>Dec 00</b>          |
| Gross Portfolio *                 | +2.9%          | +5.2%         | -0.7%         | +2.5%         | +1.9%         | +0.1%                  |
| All Ordinaries Accumulation Index | -1.3%          | +1.7%         | +0.2%         | -1.1%         | +1.1%         | -2.0%                  |
|                                   |                |               |               |               |               |                        |
|                                   | <b>Jan 01</b>  | <b>Feb 01</b> | <b>Mar 01</b> | <b>Apr 01</b> | <b>May 01</b> | <b>Jun 01**</b>        |
| Gross Portfolio *                 | +1.7%          | -0.2%         | - 3.7%        | +3.9%         | +6.7%         | +6.9%                  |
| All Ordinaries Accumulation Index | +4.4%          | -0.2%         | - 4.8%        | +5.7%         | +1.6%         | +3.8%                  |
|                                   |                |               |               |               |               |                        |
|                                   | <b>July 01</b> |               |               |               |               | <b>Since Inception</b> |
| Gross Portfolio *                 | -1.0%          |               |               |               |               | +71.8%                 |
| All Ordinaries Accumulation Index | -4.5%          |               |               |               |               | +16.3%                 |

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

|  |        |
|--|--------|
| NTA before tax 31/07/01*                         | 130.6c |
| NTA after tax 31/07/01*                          | 122.7c |
| NTA after realised tax and before unrealised tax | 127.6c |

\* This is after payment of a fully franked 3c interim dividend.

\*\* The June figure has been increased due to the inclusion of a capital return of \$257,245 previously not included.

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

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