

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL JUNE 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 33.3% compared to an 11.3% increase in the All Ordinaries Accumulation Index.

In June WAM Capital Ltd's (WAM) portfolio (before all fees, costs and taxes) increased 3.6% while the All Ordinaries Accumulation Index increased by 7.7%.

Before taxes on unrealised gains the NTA is 121.1c 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 117.0c a share.

WAM paid a 2c fully franked dividend to shareholders on 31st 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

It appears that the upward trend in official interest rates is near the peak. Australian equity valuations have already responded by moving higher in the last month. However, we remain cautious about the immediate outlook of the Australian share market with company earnings under pressure as the domestic economy slows. As a result we have retained a high cash position. We will continue to search for investments that meet our criteria.

PORTFOLIO STRUCTURE & STRATEGY

As at 30th June 2000 equities made up approximately 50% 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.

DIVIDEND POLICY

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.

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The size of the fully franked special dividend will depend on the final 30 June result and the number of options exercised before their expiry on 1 August 2000. Those option holders who elect to exercise their options on or before 1 August and convert them into registered shares at \$1.10 each will have the right to participate in the fully franked final and fully franked special dividend. If no options are exercised, the board anticipates a fully franked special dividend of around 8c a share will be paid. If all existing options are exercised the special dividend is anticipated to be around 4c a share.

HOLDINGS

The major securities held as at 30th June 2000 in the fund give exposure to;

Flight Centre	Greens Foods
Snack Foods	KAZ Computer Services
Brian McGuigan Wines	Lang Corporation
Bristile	Australian Stock Exchange
Port Douglas Reef Resorts (9% Convertible Note)	Stargames
Reef Casino	Noni B (10.5% Convertible Note)

PERFORMANCE

		Aug 99	Sep 99	Oct 99	Nov 99	Dec 99
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%
	Jan 00	Feb 00	Mar 00	Apr 00	May 00	Jun 00
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%
						Since Inception
Gross Portfolio *						+33.3%
All Ordinaries Accumulation Index						+11.3%

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

NTA before tax 30/06/00 *	125.7c
NTA after tax on realised gains but before tax on unrealised gains based on the lower of cost and market value 30/06/00*	121.1c
NTA after tax on realised gains but before tax on unrealised gains based on market value 30/06/00*	118.6c
NTA after all tax 30/06/00 *	117.1c

* 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 or contact;

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