

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JUNE 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 66.2% compared to a 17.2% increase in the All Ordinaries Accumulation Index.

- Since 30<sup>th</sup> June 2000 WAM's gross portfolio has increased by 21.8% against a 5% rise in the All Ordinaries Accumulation Index.
- The NTA after all taxes and a 3c interim dividend was 117.4c a share, as at 31<sup>st</sup> May 2001.
- In May WAM's portfolio (before all fees, costs and taxes) increased 6.75% while the All Ordinaries Accumulation Index increased by 1.6%.
- 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**

The impact of lower interest rates has become the dominant theme in the market. This saw the ASX200 index hit a record high at the beginning of May. We expect the market to consolidate in the near term, given the rapid rise in the last two months. In the medium term we would expect a positive move in the market as the combination of low interest rates and an improving earnings outlook helps investor sentiment.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31<sup>st</sup> May 2001 equities made up approximately 76% of the portfolio, while fixed interest, cash and listed debt instruments made up the remaining 24%. 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.

### **JUNE UPDATE**

June is traditionally a weak month for the Australian share market with tax loss selling being a dominant theme. This year a string of negative earnings announcements have also hurt investor confidence. Despite these factors the market has risen slightly during the first half of the month.

LEVEL ELEVEN  
131 MACQUARIE ST  
SYDNEY NSW 2000  
TEL (02) 9247 6755  
FAX (02) 9247 6855

## 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.

## HOLDINGS

The major securities held as at 31<sup>st</sup> May 2001 in the fund give exposure to:

Gunns	Billabong
Healthscope	Lang Corporation
Snack Foods	Metcash (9% Pref.)
Pacific Strategic Investments	Noni B (10.5% Conv. Note)
Village Roadshow (Pref.)	Oamps
Reef Casino	Roberts
Brian McGuigan Wines	Renewable Energy
Port Douglas Reef Resorts (9% Conv. Note)	ION
Burns Philp	Telecasters Australia
RG Capital Radio	

## 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%	
All Ordinaries Accumulation Index	+4.4%	-0.2%	- 4.8%	+5.7%	+1.6%	
						<b>Since Inception</b>
Gross Portfolio *						+66.2%
All Ordinaries Accumulation Index						+17.2%

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

NTA before tax 31/05/01*	125.5c
NTA after tax 31/05/01*	117.4c

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

For further information please visit our website [www.wamcapital.com.au](http://www.wamcapital.com.au) or contact;  
Mr Geoff Wilson on (02) 9247 6755 / 0412 242 712  
Mr Matthew Kidman on (02) 9247 6902 / 0417 069 578  
Email: [wamcap@wamcapital.com.au](mailto:wamcap@wamcapital.com.au)

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