

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL MAY 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 28.3% compared to a 3.8% increase in the All Ordinaries Accumulation Index.

In May WAM Capital Ltd's (WAM) portfolio (before all fees, costs and taxes) decreased 2.9% while the All Ordinaries Accumulation Index decreased by 1.3%. During May the Small Ordinaries Accumulation Index fell 4.2%.

Before taxes on unrealised gains the NTA is 115.0c a share. After all taxes, fees, costs and dividends, WAM's net tangible asset backing is 113.5c 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. This is a positive sign for equity valuations. 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. Looking forward however, we are becoming increasingly positive about the Australian equity market. Timing is the key and we will not be rushing to increase our exposure to equities.

PORTFOLIO STRUCTURE & STRATEGY

As at 31st May 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.

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HOLDINGS

The major securities held as at 31st May 2000 in the fund give exposure to;

Flight Centre	Comalco
Snack Foods	KAZ Computer Services
Brian McGuigan Wines	Vecommerce
Bristle	Australian Stock Exchange
Port Douglas Reef Resorts (9% Convertible Note)	Stargames
Reef Casino	Siddons Ramset
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
Gross Portfolio *	-2.0%	+5.4%	+5.3%	-5.7%	-2.9%
All Ordinaries Accumulation Index	-1.8%	+1.6%	+0.5%	-1.5%	-1.3%
					Since Inception
Gross Portfolio *					+28.3%
All Ordinaries Accumulation Index					+3.3%

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

NTA before tax 31/05/00 *	115.0c
NTA after tax 31/05/00 *	113.5c

* These figures are after payment of a 2c fully franked dividend and undiluted for options on issue.

SO FAR IN JUNE

The market has been trading in a tight range following the crash in technology related stocks in April. The fund is keeping pace with the market movements despite the high cash component.

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

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