

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL MAY 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 30th 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 31st 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 31st 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.

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DIVIDENDS

The directors declared an interim dividend of 3c fully franked paid on 2nd April 2001.
On the 30th 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 31st 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

		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%
	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00
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%
	Jan 01	Feb 01	Mar 01	Apr 01	May 01	Since Inception
Gross Portfolio *	+1.7%	-0.2%	- 3.7%	+3.9%	+6.7%	+66.2%
All Ordinaries Accumulation Index	+4.4%	-0.2%	- 4.8%	+5.7%	+1.6%	+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 or contact;
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