

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL OCTOBER 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 85.5 % compared to a 14.3% increase in the All Ordinaries Accumulation Index.

- In October WAM's portfolio (before all fees, costs and taxes) increased by 8.6% while the All Ordinaries Accumulation Index rose by 6.8%.
- Since 30<sup>th</sup> June 2001 WAM's gross portfolio has increased by 9.2% against a 6.1% fall in the All Ordinaries Accumulation Index.
- The NTA before all taxes was 128.8c a share, as at 31<sup>st</sup> October.
- The NTA after all taxes was 120.4c a share, as at 31<sup>st</sup> October.

The above figures have been calculated after the payment of a final fully franked dividend of 3c a share and a special fully franked dividend of 8c a share paid on the 2<sup>nd</sup> November 2001 and adjusted for the issue of DRP shares.

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 continued global reduction of official interest rates will lead to a strong rebound in economic activity over the next twelve to eighteen months. The current uncertainty is providing some good opportunities.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31<sup>st</sup> October 2001 equities made up approximately 84% of the portfolio, while fixed interest, cash and listed debt instruments made up the remaining 16%. 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.

### **DIVIDENDS**

The directors declared a final fully franked dividend of 3c a share and special fully franked dividend of 8c a share. The ex dividend date for the final and special dividend is October 19<sup>th</sup> 2001, with payment on November 2<sup>nd</sup> 2001. The directors declared an interim dividend of 3c fully franked paid on 2<sup>nd</sup> April 2001.

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## OPTION ISSUE

WAM is currently undertaking a one for one bonus issue of options to all shareholders. Documents have been sent to shareholders on 12th November 2001. The options have an exercise price of \$1.20 and are exercisable any time until they expire on the 17<sup>th</sup> December 2002. To receive the options you must return the acceptance form by 28<sup>th</sup> November 2001. The options should begin trading on the ASX on or about 20<sup>th</sup> December 2001.

## HOLDINGS

The major securities held as at 30th September 2001 in the fund give exposure to:

Healthscope	Metcash (9% Pref.)	Prime Television	Globe International
Snack Foods	John Fairfax	Billabong	Reef casino
Pacific Strategic Investments	Oamps	Just Jeans	ION
Brian McGuigan Wines	Roberts	ASX	OPSM
Noni B (10.5% Conv. Note)	Campbell Brothers	RG Capital Radio	Qantas
Village Roadshow Preference Shares	Lang Corporation	Housewares	Burns Philp & Co (Pref)
Port Douglas Reef Resorts (9% Conv.Note)			

## 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>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>		<b>Since Inception</b>
Gross Portfolio *	-1.0%	+4.6%	-2.9%	+8.6%		+85.5%
All Ordinaries Accumulation Index	-4.5%	-1.3%	-6.7%	+6.8%		+14.3%

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

NTA before tax *	128.8c
NTA after tax and before tax on unrealised gains*	126.9c
NTA after tax *	120.4c

\* This is after the payment of the final and special dividend of 11c fully franked and adjusted for the issue of DRP shares.

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

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