

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL APRIL 2005 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 254.2% compared to a 67.6% increase in the All Ordinaries Accumulation Index.

- In April WAM's portfolio (before all fees, costs and taxes) decreased by 4.2% while the Small Ordinaries Accumulation Index fell 6.0%, and the All Ordinaries Accumulation Index decreased by 3.8%.
- The NTA before tax was 149.19 cents a share\*, as at 30 April 2005.
- The NTA after tax was 140.60 cents a share\*, as at 30 April 2005.

\* After the payment of a 6.0 cent fully franked interim dividend, the exercise of 3,942,794 options at \$1.55 (cum dividend) during April 2005 and the issue of 901,342 shares under the DRP.

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.

## **DIVIDENDS**

An interim dividend of 6.0 cents per share fully franked was paid to shareholders on 29 April 2005. The shares were quoted ex dividend on 14 April 2005.

## **MARKET OUTLOOK**

Investor sentiment has turned decidedly negative in recent months. This has been the direct result of a series of earnings downgrades, especially among smaller companies. Most of the downgrades have been triggered by slowing revenue growth and rising costs in the form of higher wages and raw materials.

Significantly, the pressure on earnings has seen the multiple that investors are willing to pay for companies contract. If this trend continues, more and more attractive investment opportunities will arise.

## **PORTFOLIO STRUCTURE & STRATEGY**

As at 30 April 2005 equities made up approximately 59% of the portfolio, while fixed interest, and cash made up the remaining 41%. 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.

At 30 April 2005 the major securities held in the portfolio were:

<b>COMPANY</b>	<b>MARKET VALUE \$</b>
Alinta Gas Ltd (ALN)\	1,102,800
Bank of Queensland Reset Prefs (BOQPB)	2,020,000
Calliden Group Ltd (CIX)	774,000
Catalyst Recruitment Systems Ltd (CRU)	770,337
Consolidated Minerals Ltd (CSM)	799,104
Contango Microcap Ltd (CTN)	749,004
Credit Corp Group Ltd (CCP)	1,506,742
Gropep Ltd (GRO)	1,157,356
Healthscope Ltd (HSP)	1,569,435
Iinet Ltd (IIN)	836,160
Loftus Capital Partners Ltd	1,803,493
Mariner Financial Ltd (MFI)	722,400
McMillan Shakespeare Ltd (MMS)	724,620
Medical Developments International Ltd (MVP)	903,846
Melbourne IT Ltd (MLB)	935,864
Monadelphous Group Ltd (MND)	1,850,561
Oakton Ltd (OKN)	886,412
OAMPS Ltd (OMP)	1,820,936
OFM Investment Group Ltd (OFM)	1,635,645
Origin Energy Ltd (ORG)	967,380
Pacific Strategic Investments Ltd (PSI)	953,671
Photon Group Limited (PGA)	1,247,861
Rattoon Holdings (RTN)	963,900
Reckon Ltd (RKN)	2,362,993
Roberts Ltd (RBS)	2,319,252
Select Harvests Ltd (SHV)	2,800,161
Tassal Group Ltd (TGR)	1,494,986
Tower Ltd (TWR)	1,507,046

NTA before tax	149.19c*
NTA after tax and before tax on unrealised gains	146.00c*
NTA after tax	140.60c*

\* After the payment of a 6.0 cent fully franked interim dividend, the exercise of 3,942,794 options at \$1.55 (cum dividend) during April 2005 and the issue of 901,342 shares under the DRP.

## PERFORMANCE TABLE

	<b>Aug 99</b>	<b>Sep 99</b>	<b>Oct 99</b>	<b>Nov 99</b>	<b>Dec 99</b>	<b>Jan 00</b>
Gross Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%
All Ordinaries Accum.	-1.9%	-1.7%	+0.5%	+5.9%	+3.7%	-1.8%
	<b>Feb 00</b>	<b>Mar 00</b>	<b>Apr 00</b>	<b>May 00</b>	<b>Jun 00</b>	<b>Jul 00</b>
Gross Portfolio *	+5.4%	+5.3%	-5.7%	-2.9%	+3.6%	+2.9%
All Ordinaries Accum.	+1.6%	+0.5%	-1.5%	-1.3%	+7.7%	-1.3%
	<b>Aug 00</b>	<b>Sep 00</b>	<b>Oct 00</b>	<b>Nov 00</b>	<b>Dec 00</b>	<b>Jan 01</b>
Gross Portfolio *	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
All Ordinaries Accum.	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	<b>Feb 01</b>	<b>Mar 01</b>	<b>Apr 01</b>	<b>May 01</b>	<b>Jun 01</b>	<b>July 01</b>
Gross Portfolio *	-0.2%	- 3.7%	+3.9%	+6.7%	+6.9%	-1.0%
All Ordinaries Accum.	-0.2%	- 4.8%	+5.7%	+1.6%	+3.8%	-4.5%
	<b>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>	<b>Nov 01</b>	<b>Dec 01</b>	<b>Jan 02</b>
Gross Portfolio *	+4.6%	-2.9%	+8.6%	+3.8%	+3.3%	+7.0%
All Ordinaries Accum.	-1.3%	-6.7%	+6.8%	+3.4%	+2.7%	+1.3%
	<b>Feb 02</b>	<b>Mar 02</b>	<b>Apr 02</b>	<b>May 02</b>	<b>Jun 02</b>	<b>Jul 02</b>
Gross Portfolio *	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
All Ordinaries Accum.	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	<b>Aug 02</b>	<b>Sep 02</b>	<b>Oct 02</b>	<b>Nov 02</b>	<b>Dec 02</b>	<b>Jan 03</b>
Gross Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%
All Ordinaries Accum.	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%
	<b>Feb 03</b>	<b>Mar 03</b>	<b>Apr 03</b>	<b>May 03</b>	<b>Jun 03</b>	<b>Jul 03</b>
Gross Portfolio *	-1.7%	-0.4%	+3.8%	+1.5%	+3.5%	+3.6%
All Ordinaries Accum.	-5.1%	+3.4%	+4.4%	+0.5%	+1.3%	+3.6%
	<b>Aug 03</b>	<b>Sept 03</b>	<b>Oct 03</b>	<b>Nov 03</b>	<b>Dec 03</b>	<b>Jan 04</b>
Gross Portfolio *	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	<b>Feb 04</b>	<b>Mar 04</b>	<b>Apr 04</b>	<b>May 04</b>	<b>Jun 04</b>	<b>Jul 04</b>
Gross Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%
	<b>Aug 04</b>	<b>Sep 04</b>	<b>Oct 04</b>	<b>Nov 04</b>	<b>Dec 04</b>	<b>Jan 05</b>
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+3.3%	+0.7%	+2.7%
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+4.6%	+3.0%	+1.3%
	<b>Feb 05</b>	<b>Mar 05</b>	<b>Apr 05</b>	<b>Since Inception</b>		
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+254.2%		
All Ordinaries Accum.	1.8%	-0.7%	-3.8%	+67.6%		

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

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