

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JUNE 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 264.1% compared to a 81.1% increase in the All Ordinaries Accumulation Index.

- In June WAM's portfolio (before all fees, costs and taxes) increased by 2.8%, while the All Ordinaries Accumulation Index increased by 4.5%.
- The NTA before tax was 153.04 cents a share\*, as at 30 June 2005.
- The NTA after tax was 143.31 cents a share\*, as at 30 June 2005.

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 Australian sharemarket is trading close to its all-time highs. Seemingly, investors have overcome concerns about earnings growth, a topic that recently threatened to de-rail the two-year plus bull market. Instead, investors are rejoicing in the prospect of interest rates falling in the coming 12 months.

With the domestic economy slowing and costs in the form of labour and raw materials rising, we remain concerned about earnings growth in the short to medium term. Consequently we remain cautious.

## **PORTFOLIO STRUCTURE & STRATEGY**

As at 30 June 2005 equities made up approximately 56% of the portfolio, while fixed interest, and cash made up the remaining 44%. 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 June 2005 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
ABB Grain Ltd (ABB)	812,800
Aberdeen Leaders Ltd (ALR)	668,097
Bank of Queensland Reset Prefs (BOQPB)	2,020,000
Buka Minerals Ltd BKA)	864,000
Calliden Group Ltd (CIX)	918,000
Catalyst Recruitment Systems Ltd (CRU)	682,519
Contango Microcap Ltd (CTN)	1,091,015
Credit Corp Group Ltd (CCP)	1,586,280
Farsands Corporation Ltd (FCO)	839,057
Gropep Ltd (GRO)	1,269,359
Healthscope Ltd (HSP)	1,853,398
Loftus Capital Partners Ltd	1,647,285
McMillan Shakespeare Ltd (MMS)	748,457
Medical Developments International Ltd (MVP)	872,679
Melbourne IT Ltd (MLB)	1,039,318
Metcash Ltd (MTS)	2,108,960
Monadelphous Group Ltd (MND)	1,682,823
Oakton Ltd (OKN)	1,004,226
OAMPS Ltd (OMP)	1,822,674
OFM Investment Group Ltd (OFM)	1,722,911
Origin Energy Ltd (ORG)	1,050,180
Pacific Strategic Investments Ltd (PSI)	953,671
Pharmaxis Ltd (PXS)	670,800
Photon Group Limited (PGA)	1,481,538
Rattoon Holdings (RTN)	665,860
Reckon Ltd (RKN)	2,575,466
Roberts Ltd (RBS)	2,851,466
Select Harvests Ltd (SHV)	3,017,951
Tassal Group Ltd (TGR)	1,489,354
Tower Ltd (TWR)	2,589,838

NTA before tax	153.04c*
NTA after tax and before tax on unrealised gains	149.39c*
NTA after tax	143.31c*

\* After the payment of a 6.0 cent fully franked interim dividend.

## 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>May 05</b>	<b>Jun 05</b>	<b>Since Inception</b>
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+264.1%
All Ordinaries Accum.	1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+81.1%

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

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

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