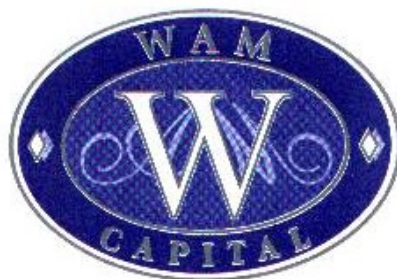


WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL MAY 2004 **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 213.3% compared to a 36.9% increase in the All Ordinaries Accumulation Index.

- Gross portfolio has risen 25.4% in the ten months to 31 May 2004.
- In May WAM's portfolio (before all fees, costs and taxes) decreased by 0.8% while the All Ordinaries Accumulation Index increased by 1.6%.
- The NTA before tax was 150.2c a share, as at 31 May 2004.
- The NTA after tax was 138.9c a share, as at 31 May 2004.

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 share market has performed remarkably strongly in the face of high oil prices and the spectre of higher official interest rates. Since the end of February the All Ordinaries index has risen approximately 2.9%. However, the Small Ordinaries index has been flat. This indicates that overall market conditions are steady rather than buoyant. We expect this trend to continue with the market set to consolidate in the coming months.

PORTFOLIO STRUCTURE & STRATEGY

As at 31 May 2004 equities made up approximately 67% of the portfolio, while fixed interest, cash, and listed debt made up the remaining 33%. 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.

The major securities held as at 31 May in the fund give exposure to:

Primelife Corp. Ltd	Beston Wine Industry Trust
OFM Investment Group Ltd	Greens Foods Ltd
Select Harvests Ltd	Protrome System Conv. Note
Reckon Ltd	Harvey World Travel Limited
Bank of Queensland Series 1 Reset Preference Shares	Credit Corp Group Ltd
RG Capital Radio Ltd	Oakton Ltd
Roberts Ltd	McGuigan Simeon Wines Ltd
Loftus Capital Partners Ltd	Nylex Ltd
OAMPS Ltd	Photon Group Limited
Pacific Strategic Investments Ltd	Tassal Group Ltd
Penfold Buscombe Limited	Promina Group Limited
Sydney Gas Ltd (12% Conv. Note)	AP Eagers Ltd
Powertel Ltd	Bionomics Ltd
Reef Casino Trust	Amity Oil Conv. Notes
Homeleisure Ltd	MMC Contrarian Ltd
Medical Development Ltd	Powerlan Ltd

PERFORMANCE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00
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%
	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00
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%
	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
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%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01
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%
	Aug 01	Sep 01	Oct 01	Nov 01	Dec 01	Jan 02
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%
	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02
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%
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03
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%
	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03
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%
	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04
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%
	Feb 04	Mar 04	Apr 04	May 04	Since Inception	
Gross Portfolio *	+2.7%	+0.1%	-2.4%	-0.8%	+213.3%	
All Ordinaries Accum.	+3.1%	+2.0%	-0.1%	+1.6%	+36.9%	

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

NTA before tax	150.2c
NTA after tax and before tax on unrealised gains	146.2c
NTA after tax	138.9c

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