

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL OCTOBER 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 249.6% compared to a 57.8% increase in the All Ordinaries Accumulation Index.

- In October WAM's portfolio (before all fees, costs and taxes) increased by 2.9% while the All Ordinaries Accumulation Index increased by 3.1%.
- The NTA before tax was 160.46 cents* a share, as at 31 October 2004.
- The NTA after tax was 149.22 cents* a share, as at 31 October 2004.

* The above figures are after the payment of 4.7 cents in tax for the 2004 financial year, and before the payment of a 5.0 cent fully franked final dividend.

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 strength of the equity market is expected to continue into the new year with a high probability of a Christmas/New Year rally. The market is now factoring in strong earnings growth. We see the major risks to the markets as high interest rates, which will lead to a price earnings ratio contraction, or companies not meeting earnings expectations.

PORTFOLIO STRUCTURE & STRATEGY

As at 31 October 2004 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 31 October 2004 the major securities held in the portfolio were:

COMPANY	MARKET VALUE \$
Advanced Nano Tech Ltd	562,897
AP Eagers Ltd	749,614
ASX Ltd	927,351
Austral Ltd	694,200
Bank of Queensland Reset Prefs	2,013,000
Bionomics Ltd	583,774
Catalyst Recruitment Systems Ltd	938,597
Cochlear Ltd	617,520
Consolidated Minerals Ltd	968,414
Contango Microcap Ltd	902,662
Credit Corp Group Ltd	1,454,070
Harvey World Travel Limited	779,782
Integrated Tree Cropping Ltd	648,150
Loftus Capital Partners Ltd	1,988,102
Medical Developments International Ltd	1,247,831
Melbourne IT Ltd	890,235
MMC Contrarian Ltd	1,162,964
Oakton Ltd	677,636
OAMPS Ltd	1,706,937
OFM Investment Group Ltd	1,744,410
Orion Telecommunications Ltd	564,000
Pacific Strategic Investments Ltd	799,401
Photon Group Limited	1,204,000
Reckon Ltd	3,343,573
Reef Casino Trust	816,079
Roberts Ltd	2,547,210
Select Harvests Ltd	1,466,560
Strathfield Group Ltd	548,775
Sydney Gas Ltd (12% Conv. Note)	1,548,957
Tassal Group Ltd	754,580
Timbercorp Conv Pref	619,920
Tower Ltd	1,215,132
Trent Capital Ltd	580,692

DIVIDENDS

The final fully franked dividend of 5.0 cents a share will go ex-dividend on 15 November 2004. The payment date will be the 29 November 2004.

Option holders that exercise by 5pm Tuesday 16 November 2004 will be entitled to receive the final dividend.

NTA before tax	160.46c*
NTA after tax and before tax on unrealised gains	157.99c*
NTA after tax	149.22c*

* The above figures are after the payment of 4.7 cents in tax for the 2004 financial year, and before the payment of a 5.0 cent fully franked final dividend.

PERFORMANCE TABLE

	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	Jun 04	Jul 04
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%
	Aug 04	Sep 04	Oct 04	Since Inception		
Gross Portfolio *	+1.2%	+2.5%	+2.9%	+249.6%		
All Ordinaries Accum.	+1.1%	+3.8%	+3.1%	+57.8 %		

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

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