

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JUNE 2006 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 369.1% compared to a 123.6% increase in the All Ordinaries Accumulation Index.

- In June WAM's portfolio (before all fees, costs and taxes) increased by 0.48%, while the All Ordinaries Accumulation Index increased by 1.86%.
- The gross portfolio has increased 27.0% for the 12 months to 30 June 2006, compared to a 24.2% increase in the All Ordinaries Accumulation Index.
- The NTA before tax was 169.80 cents a share, as at 30 June 2006.
- The NTA after tax was 157.47 cents a share, as at 30 June 2006.

The above figures are after the payment of an interim dividend of 7.0 cents a share fully franked, paid on the 28 April 2006.

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 has undertaken a solid rally following a 10% slide during May and early June. The sudden dip in share prices was the result of an overheated resources sector and uncertainty about US interest rates. The resources sector, which suffered a 25% fall, has started to climb again. However we believe that the sector will be highly volatile in the near term. We also believe the overall sharemarket will be volatile until such time as the US Federal Reserve stops raising official interest rates.

### **DIVIDEND**

The interim dividend of 7.0 cents a share fully franked was paid on 28 April 2006.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 30 June 2006, listed securities made up approximately 78% of the portfolio, while fixed interest and cash made up the remaining 22%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, and 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 2006 the major securities held in the portfolio were:

<b>COMPANY</b>	<b>MARKET VALUE \$</b>
ABC Learning Centres Ltd (ABS)	1,909,850
Bank of Queensland Reset Prefs (BOQPB)	1,672,604
Bendigo Bank Ltd (BEN)	2,483,856
Coates Hire Ltd (COA)	894,600
Contango Microcap Ltd (CTN)	2,557,306
Credit Corp Group Ltd (CCP)	6,577,717
Customers Ltd (CUS)	1,409,450
Drillsearch Energy Ltd (DLS)	974,940
DWS Adanced Business Solutions Ltd (DWS)	918,750
Gropep Limited (GRO)	976,298
Incremental Petroleum Ltd (IPM)	2,283,750
Jumbuck Entertainment Ltd (JMB)	1,368,587
Linq Resources Fund (LRF)	1,917,815
Loftus Capital Partners Ltd (LCP)	1,846,095
Ludowici Ltd (LDW)	1,089,200
Mariner Financial Ltd (MFI)	1,218,000
McMillan Shakespeare Ltd (MMS)	2,442,552
Melbourne IT Ltd (MLB)	1,849,912
Multimedia Ltd (MUL)	1,226,096
Oakton Ltd (OKN)	1,509,324
Oamps Ltd (OMP)	3,018,331
OFM Investment Group Ltd (OFM)	1,151,151
Petsec Energy Ltd (PSA)	2,214,450
Photon Group Ltd (PGA)	2,153,169
Pro Medicus Ltd (PME)	1,076,355
Rebel Sport Ltd (REB)	1,837,903
Reckon Ltd (RKN)	3,298,928
Reef Casino Trust (RCT)	1,140,709
Select Harvests Ltd (SHV)	3,028,647
SWT Communications Group Ltd (SGN)	1,050,167
Tassal Group Ltd (TGR)	2,955,469
The Reject Shop Ltd (TRS)	1,592,710
Tower Ltd (TWR)	4,831,004
Wattyl Ltd (WYL)	933,982
Webjet Ltd (WEB)	2,096,270
Wentworth Mutual Ltd (WWM)	1,838,335

NTA before tax	169.80c
NTA after tax and before tax on unrealised gains	167.19c
NTA after tax	157.47c

The above figures are after the payment of an interim dividend of 7.0 cents a share fully franked.

## 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>Jul 05</b>
Gross Portfolio *	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
All Ordinaries Accum.	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	<b>Aug 05</b>	<b>Sep 05</b>	<b>Oct 05</b>	<b>Nov 05</b>	<b>Dec 05</b>	<b>Jan 06</b>
Gross Portfolio *	+3.9%	+2.6%	+0.1%	+3.0%	+0.8%	+1.5%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%
	<b>Feb 06</b>	<b>Mar 06</b>	<b>Apr 06</b>	<b>May 06</b>	<b>Jun 06</b>	<b>Since Inception</b>
Gross Portfolio *	+4.8%	+5.2%	+2.1%	-2.3%	+0.5%	+369.1%
All Ordinaries Accum.	+0.7%	+4.8%	+2.4%	-4.3%	+1.9%	+123.6%

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

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