

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL DECEMBER 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 318.4% compared to a 104.9% increase in the All Ordinaries Accumulation Index.

- In December WAM's portfolio (before all fees, costs and taxes) increased by 0.75%, while the All Ordinaries Accumulation Index increased by 3.04%.
- The NTA before tax was 160.88 cents a share, as at 31 December 2005.
- The NTA after tax was 151.03 cents a share, as at 31 December 2005.

The above figures are after the payment of a final dividend of 6.0 cents a share fully franked.

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's near 3 year bull market gained momentum in December with resource stocks leading the charge. Since March 2003 the All Ordinaries Accumulation Index has risen 78%. While this has seen valuations become stretched, it is very difficult to identify a near term catalyst that will see a change in the direction of the market.

### **DIVIDEND**

The final dividend of 6.0 cents a share fully franked brought the full year dividend to 12.0 cents a share. The shares traded ex dividend from 4 October 2005, with payment on 17 October 2005.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31 December 2005, equities made up approximately 87% of the portfolio, while fixed interest and cash made up the remaining 13%. 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 31 December 2005 the major securities held in the portfolio were:

<b>COMPANY</b>	<b>MARKET VALUE \$</b>
ABB Grain Ltd (ABB)	1,625,925
ABC Learning Centres Ltd (ABS)	2,192,400
Austar United Communications Ltd (AUN)	2,737,350
Bank of Queensland Reset Prefs (BOQS1RPS)	2,020,200
Calliden Group Ltd (CIX)	959,000
Coates Hire Ltd (COA)	1,719,578
Coffey International Ltd (COF)	867,121
Contango Microcap Ltd (CTN)	3,268,166
Credit Corp Group Ltd (CCP)	3,864,907
CSR Ltd (CSR)	937,860
Customers Ltd (CUS)	1,200,446
Gropep Limited (GRO)	1,260,025
Hastie Group Ltd (HST)	837,034
Incremental Petroleum Ltd (IPM)	1,669,500
IWL Ltd (IWL)	1,088,904
Loftus Capital Partners Ltd (LCP)	1,675,686
Macquarie Leisure Trust (MLE)	1,933,284
Macquarie Media P/Paid (MMGCA)	861,420
Mariner Financial Ltd (MFI)	890,400
McMillan Shakespeare Ltd (MMS)	1,398,029
Melbourne IT Ltd (MLB)	1,286,117
Monadelphous Group Ltd (MND)	903,833
Mortgage Choice Ltd (MOC)	874,975
Multimedia Ltd (MUL)	1,652,000
National Australia Bank Ltd (NAB)	907,200
News Corp Class B (NWS)	3,192,000
Nylex Ltd (NLX)	896,932
Oakton Ltd (OKN)	1,253,166
Oamps Ltd (OMP)	3,296,443
OFM Investment Group Ltd (OFM)	1,680,682
Patrick Corporation Ltd (PRK)	5,408,357
Photon Group Ltd (PGA)	1,876,615
Reckon Ltd (RKNDA)	2,401,516
Reckson NY Property Trust (RNYCA)	935,235
Reef Casino Trust (RCT)	961,272
Select Harvests Ltd (SHV)	4,022,026
Seven Network Ltd (SEV)	1,164,800
Sigma Pharmaceuticals Ltd (SIP)	1,937,208
Tassal Group Ltd (TGR)	2,644,836
Total Telecommunications Infrastructure Ltd (TCI)	1,365,606
Tower Ltd (TWR)	3,247,166
Wentworth Mutual Ltd (WWM)	1,028,994

NTA before tax	160.88c*
NTA after tax and before tax on unrealised gains	158.22c*
NTA after tax	151.03c*

\* After the payment of a final dividend of 6.0 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>Since Inception</b>
Gross Portfolio *	+3.9%	+2.6%	+0.1%	+3.0%	+0.8%	+318.4%
All Ordinaries Accum.	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+104.9%

\*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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