

# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL JANUARY 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 324.8% compared to a 112.3% increase in the All Ordinaries Accumulation Index.

- In January WAM's portfolio (before all fees, costs and taxes) increased by 1.54%, while the All Ordinaries Accumulation Index increased by 3.65%.
- The gross portfolio has increased 15.0% for the 7 months to 31 January 2006.
- The NTA before tax was 163.25 cents a share, as at 31 January 2006.
- The NTA after tax was 152.72 cents a share, as at 31 January 2006.

The above figures are before the payment of an interim dividend of 7.0 cents a share fully franked, payable 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 resources lead sharemarket boom reached fever pitch in January. While the All Ordinaries Accumulation Index rose 3.65% in the month, the S&P100 Resources Index rose 10.35%. In early February the resources sector corrected slightly, however fundamentals remain sound for resources with world growth strong. Importantly, volatility, especially in resource stocks, has increased in recent weeks. This would seem to indicate that investors are becoming nervous about valuations.

### **DIVIDEND**

The interim dividend of 7.0 cents a share fully franked will be paid on 28 April 2006. The shares will trade ex dividend on 13 April 2006.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31 January 2006, equities made up approximately 77% of the portfolio, while fixed interest and cash made up the remaining 23%. 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 January 2006 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)	1,733,527
Austar United Communications Ltd (AUN)	2,646,000
Bank of Queensland Ltd (BOQ)	1,078,000
Bank of Queensland Reset Prefs (BOQS1RPS)	2,020,200
Calliden Group Ltd (CIX)	1,027,500
Coates Hire Ltd (COA)	1,752,839
Contango Microcap Ltd (CTN)	3,483,988
Credit Corp Group Ltd (CCP)	4,436,591
Customers Ltd (CUS)	1,618,041
Epitan Ltd (EPT)	983,672
Gropep Limited (GRO)	1,456,029
Incremental Petroleum Ltd (IPM)	2,126,250
IWL Ltd (IWL)	1,210,200
Loftus Capital Partners Ltd (LCP)	1,661,485
Macquarie Leisure Trust (MLE)	1,909,898
Mariner Financial Ltd (MFI)	911,400
McMillan Shakespeare Ltd (MMS)	1,385,546
Melbourne IT Ltd (MLB)	1,250,421
Mortgage Choice Ltd (MOC)	903,200
Multimedia Ltd (MUL)	1,926,722
News Corp Class B (NWS)	3,098,200
Oakton Ltd (OKN)	1,253,166
Oamps Ltd (OMP)	3,284,071
OFM Investment Group Ltd (OFM)	1,689,128
Photon Group Ltd (PGA)	1,851,923
Rebel Sport Ltd (REB)	1,159,669
Reckon Ltd (RKN)	2,579,263
Reef Casino Trust (RCT)	993,314
Select Harvests Ltd (SHV)	3,944,879
Sigma Pharmaceuticals Ltd (SIP)	1,732,311
Total Telecommunications Infrastructure Ltd (TCI)	1,422,507
Tower Ltd (TWR)	3,205,213
Wentworth Mutual Ltd (WWM)	1,286,181
Zinifex Ltd (ZFX)	1,648,500

NTA before tax	163.25c*
NTA after tax and before tax on unrealised gains	160.12c*
NTA after tax	152.72c*

\* Before 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>Since Inception</b>
Gross Portfolio *						+324.8%
All Ordinaries Accum.						+112.3%

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

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