

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL FEBRUARY 2000 **INVESTMENT UPDATE & NTA**

STRATEGIC INVESTMENT

Recently WAM Capital Ltd (WAM) made a strategic investment taking 10% of the capital in the online research, funds management and advisory group Cyberstox Limited (Cyberstox). – www.cyberstox.com.au

The manager believes the involvement with Cyberstox could lead to significant upside for WAM shareholders. The manager is examining ways for WAM shareholders to participate directly in the growth of this company.

Cyberstox is currently raising capital from strategic investors at a valuation that would add about \$1.8 million to the gross assets of WAM.

THE PORTFOLIO

In February WAM Capital Ltd's (WAM) portfolio (before all fees, costs and taxes) increased 5.4% while the All Ordinaries Accumulation Index increased 1.6%. Since inception WAM's gross portfolio has increased by 33.1% while the index has risen by 6.2%.

Before taxes on unrealised gains and before dividends the NTA is 120.6c a share. After all taxes, fees and costs and before dividends, WAM's net tangible asset backing is 115.8c a share.

WAM's board has also announced a 2c fully franked dividend to be paid on 31st March 2000.

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 manager remains cautious about the outlook of equity markets around the globe with a rising interest rate trend. A major concern is the inflated value attached to new technology / internet companies. The manager is looking to take advantage of opportunities in this area but only when it can see genuine value. The manager is less concerned about the broader market with the old economy stocks having been in a bear market for some months. These stocks will recover when investors can see an end to rising interest rates.

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PORTFOLIO STRUCTURE

During February WAM decreased its cash position from 34% to 27%. This was mainly due to a series of new capital raisings. We intend to maintain a relatively high cash position as a buffer against any correction in the market.

HOLDINGS

The major securities held as at 29th February 2000 in the fund give exposure to;

Adcorp	Scitec
Brian McGuigan Wines	Australian Stock Exchange
Bristile	Prime Life
Port Douglas Reef Resorts	Lang Corporation
Reef Casino	Kolback Group
Australian Oil & Gas	Siddons
Cranswick Estates	Snack Foods
Noni B	Colorado

PERFORMANCE

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99
Gross Portfolio *	+1.35%	+5.1%	+4.1%	+11.0%	+4.9%
All Ordinaries Accumulation Index	-1.93%	-1.7%	+0.5%	+5.9%	+3.7%
	Jan 00	Feb 00			Since Inception
Gross Portfolio *	-2.0%	+5.4%			+33.1%
All Ordinaries Accumulation Index	-1.8%	+1.6%			+6.2%

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

NTA before tax 29/02/00 *	120.6c
NTA after tax 29/02/00 *	115.8c

* These figures are undiluted for options on issue and before the provision of a 2 cent fully franked dividend.

MARCH UPDATE

The recent floats of Kaz Computer Services, Digital Now, Emitch, the recapitalisation of Australian Vaccine Technologies and the takeover of Colonial, together with the rerating of Timbercorp, Isec, Kolback, Powerlan, Seven and Scitec have led to a solid start to the month with the portfolio (before all fees) up over 5% as at close of business on 13th March 2000.

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

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