

WAM CAPITAL LIMITED

(ACN 086 587 395)



WAM CAPITAL JANUARY 2000 INVESTMENT UPDATE & NTA

Since inception in August 1999 WAM Capital Ltd (WAM) has significantly outperformed the overall sharemarket. WAM's portfolio (before all fees, costs and taxes) has increased by 26.3% compared to a 4.9% increase in the All Ordinaries Accumulation Index.

In January WAM Capital Ltd's (WAM) portfolio (before all fees, costs and taxes) decreased 1.96% while the All Ordinaries Accumulation Index decreased 1.76%.

After all taxes, fees and costs, WAM's net tangible asset backing is \$1.12 a share. Before taxes on unrealised gains NTA is \$1.16 a share. WAM's board has also announced a 2c fully franked dividend to be paid on 31 March 2000. Once this is provided for, WAM's NTA after all fees, costs and taxes is \$1.1036 per share.

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

At the beginning of January the manager decided to increase the company's cash position from around 20% approximately 34%. This conservative approach was a reaction to the sharp rise in equity prices during the last two months of 1999 and rising world interest rates. The decision resulted in the fund underperforming the overall market for the month. We expect ongoing volatility in both the Australian and U.S. equity markets in the months ahead as investor concerns about rising interest rates increase. The manager expects to keep a relatively healthy cash position in this environment and taking advantage of special opportunities that may arise. Once the picture on interest rates is clearer we will look to invest in equities more aggressively.

PORTFOLIO STRUCTURE & STRATEGY

As at 31st January 2000 equities made up approximately 66% of the portfolio, the remainder being held in fixed interest and cash. In early January our exposure to equities has been reduced because of the reasons outlined above. We continue to focus on companies with relatively favourable earnings multiples, exceptionally strong earnings per share growth, well positioned in growth industries and proven management. We continue to research heavily to find companies that meet this profile.

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The major securities held as at 31st January 2000 in the fund give exposure to;

Brian McGuigan Wines	Australian Stock Exchange
Bristile	Prime Life
Port Douglas Reef Resorts	Ten Network
Reef Casino	Kolback Group
Australian Stock Exchange	Normandy Mt Leyson
Australian Oil & Gas	Snack Foods
Cranswick Estates	Colorado
Noni B	

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				Since Inception
Gross Portfolio *	-2.0%				+26.3%
All Ordinaries Accumulation Index	-1.8%				+4.9%

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

NTA before tax 31/01/00 *	115.9c
NTA after tax 31/01/00 *	112.4c

* These figures are undiluted for options on issue

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

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