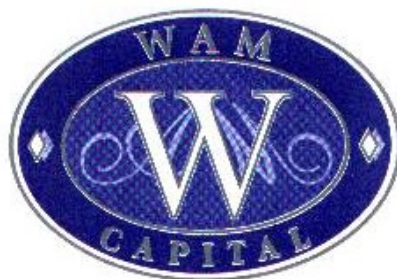


# WAM CAPITAL LIMITED

(ACN 086 587 395)



## **WAM CAPITAL DECEMBER 2003** **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 207.4% compared to a 29.3% increase in the All Ordinaries Accumulation Index.

- For the 12 months to the end of December WAM's portfolio (before all fees, costs and taxes) increased by 32.5% compared to a 15.8% increase in the All Ordinaries Accumulation.
- In December WAM's portfolio (before all fees, costs and taxes) increased by 3.6% while the All Ordinaries Accumulation Index increased by 3.7%.
- The NTA before tax was 151.9c\* a share, as at 31<sup>st</sup> December.
- The NTA after tax was 139.6c \* a share, as at 31<sup>st</sup> December.

\*After the payment of a final dividend of 4c 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**

After a buoyant year in 2003 the sharemarket's short term performance will be heavily influenced by the upcoming profit reporting season. The Market is concerned that the rising \$A will hurt the earnings of many companies. In the new calendar year the market will be hoping official interest rates stay steady or rise only modestly.

### **PORTFOLIO STRUCTURE & STRATEGY**

As at 31<sup>st</sup> December 2003 equities made up approximately 78% of the portfolio, while fixed interest, cash, and listed debt made up the remaining 22%. We continue to focus on companies with strong earnings per share growth, trading on attractive earnings multiples, that are well positioned in growth industries and have proven management. We continue to research heavily to find companies that meet this profile.

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The major securities held as at 31<sup>st</sup> December in the fund give exposure to:

Primelife Corp. Ltd	Beston Wine Industry Trust
OFM Investment Group Ltd	Perserance Corp. Ltd
Select Harvest Ltd	Timbercorp Ltd 9% (Conv. Pref.)
Reckon Ltd	Sirtex Medical Ltd
Australian Stock Exchange Ltd	Greens Foods Ltd
RG Capital Radio Ltd	Equity Capital Markets Ltd
Roberts Ltd	Promina Group Ltd
Loftus Capital Partners Ltd	Credit Corp. Group Ltd
OAMPS Ltd	Oakton Ltd
Pacific Strategic Investments Ltd	McGuigan Simeon Wines Ltd
PCH Group Limited	Nylex Ltd
Sydney Gas Ltd (12% Conv. Note)	Betcorp Ltd
PowerTel Ltd	Tassal Group Ltd
Leighton Holdings Ltd	Ten Network Holdings Ltd
Telecom Corp. of NZ Ltd	AP Eagers Ltd

## PERFORMANCE

	<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>Since Inception</b>
Gross Portfolio *	+5.2%	+ 3.7%	+5.4%	-0.7%	+3.6%	+207.4%
All Ordinaries Accum.	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	+29.3%

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

\*\* Adjusted for options exercised over the period.

NTA before tax *	151.9c
NTA after tax and before tax on unrealised gains*	149.1c
NTA after tax *	139.6c

\*This is after the payment of a final dividend of 4c a share fully franked.

For further information please visit our website [www.wamcapital.com.au](http://www.wamcapital.com.au) or contact:  
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