

Investment Update & Net Tangible Assets Report

AS AT 30 JUNE 2016



Performance

Performance at 30 June 2016	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	0.7%	4.4%	21.6%	18.5%	16.3%	13.3%	18.0%
S&P/ASX All Ordinaries Accumulation Index	-2.3%	1.6%	2.0%	8.2%	7.3%	4.9%	7.9%
Outperformance	+3.0%	+2.8%	+19.6%	+10.3%	+9.0%	+8.4%	+10.1%

*Investment performance and Index returns are before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

NTA before tax	191.67c*
NTA after tax and before tax on unrealised gains	192.45c**
NTA after tax	185.99c**

*These figures are after the payment of \$917k (0.2 cents per share) in tax during the month.

**Includes 0.9 cents of tax assets resulting from the merger with Premium Investors.

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 2.3% for the month of June, to finish the financial year up 2.0%. Utilities and healthcare were the best performing sectors for the financial year while energy, materials and financials detracted.

Globally, the surprise Brexit vote saw a surge in financial market volatility. Financial markets were pricing in a 'remain' vote, resulting in a violent sell off in equities across global markets following the outcome. The US Federal Reserve saw a dovish shift in commentary in the June minutes after a softer than expected jobs number and, coupled with the Brexit vote, is now not expected to raise rates until 2017.

Concerns around the implications of Brexit eased in the last few days of the month, which saw a rebound in global equity markets to see the Australian market finish in the black for the year, with expectations of further global stimulus in the coming months.

We continue to find investment opportunities and our current cash weightings ensure we are well positioned to seize these opportunities as and when they arise.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$939.1m
Market cap	\$1,051.5m
Share price	\$2.23
NTA before tax	\$1.92
Shares on issue	471,514,559
Fully franked annualised interim dividend (FY2016)	14.5c
Dividend yield	6.5%

Investment objectives

- Deliver investors a rising stream of fully franked dividends
- Provide capital growth
- Preserve capital

Company overview

WAM Capital Limited (ASX: WAM), one of Australia's leading Listed Investment Companies, is managed by Wilson Asset Management. Listed in August 1999, WAM Capital provides investors with exposure to an actively managed diversified portfolio of undervalued growth companies, which are generally small-to-medium sized industrial companies listed on the Australian Securities Exchange. WAM Capital also provides exposure to relative value arbitrages and market mispricing opportunities.

Investment & Management Team

Geoff Wilson

Chairman/Portfolio Manager

Kate Thorley

Chief Executive Officer/
Company Secretary

Chris Stott

Chief Investment Officer/
Portfolio Manager

Matthew Haupt

Portfolio Manager

Martin Hickson

Senior Equity Analyst/Dealer

Tobias Yao

Senior Equity Analyst

John Ayoub

Senior Equity Analyst

Oscar Oberg

Equity Analyst

James McNamara

Head of Corporate Affairs

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Diversified portfolio

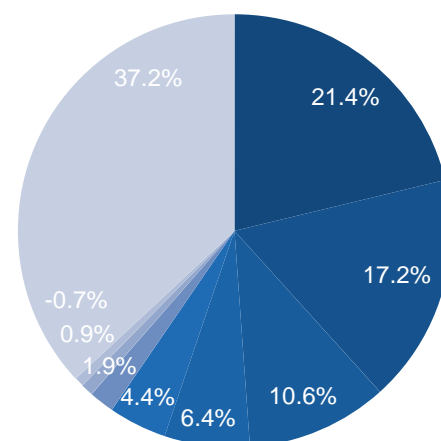
Investment Type	May 2016		June 2016	
	\$m	%	\$m	%
Listed Equities	676.5	70.8	593.6	62.8
Fixed Interest & Cash	279.2	29.2	351.8	37.2
Long Portfolio	955.7	100.0	945.4	100.0
Short Portfolio	(23.8)	(2.5)	(6.3)	(0.7)
Gross Assets	\$931.9m		\$939.1m*	
Total shares on issue	471,514,559		471,514,559	

*This figure is after the payment of \$917k (0.2 cents per share) in tax during the month.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	35,923,281	3.8%
MYX	Mayne Pharma Group Limited	24,585,844	2.6%
SIQ	Smartgroup Corporation Limited	20,187,934	2.2%
CYA	Century Australia Investments Limited	18,270,122	2.0%
NCK	Nick Scali Limited	16,337,288	1.7%
RWC	Reliance Worldwide Corporation Limited	15,582,138	1.7%
APN	APN News & Media Limited	15,539,374	1.7%
SXL	Southern Cross Media Group Limited	15,063,940	1.6%
CL1	Class Limited	14,898,127	1.6%
ECX	Eclix Group Limited	14,815,728	1.6%
CCP	Credit Corp Group Limited	14,366,890	1.5%
RCG	RCG Corporation Limited	14,007,171	1.5%
SDF	Steadfast Group Limited	13,440,669	1.4%
VOC	Vocus Communications Limited	13,099,704	1.4%
SGF	SG Fleet Group Limited	13,095,839	1.4%
VTG	Vita Group Limited	13,026,571	1.4%
AGF	AMP Capital China Growth Fund	12,905,278	1.4%
AAD	Ardent Leisure Group	12,574,732	1.3%
MVP	Medical Developments International Limited	11,507,540	1.2%
TRS	The Reject Shop Limited	10,539,580	1.1%

Sector allocation



- Financials 21.4%
- Consumer Discretionary 17.2%
- Industrials 10.6%
- Health Care 6.4%
- Information Technology 4.4%
- Telecommunication Services 1.9%
- Utilities 0.9%
- Short stock: -0.7%
- Cash and Fixed Interest: 37.2%

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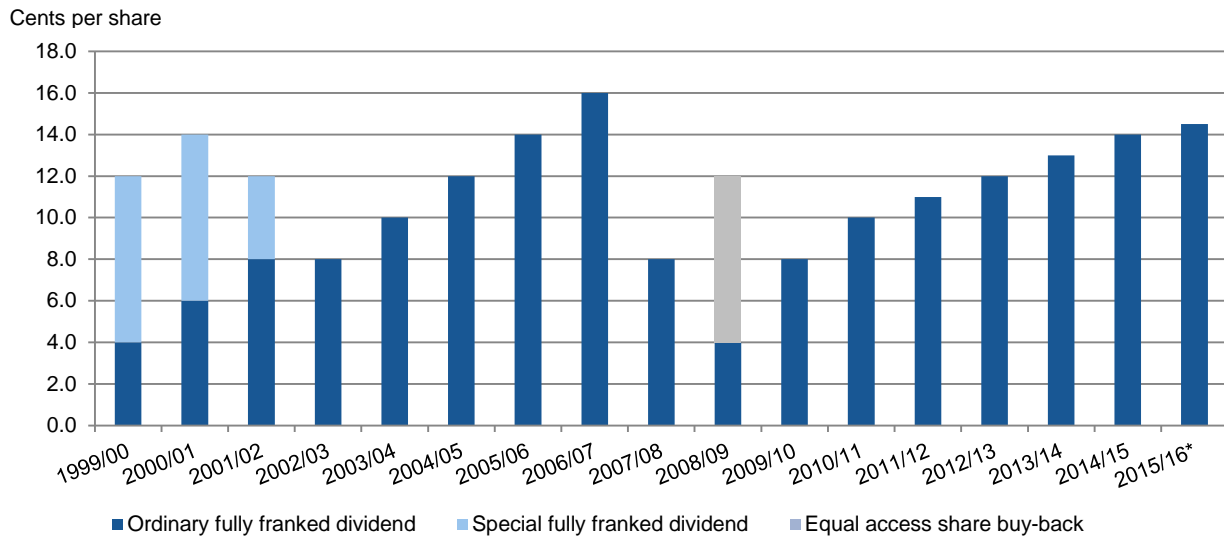
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Dividend growth

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

WAM Capital dividends since inception



*Annualised interim dividend

On 13 May 2016, the Company paid a fully franked interim dividend of 7.25 cents per share, an increase of 3.6% on the previous corresponding period.