

Investment Update & Net Tangible Assets Report

AS AT 31 MARCH 2016



Performance

Performance at 31 March 2016	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio	3.7%	8.9%	14.6%	15.0%	15.0%	14.3%	12.7%	17.9%
S&P/ASX All Ordinaries Accumulation Index	4.7%	4.1%	-1.9%	-8.0%	5.6%	5.4%	4.5%	7.8%
Outperformance	-1.0%	+4.8%	+16.5%	+23.0%	+9.4%	+8.9%	+8.2%	+10.1%

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

Net Tangible Assets (NTA) figures

The following NTA figures are before the 7.25 cents per share fully franked interim dividend due to be paid on 13 May 2016. The shares will trade ex dividend on 27 April 2016.

NTA before tax	191.76c
NTA after tax and before tax on unrealised gains	191.13c
NTA after tax	186.12c

These figures are after the payment of \$1.7m (0.36 cents per share) in tax during the month. Includes 1.0 cents of tax assets resulting from the merger with Premium Investors.

Market overview

March saw positive gains on the Australian share market with the S&P/ASX All Ordinaries Accumulation Index ending the month up 4.7%. During the month the US Federal Reserve said there would be fewer rate hikes this year than they previously anticipated, citing increasing risks to global growth. The US Fed's 'dovish' comments, coupled with the European Central Bank's latest measures to stimulate growth in the Euro Zone, led global equity markets to rally, while having a softening effect on the greenback.

Locally, the big four Australian banks weighed on the market towards the end of March with Australia and New Zealand Banking Group (ASX: ANZ) and Westpac Banking Corporation (ASX: WBC) confirming their bad debt provisions were increasing mostly due to exposures in the resources sector.

While Australia's share market remains in the midst of a bear market, which began in February this year, we continue to find investment opportunities. We believe we are nearing the end of the current bear market and, given the market historically rebounds sharply after reaching its low point, we anticipate opportunities will present themselves. Our above-average cash weighting positions us well to capitalise on prevailing market conditions.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$923.2m
Market cap	\$1,057.7m
Share price	\$2.26
NTA before tax	\$1.92
Shares on issue	468,006,885
Fully franked annualised interim dividend (FY2016)	14.5c
Dividend yield	6.4%

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

James McNamara
Head of Corporate Affairs

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AS AT 31 MARCH 2016



Diversified portfolio

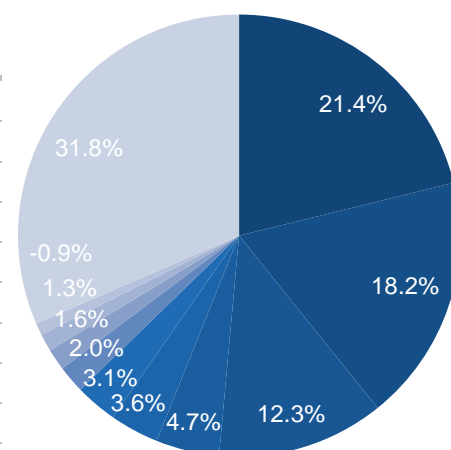
Investment Type	February 2016		March 2016	
	\$m	%	\$m	%
Listed Equities	486.3	54.5	635.2	68.2
Fixed Interest & Cash	406.7	45.5	296.1	31.8
Long Portfolio	893.0	100.0	931.3	100.0
Short Portfolio	(0.1)	(0.0)	(8.1)	(0.9)
Gross Assets	\$892.9m		\$923.2m*	
Total shares on issue	468,006,885		468,006,885	

*This figure is after the payment of \$1.7m (0.36 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	31,564,207	3.4%
RCG	RCG Corporation Limited	18,655,646	2.0%
SXL	Southern Cross Media Group Limited	18,528,991	2.0%
CYA	Century Australia Investments Limited	17,162,756	1.9%
SIQ	Smartgroup Corporation Limited	15,140,817	1.6%
NCK	Nick Scali Limited	15,044,358	1.6%
SOL	Washington H Soul Pattinson and Company Limited	14,815,104	1.6%
MYX	Mayne Pharma Group Limited	14,760,874	1.6%
PBG	Pacific Brands Limited	14,268,555	1.5%
AOG	Aveo Group	14,175,756	1.5%
SGF	SG Fleet Group Limited	13,697,814	1.5%
TRS	The Reject Shop Limited	12,028,870	1.3%
QAN	Qantas Airways Limited	11,562,276	1.3%
MMS	McMillan Shakespeare Limited	11,551,252	1.3%
GJT	Galileo Japan Trust	11,345,349	1.2%
APN	APN News & Media Limited	11,322,186	1.2%
AGF	AMP Capital China Growth Fund	10,919,144	1.2%
VOC	Vocus Communications Limited	10,765,325	1.2%
VTG	Vita Group Limited	10,434,320	1.1%
MVP	Medical Developments International Limited	10,214,106	1.1%

Sector allocation



- Consumer Discretionary 21.4%
- Financials 18.2%
- Industrials 12.3%
- Health Care 4.7%
- Consumer Staples 3.6%
- Information Technology 3.1%
- Telecommunication Services 2.0%
- Energy 1.6%
- Materials 1.3%
- Short stock: -0.9%
- Cash and Fixed Interest: 31.8%

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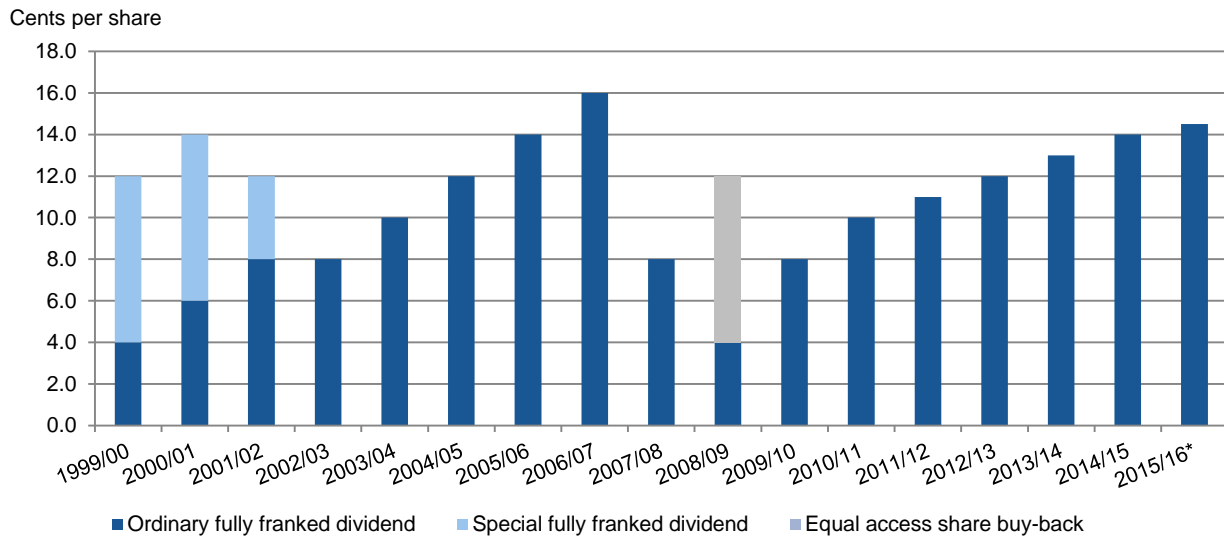
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Dividend growth

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 1 February 2016, the Company announced a fully franked interim dividend of 7.25 cents per share, an increase of 3.6% on the previous corresponding period. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the interim dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 2 May 2016.

Key dividend dates

Ex date: 27 April 2016

Record date: 28 April 2016

Last election date for DRP: 2 May 2016

Payment date: 13 May 2016