

Investment update

As at 30 September 2016



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

208.70c

Fully franked
dividend yield

6.2%

Gross assets

\$1,259.1m

Performance
(p.a. since August 1999)

18.5%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,259.1m
Market cap	\$1,374.0m
Share price	\$2.34
NTA before tax	\$2.09
Shares on issue	587,174,458
Fully franked dividend (FY2016)	14.5c
Fully franked dividend yield	6.2%

Investment objectives

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

Wilson Asset Management Investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer
Matthew Haupt	Portfolio Manager
Martin Hickson	Senior Equity Analyst & Dealer
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Equity Analyst

Company overview

WAM Capital Limited (ASX: WAM) is a listed investment company 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.

Key dividend dates

Ex date	17 October 2016
Record date	18 October 2016
Last election date for DRP	20 October 2016
Payment date	28 October 2016

Invitations to our November 2016 shareholder presentations have been mailed to shareholders. Visit wilsonassetmanagement.com.au/RSVP

Market overview

For the month of September, the S&P/ASX All Ordinaries Accumulation Index closed up 0.4%, to finish the quarter up 5.3%. Australian retail sales data released beat market expectations, on the back of low interest rates and improved consumer confidence following the election. Despite this, many retailers are expecting a flat Christmas following the overall trend of weak sales growth. Globally, equity markets continued to focus on central bank announcements. The Bank of Japan shifted away from specific quantities of asset purchases and instead introduced a new policy of targeting the interest rate yield curve. The US Federal Reserve left interest rates unchanged as expected, while commentary pointed to a potential rate hike later in the year.

Stock news

Several of our portfolio holdings were subject to merger and acquisition activity in September, which has largely been absent this calendar year. During the month, NZME Limited (ASX: NZM) and Fairfax Media Limited (ASX: FXJ) announced a merger agreement between NZME and Fairfax New Zealand Limited. SAI Global's (ASX: SAI) board recommended a deal with Baring Private Equity Asia at \$4.75 per share and ASG Group (ASX: ASZ) recommended a deal with Nomura Research Institute at \$1.63 per share.

Net tangible asset (NTA) figures

The following NTA figures are before the 7.25 cents per share fully franked final dividend due to be paid on 28 October 2016. The shares will trade ex dividend on 17 October 2016.

NTA before tax 208.70c

NTA after tax and before tax on unrealised gains 208.22c*

NTA after tax 202.93c*

*Includes tax assets of 0.2cps resulting from the merger with Premium Investors.

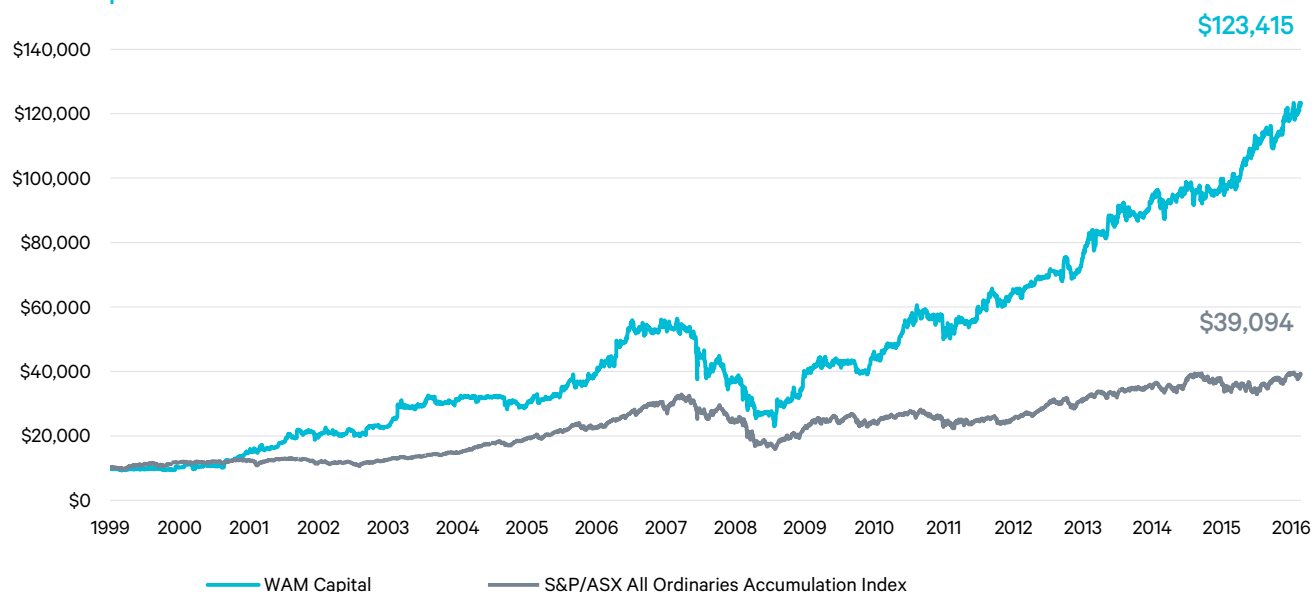
Performance

Performance at	1	Fin	6	1	3 Yrs	5 Yrs	10 Yrs	Since
30 September 2016	Mth	YTD	Mths	Yr	%pa	%pa	%pa	Inception %pa (Aug-99)
WAM Investment Portfolio*	2.1%	11.6%	18.4%	28.9%	18.1%	19.4%	13.9%	18.5%
S&P/ASX All Ordinaries Accumulation Index	0.4%	5.3%	9.5%	14.0%	6.4%	11.0%	5.2%	8.1%
Outperformance	+1.7%	+6.3%	+8.9%	+14.9%	+11.7%	+8.4%	+8.7%	+10.4%

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

Growth of \$10,000 since inception

WAM Capital versus the Index



Diversified portfolio

Investment Type	August 2016		September 2016	
	\$m	%	\$m	%
Listed equities	845.6	68.5	885.4	70.3
Short portfolio	(2.1)	(0.2)	(6.8)	(0.5)
Fixed interest & cash	391.3	31.7	380.5	30.2
Gross assets	1,234.8m	100.0	1,259.1m	100.0
Total shares on issue	587,174,458		587,174,458	

Top 20 holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	35,833,811	2.8%
AAD	Ardent Leisure Group	27,102,766	2.2%
SIQ	Smartgroup Corporation Limited	25,354,974	2.0%
ALL	Aristocrat Leisure Limited	24,734,698	2.0%
CCP	Credit Corp Group Limited	24,215,366	1.9%
ECX	Eclixp Group Limited	23,958,759	1.9%
SXL	Southern Cross Media Group Limited	23,653,325	1.9%
NCK	Nick Scali Limited	22,457,501	1.8%
CL1	Class Limited	19,914,421	1.6%
ALQ	ALS Limited	19,108,183	1.5%
CYA	Century Australia Investments Limited	19,054,262	1.5%
RCG	RCG Corporation Limited	17,279,891	1.4%
WEB	Webjet Limited	17,164,102	1.4%
HLO	Helloworld Limited	16,865,646	1.3%
SAI	SAI Global Limited	16,188,347	1.3%
SGF	SG Fleet Group Limited	15,626,129	1.2%
SLC	Superloop Limited	14,725,982	1.2%
PSI	PSC Insurance Group Limited	14,434,195	1.1%
LNK	Link Administration Holdings Limited	14,132,389	1.1%
PME	Pro Medicus Limited	14,039,793	1.1%

Fully franked dividends

On 25 July 2016, the Company announced a fully franked final dividend of 7.25 cents per share. This brings the full year fully franked dividend to 14.5 cents per share. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registry (Boardroom) no later than 20 October 2016.

Fully franked dividends since inception

