

Investment Update & Net Tangible Assets Report

AS AT 30 SEPTEMBER 2015



Performance

Performance at 30 September 2015	1 Mth	Fin YTD	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	1.6%	5.3%	5.6%	15.7%	18.5%	14.8%	13.5%	17.9%
S&P/ASX All Ordinaries Accumulation Index	-2.5%	-5.8%	-11.7%	-0.2%	9.3%	6.3%	5.4%	7.7%
Outperformance	+4.1%	+11.1%	+17.3%	+15.9%	+9.2%	+8.5%	+8.1%	+10.2%

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

Professional Planner / Zenith Fund Awards 2015

Wilson Asset Management won the Listed Investment Company category at the Professional Planner / Zenith Fund Awards 2015 on Friday 9 October 2015 for the second year in a row. We are delighted to be recognised for our work and would like to thank our shareholders for their ongoing support.

Net Tangible Assets (NTA) figures

The following NTA figures are before the 7.0 cents per share fully franked final dividend due to be paid on 30 October 2015. The shares will trade ex dividend on 19 October 2015.

NTA before tax	187.90c
NTA after tax and before tax on unrealised gains	189.58c *
NTA after tax	184.02c *

*Includes 1.5 cents of tax assets resulting from the merger with Premium Investors.

Market overview

The poor performance of the Australian equity market continued in September with the S&P/ASX All Ordinaries Accumulation Index falling 2.5%. The first quarter of the 2015-16 financial year was the worst quarter since 2011 with a 5.8% fall. The domestic resources and energy sectors lagged and the banks continued their fall after strong outperformance in recent years.

The Reserve Bank of Australia opted to hold the cash rate steady at its meeting on 6 October 2015. We believe over the next year we will see further reductions to the cash rate. There are growing calls for more interest rate cuts to drive corporate earnings growth and lift consumer confidence given the softness of recent economic data in Australia.

Despite the heightened volatility and recent poor performance in equities, our cash levels will assist us in preserving capital while also providing the flexibility to act on opportunities as they emerge. We have been selectively adding to positions in recent weeks with the share market now 18% off the late April highs.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$861.2m
Market cap	\$902.1m
Share price	\$2.00
NTA before tax	\$1.88
Shares on issue	451,050,715
Fully franked dividends (FY2015)	14.0c
Dividend yield	7.0%

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 arbitrage 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

Martin Hickson
Senior Equity Analyst/Dealer

Matthew Haupt
Senior Equity Analyst

Tobias Yao
Equity Analyst

James McNamara
Communications Manager

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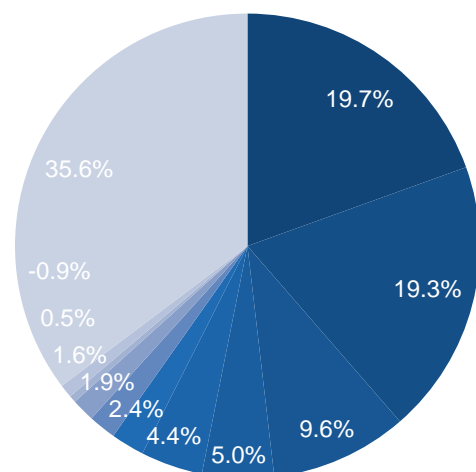
Diversified portfolio

Investment Type	August 2015		September 2015	
	\$m	%	\$m	%
Listed Equities	562.2	65.2	559.6	64.4
Fixed Interest & Cash	300.2	34.8	309.6	35.6
Long Portfolio	862.4	100	869.2	100
Short Portfolio	(3.1)	(0.4)	(8.0)	(0.9)
Gross Assets	\$859.3m		\$861.2m	
Total shares on issue	451,050,715		451,050,715	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	28,237,073	3.3%
ECX	Eclixp Group Limited	18,525,226	2.2%
ASB	Austal Limited	17,348,013	2.0%
CYA	Century Australia Investments Limited	17,054,814	2.0%
SIQ	Smartgroup Corporation Limited	14,968,865	1.7%
IPH	IPH Limited	14,941,667	1.7%
ENE	Energy Developments Limited	14,141,282	1.6%
BAP	Burson Group Limited	13,284,552	1.5%
CSV	CSG Limited	12,894,230	1.5%
SRX	Sirtex Medical Limited	12,832,869	1.5%
MYX	Mayne Pharma Group Limited	12,071,536	1.4%
MYR	Myer Holdings Limited	12,048,623	1.4%
BKL	Blackmores Limited	10,982,008	1.3%
AAD	Ardent Leisure Group	10,836,533	1.3%
MTR	Mantra Group Limited	10,315,672	1.2%
AHD	Amalgamated Holdings Limited	10,295,903	1.2%
AOG	Aveo Group	9,421,385	1.1%
RCG	RCG Corporation Limited	9,236,283	1.1%
ALL	Aristocrat Leisure Limited	9,146,920	1.1%
TPM	TPG Telecom Limited	8,925,400	1.0%

Sector allocation



- Financials: 19.7%
- Consumer Discretionary: 19.3%
- Industrials: 9.6%
- Information Technology: 5.0%
- Health Care: 4.4%
- Consumer Staples: 2.4%
- Telecommunication Services: 1.9%
- Utilities: 1.6%
- Materials: 0.5%
- Short stock: -0.9%
- Cash and Fixed Interest: 35.6%

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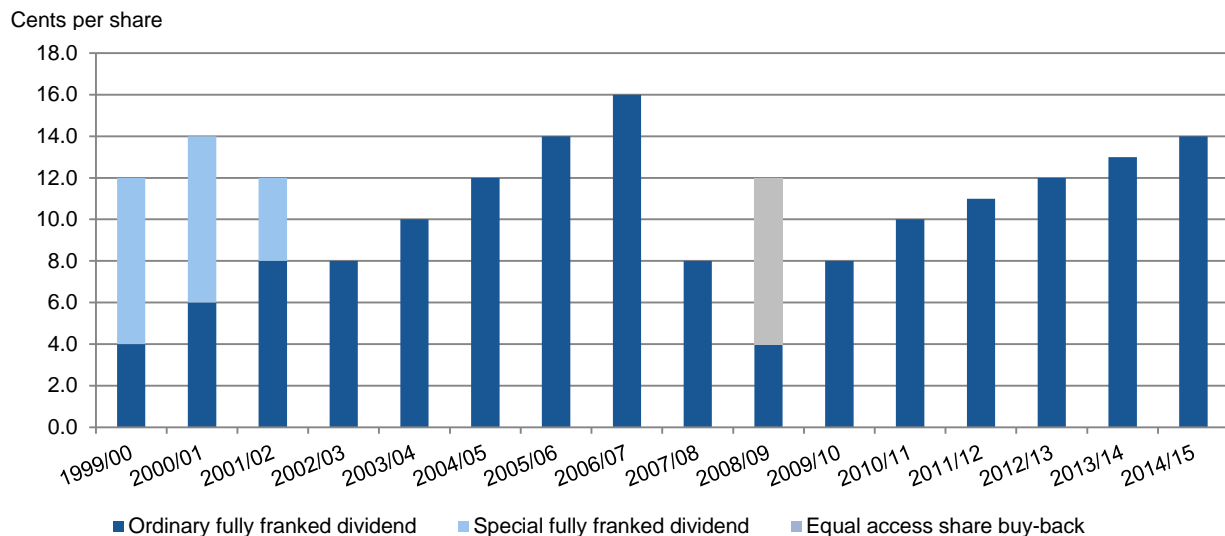
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Dividend growth

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



On 17 August 2015, the Company announced a fully franked final dividend of 7.0 cents per share. This brings the full year fully franked dividend to 14.0 cents per share, an increase of 7.7% on the previous corresponding period.

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 registrar (Boardroom) no later than 22 October 2015.

Key dividend dates

Ex date:	19 October 2015
Record date:	21 October 2015
Last election date for DRP:	22 October 2015
Payment date:	30 October 2015

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Upcoming investor presentations

Date	City	Location	Time
Thursday 19 November 2015	Perth	Parmelia Hilton 14 Mill Street	10:00am – 12:00pm
Tuesday 24 November 2015	Sydney	Wesley Centre Auditorium 220 Pitt Street	WAM AGM 10:30am – 11:00am Presentation 11:00am – 12:30pm
Wednesday 25 November 2015	Adelaide	The Playford 120 North Terrace	10:00am – 12:00pm
Thursday 26 November 2015	Melbourne	Rydges Melbourne 186 Exhibition Street	10:00am – 12:00pm
Friday 27 November 2015	Brisbane	Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Street South Bank	10:00am – 12:00pm
Monday 30 November 2015	Canberra	Belconnen Premier Inn 110 Benjamin Way Belconnen	10:00am – 12:00pm

If you wish to attend one of our investor presentations, please RSVP by email to info@wamfunds.com.au or call our office on (02) 9247 6755.