

Investment Update & Net Tangible Assets Report

AS AT 31 DECEMBER 2015



Performance

Performance at 31 December 2015	1 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio	2.9%	16.5%	25.6%	19.6%	15.5%	14.2%	18.3%
S&P/ASX All Ordinaries Accumulation Index	2.6%	0.4%	3.8%	9.3%	6.5%	5.7%	8.0%
Outperformance	+0.3%	+16.1%	+21.8%	+10.3%	+9.0%	+8.5%	+10.3%

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

Net Tangible Assets (NTA) figures

NTA before tax	195.60c
NTA after tax and before tax on unrealised gains	196.77c *
NTA after tax	188.01c *

*Includes 1.3 cents of tax assets resulting from the merger with Premium Investors.

Market overview

In December 2015 the S&P/ASX All Ordinaries Accumulation Index climbed 2.6% to close the calendar year up a lacklustre 3.8%. The index was in negative territory for the first half of the month as global equity and commodity prices collapsed and the market factored in expectations of a United States rate increase, which came to fruition on 16 December. After early signs of strong Christmas spending, the market rallied in the final two weeks of the month rising almost 8%.

Australian employment data released in December was very strong, pointing to an increase of 71,000 jobs in November – one of the largest rises on record. However, the Federal Government released a downbeat mid-year economic and fiscal outlook (MYEFO), which saw Federal deficit projections downgraded by \$26 billion to \$108 billion over the next four years.

The Australian equities market has experienced a negative start to 2016 driven by renewed concerns around global growth, in particular out of China.

Our conservative cash weighting enables us to preserve capital in times of heightened volatility and provide the flexibility to pursue opportunities that arise.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$945.2m
Market cap	\$992.2m
Share price	\$2.12
NTA before tax	\$1.96
Shares on issue	468,006,885
Fully franked dividends (FY2015)	14.0c
Dividend yield	6.6%

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
Equity Analyst

James McNamara
Communications Manager

Investment Update & Net Tangible Assets Report

AS AT 31 DECEMBER 2015



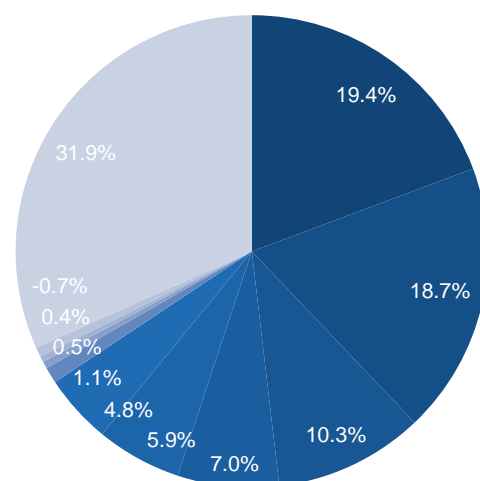
Diversified portfolio

Investment Type	November 2015		December 2015	
	\$m	%	\$m	%
Listed Equities	667.8	72.4	648.2	68.1
Fixed Interest & Cash	255.2	27.6	303.2	31.9
Long Portfolio	923.0	100.0	951.4	100.0
Short Portfolio	(4.3)	(0.5)	(6.2)	(0.7)
Gross Assets	\$918.7m		\$945.2m	
Total shares on issue	468,006,885		468,006,885	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	31,833,987	3.4%
SIQ	Smartgroup Corporation Limited	24,569,243	2.6%
A2M	The A2 Milk Company Limited	21,904,510	2.3%
IPH	IPH Limited	19,498,309	2.1%
CYA	Century Australia Investments Limited	17,810,407	1.9%
ECX	Eclipx Group Limited	16,829,167	1.8%
TWE	Treasury Wine Estates Limited	14,937,759	1.6%
MYR	Myer Holdings Limited	14,909,372	1.6%
MYX	Mayne Pharma Group Limited	14,112,243	1.5%
MTR	Mantra Group Limited	13,523,799	1.4%
CSV	CSG Limited	13,481,809	1.4%
AOG	Aveo Group	13,070,531	1.4%
RCG	RCG Corporation Limited	12,805,966	1.4%
SGF	SG Fleet Group Limited	12,486,215	1.3%
BGA	Bega Cheese Limited	10,846,173	1.1%
DMP	Domino's Pizza Enterprises Limited	10,621,380	1.1%
IPP	iProperty Group Limited	10,099,949	1.1%
NUF	Nufarm Limited	10,023,908	1.1%
JBH	JB Hi-Fi Limited	10,004,976	1.1%
SUL	Super Retail Group Limited	9,932,827	1.1%

Sector allocation



- Financials: 19.4%
- Consumer Discretionary: 18.7%
- Industrials: 10.3%
- Consumer Staples: 7.0%
- Information Technology: 5.9%
- Health Care: 4.8%
- Materials: 1.1%
- Energy: 0.5%
- Telecommunication Services: 0.4%
- Short stock: -0.7%
- Cash and Fixed Interest: 31.9%

Investment Update & Net Tangible Assets Report

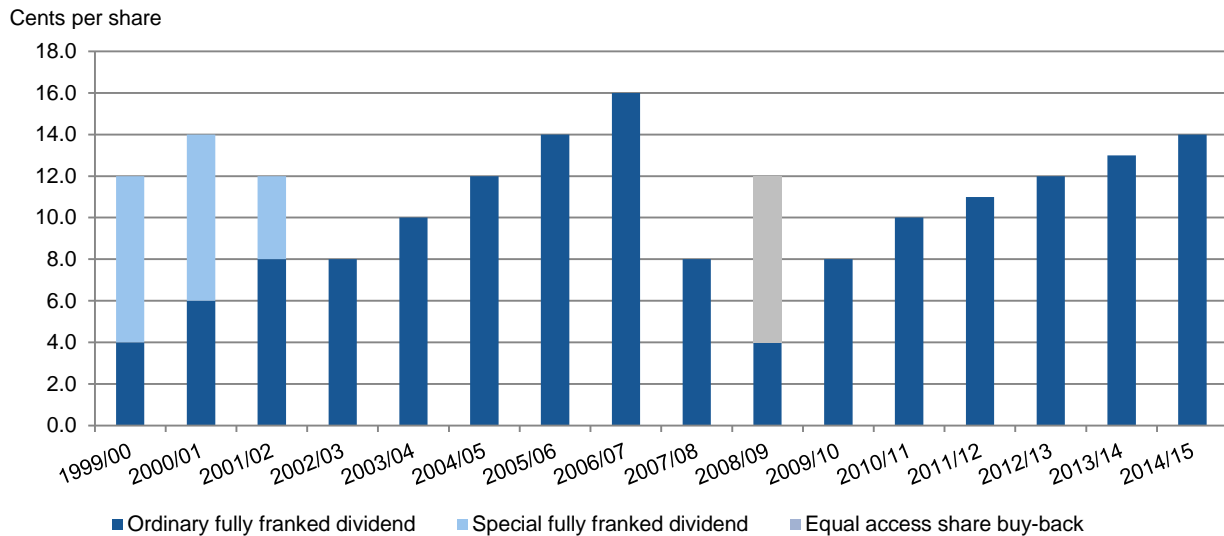
AS AT 31 DECEMBER 2015



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 30 October 2015, the Company paid 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.