

Investment Update & Net Tangible Assets Report

AS AT 29 FEBRUARY 2016



Performance

Performance at 29 February 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	-2.6%	6.7%	10.5%	12.5%	13.9%	13.5%	12.9%	17.7%
S&P/ASX All Ordinaries Accumulation Index	-1.5%	-3.1%	-6.4%	-12.2%	3.2%	4.6%	4.5%	7.5%
Outperformance	-1.1%	+9.8%	+16.9%	+24.7%	+10.7%	+8.9%	+8.4%	+10.2%

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

Net Tangible Assets (NTA) figures

NTA before tax	186.82c
NTA after tax and before tax on unrealised gains	185.87c
NTA after tax	182.21c

These figures are after the payment of \$1.1m (0.23 cents per share) in tax during the month.
Includes 1.0 cents of tax assets resulting from the merger with Premium Investors.

Market overview

Extreme volatility continued to characterise the Australian equity market in February. The S&P/ASX All Ordinaries Accumulation Index fell sharply in the first half of the month and after recovering some ground, the Index finished the month slightly lower, down 1.5%. The Australian share market entered a technical bear market in February, declining 20% from its April 2015 high.

The overall tone of the market leading into reporting season was fairly bearish on account of the prevailing macroeconomic environment. Although market conditions were volatile and expectations were low, company results were relatively good and ahead of expectations outside the mining sector. Early in the season, the market's negative sentiment overrode the positive results delivered by a number of companies, causing considerable volatility in their share prices, particularly businesses with high levels of debt.

With further volatility expected, positive performance will continue to be limited to a number of industry sectors and will be very much stock-specific. While the Australian share market may fall further in the short to medium term, we believe that over the course of the bear market, opportunities will become more apparent. A historical analysis of bear markets reveals that after reaching a low point, the share market rebounds sharply with the majority of gains being made immediately after the market hits its bottom. Research also shows that while the average bull market lasts for 55 months, the average bear market lasts just 17 months. Our current high cash weighting ensures we are well positioned to seize opportunities as and when they arise.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$892.9m
Market cap	\$1,015.6m
Share price	\$2.17
NTA before tax	\$1.87
Shares on issue	468,006,885
Fully franked annualised interim dividend (FY2016)	14.5c
Dividend yield	6.7%

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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Diversified portfolio

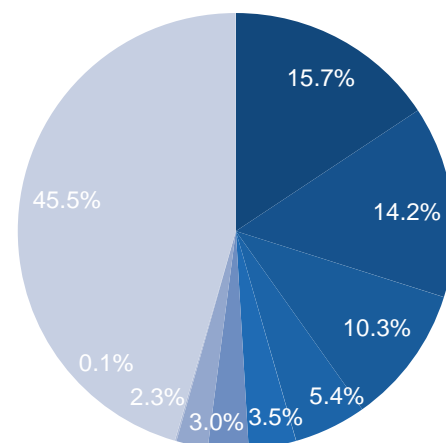
Investment Type	January 2016		February 2016	
	\$m	%	\$m	%
Listed Equities	514.2	55.4	486.3	54.5
Fixed Interest & Cash	414.3	44.6	406.7	45.5
Long Portfolio	928.5	100.0	893.0	100.0
Short Portfolio	(9.5)	(1.0)	(0.1)	(0.0)
Gross Assets	\$919.0m		\$892.9m*	
Total shares on issue	468,006,885		468,006,885	

*This figure is after the payment of \$1.1m (0.23 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	29,945,530	3.4%
SGF	SG Fleet Group Limited	18,021,171	2.0%
CYA	Century Australia Investments Limited	17,270,698	1.9%
RCG	RCG Corporation Limited	14,668,299	1.6%
MYX	Mayne Pharma Group Limited	14,077,332	1.6%
SIQ	Smartgroup Corporation Limited	13,842,784	1.6%
AOG	Aveo Group	13,414,074	1.5%
SRX	Sirtex Medical Limited	12,301,216	1.4%
TRS	The Reject Shop Limited	11,680,678	1.3%
GJT	Galileo Japan Trust	11,297,879	1.3%
AGF	AMP Capital China Growth Fund	10,730,664	1.2%
VOC	Vocus Communications Limited	10,597,319	1.2%
MYR	Myer Holdings Limited	10,308,689	1.2%
TWE	Treasury Wine Estates Limited	10,120,852	1.1%
TPM	TPG Telecom Limited	9,642,087	1.1%
SEK	Seek Limited	9,236,899	1.0%
PBG	Pacific Brands Limited	9,204,922	1.0%
MMS	McMillan Shakespeare Limited	9,160,375	1.0%
SXL	Southern Cross Media Group Limited	8,948,199	1.0%
MTS	Metcash Limited	8,927,413	1.0%

Sector allocation



- Financials 15.7%
- Consumer Discretionary 14.2%
- Industrials 10.3%
- Health Care 5.4%
- Consumer Staples 3.5%
- Information Technology 3.0%
- Telecommunication Services 2.3%
- Materials 0.1%
- Cash and Fixed Interest: 45.5%

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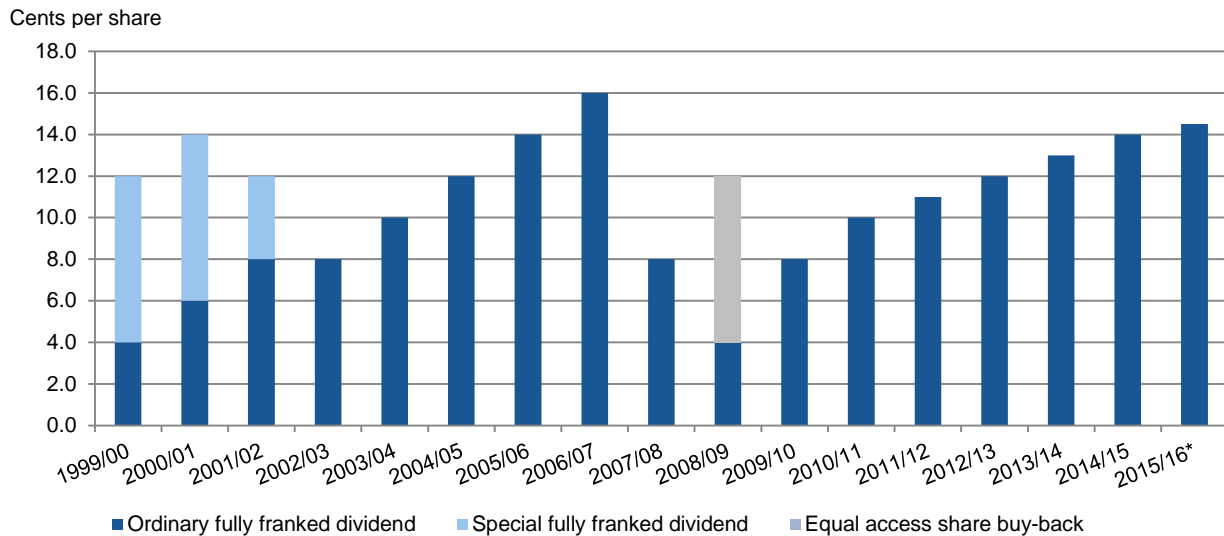
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Dividend growth

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