

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2014



Performance

Performance at 30 April 2014	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 [*]	-0.8%	1.5%	18.2%	14.4%	13.3%	20.0%	13.7%	18.1%
S&P/ASX All Ordinaries Accumulation Index	1.3%	3.0%	18.6%	10.4%	8.4%	12.5%	9.4%	8.6%
Outperformance	-2.1%	-1.5%	-0.4%	+4.0%	+4.9%	+7.5%	+4.3%	+9.5%

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

Net Tangible Assets (NTA) figures

NTA before tax	178.23c [*]
NTA after tax and before tax on unrealised gains	178.81c ^{**}
NTA after tax	174.20c ^{**}

^{*} This figure is after the payment of 0.5 cents in tax during the month.

^{**} Includes 2.8 cents of tax assets resulting from the merger with Premium Investors.

Market overview

The S&P/ASX All Ordinaries Accumulation Index climbed 1.3% in April driven higher by the four major banks as they approached their interim reporting season. During the month, the S&P/ASX All Ordinaries Index reached a six year high with the Index now up 35.6% from its lows of June 2012 and up 14.6% for the financial year to date.

Markets overseas also rose in April. American equities continued to move higher hitting all-time highs in spite of macroeconomic data and the Federal Reserve continuing to taper its Quantitative Easing ('QE') program. We believe the technology sector is losing momentum with recent IPOs in the sector performing poorly and high profile stocks, such as Twitter, experiencing volatility. As we foreshadowed following our trip to China earlier this year, the world's second largest economy is adjusting to a lower growth environment.

In the short term, we maintain a cautious outlook for Australian equities with the Price to Earnings (P/E) ratios of stocks across various industries trading significantly higher than their historical averages. We predict the market will finish the calendar year flat. Subject to growth in economic activity driven by low interest rates, our view of the share market over the medium and longer term is more optimistic. The investment portfolio currently has a cash weighting of 41.2% ensuring the Company is well positioned to seize on opportunities in the market when they arise.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$608.9m
Market cap	\$664.2m
Share price	\$1.95
NTA before tax	\$1.79
Shares on issue	340,603,969
Fully franked annualised interim dividend (FY2014)	13.0c
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 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 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

Martin Hickson

Senior Equity Analyst/Dealer

Matthew Haupt

Equity Analyst

Mark Tobin

Equity Analyst

Meredith Hemsley

Corporate Affairs

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2014



Diversified portfolio

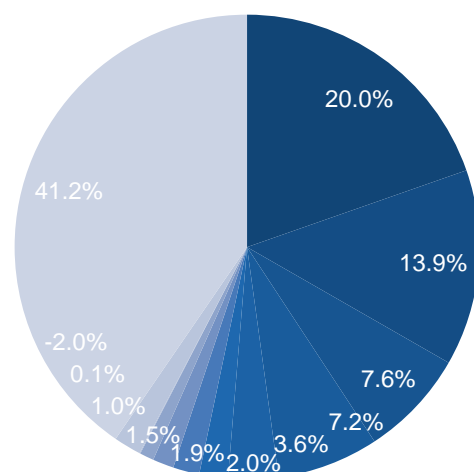
Investment Type	March 2014		April 2014	
	\$m	%	\$m	%
Listed Equities	395.8	62.7	364.9	58.8
Fixed Interest & Cash	235.3	37.3	255.9	41.2
Long Portfolio	631.1	100.0%	620.8	100.0%
Short Portfolio	(17.3)	(2.8)	(11.9)	(2.0)
Gross Assets	\$613.8m		\$608.9m*	
Total shares on issue	338,667,164		340,603,969	

*This is after the payment of 0.5 cents in tax during the month.

Top holdings

Code	Company	Market Value as % Gross Assets
CBAPA	CBA Perpetual Exc Resale Listed Sec - PERLS IV	3.6%
CYA	Century Australia Investments Limited	2.3%
DNA	Donaco International Limited	1.9%
ANZPB	ANZ Convertible Preference Share - CPS2	1.7%
SGH	Slater & Gordon Limited	1.6%
WIC	Westoz Investment Company Limited	1.6%
AAD	Ardent Leisure Group	1.6%
DLX	DuluxGroup Limited	1.6%
HIL	Hills Limited	1.5%
IPE	IPE Limited	1.5%
AHE	Automotive Holdings Group Limited	1.4%
CSR	CSR Limited	1.3%
MQA	Macquarie Atlas Roads Group	1.2%
DJS	David Jones Limited	1.2%
TNE	Technology One Limited	1.2%
FXJ	Fairfax Media Limited	1.1%
BHP	BHP Billiton Limited	1.1%
FBU	Fletcher Building Limited	1.1%
NEA	Nearmap Limited	1.1%
FLT	Flight Centre Travel Group Limited	1.0%

Sector allocation



- Financials: 20.0%
- Consumer Discretionary: 13.9%
- Industrials: 7.6%
- Materials: 7.2%
- Information Technology: 3.6%
- Telecommunication Services: 2.0%
- Consumer Staples: 1.9%
- Health Care: 1.5%
- Utilities: 1.0%
- Energy: 0.1%
- Short stock: -2.0%
- Cash and Fixed Interest: 41.2%

Investment Update & Net Tangible Assets Report

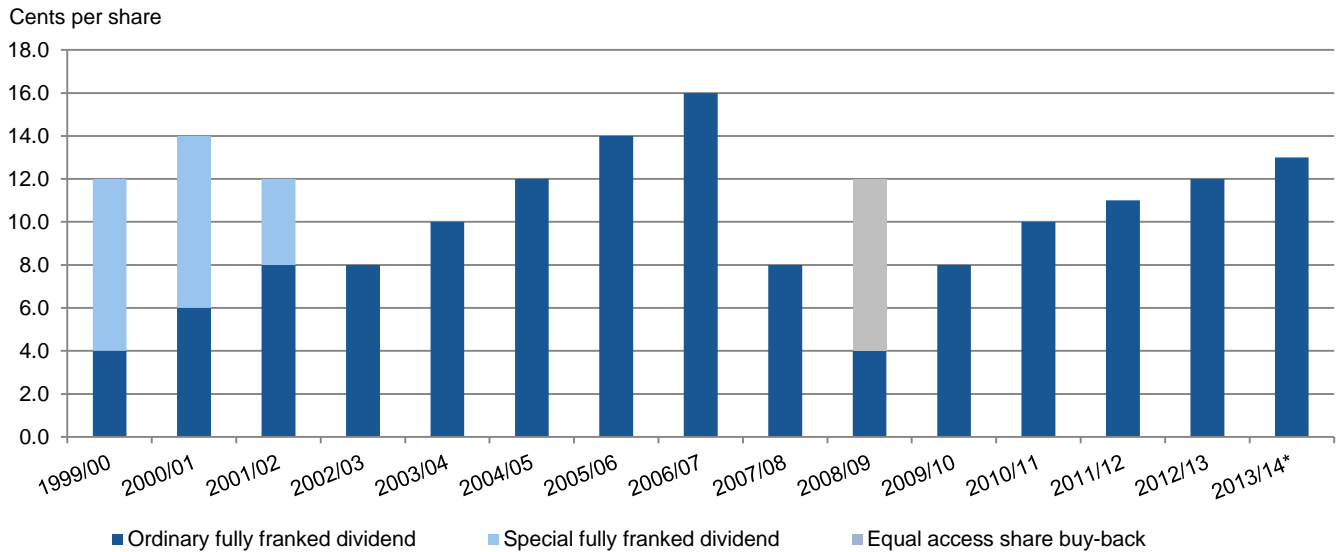
AS AT 30 APRIL 2014



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. Dividends are 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 31 March 2014, the Company paid a fully franked interim dividend of 6.5 cents per share. This was an increase of 8.3% on the previous corresponding period and represents an annualised fully franked dividend yield of 6.7%, based on the last closing price.

Upcoming Investor Roadshow dates

Adelaide	22 May 2014
Brisbane	23 May 2014
Melbourne	27 May 2014
Sydney	28 May 2014

Full details are provided on our website. We look forward to seeing you there.