

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2015



Performance

| Performance at 30 April 2015 | 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 [*] | 0.7% | 9.6% | 15.1% | 16.1% | 18.3% | 15.2% | 14.2% | 18.0% |
| S&P/ASX All Ordinaries Accumulation Index | -1.5% | 7.1% | 11.1% | 10.2% | 13.7% | 8.2% | 8.4% | 8.7% |
| Outperformance | +2.2% | +2.5% | +4.0% | +5.9% | +4.6% | +7.0% | +5.8% | +9.3% |

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

Net Tangible Assets (NTA) figures

The following NTA figures are **after** the 7.0 cents per share fully franked interim dividend paid on 30 April 2015.

| | |
|--|----------------------------|
| NTA before tax | 183.46c |
| NTA after tax and before tax on unrealised gains | 184.22c[*] |
| NTA after tax | 179.80c[*] |

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

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 1.5% in April. The banking sector weighed heavily on the market late in the month, as it reacted negatively to news of potential regulatory tightening. This led to one of the sharpest falls in a day this calendar year, wiping \$20 billion off the banking sector's market capitalisation. Unsurprisingly Westpac Banking Corporation (ASX: WBC), Commonwealth Bank of Australia (ASX: CBA), Australia and New Zealand Banking Group (ASX: ANZ) and National Australia Bank (ASX: NAB) were the biggest detractors from the index in the month.

US markets continued to rally with the S&P500 gaining 0.9% and the Nasdaq 0.8% higher at the end of the month. This came despite poor US economic data with employment, inflation and GDP data weaker than expected, leading investors to once again push out expectations of an interest rate rise from the US Federal Reserve. European equity markets experienced a positive month, with strong company earnings supporting the region. China's markets surprised during the month, with the Shanghai composite posting a 18.5% gain despite slowing growth.

Our outlook for the remainder of the year is mixed as we believe valuations are full, notwithstanding the likelihood of further rate cuts. The market continues to experience increasing initial public offering activity and we are actively monitoring and participating in opportunities as they arise.

WAM Capital Limited

| | |
|--|--------------------|
| ASX Code | WAM |
| Listed | Aug 1999 |
| Gross assets | \$836.4m |
| Market cap | \$875.0m |
| Share price | \$1.94 |
| NTA before tax | \$1.83 |
| Shares on issue | 451,050,715 |
| Fully franked annualised interim dividend (FY2015) | 14.0c |
| Dividend yield | 7.2% |

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

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

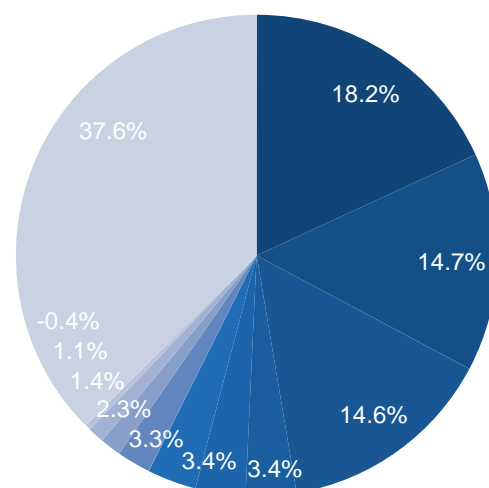
| Investment Type | March 2015 | | April 2015 | |
|-----------------------|-------------|--------|-------------|--------|
| | \$m | % | \$m | % |
| Listed Equities | 537.5 | 62.6 | 524.2 | 62.4 |
| Fixed Interest & Cash | 321.8 | 37.4 | 315.3 | 37.6 |
| Long Portfolio | 859.3 | 100.0% | 839.5 | 100.0% |
| Short Portfolio | (3.1) | (0.4) | (3.1) | (0.4) |
| Gross Assets | \$856.2m | | \$836.4m* | |
| Total shares on issue | 447,215,071 | | 451,050,715 | |

* This is after payment of the 7.0 cent fully franked interim dividend during the month.

Top holdings

| Code | Company | Market Value \$ | Market Value as % Gross Assets |
|------|---------------------------------------|--------------------|-----------------------------------|
| HHV | Hunter Hall Global Value Limited | 28,194,782 | 3.4% |
| TOL | Toll Holdings Limited | 16,972,748 | 2.0% |
| ASB | Austal Limited | 16,032,411 | 1.9% |
| SGH | Slater & Gordon Limited | 15,822,744 | 1.9% |
| TPM | TPG Telecom Limited | 15,182,480 | 1.8% |
| CYA | Century Australia Investments Limited | 14,579,533 | 1.7% |
| ECX | Eclix Group Limited | 14,114,543 | 1.7% |
| MYX | Mayne Pharma Group Limited | 13,336,953 | 1.6% |
| EGP | Echo Entertainment Group Limited | 12,950,713 | 1.5% |
| RFG | Retail Food Group Limited | 12,924,366 | 1.5% |
| BAP | Burson Group Limited | 11,943,627 | 1.4% |
| ENE | Energy Developments Limited | 11,848,690 | 1.4% |
| ISU | iSelect Limited | 11,246,756 | 1.3% |
| MTR | Mantra Group Limited | 10,062,407 | 1.2% |
| CSV | CSG Limited | 9,912,765 | 1.2% |
| CCP | Credit Corp Group Limited | 9,683,656 | 1.2% |
| FXJ | Fairfax Media Limited | 9,631,491 | 1.2% |
| MMS | McMillan Shakespeare Limited | 9,591,147 | 1.1% |
| CSR | CSR Limited | 9,360,330 | 1.1% |
| IPH | IPH Limited | 9,341,192 | 1.1% |

Sector allocation



- Consumer Discretionary: 18.2%
- Industrials: 14.7%
- Financials: 14.6%
- Information Technology: 3.4%
- Health Care: 3.4%
- Telecommunication Services: 3.3%
- Consumer Staples: 2.3%
- Utilities: 1.4%
- Materials: 1.1%
- Short Stock: -0.4%
- Cash and Fixed Interest: 37.6%

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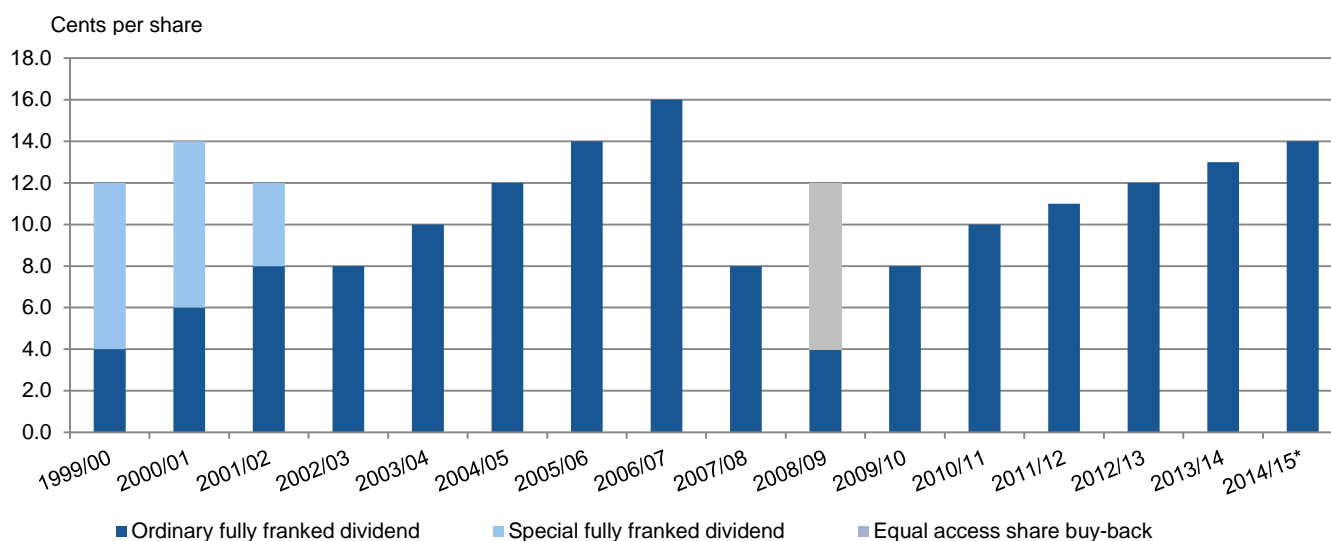
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Dividend growth

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



*Annualised interim dividend

On 30 April 2015, the Company paid a fully franked interim dividend of 7.0 cents per share, an increase of 7.7% on the previous corresponding period. The dividend reinvestment price was \$1.9154 after the 2.5% discount.

Upcoming investor presentations

| Date | City | Location | Time |
|--------------------------|-----------|---|------------------|
| Tuesday 19 May 2015 | Sydney | Wesley Conference Centre Wesley Theatre 220 Pitt Street | 9.30am – 11.20am |
| Wednesday 20 May 2015 | Adelaide | The Playford 120 North Terrace | 9.30am – 11.20am |
| Friday 22 May 2015 | Brisbane | Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Streets South Bank | 9.30am – 11.20am |
| Tuesday 26 May 2015 | Melbourne | Rydges Hotel 186 Exhibition St | 9.30am – 11.20am |
| Thursday 28 May 2015 | Canberra | Belconnen Premier Hotel 110 Benjamin Way Belconnen | 9.30am – 11.20am |
| Thursday 4 June 2015 | Perth | Rydges Hotel 815 Hay Street | 9.30am – 11.20am |

If you wish to attend one of our investor presentations, please RSVP by email to info@wamfunds.com.au or call Mary-Ann on (02) 9258 4998.