

Investment Update & Net Tangible Assets Report

AS AT 31 AUGUST 2013



Outperformance against sharemarket

Performance at 31 August 2013	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	3.9%	5.6%	7.8%	26.8%	16.0%	15.3%	14.4%	18.3%
S&P/ASX All Ordinaries Accumulation Index	2.6%	2.2%	8.2%	23.2%	9.6%	4.1%	9.3%	8.3%
Outperformance	+1.3%	+3.4%	-0.4%	+3.6%	+6.4%	+11.2%	+5.1%	+10.0%

Net Tangible Assets (NTA) figures

NTA before tax	175.83c
NTA after tax and before tax on unrealised gains	179.30c*
NTA after tax	174.36c*

*Includes 3.8 cents of tax assets resulting from the merger with Premium Investors. The above figures are after 2,212,099 options exercised during the month.

Market overview

Although the reporting season was characterised by subdued company results, the S&P/ASX All Ordinaries Accumulation Index ('Index') increased 2.6% in August, adding to the previous month's gains. The market's performance can be attributed to the strength of mining stocks in response to China's GDP growth forecast of approximately 7% and renewed confidence of a 'soft-landing'.

We believe that the Coalition's win has injected confidence into the economy with increases to consumer and business sentiment reported in the last week. We expect the Coalition's policies will benefit various industries including, internet service providers, miners, airlines and car retailers.

With global macro-economic conditions improving, record low interest rates, comparatively low unemployment and consumer sentiment firming, we believe the outlook for the Australian economy is positive. Reflecting our view, we have found a number of new investment opportunities recently exposed to a cyclical recovery.

Corporate activity has ramped-up in recent weeks boosted by Australia's improving economic outlook with a number of takeover offers for companies we own shares in: Miclyn Express Offshore Limited (MIO), The Trust Company Limited (TRU), Warrnambool Cheese and Butter Factory Company Holdings Limited (WCB) and RHG Limited (RHG). We expect corporate activity will continue to increase over coming months.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$568.3m
Market cap	\$586.0m
Share price	\$1.835
NTA before tax	\$1.76
Shares on issue	319,320,612
Fully franked dividends (FY2013)	12.0c
Dividend yield	6.5%

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 primarily small-to-medium sized industrial companies listed on the Australian Securities Exchange. WAM also provides 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

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Portfolio structure

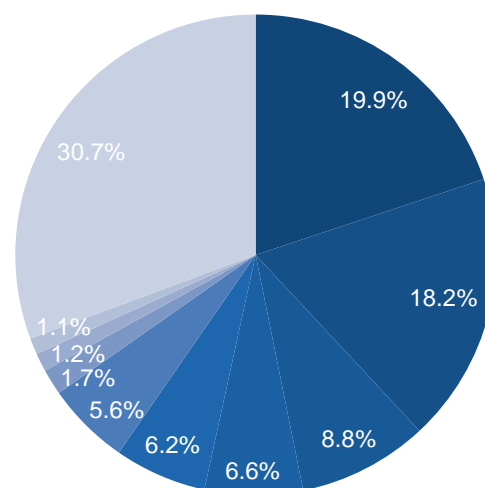
Investment Type	July 2013		August 2013	
	\$m	%	\$m	%
Listed Equities	320.7	58.7	394.1	69.3
Fixed Interest & Cash	226.0	41.3	174.2	30.7
Long Portfolio	546.7	100.0%	568.3	100.0%
Short Portfolio	(2.3)	(0.4%)	(0.0)	(0.0)
Gross Assets	\$544.4m		\$568.3m	
Total shares on issue	317,108,513		319,320,612*	

*During the month, the final 2,212,099 options were exercised.

Top holdings

Code	Company	Market Value as % Gross Assets
GNC	Graincorp Limited	5.1%
CLO	Clough Limited	4.3%
HIL	Hills Holdings Limited	2.1%
CYA	Century Australia Investments Limited	1.9%
RCR	RCR Tomlinson Limited	1.7%
SGH	Slater & Gordon Limited	1.6%
MFG	Magellan Financial Group Limited	1.5%
MTU	M2 Telecommunications Group Limited	1.5%
AHE	Automotive Holdings Group Limited	1.5%
IPE	ING Private Equity Access Limited	1.4%
ELI	Emerging Leaders Investments Limited	1.3%
NXT	NEXTDC Limited	1.3%
CSV	CSG Limited	1.3%
SFW	SFG Australia Limited	1.3%
TPM	TPG Telecom Limited	1.2%
MQA	Macquarie Atlas Roads Group	1.2%
CGF	Challenger Limited	1.1%
CYG	Coventry Group Limited	1.1%
VRL	Village Roadshow Limited	1.1%
SDG	Sunland Group Limited	1.1%

Sector allocation



- Financials 19.9%
- Industrials 18.2%
- Consumer Discretionary 8.8%
- Consumer Staples 6.6%
- Information Technology 6.2%
- Telecommunication Services 5.6%
- Materials 1.7%
- Health Care 1.2%
- Energy 1.1%
- Cash and Fixed Interest 30.7%

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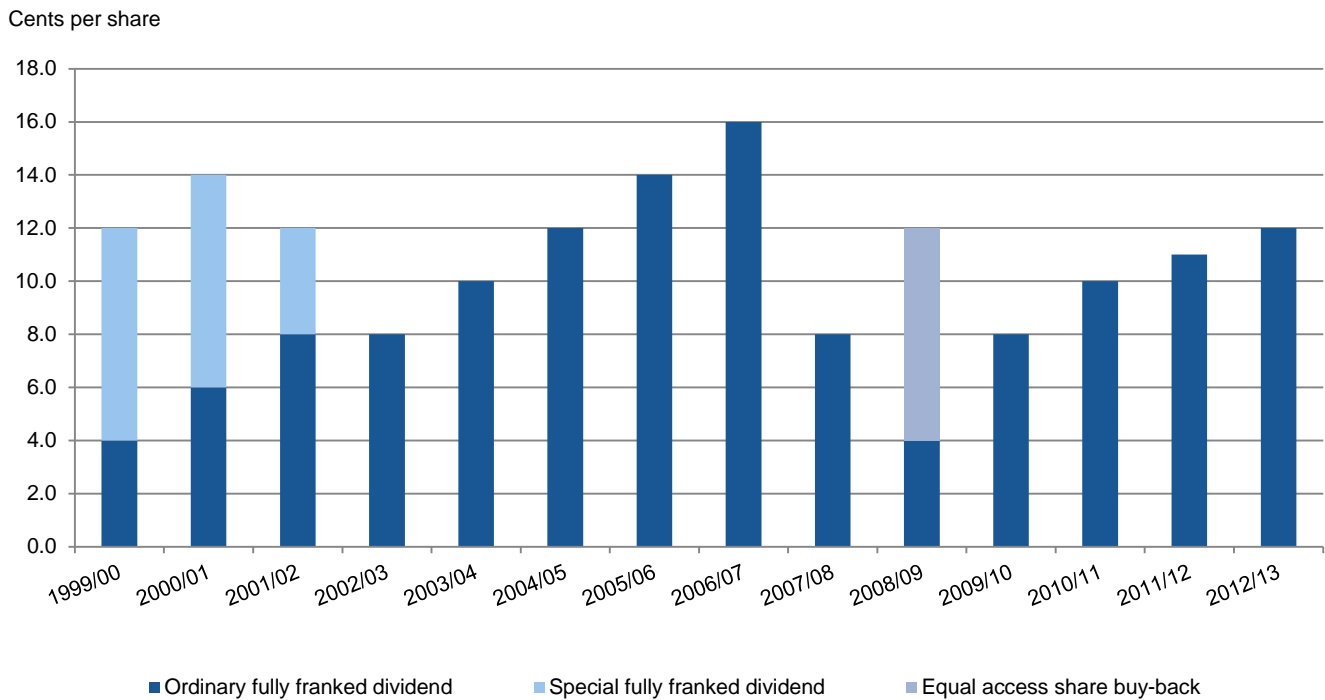
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Dividends

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



On 19 July 2013, the Company announced a fully franked final dividend of 6.0 cents per share, an increase of 9.1% on the previous corresponding period. The final dividend brings the total dividend for FY2013 to 12.0 cents per share and represents a fully franked annual dividend yield of 6.3%, based on the last closing price.

The dividend re-investment plan will be operating at a 2.5% discount. To participate in the dividend reinvestment plan, shareholders should send their election to the Company's share registrar (Boardroom) no later than 11 October 2013.

Key dividend dates

Ex date: 4 October 2013
Record date: 11 October 2013
Payment date: 18 October 2013