

Investment Update & Net Tangible Assets Report

AS AT 28 FEBRUARY 2015



Performance

Performance at 28 February 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*	5.5%	6.9%	12.6%	14.0%	18.3%	15.7%	13.4%	18.0%
S&P/ASX All Ordinaries Accumulation Index	7.0%	7.1%	12.7%	13.6%	15.2%	9.5%	8.0%	8.9%
Outperformance	-1.5%	-0.2%	-0.1%	+0.4%	+3.1%	+6.2%	+5.4%	+9.1%

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

Net Tangible Assets (NTA) figures

NTA before tax	187.87c
NTA after tax and before tax on unrealised gains	189.52c*
NTA after tax	183.15c*

* Includes 2.0 cents of tax assets resulting from the merger with Premium Investors.

Market overview

The S&P/ASX All Ordinaries Accumulation Index continued its strong start to 2015 to close up 7% in February. The market rally was sparked by the Reserve Bank of Australia's surprise decision to reduce the cash rate to 2.25%. Our expectation is that interest rates will be reduced again during the remainder of 2015 which will have a positive impact on Australian economic growth which is waning.

Domestic earnings season revealed little change in the environment domestically for many companies, with weak revenues and a focus on costs. Interest in expansion was also still limited and the emphasis on distributing earnings remained, with more companies lifting dividends. Corporate earnings continued to be weak, in particular in the resources sector which is adjusting to the end of the mining boom. Companies linked to the strong residential housing sector delivered strong results as expected, in particular companies exposed to the Sydney housing market.

In addition to low interest rates both domestically and globally, we expect four drivers will continue to define the Australian equities market throughout the remainder of 2015: global quantitative easing, a falling Australian dollar, a low oil price and corporate earnings. Overall, we remain cautious and are well positioned to capitalise on opportunities as they arise.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$651.8m
Market cap	\$715.0m
Share price	\$2.07
NTA before tax	\$1.88
Shares on issue	345,405,201
Fully franked annualised interim dividend (FY2015)	14.0c
Dividend yield	6.8%

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

Investment Update & Net Tangible Assets Report

AS AT 28 FEBRUARY 2015



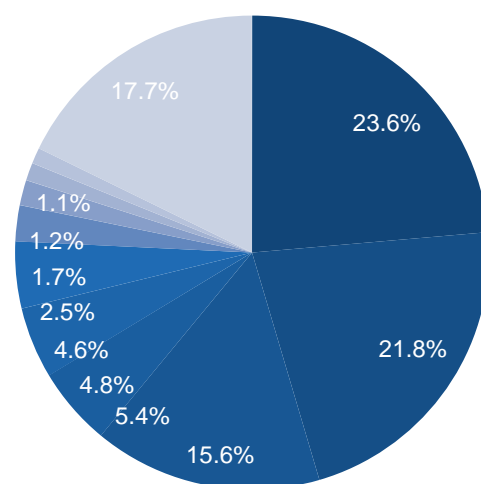
Diversified portfolio

Investment Type	January 2015		February 2015	
	\$m	%	\$m	%
Listed Equities	350.9	56.4	536.1	82.3
Fixed Interest & Cash	271.3	43.6	115.7	17.7
Long Portfolio	622.2	100.0%	651.8	100.0%
Short Portfolio	(2.8)	(0.5)	(0.0)	(0.0)
Gross Assets	\$619.4m		\$651.8m	
Total shares on issue	345,405,201		345,405,201	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	21,835,251	3.4%
CYA	Century Australia Investments Limited	15,134,189	2.3%
SGH	Slater & Gordon Limited	12,823,382	2.0%
IPH	IPH Limited	12,655,821	1.9%
CTD	Corporate Travel Management Limited	12,477,439	1.9%
RFG	Retail Food Group Limited	12,397,342	1.9%
CMG	Chandler Macleod Group Limited	12,210,930	1.9%
CSV	CSG Limited	11,721,833	1.8%
ASB	Austal Limited	11,484,963	1.8%
TPM	TPG Telecom Limited	11,288,466	1.7%
AHD	Amalgamated Holdings Limited	10,444,828	1.6%
MTR	Mantra Group Limited	9,605,830	1.5%
VED	Veda Group Limited	9,120,141	1.4%
IFL	IOOF Holdings Limited	9,103,210	1.4%
ISU	iSelect Limited	9,100,504	1.4%
QAN	Qantas Airways Limited	8,712,680	1.3%
MYR	Myer Holdings Limited	8,540,305	1.3%
CCP	Credit Corp Group Limited	8,449,415	1.3%
ALL	Aristocrat Leisure Limited	8,440,144	1.3%
ANN	Ansell Limited	8,225,207	1.3%

Sector allocation



- Financials: 23.6%
- Consumer Discretionary: 21.8%
- Industrials: 15.6%
- Information Technology: 5.4%
- Materials: 4.8%
- Telecommunication Services: 4.6%
- Health Care: 2.5%
- Consumer Staples: 1.7%
- Utilities: 1.2%
- Energy: 1.1%
- Cash and Fixed Interest: 17.7%

Investment Update & Net Tangible Assets Report

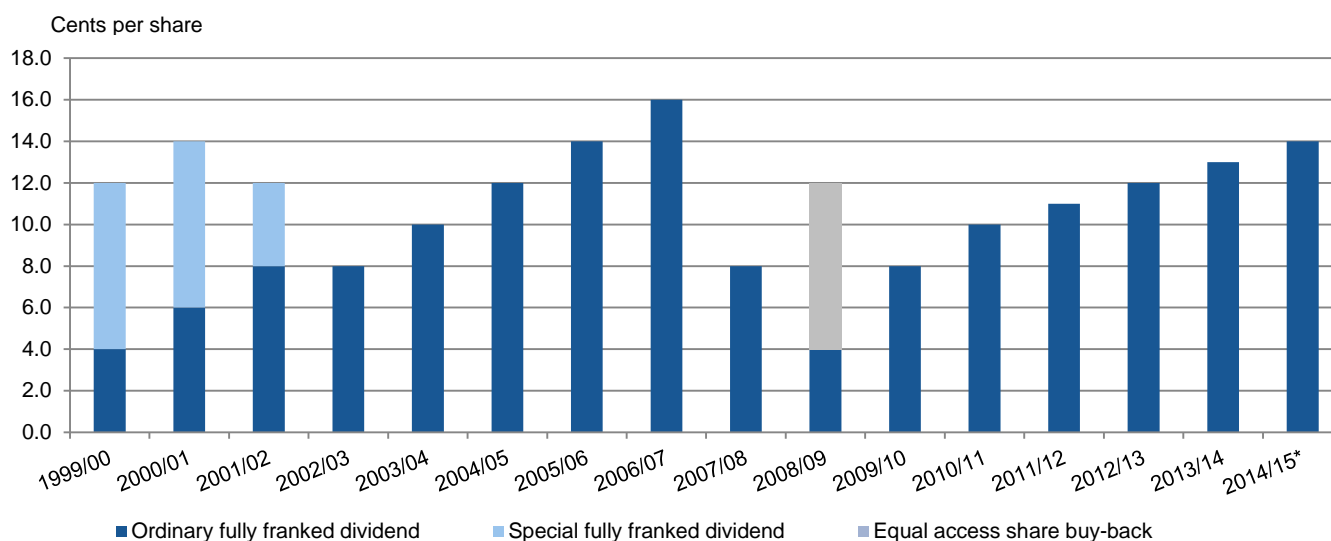
AS AT 28 FEBRUARY 2015



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



*Annualised interim dividend

On 12 January 2015, the Company announced a fully franked interim dividend of 7.0 cents per share, an increase of 7.7% on the previous corresponding period. The record date for this interim dividend is 22 April 2015. The interim dividend will be paid on 30 April 2015 and shares will trade ex dividend on 20 April 2015.

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 23 April 2015.

Share Purchase Plan and Placement

On 9 March 2015, the Company announced that the WAM Capital Limited (WAM) Share Purchase Plan ('SPP') and placement raised a combined \$193.5 million.

The SPP, announced 12 January 2015, offered existing shareholders the opportunity to acquire up to \$15,000 worth of ordinary shares at the fixed price of \$1.90 per share without incurring any brokerage or other charges. Despite more than 8,800 or 61% of WAM Capital shareholders taking up the offer, all successful applicants will get their full allocation of shares.

In addition, existing wholesale shareholders participated in a placement under the same terms as the SPP. The placement raised \$90.1 million as allowed by the ASX listing rules and was oversubscribed and was subject to scale back. Shareholders who participated in the SPP or placement will be entitled to the 7.0 cent fully franked interim dividend.