



WAM CAPITAL LTD (WAM)

ABN 34 086 587 395

INVESTMENT UPDATE & NET TANGIBLE ASSETS REPORT JUNE 2013

Exercise your options by 31 July 2013 to receive the proposed 6.0c per share fully franked final dividend

- Exercise price \$1.60
- WAM shares closed at \$1.665 on 11 July 2013
- Options cease trading on 24 July 2013
- WAMO closed at \$0.055 on 11 July 2013

Company overview

WAM Capital Limited ('WAM' or the 'Company') is a listed investment company that provides investors exposure to an actively managed diversified portfolio that concentrates on identifying undervalued growth companies. These are generally found in the small to medium industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities.

Investment objectives

The investment objectives are: to deliver a rising stream of fully franked dividends; to provide capital growth; and to preserve capital.

Outperformance against sharemarket

Performance as at 30 June 2013	1 Mth %	6 Mths %	1 Year %	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio	-0.5%	7.5%	22.7%	14.7%	13.6%	14.5%	17.9%
S&P/ASX All Ordinaries Accumulation Index	-2.6%	4.4%	20.7%	8.0%	2.2%	9.2%	7.8%
Outperformance	+2.1%	+3.1%	+2.0%	+6.7%	+11.4%	+5.3%	+10.1%

Consolidated Net Tangible Asset (NTA) figures

The following NTA figures are consolidated to include assets of Premium Investors, a 100% owned subsidiary of WAM. The figures below have not been adjusted for the 35,345,837 remaining options on issue with an exercise price of \$1.60 per share.

NTA before tax	165.74c
NTA after tax and before tax on unrealised gains	168.33c*
NTA after tax	166.27c*

* Includes 4.2 cents of tax assets resulting from the merger with Premium Investors.

The above figures are after the exercise of 1,113,156 options during the month.

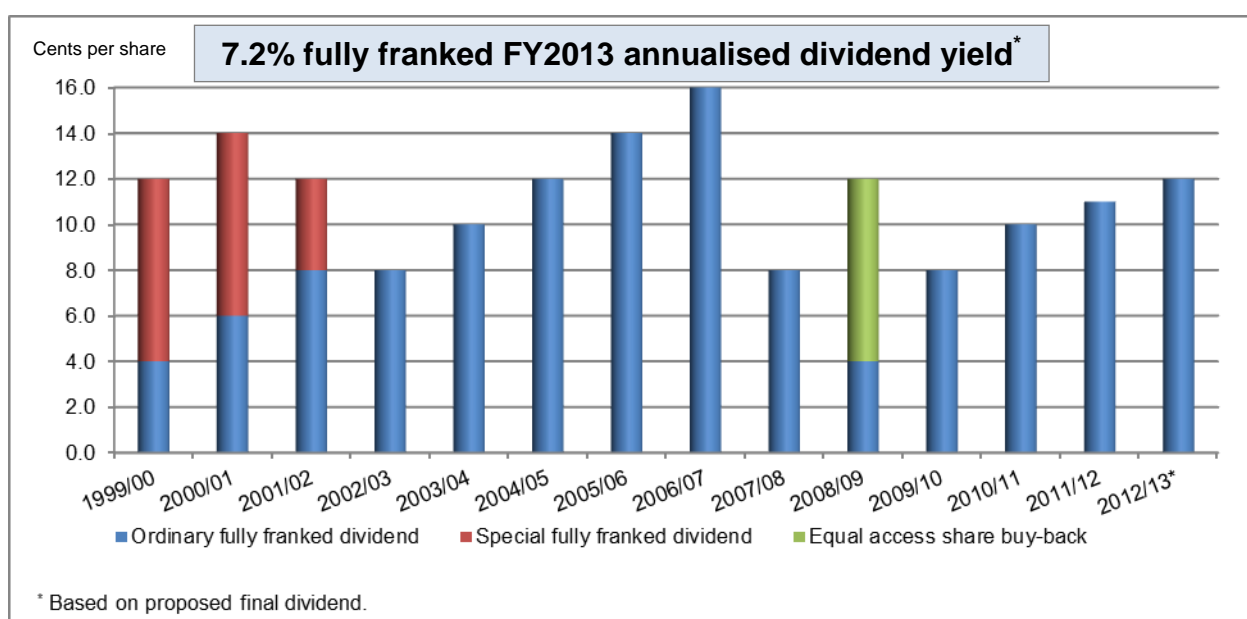
2013 Final Dividend Guidance - 6.0 cents per share fully franked

On 18 June 2013, the Company announced its intention to pay a fully franked final dividend of 6.0 cents per share for the year ending 30 June 2013, an increase of 9.1% on the previous corresponding period. The proposed dividend represents an annualised fully franked dividend yield of 7.2% based on the last sale price. The dividend payment will be reliant on profitability and the availability of franking credits.

The Company anticipates the record and payment date will be in October 2013. WAM Capital option holders will be entitled to the final dividend if they exercise their options before their expiry on 31 July 2013.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves, 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



* Based on the 11 July 2013 closing price.

Option issue – exercise at any time before 31 July 2013

On 2 April 2012, the Board announced a one-for-one bonus issue of options to acquire ordinary shares in the capital of the Company. Further options were issued as part of the placement in August 2012 and the merger with Premium Investors.

The options have an exercise price of \$1.60 per share and can be exercised at any time on or before 31 July 2013. The options give shareholders the right, but not the obligation, to subscribe for shares in WAM at \$1.60 per share. The options can be exercised in full or in part. The options are currently trading on the Australian Securities Exchange ('ASX') under the code WAMO and can be sold any time up until 24 July 2013.

As at 30 June 2013, 126,566,041 options had been exercised and allotted for a total consideration of \$202,505,666. The remaining balance of outstanding options is 35,345,837.

Market outlook

The S&P/ASX All Ordinaries Accumulation Index finished up 20.7% for the year - its best annual performance in six years, although down for the second consecutive month with the Index falling 2.6% in June. There were a number of company downgrades throughout the month including AMP Limited (AMP), Billabong International (BBG) and Cochlear (COH) - just some of the bigger names that lowered their earnings outlook. We do not hold any of these stocks in our portfolio. Mining and resources companies suffered further share price declines as concerns about China continued to weigh on the sector.

As we look ahead to 2014, we believe the Australian economy will lack any real impetus until after the federal election and a degree of certainty comes back into federal politics. We believe companies and consumers will remain cautious prior to the election and will delay making any major decisions, for example, those relating to capital expenditure. The year ahead will see the effect of the US Federal Reserve's reversal of their Quantitative Easing ('QE') programme on both bond and equity markets. To date, comments by the Federal Reserve Chairman Bernanke around the tapering of the current QE program have caused bond and share prices to fall sharply globally. Therefore, we do not expect to see a significant pick-up in the Australian economy until at least early 2014.

The softer economic conditions will make it difficult for companies to substantially grow earnings and we believe the current tough trading conditions will continue for the near-term. However, given the current cash levels in our portfolio (48.1%) we are well positioned to rapidly take advantage of opportunities when they present themselves.

Portfolio structure

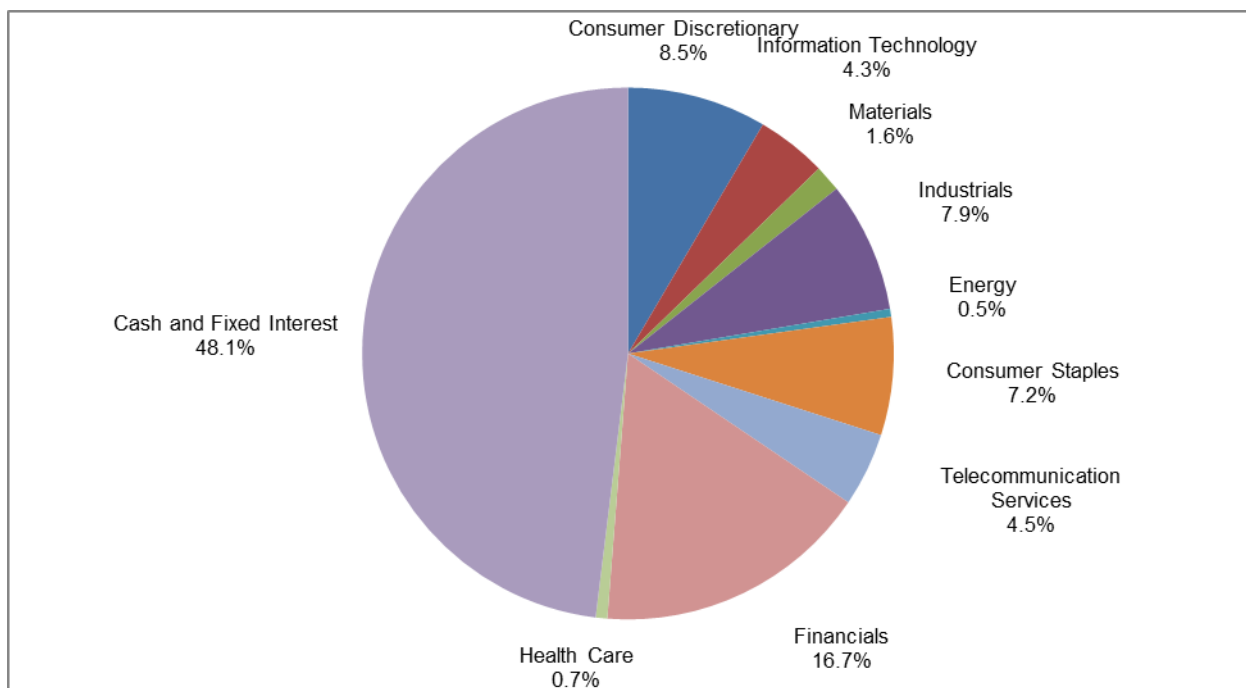
Investment Type	As at 31 May 2013		As at 30 June 2013	
	\$m	%	\$m	%
Listed Equities	274.0	55.4%	252.8	51.9%
Fixed Interest and Cash	220.4	44.6%	233.8	48.1%
Long Portfolio	494.4	100.0%	486.6	100.0%
Short Portfolio	-6.6	-1.3%	-	-
Total Fund Size	\$487.8m		\$486.6m	
	No.		No.	
Total ordinary shares on issue	291,001,791		292,114,947	
Total options on issue	36,458,993		35,345,837	

Portfolio structure (continued)

As at 30 June 2013, the major securities held in the WAM portfolio were as follows:

Code	Company	Market Value \$	Market Value as % Gross Assets
GNC	Graincorp Limited	29,246,342	6.0%
CYA	Century Australia Investments Limited	10,098,577	2.1%
MTU	M2 Telecommunications Group Limited	8,412,645	1.7%
SGH	Slater & Gordon Limited	7,456,435	1.5%
ELI	Emerging Leaders Investments Limited	6,786,697	1.4%
HIL	Hills Holdings Limited	6,649,556	1.4%
HVN	Harvey Norman Holdings Limited	6,602,208	1.4%
CSV	CSG Limited	6,214,450	1.3%
SFW	SFG Australia Limited	5,963,778	1.2%
CYG	Coventry Group Limited	5,855,312	1.2%
VRL	Village Roadshow Limited	5,668,083	1.2%
RCR	RCR Tomlinson Limited	5,528,373	1.1%
TPM	TPG Telecom Limited	5,413,760	1.1%
IBC	Ironbark Capital Limited	5,117,425	1.1%
WIC	Westoz Investment Company Limited	5,029,599	1.0%
MFG	Magellan Financial Group Limited	4,980,014	1.0%
IPE	ING Private Equity Access Limited	4,924,889	1.0%
SGN	STW Communications Group Limited	4,839,969	1.0%
NEA	Nearmap Limited	4,782,831	1.0%
SDG	Sunland Group Limited	4,781,966	1.0%

Portfolio structure – sector allocation



Performance – yearly comparison to S&P/ASX All Ordinaries Accumulation Index

Since inception, the WAM investment portfolio has outperformed the overall sharemarket. Set out below is the performance of WAM's investment portfolio since listing to 30 June 2013 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to the performance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

Financial Year	WAM Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
1999/2000	33.3%	11.3%	+22.0%
2000/2001	30.2%	8.9%	+21.3%
2001/2002	32.7%	-4.5%	+37.2%
2002/2003	12.3%	-1.1%	+13.4%
2003/2004	27.3%	22.4%	+4.9%
2004/2005	13.9%	24.8%	-10.9%
2005/2006	27.4%	24.2%	+3.2%
2006/2007	44.1%	30.3%	+13.8%
2007/2008	-23.0%	-12.1%	-10.9%
2008/2009	-3.2%	-22.2%	+19.0%
2009/2010	29.8%	13.8%	+16.0%
2010/2011	17.9%	12.2%	+5.7%
2011/2012	4.2%	-7.0%	+11.2%
2012/2013	22.7%	20.7%	+2.0%

Performance - monthly comparison

The table below shows the month-by-month performance of WAM against the S&P/ASX All Ordinaries Accumulation index since listing to 30 June 2013.

	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Jan 00	Feb 00	Mar 00	Apr 00
Investment Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%	+5.4%	+5.3%	-5.7%
S&P/ASX All Ord Accum	-2.5%	-1.2%	+0.5%	+5.4%	+5.6%	-0.7%	+1.9%	+0.5%	-1.5%
	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Jan 01
Investment Portfolio *	-2.9%	+3.6%	+2.9%	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
S&P/ASX All Ord Accum	-1.3%	+7.7%	-1.3%	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	Feb 01	Mar 01	Apr 01	May 01	Jun 01	July 01	Aug 01	Sep 01	Oct 01
Investment Portfolio *	-0.2%	-3.7%	+3.9%	+6.7%	+6.9%	-1.0%	+4.6%	-2.9%	+8.6%
S&P/ASX All Ord Accum	-0.2%	-4.8%	+5.7%	+1.6%	+3.8%	-4.5%	-1.3%	-6.7%	+6.8%
	Nov 01	Dec 01	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02
Investment Portfolio *	+3.8%	+3.3%	+7.0%	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
S&P/ASX All Ord Accum	+3.4%	+2.7%	+1.3%	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03
Investment Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%	-1.7%	-0.4%	+3.8%
S&P/ASX All Ord Accum	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%	-5.1%	+3.4%	+4.4%
	May 03	Jun 03	Jul 03	Aug 03	Sept 03	Oct 03	Nov 03	Dec 03	Jan 04
Investment Portfolio *	+1.5%	+3.5%	+3.6%	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
S&P/ASX All Ord Accum	+0.5%	+1.3%	+3.6%	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	Feb 04	Mar 04	Apr 04	May 04	Jun 04	Jul 04	Aug 04	Sep 04	Oct 04
Investment Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%	+1.2%	+2.5%	+2.9%
S&P/ASX All Ord Accum	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%	+1.1%	+3.8%	+3.1%
	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05
Investment Portfolio *	+3.3%	+0.7%	+2.7%	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
S&P/ASX All Ord Accum	+4.6%	+3.0%	+1.3%	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06
Investment Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%	+4.9%	+5.3%	+2.1%
S&P/ASX All Ord Accum	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%	+0.7%	+4.8%	+2.4%
	May 06	Jun 06	Jul 06	Aug 06	Sep 06	Oct 06	Nov 06	Dec 06	Jan 07
Investment Portfolio *	-2.3%	+0.5%	+0.4%	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
S&P/ASX All Ord Accum	-4.3%	+1.9%	-1.5%	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07	Oct 07
Investment Portfolio *	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+0.3%	-4.2%	+1.7%	+3.1%
S&P/ASX All Ord Accum	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	-1.9%	+1.7%	+5.8%	+3.1%
	Nov 07	Dec 07	Jan 08	Feb 08	Mar 08	Apr 08	May 08	Jun 08	Jul 08
Investment Portfolio *	-4.8%	-1.1%	-9.5%	-1.3%	-5.3%	+1.7%	+2.3%	-7.9%	-1.6%
S&P/ASX All Ord Accum	-2.4%	-2.4%	-11.2%	+0.3%	-4.1%	+4.6%	+2.4%	-7.3%	-5.2%
	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09
Investment Portfolio *	+1.7%	-5.3%	-9.2%	-5.6%	+3.1%	-1.5%	+1.1%	+2.6%	+5.2%
S&P/ASX All Ord Accum	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-4.3%	+8.1%	+6.1%
	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10
Investment Portfolio *	+3.6%	+3.9%	+8.2%	+7.6%	+6.9%	+2.3%	+0.6%	+1.6%	-2.4%
S&P/ASX All Ord Accum	+2.2%	+3.9%	+7.7%	+6.5%	+6.1%	-1.9%	+1.9%	+3.7%	-5.9%
	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Jul 10	Aug 10	Sept 10	Oct 10
Investment Portfolio *	-0.5%	+3.7%	+0.8%	-2.4%	+0.7%	+2.5%	+1.5%	+4.4%	+1.4%
S&P/ASX All Ord Accum	+1.8%	+5.8%	-1.2%	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%
	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11	Jun 11	Jul 11
Investment Portfolio *	+2.3%	+3.7%	+1.4%	+2.1%	+0.1%	+1.2%	-1.4%	-2.4%	+0.2%
S&P/ASX All Ord Accum	-0.7%	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%	-1.9%	-2.4%	-3.4%
	Aug 11	Sept 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12
Investment Portfolio *	-1.8%	-0.8%	+2.6%	-1.3%	-1.2%	+1.6%	+4.4%	+2.3%	+0.0%
S&P/ASX All Ord Accum	-2.0%	-6.3%	+7.2%	-3.4%	-1.6%	+5.2%	+2.4%	+1.2%	+1.1%
	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13
Investment Portfolio *	-2.2%	+0.5%	+1.7%	+2.7%	+1.7%	+2.6%	+0.9%	+3.9%	+5.1%
S&P/ASX All Ord Accum	-6.9%	+0.3%	+3.7%	+2.1%	+2.1%	+3.0%	+0.3%	+3.4%	+5.1%
	Feb 13	Mar 13	Apr 13	May 13	Jun 13				Since inception
Investment Portfolio *	+4.5%	+0.8%	+0.4%	-2.7%	-0.5%				+888.7%
S&P/ASX All Ord Accum	+5.2%	-2.2%	+3.8%	-4.4%	-2.6%				+185.3%

*The change in the investment portfolio before all expenses, fees and taxes.

For more information

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