

Investment update

As at 31 January 2017



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$2.00

Fully franked
dividend yield

6.3%

Gross assets

\$1,201.8m

Performance
(p.a. since August 1999)

18.0%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,201.8m
Market cap	\$1,433.7m
Share price	\$2.39
NTA before tax	\$2.00
Shares on issue	599,888,029
Annualised fully franked interim dividend (FY2017)	15.0c
Fully franked dividend yield	6.3%

Investment objectives

- Deliver shareholders a rising stream of fully franked dividends
- Provide capital growth
- Preserve capital

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Head of Trading
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Senior Equity Analyst

Company overview

WAM Capital Limited (ASX: WAM) is a listed investment company 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.

Key dividend dates

Ex date	13 April 2017
Record date	18 April 2017
Last election date for DRP	20 April 2017
Payment date	28 April 2017

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 0.8% for the month. Following the inauguration of President Trump, US equity markets continued their march higher with the Dow Jones Industrial Average Index breaking through 20,000 for the first time. More recently, concerns around the Trump administration's widening diplomatic rifts with both key allies and trade partners have weighed on markets. During the month, US Federal Reserve chair Janet Yellen said interest rates were likely to rise "a few times a year" for the next two years. Locally, domestic fourth-quarter inflation data fell short of expectations, with core inflation increasing 0.4% over the three months to December 2016 and 1.5% over the year, well below the Reserve Bank of Australia's 2-3% target range.

Investment news

During the month, Ardent Leisure Group (ASX: AAD) provided a trading update for its Dreamworld and Main Event businesses. Despite seeing attendance numbers increase steadily since re-opening on 10 December 2016, Dreamworld's unaudited revenue fell 63.0% to \$3.66 million, versus \$9.89 million recorded in December 2015. We monitored the daily visitation at Dreamworld and noted visitor numbers began to build over January following favourable weather conditions and the re-opening of rides. This was confirmed in a January trading update announced on 8 February 2017. In relation to the important Main Event division in the United States, Ardent confirmed US\$102.1 million in revenue for the six months to 31 December 2016, with average sales growth per centre down 2.9%. During the month of January a number of our market driven positions which were purchased for the Trump rally reached their valuation and were sold resulting in a sizeable short term increase in our cash.

Net tangible asset (NTA) figures

NTA before tax **199.80c**

NTA after tax and before tax on unrealised gains **197.74c**

NTA after tax **195.09c**

Performance

Performance at 31 January 2017	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*	0.2%	5.0%	9.9%	17.7%	16.9%	18.7%	11.7%	18.0%
S&P/ASX All Ordinaries Accumulation Index	-0.8%	2.6%	9.1%	17.1%	7.5%	10.3%	4.2%	8.2%
Outperformance	+1.0%	+2.4%	+0.8%	+0.6%	+9.4%	+8.4%	+7.5%	+9.8%

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

Investor conference call

Shareholders have the opportunity to take part in an investor conference call in which the investment team will provide an update on the WAM Capital investment portfolio and our equity market outlook. The call will also cover WAM Leaders, WAM Research and WAM Active.

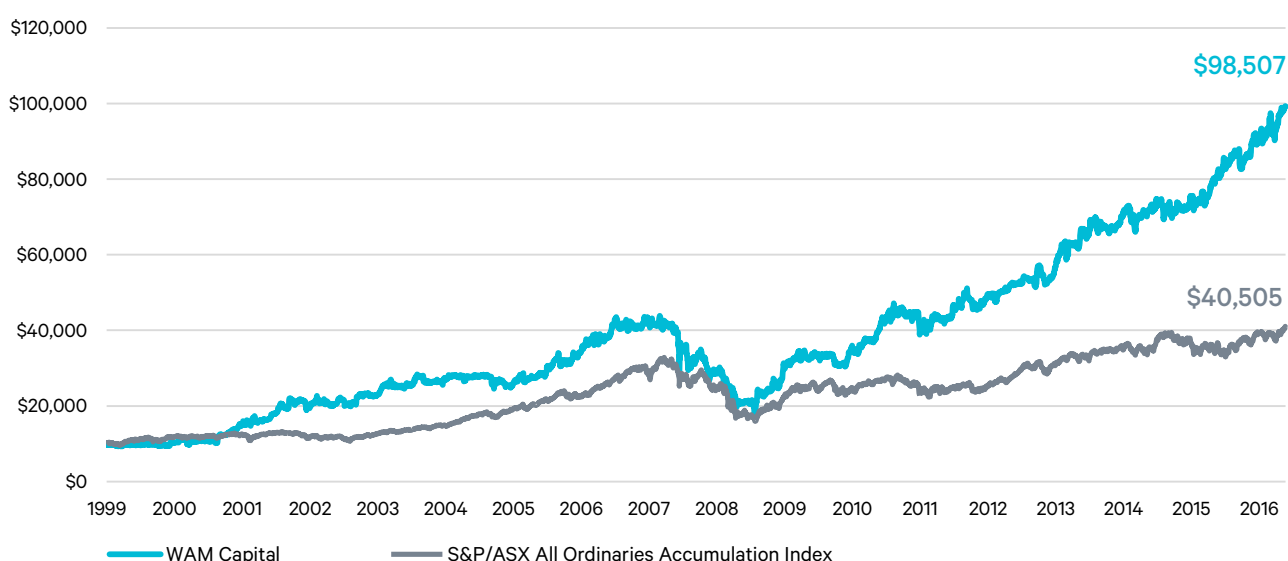
Date: Wednesday 8 March 2017

Time: 4:30pm – 5:30pm (AEST)

To register, please email Alexandra Hopper on investorcall@wilsonassetmanagement.com.au.

Growth of \$10,000 since inception

WAM Capital versus the Index



Diversified portfolio

Investment Type	December 2016		January 2017	
	\$m	%	\$m	%
Listed equities	799.3	66.6	654.3	54.4
Short portfolio	(0.0)	(0.0)	(6.6)	(0.5)
Fixed interest & cash	401.3	33.4	554.1	46.1
Gross assets	1,200.6m	100.0	1,201.8m	100.0
Total shares on issue	599,888,029		599,888,029	

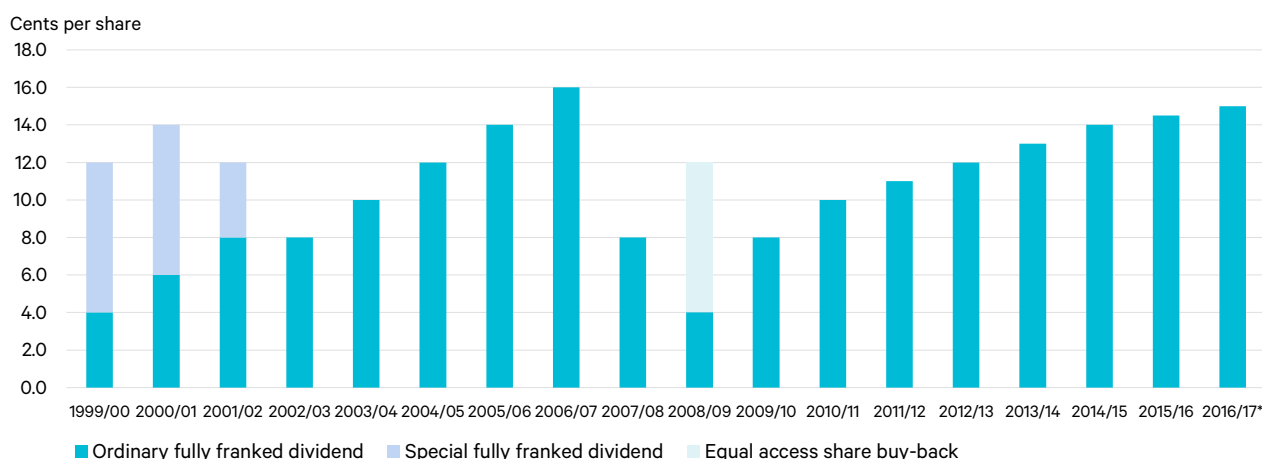
Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	SLC	Superloop Limited
NCK	Nick Scali Limited	CVO	Cover-More Group Limited
AAD	Ardent Leisure Group	ONE	Oneview Healthcare PLC
JBH	JB Hi-Fi Limited	NUF	Nufarm Limited
CYA	Century Australia Investments Limited	IMD	Imdex Limited
CGF	Challenger Limited	SXL	Southern Cross Media Group Limited
WOW	Woolworths Limited	HLO	Helloworld Limited
AFY	Afterpay Holdings Limited	TGG	Templeton Global Growth Fund Limited
RCG	RCG Corporation Limited	TWE	Treasury Wine Estates Limited
ECX	Eclix Group Limited	SLK	Sealink Travel Group Limited

Fully franked dividends

On 8 February 2017, the Board announced a fully franked interim dividend of 7.5 cents per share, an increase on last year's fully franked 7.25 cents per share interim dividend. The interim dividend will be paid on 28 April 2017 and will trade ex on 13 April 2017. The dividend reinvestment plan (DRP) is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 20 April 2017.

Fully franked dividends since inception



*Annualised Interim Dividend

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 usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.