

Investment update

As at 30 September 2017



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$1.97

Fully franked
dividend yield

6.0%

Gross assets

\$1,265.9m

Performance
(p.a. since August 1999)

17.5%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,265.9m
Market cap	\$1,596.0m
Share price	\$2.52
NTA before tax	\$1.97
Shares on issue	633,342,008
Fully franked dividends (FY2017)	15.0c
Fully franked dividend yield	6.0%

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	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

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.

Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

RESERVE YOUR PLACE NOW

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed relatively flat for the month.

Minutes from the Reserve Bank of Australia (RBA) indicated reduced demand for steel production in China would weigh on the iron ore price. Evidence of this was a fall of almost 20% in the iron ore price in September. During the month, the RBA Assistant Governor (Financial System) Michele Bullock said the central bank would continue to consider the heightened level of household debt in monetary policy decision-making, reaffirming our view that interest rates will remain on hold in the short term.

Globally, the US Federal Reserve announced it would start to unwind its balance sheet and indicated another rate increase before the end of the year was possible. US President Trump announced a simplified plan to cut corporate taxes that would reduce the corporate tax rate from 35% to 20% and eliminate tax on foreign profits.

November 2017 Shareholder Presentations

This week you will receive an invitation to our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).

Net tangible asset (NTA) figures

The following NTA figures are **before** the 7.5 cents per share fully franked final dividend due to be paid on 27 October 2017. The shares will trade ex dividend on 17 October 2017.

NTA before tax 196.82c*

NTA after tax and before tax on unrealised gains 197.21c**

NTA after tax 194.75c**

* The before tax figure is after the payment of \$221k (0.034 cents per share) in tax during the month.

** This includes 0.34cps of tax assets resulting from the acquisition of an unlisted investment company in April 2017.

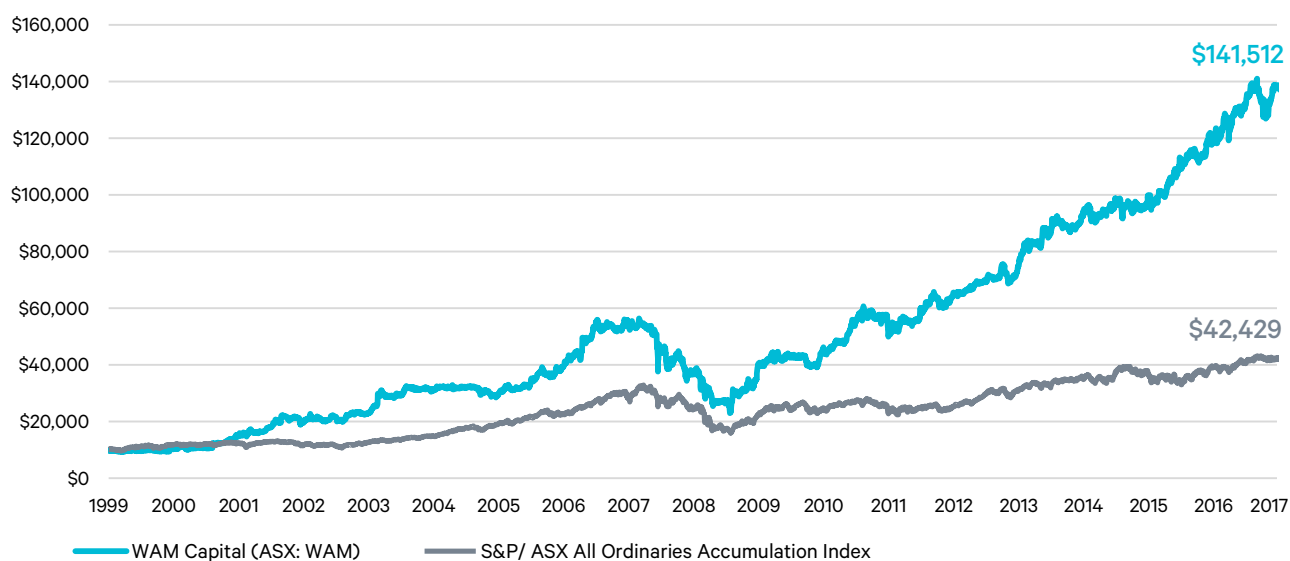
Performance

Performance at	1	Fin	6	1	3 yrs	5 yrs	10 yrs	Since
30 September 2017	1	YTD	6	1	3 yrs	5 yrs	10 yrs	Inception
	1	YTD	6	1	3 yrs	5 yrs	10 yrs	%pa
	1	YTD	6	1	3 yrs	5 yrs	10 yrs	(Aug-99)
	1	YTD	6	1	3 yrs	5 yrs	10 yrs	%pa
WAM Investment Portfolio*	0.4%	2.5%	3.6%	2.6%	15.2%	17.1%	11.0%	17.5%
S&P/ASX All Ordinaries Accumulation Index	0.1%	1.0%	-0.5%	8.5%	7.3%	10.1%	3.0%	8.1%
Outperformance	+0.3%	+1.5%	+4.1%	-5.9%	+7.9%	+7.0%	+8.0%	+9.4%

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

Growth of \$10,000 investment since inception

WAM Capital versus the Index



Notes:

1. The above graph reflects the period from inception in August 1999 to 30 September 2017.
2. WAM Capital's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Capital portfolio.

Diversified portfolio

Investment type	August 2017		September 2017	
	\$m	%	\$m	%
Listed equities	918.4	72.8	793.8	62.7
Short portfolio	(21.7)	(1.7)	(13.1)	(1.0)
Fixed interest & cash	365.2	28.9	485.2	38.3
Gross assets	1,261.9m	100.0	1,265.9m*	100.0
Total shares on issue	633,342,008		633,342,008	

*This figure is after \$221k (0.034 cents per share) paid in tax during the month.

Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	FLT	Flight Centre Travel Group Limited
NEC	Nine Entertainment Co Holdings Limited	PSI	PSC Insurance Group Limited
SVW	Seven Group Holdings Limited	SXL	Southern Cross Media Group Limited
TGG	Templeton Global Growth Fund Limited	IMD	Index Limited
PRG	Programmed Maintenance Services Limited	GEM	G8 Education Limited
FXJ	Fairfax Media Limited	SCO	Scottish Pacific Group Limited
SIQ	Smartgroup Corporation Limited	PNI	Pinnacle Investment Management Group Limited
APT	Afterpay Touch Group Limited	EHE	Estia Health Limited
CL1	Class Limited	MMS	McMillan Shakespeare Limited
ASL	Ausdrill Limited	WOR	WorleyParsons Limited

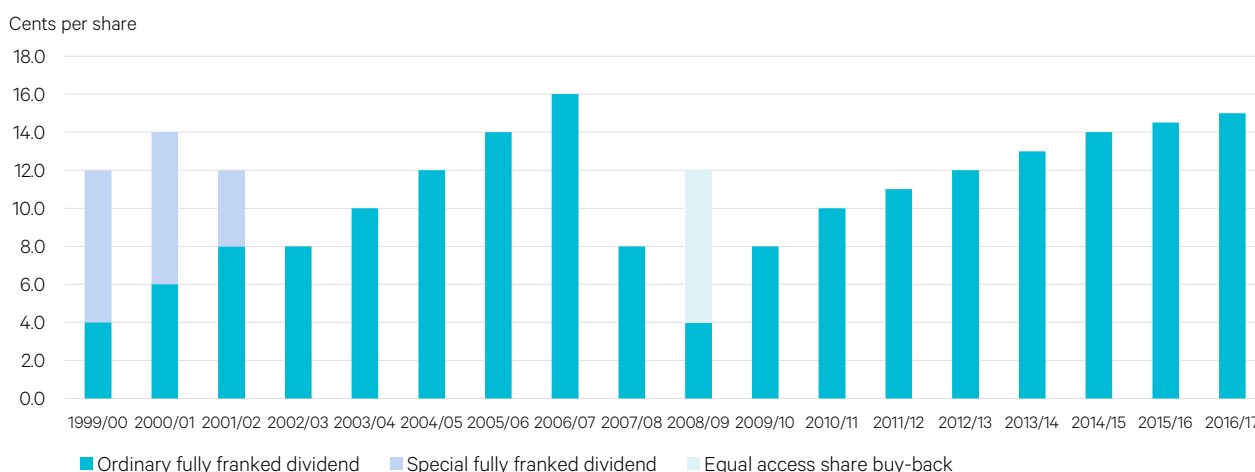
Fully franked dividends

On 31 July 2017, the Company announced a fully franked final dividend of 7.5 cents per share, bringing the fully franked full year dividend to 15.0 cents per share. The final dividend will be paid on 27 October 2017 and will trade ex on 17 October 2017. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend.

Key dividend dates

Dividend ex-date	17 October 2017
Record date	18 October 2017
Last election date for DRP	20 October 2017
Payment date	27 October 2017

Fully franked dividends since inception



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.