

# WAM CAPITAL LIMITED

ABN 34 086 587 395

## Appendix 4D Half Year Report

for the half year ended 31 December 2017

### Results for Announcement to the Market

All comparisons to the half year ended 31 December 2016

	\$	up/down	% mvmt
Revenue from ordinary activities	131,578,393	up	46.6%
Profit from ordinary activities before income tax expense	119,369,008	up	49.8%
Net profit from ordinary activities after income tax expense	87,416,376	up	48.0%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2018 Interim dividend cents per share	7.75c	7.75c	30%
2017 Final dividend cents per share	7.50c	7.50c	30%

### Interim dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for the DRP	17 April 2018
Payment date	27 April 2018

### Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended fully franked interim dividend of 7.75 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price, calculated as the VWAP (volume weighted average market price) of shares sold on the ASX on the ex date for the relevant dividend and the 3 trading days following that date.

	31 Dec 17	31 Dec 16
Net tangible asset backing (after tax) per share	\$1.99	\$1.95

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2017 Annual Financial Report.



# Financial Report

For the half year ended 31 December 2017

# WAM Capital Limited

WAM Capital Limited (WAM Capital or the Company) is a listed investment company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

## Directors

Geoff Wilson AO (Chairman)  
Matthew Kidman  
James Chirnside  
Lindsay Mann  
Chris Stott  
Kate Thorley

## Company Secretary

Linda Vo

## Investment Manager

Wilson Asset Management  
(International) Pty Ltd  
Level 11, 139 Macquarie Street  
Sydney NSW 2000

## Auditor

Pitcher Partners

## Country of Incorporation

Australia

## Registered Office

Level 11, 139 Macquarie Street  
Sydney NSW 2000

## Contact Details

Postal Address: GPO Box 4658  
Sydney NSW 2001  
T: (02) 9247 6755  
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E: [info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)  
W: [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

## Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
T: (02) 9290 9600  
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

## Australian Securities Exchange

WAM Capital Limited  
Ordinary Shares (WAM)

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## Directors' Report to shareholders for the half year ended 31 December 2017

The Directors present their report together with the financial report of WAM Capital Limited for the half year ended 31 December 2017.

### Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Geoff Wilson AO (Chairman – Non-independent)

Matthew Kidman (Director – Independent)

James Chirnside (Director – Independent)

Lindsay Mann (Director – Independent)

Chris Stott (Director – Non-independent)

Kate Thorley (Director – Non-independent)

### Principal activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are: to deliver a rising stream of fully franked dividends; to provide capital growth; and to preserve capital. No change in this activity took place during the period or is likely in the future.

### Operating and financial review

Investment operations during the half year resulted in an operating profit before tax of \$119,369,008 (2016: \$79,704,078) and an operating profit after tax of \$87,416,376 (2016: \$59,059,191). The profit for the period is reflective of the sound performance of the investment portfolio over the six months to 31 December 2017, as well as the growth in assets in comparison to the prior period. The investment portfolio increased 10.4% in the six months to 31 December 2017, outperforming the S&P/ASX All Ordinaries Accumulation Index which rose 9.3%. The investment portfolio performance was achieved with an average cash weighting of 27.6%.

Under Accounting Standards, realised gains and losses on the investment portfolio and dividend income are added to or reduced by changes in the market value of the Company's investments. This can lead to large variations in reported profits. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA) per share and the fully franked dividends paid. This performance measure shows the change in the value of the assets that belong to the shareholders over the six month period.

WAM Capital's before tax NTA, after adjusting for dividends, increased 9.1% for the six months to 31 December 2017. This increase is after tax paid of 2.3 cents per share or 1.2%, with 7.5 cents of fully franked dividends being paid during the period. Corporate tax payments made throughout the period was the major item of difference between the investment portfolio performance of 10.4% and the net tangible asset performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the period were management fees of 0.5%, performance fee accrued of 0.1%, other company related and capital raising expenses of 0.2%, being offset by capital raising accretion of 0.7%.

The NTA before tax for each share as at 31 December 2017 amounted to \$2.05 per share (June 2017: \$1.95). The NTA after tax was \$1.99 per share (June 2017: \$1.92). These figures are after 7.5 cents in fully franked dividends paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2017 was 3.6%. This was primarily driven by WAM Capital's investment portfolio performance, being offset by the decrease in the share price's premium to NTA. As at 31 December 2017, the share price premium to NTA was 20.6% (June 2017: 24.5%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

The Company achieved continued growth during the period increasing shareholders equity by 7.5% to \$1.3 billion and total shareholder numbers by 8.2% to 29,580. This growth was achieved through the strong performance of the investment portfolio and capital management initiatives including the DRP shortfall placement in November 2017 that raised \$43.4 million.

A final dividend of 7.5 cents per share fully franked was paid in the period to 31 December 2017 and an interim dividend 7.75 cents per share fully franked has been declared by the Board and will be paid on 27 April 2018.

#### **Rounding of amounts to nearest dollar**

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

#### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half-year is set out on page 6 of this financial report.

Signed in accordance with a resolution of the Board of Directors.



**Geoff Wilson AO**  
**Chairman**

Dated in Sydney this 12<sup>th</sup> day of February 2018

**Auditor's Independence Declaration  
To the Directors of WAM Capital Limited  
ABN 34 086 587 395**

In relation to the independent auditor's review for the half-year ended 31 December 2017, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of WAM Capital Limited during the period.



Chris Chandran  
Partner

Pitcher Partners  
Sydney

12 February 2018

## Statement of comprehensive income for the half year ended 31 December 2017

	Note	December 2017 \$	December 2016 \$
Net realised and unrealised gains on financial assets		111,371,167	64,022,045
Other revenue from operating activities	2	20,207,226	25,734,443
Management fees		(6,613,600)	(6,020,837)
Performance fees		(1,364,984)	-
Directors fees		(75,000)	(95,000)
Brokerage expense on share purchases		(2,596,065)	(2,839,213)
Expenses paid on borrowed stock		(844,159)	(426,930)
Custody fees		(48,312)	(40,538)
ASX listing and chess fees		(160,567)	(154,366)
Share registry fees		(113,351)	(164,001)
Disbursements, mailing and printing		(135,104)	(122,199)
Legal fees		(96,412)	(59,197)
Other expenses from ordinary activities		(161,831)	(130,129)
<b>Profit before income tax</b>		<b>119,369,008</b>	<b>79,704,078</b>
Income tax expense		(31,952,632)	(20,644,887)
<b>Profit after income tax attributable to members of the Company</b>	<b>6</b>	<b>87,416,376</b>	<b>59,059,191</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>87,416,376</b>	<b>59,059,191</b>
<b>Basic and diluted earnings per share</b>		<b>13.66 cents</b>	<b>10.57 cents</b>

The accompanying notes form part of these financial statements.

## Statement of financial position as at 31 December 2017

	Note	December 2017 \$	June 2017 \$
<b>Current assets</b>			
Cash and cash equivalents		292,939,453	420,024,801
Trade and other receivables		2,800,274	40,035,802
Financial assets		1,062,465,833	840,804,123
<b>Total current assets</b>		<b>1,358,205,560</b>	<b>1,300,864,726</b>
<b>Non-current assets</b>			
Deferred tax assets		2,591,979	2,498,108
<b>Total non-current assets</b>		<b>2,591,979</b>	<b>2,498,108</b>
<b>Total assets</b>		<b>1,360,797,539</b>	<b>1,303,362,834</b>
<b>Current liabilities</b>			
Trade and other payables		11,873,462	19,340,411
Financial liabilities		132,617	43,544,689
Current tax liabilities		2,206,021	13,692,611
<b>Total current liabilities</b>		<b>14,212,100</b>	<b>76,577,711</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		40,556,894	11,886,665
<b>Total non-current liabilities</b>		<b>40,556,894</b>	<b>11,886,665</b>
<b>Total liabilities</b>		<b>54,768,994</b>	<b>88,464,376</b>
<b>Net assets</b>		<b>1,306,028,545</b>	<b>1,214,898,458</b>
<b>Equity</b>			
Issued capital	4	1,190,700,594	1,139,486,184
Profits reserve	5	142,947,949	103,032,272
Accumulated losses	6	(27,619,998)	(27,619,998)
<b>Total equity</b>		<b>1,306,028,545</b>	<b>1,214,898,458</b>

The accompanying notes form part of these financial statements.



## Statement of changes in equity for the half year ended 31 December 2017

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2016		<b>784,687,748</b>	<b>(27,619,998)</b>	<b>121,681,496</b>	<b>878,749,246</b>
Profit for the half year		-	59,059,191	-	59,059,191
Transfer to profits reserve		-	(68,128,833)	68,128,833	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via share purchase plan	4(b)	128,397,982	-	-	128,397,982
Shares issued via placement	4(b)	119,114,202	-	-	119,114,202
Shares issued via dividend reinvestment plan	4(b)	8,394,037	-	-	8,394,037
Shares issued via DRP shortfall placement	4(b)	20,342,379	-	-	20,342,379
Share issue costs (net of tax)	4(b)	(387,185)	-	-	(387,185)
Dividends paid	3(a)	-	-	(42,570,166)	(42,570,166)
<b>Balance at 31 December 2016</b>		<b>1,060,549,163</b>	<b>(36,689,640)</b>	<b>147,240,163</b>	<b>1,171,099,686</b>
Balance at 1 July 2017		<b>1,139,486,184</b>	<b>(27,619,998)</b>	<b>103,032,272</b>	<b>1,214,898,458</b>
Profit for the half year		-	87,416,376	-	87,416,376
Transfer to profits reserve		-	(87,416,376)	87,416,376	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	8,189,396	-	-	8,189,396
Shares issued via DRP shortfall placement	4(b)	43,377,487	-	-	43,377,487
Share issue costs (net of tax)	4(b)	(352,473)	-	-	(352,473)
Dividends paid	3(a)	-	-	(47,500,699)	(47,500,699)
<b>Balance at 31 December 2017</b>		<b>1,190,700,594</b>	<b>(27,619,998)</b>	<b>142,947,949</b>	<b>1,306,028,545</b>

The accompanying notes form part of these financial statements.

## Statement of cash flows for the half year ended 31 December 2017

	December 2017 \$	December 2016 \$
<b>Cash flows from operating activities</b>		
Proceeds from sale of investments	1,529,320,630	1,451,970,169
Payments for purchase of investments	(1,660,189,526)	(1,547,945,586)
Dividends received	14,780,481	16,006,876
Return of capital	5,425,365	-
Trust distributions received	1,875,718	5,420,607
Interest received	3,862,540	4,020,847
Other investment income received	108,469	133,752
Management fee (GST inclusive)	(6,997,037)	(6,219,462)
Performance fee (GST inclusive)	-	(32,335,391)
Brokerage expense on share purchases (GST inclusive)	(2,785,690)	(3,044,057)
Payments for administration expenses (GST inclusive)	(2,000,261)	(1,431,126)
Income tax paid	(14,711,805)	(19,084,533)
GST on brokerage expense on share sales	(167,489)	(173,876)
Net GST received from ATO	830,604	3,294,717
<b>Net cash used in operating activities</b>	<b>(130,648,001)</b>	<b>(129,387,063)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	43,377,487	267,854,563
Dividends paid – net of reinvestment	(39,311,302)	(34,176,130)
Share issue costs	(503,532)	(553,120)
<b>Net cash provided by financing activities</b>	<b>3,562,653</b>	<b>233,125,313</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>	<b>(127,085,348)</b>	<b>103,738,250</b>
Cash and cash equivalents at the beginning of the half year	420,024,801	290,991,754
<b>Cash and cash equivalents at the end of the half year</b>	<b>292,939,453</b>	<b>394,730,004</b>
<b>Non- cash transactions:</b>		
Shares issued via dividend reinvestment plan	8,189,396	8,394,036

The accompanying notes form part of these financial statements.

# Notes to the financial statements for the half year ended 31 December 2017

## 1. Summary of significant accounting policies

These condensed interim financial statements and notes for the half year represent those of WAM Capital Limited.

The half year financial report was authorised for issue on 12 February 2018 by the Board of Directors.

### **Basis of preparation**

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Reporting Standard IAS 34 'Interim Financial Reporting'.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2017 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

There are no new and revised accounting requirements significantly affecting the half year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2017 Annual Financial Report.

## 2. Other revenue

	December 2017 \$	December 2016 \$
Australian sourced dividends	13,937,831	12,165,442
Interest	3,551,774	3,901,535
Trust distributions	2,252,927	9,237,310
Underwriting fees	108,468	113,691
Foreign sourced dividends	356,226	296,404
Other income	-	20,061
	<b>20,207,226</b>	<b>25,734,443</b>

## 3. Dividends

### a) Ordinary dividends paid during the period

	December 2017 \$	December 2016 \$
Final dividend FY2017: 7.50 cents per share fully franked at 30% tax rate paid 27 October 2017 (Final dividend FY2016: 7.25 cents per share fully franked)	<b>47,500,699</b>	<b>42,570,166</b>

### b) Dividends not recognised the period

	December 2017 \$	December 2016 \$
Since the end of the period, the Directors have declared an interim fully franked dividend of 7.75 cents per share payable on 27 April 2018 (Interim dividend FY2017: 7.50 cents per share fully franked)	<b>50,782,442</b>	<b>44,991,602</b>

#### 4. Issued capital

##### a) Paid-up capital

	December 2017 \$	June 2017 \$
655,257,315 ordinary shares fully paid (June 2017: 633,342,008)	<b>1,190,700,594</b>	<b>1,139,486,184</b>

##### b) Ordinary shares

	December 2017 \$	June 2017 \$
Balance at the beginning of the period	1,139,486,184	784,687,748
3,480,336 ordinary shares issued on 27 October 2017 under a dividend reinvestment plan	8,189,396	-
18,434,971 ordinary shares issued on 10 November 2017 under a dividend reinvestment plan shortfall placement	43,377,487	-
59,999,057 ordinary shares issued on 26 August 2016 under a share purchase plan	-	128,397,982
55,660,842 ordinary shares issued on 26 August 2016 under a placement	-	119,114,202
3,713,713 ordinary shares issued on 28 October 2016 under a dividend reinvestment plan	-	8,394,037
8,999,858 ordinary shares issued on 28 October 2016 under a dividend reinvestment plan shortfall placement	-	20,342,379
13,246,376 ordinary shares issued on 19 April 2017 as scrip consideration for acquisition of an unlisted investment company	-	31,392,586
3,540,153 ordinary shares issued on 28 April 2017 under a dividend reinvestment plan	-	8,389,649
16,667,450 ordinary shares issued on 28 April 2017 under a dividend reinvestment plan shortfall placement	-	39,500,190
Share issue costs (net of tax)	(352,473)	(732,589)
At reporting date	<b>1,190,700,594</b>	<b>1,139,486,184</b>

## 5. Profits reserve

	December 2017 \$	June 2017 \$
Profits reserve	<b>142,947,949</b>	<b>103,032,272</b>

The profits reserve is made up of amounts transferred from current period profits which are preserved for future dividend payments.

	December 2017 \$	June 2017 \$
<b>Movement in profits reserve</b>		
Balance at the beginning of the period	103,032,272	121,681,496
Transfer of profits during the period	87,416,376	68,912,591
Final dividend paid (refer to note 3a)	(47,500,699)	(42,570,166)
Interim dividend paid (refer to note 3b)	-	(44,991,649)
At reporting date	<b>142,947,949</b>	<b>103,032,272</b>

## 6. Accumulated losses

	December 2017 \$	June 2017 \$
Balance at the beginning of the period	(27,619,998)	(27,619,998)
Profit for the period attributable to members of the Company	87,416,376	68,912,591
Transfer to profits reserve	(87,416,376)	(68,912,591)
At reporting date	<b>(27,619,998)</b>	<b>(27,619,998)</b>

## 7. Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

**Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Included within Level 2 of the hierarchy is WAM Capital's investment in an unlisted investment company. The fair value of the investment has been based on its net asset backing, being the underlying cash and cash equivalents at the end of the reporting period.

## 7. Financial instruments measured at fair value (cont'd)

The remaining balance of the investments in Level 2 of the hierarchy, include unlisted investments which have used valuation techniques to determine fair value such as comparisons to similar investments for which market observable prices are available or the last sale price. Initial Public Offerings or Placements valued at fair value which settle after the relevant period end, are also included in Level 2 of the hierarchy.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2017:

31 December 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>	1,058,772,933	3,692,900	-	1,062,465,833
<b>Financial liabilities</b>	(132,617)	-	-	(132,617)
<b>Total</b>	<b>1,058,640,316</b>	<b>3,692,900</b>	<b>-</b>	<b>1,062,333,216</b>

  

30 June 2017	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets</b>	805,692,539	35,111,584	-	840,804,123
<b>Financial liabilities</b>	(43,544,689)	-	-	(43,544,689)
<b>Total</b>	<b>762,147,850</b>	<b>35,111,584</b>	<b>-</b>	<b>797,259,434</b>

## 8. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable business or geographic segments.

## 9. Capital commitments

WAM Capital announced the withdrawal of its intention to make an off-market takeover bid for Molopo Energy Limited (ASX: MPO) at \$0.135 per share on 4 January 2018.

The proposed takeover bid was announced on 8 November 2017 following a review of publicly available information relating to Molopo Energy at the time and was subject to a number of defeating conditions, including a 'no material transactions' condition that Molopo Energy does not incur or commit to any capital expenditure or liability for one or more related items of greater than A\$2 million.

Molopo Energy announced on 11 December 2017 updated estimates of its future financial commitments and an upfront US\$4.5 million payment relating to its investment in Orient FRC Limited that have triggered the 'no material transactions' condition. As a result, WAM Capital withdrew its proposed takeover bid.

Other than the above, there were no capital commitments entered into before period end which settle after period end (June 2017: nil).

## 10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2017 (June 2017: nil).

## 11. Events subsequent to reporting date

Since the end of the period, the Directors declared an interim dividend of 7.75 cents per share fully franked to be paid on 27 April 2018.

No other matters or circumstance has arisen since the end of the period, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.



## Directors' Declaration

The Directors of WAM Capital Limited declare that:

- 1) The financial statements and notes, as set out on pages 7 to 16, are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance for the half year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



**Geoff Wilson AO**  
**Chairman**

Dated in Sydney this 12<sup>th</sup> day of February 2018

**Independent Auditor’s Review Report  
to the Members of WAM Capital Limited  
ABN 34 086 587 395**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of WAM Capital Limited (“the company”), which comprises the statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors’ declaration of the company.

**Directors’ Responsibility for the Half-Year Financial Report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor’s Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: “*Review of a Financial Report Performed by the Independent Auditor of the Entity*”, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporation Act 2001* including giving a true and fair view of the company’s financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: “*Interim Financial Reporting*” and the *Corporations Regulations 2001*. As the auditor of WAM Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of WAM Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



Chris Chandran  
Partner



Pitcher Partners  
Sydney

12 February 2018

# Wilson

## Asset Management

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