

Investment Update & Net Tangible Assets Report

AS AT 31 AUGUST 2016



Performance

Performance at 31 August 2016	1 Mth	FYTD	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio ¹	4.5%	9.3%	20.3%	28.3%	19.0%	18.7%	13.9%	18.4%
S&P/ASX All Ordinaries Accumulation Index	-1.3%	4.9%	14.2%	10.7%	7.1%	9.5%	5.3%	8.1%
Outperformance	+5.8%	+4.4%	+6.1%	+17.6%	+11.9%	+9.2%	+8.6%	+10.3%

¹Investment performance and Index returns are before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

NTA before tax	205.25c
NTA after tax and before tax on unrealised gains	205.15c ¹
NTA after tax	200.14c ¹

¹Includes 0.2 cps of tax assets resulting from the merger with Premium Investors.

Share Purchase Plan and placement raise \$247.5m

In August, WAM Capital completed a Share Purchase Plan (SPP) and Placement, which raised a combined \$247.5 million driven by strong demand from WAM Capital shareholders. The SPP closed on 19 August 2016 after raising more than \$128.4 million. The placement was oversubscribed and raised \$119.1 million.

The capital raising initiatives were undertaken at a premium to the Company's NTA and increased the before tax NTA accordingly. WAM Capital's growth will deliver benefits to all shareholders. As the Company's NTA per share increases, on-market liquidity for the shares has also increased, along with the Company's relevance in the market. This improves the prospect of broker and research coverage and additional interest from financial planners.

Market overview

The S&P/ASX All Ordinaries Accumulation Index ended the month down 1.3% on the back of a mixed company reporting season. The extended federal election campaign brought the economy to a halt, which was reflected in company results.

Consumer stocks provided mixed results, with electronics and furniture retailers performing well and some fashion retailers posting poor results. Positively, mining services companies are now positioned more favourably after in many cases deleveraging their balance sheets. During the August reporting season, many companies provided guarded outlook statements and were cautious in their guidance. We will approach the coming months with caution as we enter the Annual General Meeting confession season.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$1,234.8m
Market cap	\$1,332.9m
Share price	\$2.27
NTA before tax	\$2.05
Shares on issue	587,174,458
Fully franked dividends (FY2016)	14.5c
Dividend yield	6.4%

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 arbitrage and market mispricing opportunities.

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

Senior Equity Analyst & Dealer

Tobias Yao

Senior Equity Analyst

John Ayoub

Senior Equity Analyst

Oscar Oberg

Equity Analyst

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Diversified portfolio

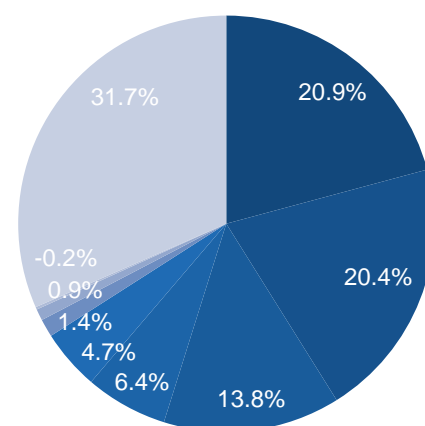
Investment Type	July 2016		August 2016	
	\$m	%	\$m	%
Listed Equities	730.4	77.0	845.6	68.5
Short Portfolio	(30.0)	(3.2)	(2.1)	(0.2)
Fixed Interest & Cash	248.1	26.2	391.3	31.7
Gross Assets	\$948.5m	100.0	\$1,234.8m*	100.0
Total shares on issue	471,514,559		587,174,458*	

*During the month, 115,659,899 shares were issued via the Share Purchase Plan and Placement, raising \$247.5m.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	38,282,936	3.1%
SIQ	Smartgroup Corporation Limited	25,621,516	2.1%
VTG	Vita Group Limited	23,830,771	1.9%
NCK	Nick Scali Limited	23,719,879	1.9%
ALL	Aristocrat Leisure Limited	23,623,905	1.9%
AAD	Ardent Leisure Group	22,252,989	1.8%
CCP	Credit Corp Group Limited	20,988,741	1.7%
ALQ	ALS Limited	20,565,063	1.7%
RCG	RCG Corporation Limited	20,140,052	1.6%
CYA	Century Australia Investments Limited	19,448,945	1.6%
SGF	SG Fleet Group Limited	16,553,937	1.3%
CL1	Class Limited	16,123,736	1.3%
HLO	Helloworld Limited	15,829,616	1.3%
ECX	Eclix Group Limited	15,207,953	1.2%
PME	Pro Medicus Limited	15,081,554	1.2%
AGF	AMP Capital China Growth Fund	13,707,301	1.1%
ONE	Oneview Healthcare PLC	13,418,015	1.1%
SXL	Southern Cross Media Group Limited	12,762,113	1.0%
GWA	GWA Group Limited	12,622,728	1.0%
SDF	Steadfast Group Limited	12,293,833	1.0%

Sector allocation



- Financials 20.9%
- Consumer Discretionary 20.4%
- Industrials 13.8%
- Information Technology 6.4%
- Health Care 4.7%
- Materials 1.4%
- Telecommunication Services 0.9%
- Short stock -0.2%
- Cash and Fixed Interest: 31.7%

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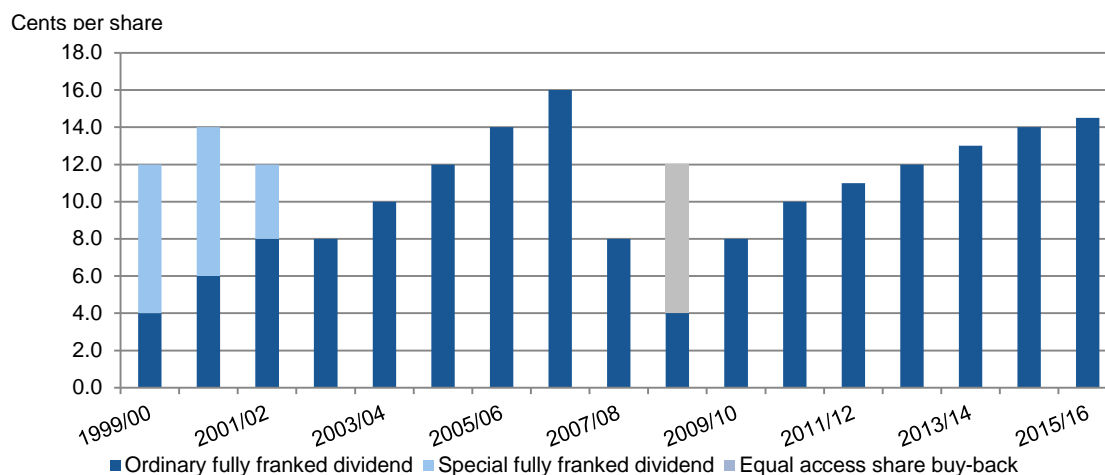
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Dividend growth

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



On 25 July 2016, the Company announced a fully franked final dividend of 7.25 cents per share. This brings the full year fully franked dividend to 14.5 cents per share. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 20 October 2016.

Key dividend dates

Ex date:	17 October 2016
Record date:	18 October 2016
Last election date for DRP:	20 October 2016
Payment date:	28 October 2016

Investor presentations – save the date

Date	City	Location	Time
Wednesday 16 November 2016	Adelaide	The Playford 120 North Terrace Adelaide	10:00am – 12:00pm
Thursday 17 November 2016	Perth	The Duxton 1 St Georges Terrace Perth	10:00am – 12:00pm
Monday 21 November 2016	Canberra	The Mecure Cnr Ainslie & Limestone Avenues Braddon	10:00am – 12:00pm
Wednesday 23 November 2016	Sydney	The Hilton 488 George Street Sydney	WAM AGM 10:00am – 10:45am Presentation 11:00am – 1:00pm
Thursday 24 November 2016	Brisbane	Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Street South Bank	10:00am – 12:00pm
Friday 25 November 2016	Melbourne	Melbourne Convention Centre 1 Convention Centre Place South Wharf	10:00am – 12:00pm

Invitations will be mailed to all shareholders in the coming weeks.