

Investment update

As at 31 August 2017



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$1.96

Fully franked
dividend yield

6.1%

Gross assets

\$1,261.9m

Performance
(p.a. since August 1999)

17.6%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,261.9m
Market cap	\$1,558.0m
Share price	\$2.46
NTA before tax	\$1.96
Shares on issue	633,342,008
Fully franked dividends (FY2017)	15.0c
Fully franked dividend yield	6.1%

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

SAVE THE DATE

Market overview

The S&P/ASX All Ordinaries Accumulation Index finished 0.8% higher for the month on the back of a mixed reporting season.

Overall, earnings growth was the best in many years although a number of companies fell short of the market's elevated expectations. Most companies provided subdued outlook statements reflecting current economic conditions. The defensive sectors had one of their worst reporting periods in a decade, led by Telstra (ASX: TLS), which surprised the market with a significant reduction in its dividend guidance for the year ahead.

The rebound of the resources and mining services sectors was a standout, outperforming analysts' expectations. We were also pleased to see strong performance from the small-cap sector after a difficult 12 months. We believe the current equity market is fairly valued and we are well positioned to take advantage of opportunities as they emerge.

Investor conference call recording and slides

Thank you to those who dialled in to our investor conference call on 6 September 2017. If you would like to listen to the recording and view the corresponding slides, please click [here](#).

Net tangible asset (NTA) figures

NTA before tax	196.25c [*]
NTA after tax and before tax on unrealised gains	197.14c ^{**}
NTA after tax	193.90c ^{**}

^{*} The before tax figure is after the payment of \$78k (0.012 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.

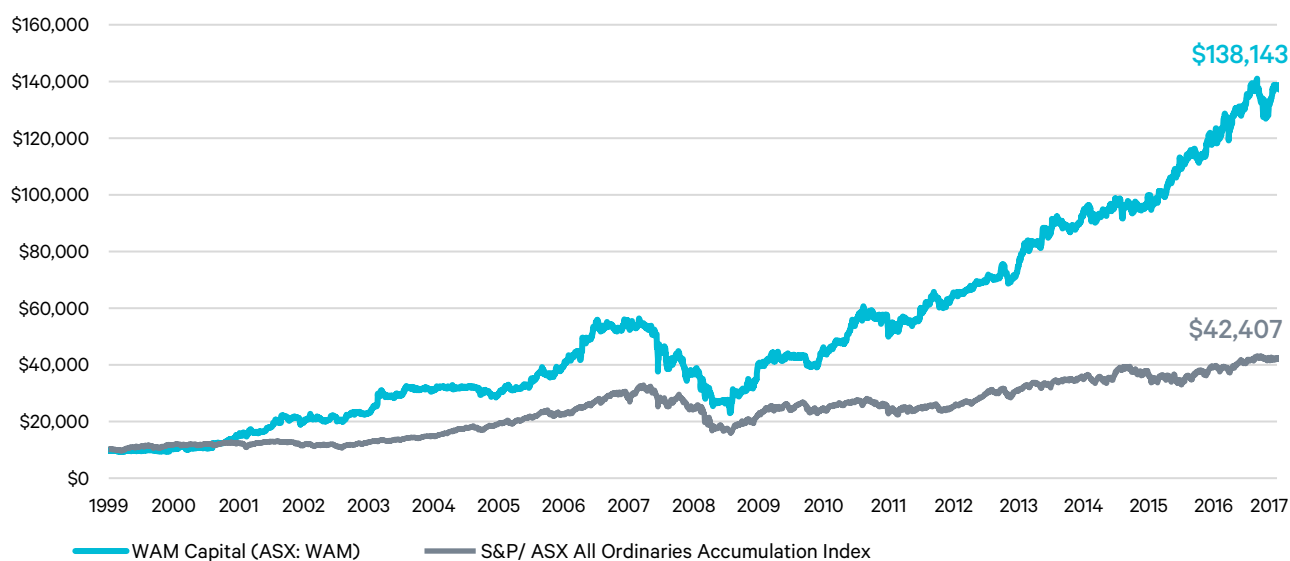
Performance

Performance at 31 August 2017	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio [*]	0.9%	2.1%	4.3%	4.3%	14.7%	17.4%	11.1%	17.6%
S&P/ASX All Ordinaries Accumulation Index	0.8%	1.0%	2.6%	8.9%	5.4%	10.5%	3.6%	8.2%
Outperformance	+0.1%	+1.1%	+1.7%	-4.6%	+9.3%	+6.9%	+7.5%	+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 31 August 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	July 2017		August 2017	
	\$m	%	\$m	%
Listed equities	951.5	76.0	918.4	72.8
Short portfolio	(48.6)	(3.9)	(21.7)	(1.7)
Fixed interest & cash	348.7	27.9	365.2	28.9
Gross assets	1,251.6m	100.0	1,261.9m	100.0
Total shares on issue	633,342,008		633,342,008	

Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	SIQ	Smartgroup Corporation Limited
FXJ	Fairfax Media Limited	CL1	Class Limited
APT	Afterpay Touch Group Limited	SXL	Southern Cross Media Group Limited
TGG	Templeton Global Growth Fund Limited	CGF	Challenger Limited
PRG	Programmed Maintenance Services Limited	PNI	Pinnacle Investment Management Group Limited
NEC	Nine Entertainment Co. Holdings Limited	IMD	Imdex Limited
WOR	WorleyParsons Limited	FLT	Flight Centre Travel Group Limited
ALQ	ALS Limited	SLC	Superloop Limited
SVW	Seven Group Holdings Limited	PSI	PSC Insurance Group Limited
EHE	Estia Health Limited	SCO	Scottish Pacific Group Limited

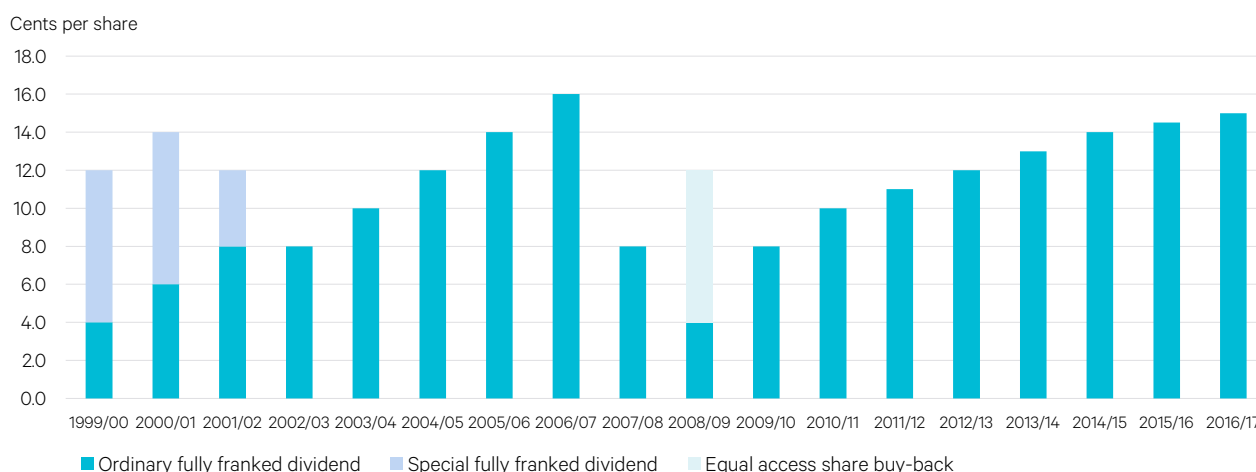
Fully franked dividends

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.