

Investment update

As at 30 November 2016



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

197.61C

Fully franked
dividend yield

6.2%

Gross assets

\$1,193.7m

Performance
(p.a. since August 1999)

18.1%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,193.7m
Market cap	\$1,409.7m
Share price	\$2.35
NTA before tax	\$1.98
Shares on issue	599,888,029
Fully franked dividend (FY2016)	14.5c
Fully franked dividend yield	6.2%

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	Senior Equity Analyst & Dealer
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.

Shareholder Presentations

Thank you to the more than 2,000 shareholders who joined us for our recent Shareholder Presentations. We enjoyed the opportunity to meet with you.

To access the presentation video and slides, visit wilsonassetmanagement.com.au

Market overview

The S&P/ASX All Ordinaries Accumulation Index finished the month up 2.5%. Donald Trump's US presidential election victory was the most significant market event in November with investors globally caught off-guard by the poll result. After initially plummeting, equity markets staged strong recoveries as investors focused on the potentially stimulatory impact of Trump's proposed policies. The Australian share market recorded solid gains to end the month 7.1% higher than the intraday lows on 9 November when Trump was elected. On Melbourne Cup day the RBA left interest rates unchanged with rates likely to be on hold for the majority of 2017. The continued underperformance of the small cap sector accelerated during November. Since mid August, the S&P/ASX Small Ordinaries Index has now underperformed its larger peers by 9%.

Stock news

During the month, trans-Tasman dairy business The a2 Milk Company (ASX: A2M) announced that in the first four months of FY17 its revenue jumped to NZ\$155.2 million, up 96% on the previous corresponding period. The company told shareholders the revenue boost reflected the growing demand for its infant formula and fresh milk, as well as strong sales in China ahead of the 11 November Singles' Day Sale, the world's biggest online shopping sales event.

In November, fleet and equipment leasing company Eclix Group Limited (ASX: ECX) announced its full year results for FY16. The company reported a net profit after tax and amortisation (NPATA) of \$55.3 million, a 14% increase from FY15. Eclix also provided a NPATA guidance range of \$65.5 million to \$67 million for FY17, implying 18-21% growth on FY16.

Net tangible asset (NTA) figures

NTA before tax	197.61c
NTA after tax and before tax on unrealised gains	196.43c*
NTA after tax	193.47c*

*Includes 0.1 cents of tax assets resulting from the merger with Premium Investors.

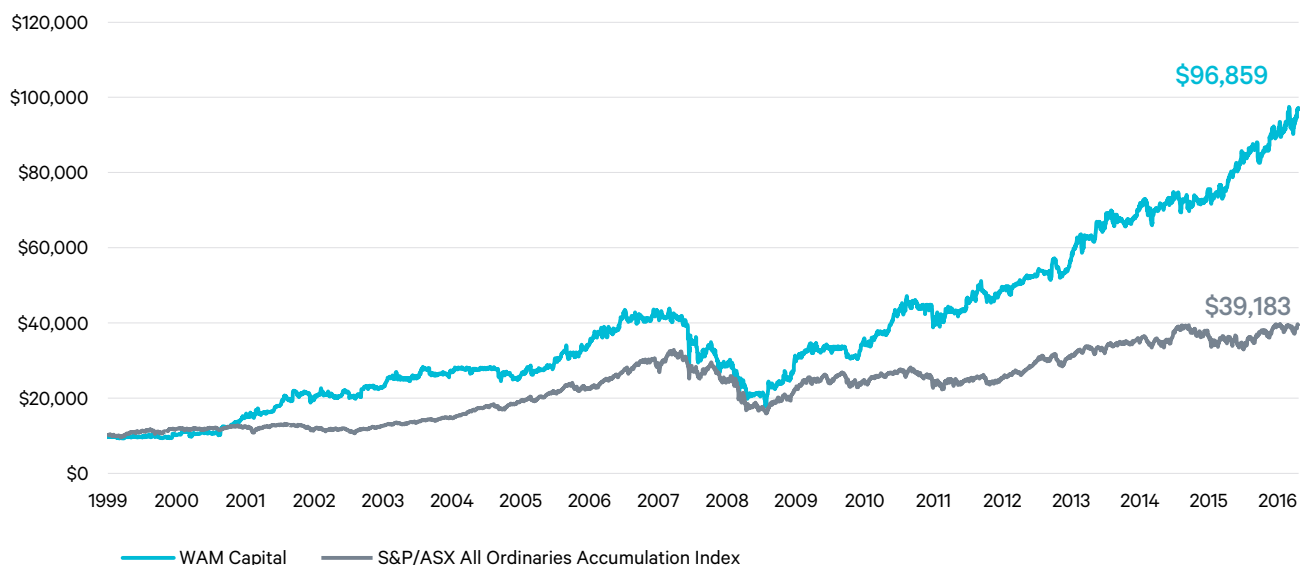
Performance

Performance at	1	Fin	6	1	3 Yrs	5 Yrs	10 Yrs	Since
30 November 2016	Mth	YTD	Mths	Yr	%pa	%pa	%pa	Inception
								%pa (Aug-99)
WAM Investment Portfolio*	-0.3%	8.9%	9.7%	17.0%	16.4%	18.5%	12.7%	18.1%
S&P/ASX All Ordinaries Accumulation Index	2.5%	5.5%	3.1%	10.0%	5.6%	10.3%	4.5%	8.0%
Outperformance	-2.8%	+3.4%	+6.6%	+7.0%	+10.8%	+8.2%	+8.2%	+10.1%

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

Growth of \$10,000 since inception

WAM Capital versus the Index



Diversified portfolio

Investment Type	October 2016		November 2016	
	\$m	%	\$m	%
Listed equities	755.6	62.1	780.5	65.4
Short portfolio	(14.6)	(1.2)	(9.6)	(0.8)
Fixed interest & cash	475.7	39.1	422.8	35.4
Gross assets	1,216.7m	100.0	1,193.7m*	100.0
Total shares on issue	599,888,029		599,888,029	

*This figure is after \$18.0m (3.0 cents per share) in tax paid during the month for FY16.

Top 20 holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	30,992,503	2.6%
NCK	Nick Scali Limited	23,603,208	2.0%
AAD	Ardent Leisure Group	22,010,700	1.8%
CYA	Century Australia Investments Limited	20,357,703	1.7%
AFY	Afterpay Holdings Limited	19,589,201	1.6%
ECX	Eclix Group Limited	18,802,610	1.6%
SXL	Southern Cross Media Group Limited	18,341,203	1.5%
ALQ	ALS Limited	17,910,542	1.5%
HLO	Helloworld Limited	16,554,314	1.4%
A2M	a2 Milk Company Limited	16,525,266	1.4%
ONE	Oneview Healthcare PLC	15,331,483	1.3%
CL1	Class Limited	14,559,789	1.2%
RCG	RCG Corporation Limited	14,047,658	1.2%
JBH	JB Hi-Fi Limited	12,692,498	1.1%
CWY	Cleanaway Waste Management Limited	12,643,304	1.1%
PNI	Pinnacle Investment Management Group Limited	12,555,065	1.1%
CCP	Credit Corp Group Limited	12,471,413	1.0%
CGF	Challenger Limited	12,391,637	1.0%
RMD	ResMed Inc	12,353,554	1.0%
IMD	Imdex Limited	12,242,161	1.0%

Fully franked dividends

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.

Fully franked dividends since inception

