

Investment update

As at 31 December 2017



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$2.05

Fully franked
dividend yield

6.3%

Gross assets

\$1,349.0m

Performance
(p.a. since August 1999)

17.7%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,349.0m
Market cap	\$1,572.6m
Share price	\$2.40
NTA before tax	\$2.05
Shares on issue	655,257,315
Fully franked dividends (FY2017)	15.0c
Fully franked dividend yield	6.3%

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.

Market overview

The S&P/ASX All Ordinaries Accumulation Index increased 2.0% in December 2017, to close the calendar year up 12.5%.

During the month, the Reserve Bank of Australia (RBA) left the cash rate unchanged, while reiterating its upbeat outlook for 3% gross domestic product (GDP) growth and rising inflation for the next few years. The Westpac-Melbourne Institute index of consumer sentiment increased to a four-year high, rising 3.6% in December and data from the Australian Bureau of Statistics reported continued and strong growth in Australia's population.

After months of speculation, Amazon officially launched its Australian operations during the month. Domestic retail stocks rallied as the launch failed to inspire confidence in the online retailer.

Net tangible asset (NTA) figures

NTA before tax	205.12c*
NTA after tax and before tax on unrealised gains	205.18c**
NTA after tax	198.99c**

*The NTA before tax figure is after the payment of \$163k (0.02 cents per share) in tax during the month.

**This includes 0.33cps of tax assets resulting from the acquisition of an unlisted investment company in April 2017.

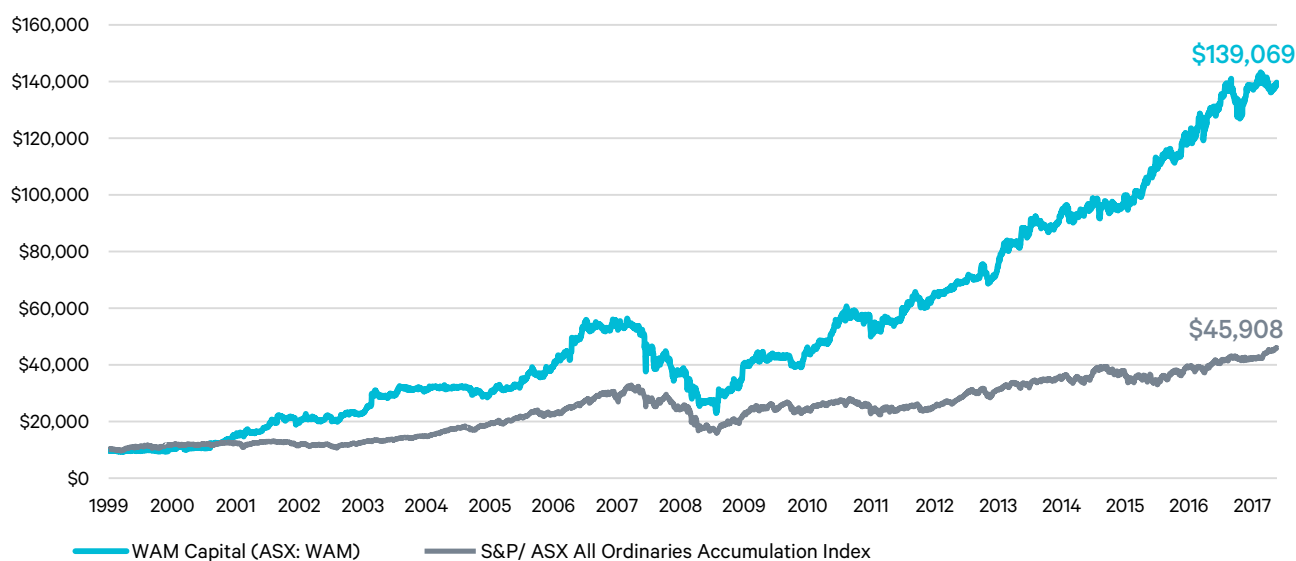
Performance

Performance at 31 December 2017	1 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	1.6%	10.4%	12.5%	17.4%	17.1%	12.2%	17.7%
S&P/ASX All Ordinaries Accumulation Index	2.0%	9.3%	12.5%	9.2%	10.4%	4.0%	8.5%
Outperformance	-0.4%	+1.1%	+0.0%	+8.2%	+6.7%	+8.2%	+9.2%

*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 December 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	November 2017		December 2017	
	\$m	%	\$m	%
Listed equities	1,017.0	75.8	1,062.2	78.7
Short portfolio	(6.5)	(0.5)	(0.1)	(0.0)
Fixed interest & cash	332.3	24.7	286.9	21.3
Gross assets	1,342.8m	100.0	1,349.0m*	100.0
Total shares on issue	655,257,315		655,257,315	

*This figure is after the payment of \$163k in tax for FY18 and \$13.5m in tax for FY17 during the month.

Top 20 holdings

Code	Company	Code	Company
PIA	Pengana International Equities Limited	SDA	SpeedCast International Limited
NEC	Nine Entertainment Co Holdings Limited	MQG	Macquarie Group Limited
SVW	Seven Group Holdings Limited	MTR	Mantra Group Limited
APT	Afterpay Touch Group Limited	GUD	GUD Holdings Limited
TGG	Templeton Global Growth Fund Limited	IMD	Index Limited
PRY	Primary Health Care Limited	TAH	Tabcorp Holdings Limited
SIQ	Smartgroup Corporation Limited	MYO	MYOB Group Limited
PTM	Platinum Investment Management Limited	MMS	McMillan Shakespeare Limited
ASL	Ausdrill Limited	MLB	Melbourne IT Limited
PSI	PSC Insurance Group Limited	SCO	Scottish Pacific Group Limited

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. 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

