

Investment update

As at 31 March 2018



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$2.01

Fully franked
dividend yield

6.2%

Gross assets

\$1,331.2m

Performance
(p.a. since August 1999)

17.5%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,331.2m
Market cap	\$1,638.1m
Share price	\$2.50
NTA before tax	\$2.01
Shares on issue	655,257,315
Annualised fully franked interim dividend (FY2018)	15.5c
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 AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

RESERVE YOUR PLACE NOW

May 2018 Shareholder Presentations

Next month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations, so we encourage you to stay and talk to the team. **Register now!**

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 3.5% in March following global peers in an adverse reaction to geopolitical events through the month.

Global news centred on protectionist policies from the US and China, which rattled equity markets, coupled with key departures from the White House. Technology companies suffered a broad-based sell-off triggered by the Cambridge Analytica controversy into Facebook data collection.

Domestically, the Royal Commission into financial services continued to cause issues for the major banks, further dragging on the Index. In politics, the federal opposition outlined proposed changes to the dividend imputation system that would negatively impact self-funded retirees. Chairman Geoff Wilson spoke to [The Australian](#), [The Australian Financial Review](#), and [Sky News](#) about the policy.

In an article for the [Australian Financial Review](#), Chief Investment Officer Chris Stott recently discussed three sectors and stocks that present value in an expensive and increasingly volatile equity market.

Net tangible asset (NTA) figures

The following NTA figures are before the 7.75 cents per share fully franked interim dividend due to be paid on 27 April 2018. The shares traded ex dividend today, Thursday 12 April 2018.

NTA before tax **200.98c***

NTA after tax and before tax on unrealised gains **200.68c****

NTA after tax **198.29c****

*The NTA before tax figure is after the payment of \$1.25m (0.2 cents per share) in tax during the month.

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

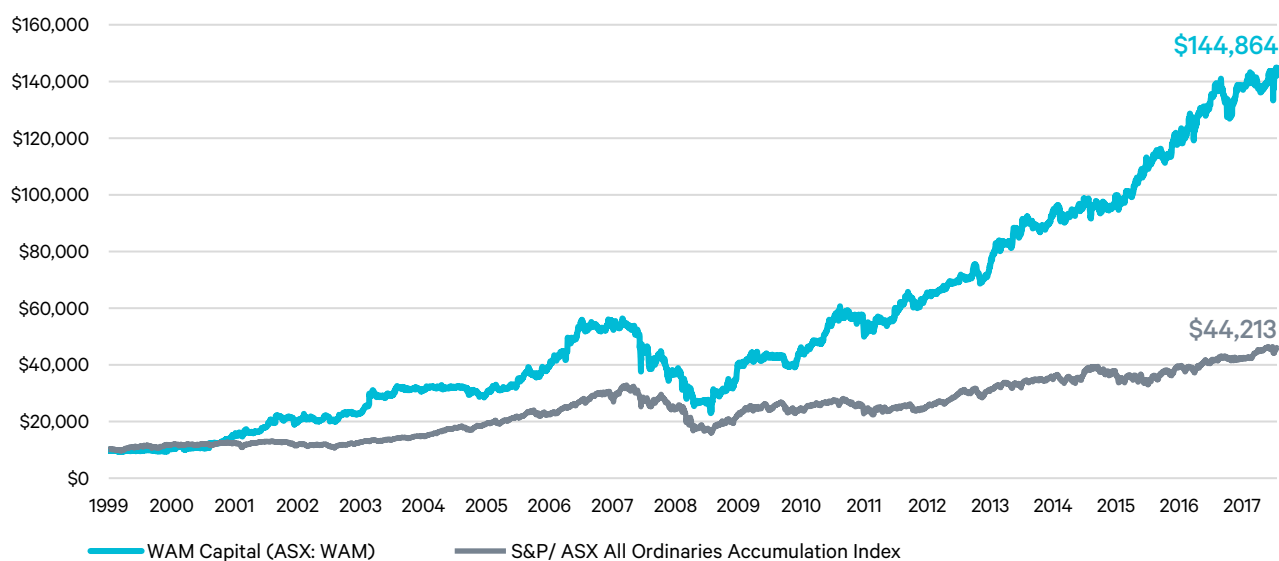
Performance

Performance at 31 March 2018	Since inception							
	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	%pa (Aug-99)
WAM Investment Portfolio*	-1.8%	7.8%	10.6%	11.8%	14.6%	14.8%	14.1%	17.5%
S&P/ASX All Ordinaries Accumulation Index	-3.5%	4.2%	5.3%	3.6%	4.4%	7.9%	5.3%	8.1%
Outperformance	+1.7%	+3.6%	+5.3%	+8.2%	+10.2%	+6.9%	+8.8%	+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 March 2018.
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	February 2018		March 2018	
	\$m	%	\$m	%
Listed equities	957.8	70.5	915.4	68.8
Short portfolio	(23.7)	(1.7)	(9.5)	(0.7)
Fixed interest & cash	423.5	31.2	425.3	31.9
Gross assets	1,357.6m	100.0	1,331.2m*	100.0
Total shares on issue	655,257,315		655,257,315	

*This figure is after the payment of \$125m in tax during the month.

Top 20 holdings

Code	Company	Code	Company
ALL	Aristocrat Leisure Limited	MTR	Mantra Group Limited
AOG	Aveo Group	NEC	Nine Entertainment Co Holdings Limited
ASL	Ausdrill Limited	PIA	Pengana International Equities Limited
AUB	AUB Group Limited	PSI	PSC Insurance Group Limited
BVS	Bravura Solutions Limited	SCO	Scottish Pacific Group Limited
CTD	Corporate Travel Management Limited	SDA	SpeedCast International Limited
EHL	Emeco Holdings Limited	SVW	Seven Group Holdings Limited
FLT	Flight Centre Travel Group Limited	TGG	Templeton Global Growth Fund Limited
IMD	Imdex Limited	TGP	360 Capital Group Limited
MIN	Mineral Resources Limited	WDE	Wealth Defender Equities Limited

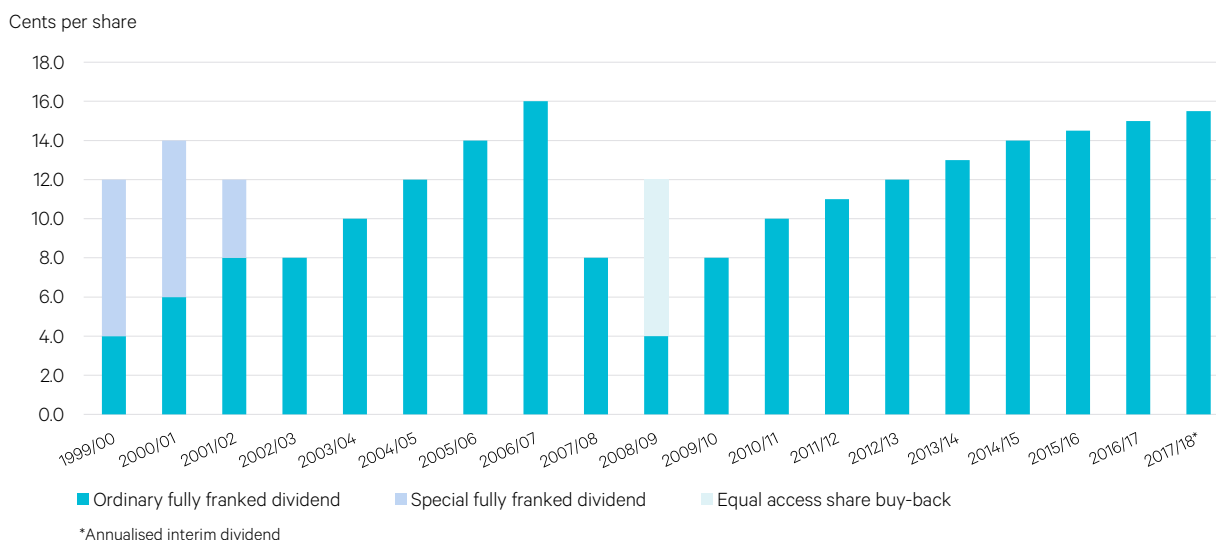
Fully franked dividends

On 12 February 2018, the Board announced a fully franked interim dividend of 7.75 cents per share, an increase of 3.3% on the previous year. The dividend will be paid on 27 April 2018 and traded ex dividend today, Thursday 12 April 2018. The DRP is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 17 April 2018.

Key dividend dates

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

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. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.