

Annual General Meeting Chairman's Address

29 November 2017

FY2017 highlights

- Full year pre-tax profit of \$88.9 million and after-tax profit of \$68.9 million
- 15.0 cents per share fully franked full year dividend
- 14.1% total shareholder return
- 11.7% investment portfolio performance

Introduction and welcome

Good morning and welcome to the nineteenth WAM Capital Limited Annual General Meeting (AGM). I would firstly like to acknowledge the Gadigal people of the Eora nation and pay my respects to their Elders past and present. I would also like to welcome all our shareholders – thank you for joining us and for your continued support of WAM Capital.

I am Geoff Wilson, Chairman of the Board of Directors. I am joined today by my fellow Board members, Kate Thorley, Chris Stott, Matthew Kidman, Lindsay Mann and James Chirnside. Scott Whiddett, a representative from our auditor Pitcher Partners, will be available to address any questions relating to the Company's financial statements.

Solid investment portfolio performance

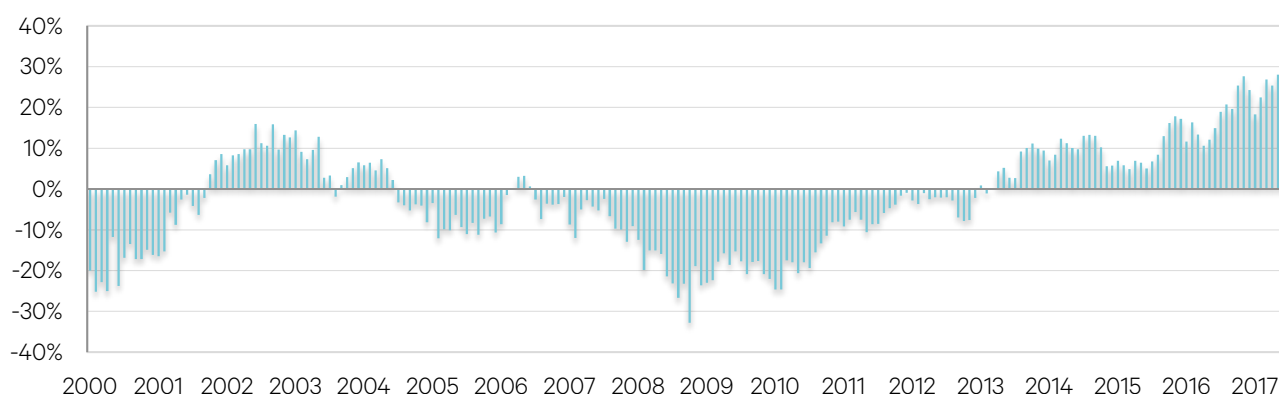
WAM Capital has consistently applied its proven investment philosophy to achieve sound, risk-adjusted portfolio returns derived from investments in undervalued growth companies. The portfolio has returned 17.6% per annum since inception in August 1999, outperforming the S&P/ASX All Ordinaries Accumulation Index by 9.4%, while holding an average of 34.1% in cash.

The investment portfolio continued to deliver solid absolute performance during the 2017 financial year, increasing 11.7% over the period while holding on average 36.1% in cash. The investment portfolio delivered these returns while taking less risk than the market as measured by standard deviation, with the portfolio recording 7.1% against the market's 9.2%. The return on the equity portion of the portfolio was 17.2% and the return on the cash portion of the portfolio was 1.9% for the year.

Total shareholder return and share price premium to NTA

The total shareholder return for WAM Capital for the year to 30 June 2017 was 14.1%, driven by WAM Capital's investment portfolio performance of 11.7% and the continued increase in the share price premium to NTA. As at 30 June 2017, the share price premium to NTA was 24.5%. On 28 November 2017 the premium was 22.9%, after the payment of the fully franked 7.5 cents per share final dividend on 27 October 2017. Throughout its 19-year history, the Company's share price has traded at both premiums and discounts to its NTA.

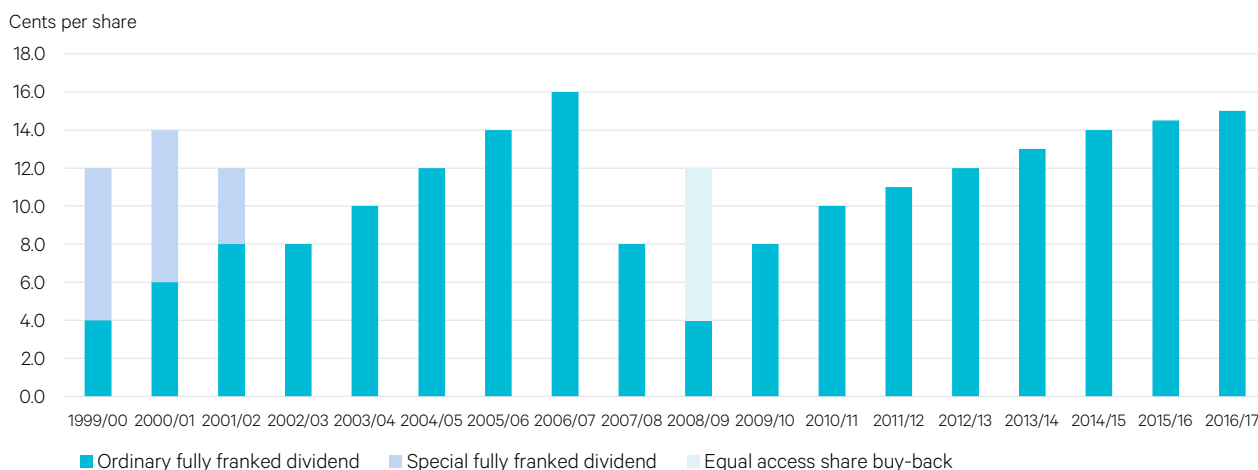
WAM Capital share price premiums and discounts to NTA since inception



Continued fully franked dividend growth

The Board continued to enhance shareholder returns through the payment of fully franked dividends in FY2017. The fully franked full year dividend increased to 15.0 cents per share. As at 31 October 2017 the profit reserve was 16.8 cents per share.

Fully franked dividends since inception



Strong financial results and growth in assets

In 2017, the Company achieved strong growth as assets grew by \$300.2 million to \$1,239.3 million. For the period, the Company recorded a pre-tax profit of \$88.9 million and paid tax of \$23.4 million and dividends of \$87.6 million. The growth in assets has been achieved through the performance of the investment portfolio, which increased 11.7% for the year and the various capital management initiatives including a share purchase plan, placements and our first acquisition of an unlisted investment company.

In August 2016, 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. During the period, WAM Capital raised an additional \$59.8 million through DRP shortfall placements to wholesale investors during the year. The capital raising initiatives were undertaken at a premium to the Company's NTA and benefited all shareholders by increasing the NTA accordingly. WAM Capital's growth delivers benefits to all shareholders.

As the Company's capital base increases, its on-market liquidity increases and its relevance in the market grows. All of these factors improve the prospect of broker and research coverage and can drive additional interest from stock brokers and financial planners.

Strategic acquisition to the benefit of WAM Capital shareholders

In April 2017, WAM Capital purchased its first unlisted investment company. The unlisted investment company had net assets of approximately \$25.5 million. The purchase consideration for the acquisition was payable in scrip. The primary reason for completing this transaction was to benefit existing WAM Capital shareholders by increasing the size of the investment portfolio in a cost-effective manner, whilst also increasing the number of shareholders. An additional outcome of the transaction was the contribution of \$4.6 million in franking credits. The benefit of the franking credits acquired, on a fully franked dividend per share basis, was 1.7 cents. The WAM Capital Board looks forward to engaging in similar transactions in the future.

Equity market outlook

At the AGM in 2008, I said "I believe the current period will provide the greatest buying opportunity in my lifetime". In the 12 months following, WAM Capital's investment portfolio increased by 43.2% while the S&P/ASX All Ordinaries Accumulation Index increased 22.4%. I am excited by the fact that we will soon enter a period defined by similar opportunities.

In the United States, the current bull market has run for eight years and eight months, making it the third-longest in history. Alongside it, the 30-year bull market in interest rates has expanded price-to-earnings ratios. The US is still the driving force of global equity markets worldwide. With record-low interest rates across the world, investors have devoured shares and, I believe, have mispriced risk. Since the GFC, the 50 largest central banks around the world have cut interest rates 700 times and injected \$9 trillion of liquidity into global markets. The effects of this policy response has been compounded by the growth of passive, open-ended equity trust structures – exchange traded funds (ETFs). In the US, ETFs have grown to \$4 trillion, or 16 per cent of the entire equity market. The surge in global liquidity, synchronised global economic growth and increased investor appetite for risk and yield have driven asset prices to record levels.

I believe that the bear market that will inevitably follow this bull market will present significant investment opportunities as emotion takes hold and quality assets become substantially undervalued.

Company outlook

WAM Capital entered the 2018 financial year with a conservative balance sheet, a high cash weighting, no debt and a flexible and proven investment approach with the patience and expertise of an experienced investment team.

Shareholder engagement and communication

Shareholders are the owners of WAM Capital. Wilson Asset Management's job is to manage the Company on your behalf and be available to report to you on a regular basis. We encourage all shareholders to meet with us, and utilise our proactive approach to keeping them informed. We value shareholder engagement and aim to provide transparency to our investors and the broader market. We do this regularly in many ways, including:

- Weekly investor updates from our Chief Investment Officer;
- Regular investment news and market insights;
- Monthly investment updates;
- Annual and half yearly profits announcements; and
- Semi-annual shareholder calls and briefings across all major Australian cities.

If you have not already done so, I encourage you to use the subscription feature on the Wilson Asset Management website to receive notifications of announcements, investor updates and other important information.

We welcome all feedback on how we can improve our communication and engagement with you, if you have any suggestions please contact our Head of Corporate Affairs, James McNamara on (02) 9247 6755 or email us at info@wilsonassetmanagement.com.au.

Making a difference

Wilson Asset Management, WAM Capital's investment manager, is passionate about making a positive difference to our shareholders and the community. In the 2017 financial year the team worked towards this objective in a number of ways.

We continued our support of Future Generation Investment Company (ASX: FGX) and Future Generation Global Investment Company (ASX: FGG), Australia's first philanthropic wealth creation vehicles with the dual purpose of creating shareholder wealth and investing in our future generation. FGX and FGG are actively making a difference with a significant stream of annual investments in high impact charities working to better the lives of young Australians. Wilson Asset Management's team gives ongoing pro bono support to these innovative companies, providing funds management, marketing, shareholder communications, company secretarial, administrative and support functions.

Wilson Asset Management is a signatory to Pledge 1% – a global corporate philanthropy movement that commits to donating 1% of product, 1% of equity, or 1% of employee time to improve communities around the world. We achieve this in a number of ways, including through a program that allows our staff to spend one day each month working in the non-profit sector.

We are proud to provide significant support to various charities. In addition, every Wilson Asset Management team member is given \$10,000 per year to donate as they see fit to any one or multiple charities. All donations are made by the investment manager and not WAM Capital.

Thank you

I would like to thank the entire Wilson Asset Management team. Every member of the team has worked tirelessly throughout the year for the shareholders of WAM Capital. I would also like to thank my fellow Board members for their invaluable contributions to WAM Capital during another significant year of growth for the Company. I am grateful for the Board's ongoing guidance and expertise. Finally, on behalf of the Board and Wilson Asset Management, thank you to our 29,197 loyal shareholders for your continued support and to the 6,909 shareholders who joined WAM Capital in the last year, welcome to the Wilson Asset Management family.