

Investment Update & Net Tangible Assets Report

AS AT 30 NOVEMBER 2015



Performance

Performance at 30 November 2015	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*	3.5%	13.2%	11.5%	22.8%	20.0%	15.7%	13.9%	18.2%
S&P/ASX All Ordinaries Accumulation Index	-0.7%	-2.1%	-7.4%	3.1%	9.5%	6.8%	5.7%	7.9%
Outperformance	+4.2%	+15.3%	+18.9%	+19.7%	+10.5%	+8.9%	+8.2%	+10.3%

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

Net Tangible Assets (NTA) figures

NTA before tax	191.13c
NTA after tax and before tax on unrealised gains	192.51c *
NTA after tax	184.85c *

These figures are after the payment of \$2.5m (0.53 cents per share) in tax during the month.
Includes 1.4 cents of tax assets resulting from the merger with Premium Investors.

Market overview

After recording strong gains in October, the Australian equity market fell slightly in November dragged lower in part by resource companies impacted by falling commodity prices and a weak Australian dollar. The S&P/ASX All Ordinaries Accumulation Index ended the month down 0.7%. The Australian sharemarket has traded in a 20% range over the last 12 months and as we approach the end of the year looks likely to close 2015 flat.

Overall economic conditions are good. Latest labour force figures showed unemployment dropped from 6.2% to 5.9% and levels of employment surged. While capital expenditure fell sharply due to the slow-down in the mining sector, business confidence remains robust, buoyed by the 'Turnbull Effect'. In our view, companies are now more likely to authorise capital expenditure in the months ahead. In his statement on monetary policy, the Reserve Bank of Australia Governor noted: "the prospects for an improvement in economic conditions had firmed a little over recent months."

Strong retail trade figures recently released reflect solid consumer confidence and we expect good trading conditions over the Christmas period which will benefit Australian retailers.

We maintain conservative levels of cash in the investment portfolio which gives us the opportunity to capitalise on various opportunities as they arise in the market while allowing us to preserve capital.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$918.7m
Market cap	\$954.7m
Share price	\$2.04
NTA before tax	\$1.91
Shares on issue	468,006,885
Fully franked dividends (FY2015)	14.0c
Dividend yield	6.9%

Investment objectives

- Deliver investors a rising stream of fully franked dividends
- Provide capital growth
- Preserve capital

Company overview

WAM Capital Limited (ASX: WAM), one of Australia's leading Listed Investment Companies, is 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.

Investment & Management Team

Geoff Wilson
Chairman/Portfolio Manager

Kate Thorley
Chief Executive Officer/
Company Secretary

Chris Stott
Chief Investment Officer/
Portfolio Manager

Matthew Haupt
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Tobias Yao
Equity Analyst

James McNamara
Communications Manager

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Diversified portfolio

Investment Type	October 2015		November 2015	
	\$m	%	\$m	%
Listed Equities	625.1	70.6	667.8	72.4
Fixed Interest & Cash	260.4	29.4	255.2	27.6
Long Portfolio	885.5	100.0	923.0	100.0
Short Portfolio	(15.9)	(1.8)	(4.3)	(0.5)
Gross Assets	\$869.6m		\$918.7m*	
Total shares on issue	454,905,718		468,006,885**	

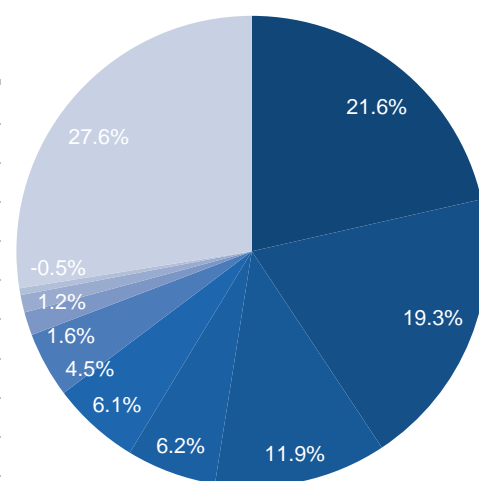
*This figure is after the payment of \$2.5m (0.53 cents per share) in tax during the month.

**During the month, 13.1m shares were issued under the Dividend Reinvestment Plan (DRP) shortfall placement for the final dividend.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
HHV	Hunter Hall Global Value Limited	32,373,546	3.5%
A2M	The A2 Milk Company Limited	23,726,327	2.6%
ASB	Austal Limited	19,538,247	2.1%
ECX	Eclixp Group Limited	18,459,217	2.0%
CYA	Century Australia Investments Limited	17,702,465	1.9%
SIQ	Smartgroup Corporation Limited	17,280,612	1.9%
IPH	IPH Limited	15,480,452	1.7%
NUF	Nufarm Limited	14,856,351	1.6%
MYR	Myer Holdings Limited	13,848,873	1.5%
AOG	Aveo Group	13,278,000	1.4%
CSV	CSG Limited	12,597,935	1.4%
SGF	SG Fleet Group Limited	12,251,481	1.3%
MTR	Mantra Group Limited	11,837,234	1.3%
AAD	Ardent Leisure Group	11,619,021	1.3%
RCG	RCG Corporation Limited	11,575,564	1.3%
MYX	Mayne Pharma Group Limited	11,034,809	1.2%
MTS	Metcash Limited	10,449,095	1.1%
XRO	Xero Limited	10,138,775	1.1%
PMV	Premier Investments Limited	9,751,033	1.1%
AFJ	Affinity Education Group Limited	9,337,357	1.0%

Sector allocation



- Consumer Discretionary: 21.6%
- Financials: 19.3%
- Industrials: 11.9%
- Information Technology: 6.2%
- Consumer Staples: 6.1%
- Health Care: 4.5%
- Materials: 1.6%
- Telecommunication Services: 1.2%
- Short stock: -0.5%
- Cash and Fixed Interest: 27.6%

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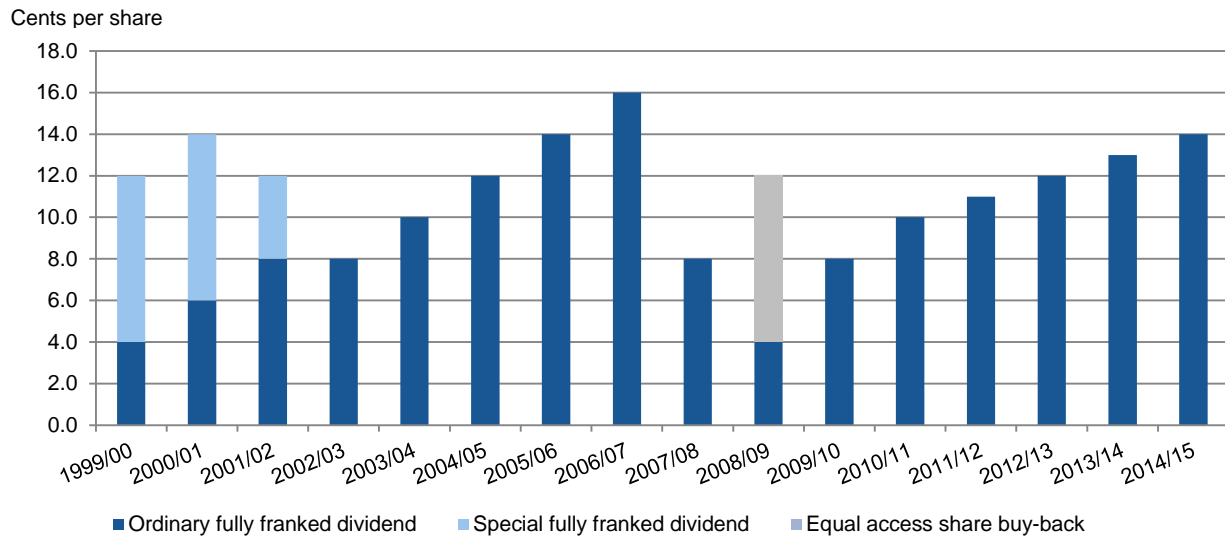
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Dividend growth

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. 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.

WAM Capital dividends since inception



On 30 October 2015, the Company paid a fully franked final dividend of 7.0 cents per share. This brings the full year fully franked dividend to 14.0 cents per share, an increase of 7.7% on the previous corresponding period.