

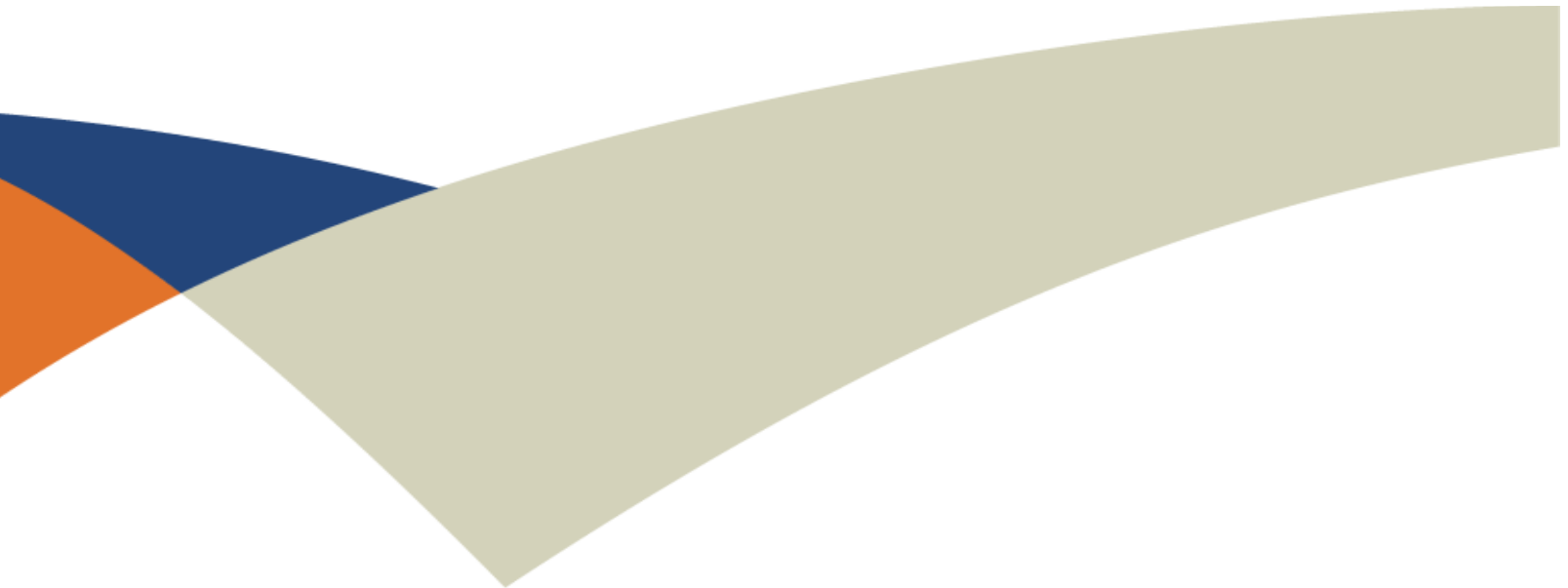


WAM Capital Limited

ABN 34 086 587 395

Annual Report

for the year ending 30 June 2015



Company Particulars

WAM Capital Limited is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

Directors:	Geoffrey Wilson (Chairman) Matthew Kidman Paul Jensen	James Chirnside Lindsay Mann Chris Stott
Company Secretary:	Kate Thorley	
Investment Manager:	Wilson Asset Management (International) Pty Limited Level 11, 139 Macquarie Street, Sydney NSW 2000	
Auditors:	Moore Stephens Sydney	
Country of Incorporation:	Australia	
Registered Office:	Level 11, 139 Macquarie Street, Sydney NSW 2000	
Contact Details:	Postal Address:	GPO Box 4658, Sydney NSW 2001
	Telephone:	(02) 9247 6755
	Fax:	(02) 9247 6855
	Email:	info@wamfunds.com.au
Share Registrar:	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664	

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

Australian Securities Exchange: WAM Capital Ordinary Shares (WAM)

Shareholder Presentations 2015

Perth
Thursday 19 November
Presentation only

Parmelia Hilton
14 Mill St
Perth WA 6000
10.00am – 12.00pm

Annual General Meeting and Presentation Sydney Tuesday 24 November

Auditorium
Wesley Centre
220 Pitt St
Sydney NSW 2000

AGM: 10.30am – 11.00am
Presentation: 11.00am – 12.30pm



Adelaide
Wednesday 25 November
Presentation only

The Playford
120 North Terrace
Adelaide SA 5000

10.00am – 12.00pm

Melbourne
Thursday 26 November
Presentation only

Rydges Melbourne
186 Exhibition St
Melbourne VIC 3000

10.00am – 12.00pm

Brisbane
Friday 27 November
Presentation only

Brisbane Convention &
Exhibition Centre
Cnr Merivale & Glenelg St
South Bank QLD 4101

10.00am – 12.00pm

Canberra
Monday 30 November
Presentation only

Belconnen Premier Inn
110 Benjamin Way
Belconnen ACT 2617

10.00am – 12.00pm

Key Highlights FY2015

↑ 14.7%

Investment Portfolio Performance

↑ 14.0c

Full Year Fully Franked Dividend

↑ 35.3%

Shareholders' Equity

↑ 7.3%

Fully Franked Dividend Yield

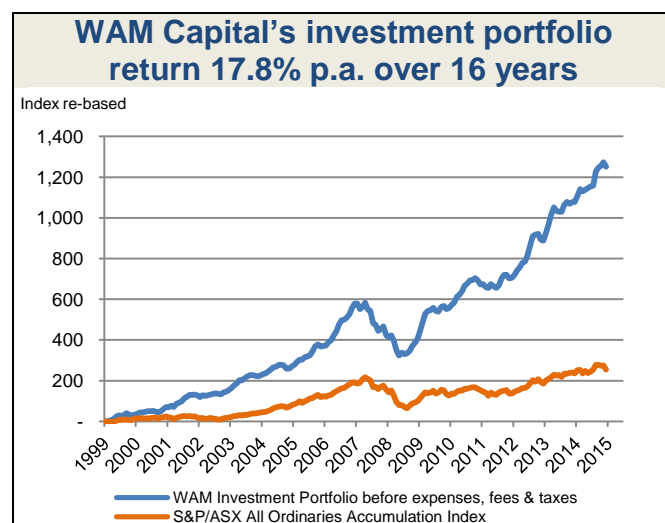
Summary of Results FY2015

WAM Capital reported an operating profit before tax of \$71.2 million for the year (FY2014: \$90.5 million), and an operating profit after tax of \$54.0 million (FY2014: \$68.3 million). The change in profit from 2014 is a result of the increased capital base and the change in value of the investment portfolio returning 19.2% in FY2014 against 14.7% in FY2015.

The investment portfolio, while being on average 61.9% invested in equities, increased 14.7% and outperformed the S&P/ASX All Ordinaries Accumulation Index by 9.0% for the year to 30 June 2015.

The Board declared 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 year.

As at 30 June 2015	
Listing date	August 1999
Market cap	\$866.0m
Share price	\$1.92
Shares on issue	451,050,715
Net Tangible Assets (pre-tax)	\$1.81
Net Tangible Assets (post-tax)	\$1.78
Gross Assets	\$833.7m
Fully franked dividends FY2015	14.0 cents
Fully franked dividends FY2014	13.0 cents
Fully franked FY2015 dividend yield	7.3%



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CHAIRMAN'S LETTER

Dear Fellow Shareholders,

Firstly, I would like to thank you for your continued support of WAM Capital Limited in financial year 2015. I would also like to welcome all new shareholders to the Company.

In 2015, the Company achieved strong growth, increasing shareholders' equity by 35.3% to \$806.5 million and the number of shareholders by 29.7% to 17,358, the majority of which are self managed super fund (SMSF) investors. The growth in assets has been achieved through the strong performance of the investment portfolio, which was up 14.7% and capital management initiatives including the share purchase plan (SPP) and placement. More than 8,800 existing WAM Capital shareholders invested \$103.3 million through the SPP. The placement to WAM Capital shareholders was oversubscribed and raised \$90.1 million. The proceeds from the capital management initiatives have been invested in accordance with WAM Capital's disciplined investment process.

Since its inception in 1999, WAM Capital has consistently applied its proven investment philosophy to achieve an investment portfolio return of 17.8% per annum, which is 9.5% greater than the S&P/ASX All Ordinaries Accumulation Index. This performance has enabled the Company to pay shareholders an average annualised fully franked dividend yield on the initial public offering price of 11.1% per year over the last 16 years.

Performance

In evaluating the performance of the Company, we look at three key measures set out below. These performance numbers were achieved with an average 61.9% invested in equities during the year. The return on the equity portion of our portfolio was 21.9% and the return on the cash portion of the portfolio was 3.1% for the year to 30 June 2015.

1. How the investment manager performed

WAM Capital's investment portfolio increased 14.7% for the 12 months to 30 June 2015, while the S&P/ASX All Ordinaries Accumulation Index rose by 5.7% and the S&P/ASX Small Ordinaries Accumulation Index rose 0.4%. This represents an outperformance of 9.0% and 14.3% respectively. This was achieved while holding on average 38.1% of the investment portfolio in cash. This measure is before tax and all costs and is compared to the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index which are also before tax and costs.

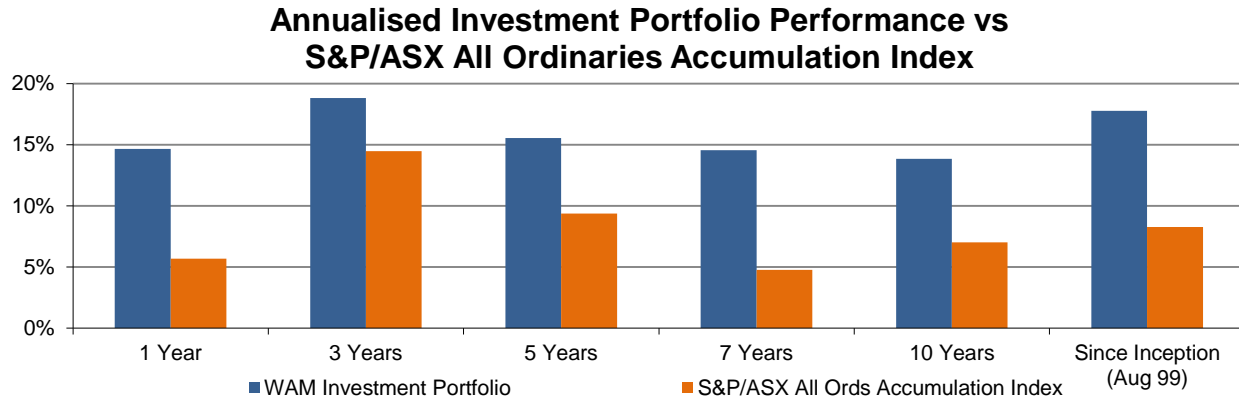
Performance at 30 June 2015	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	14.7%	18.8%	15.5%	13.9%	17.8%
S&P/ASX All Ordinaries Accumulation Index	5.7%	14.5%	9.4%	7.0%	8.3%
Outperformance	+9.0%	+4.3%	+6.1%	+6.9%	+9.5%

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

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CHAIRMAN'S LETTER



2. The movement in net tangible assets (NTA) after taxes, fees and other costs

WAM Capital's after tax NTA, adjusted for dividends, increased 10.1% for the 12 months to 30 June 2015. This increase is after tax paid of 1.9 cents per share during the year. This performance measure shows the change in the value of the assets that belong to the shareholders over the 12 month period. Performance fees payable and corporate tax (30%) are significant items of difference between the investment portfolio and the net tangible asset performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends.

3. Total shareholder return (TSR)

This measure shows the return to shareholders being the change in share price together with dividends reinvested. The TSR for WAM Capital for the year to 30 June 2015 was 6.3%. The TSR was impacted by the decrease in the share price premium to NTA. This measure does not value the potential benefit of franking credits.

Investment portfolio

The Research Driven portion of the portfolio performed strongly during the financial year. The best performing research stocks for FY2015 were: Mantra Group Limited (MTR), IPH Limited (IPH), CSG Limited (CSV), Austal Limited (ASB) and Corporate Travel Management Limited (CTD). We believe opportunities are, and continue to be, available irrespective of the direction of the overall equity market.

In the last six months the Company has established new positions in stocks such as SG Fleet Group Limited (SGF) and Premier Investments Limited (PMV) while taking profits and rotating out of existing positions that have reached our valuation targets.

The Market Driven portion of the portfolio also performed strongly in FY2015. The top contributors on the Market Driven strategy for FY2015 were: Burson Group Limited (BAP), Blackmores Limited (BKL), Hunter Hall Global Value Limited (HHV), Qantas Airways Limited (QAN) and Aristocrat Leisure Limited (ALL).

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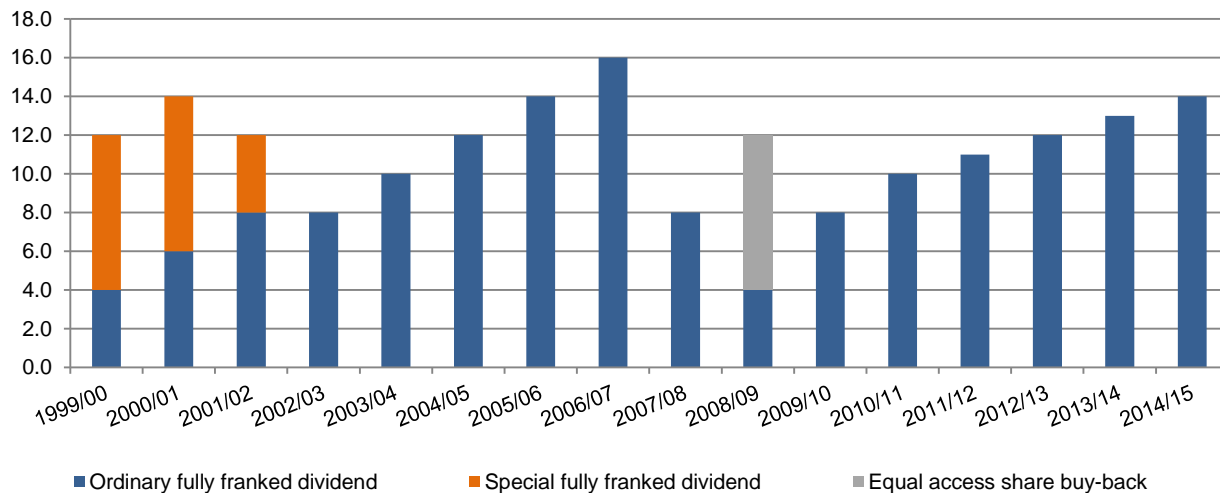
CHAIRMAN'S LETTER

Dividends

On 17 August 2015, the Board announced a fully franked final dividend of 7.0 cents per share. This brought the FY2015 full year dividend to 14.0 cents per share fully franked, an increase of 7.7% on the previous year.

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 paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The dividend reinvestment plan will be operating at a 2.5% discount for the final dividend.

WAM Capital Dividends since Inception



Capital Management

During the year, WAM Capital undertook two capital management initiatives, a SPP and a placement. The objectives of these initiatives have been to increase shareholder value by continuing to grow the Company's assets, lowering its fixed costs per share, increase its relevance in the market and increase liquidity of WAM Capital's shares. The proceeds from the capital management initiatives have been invested in accordance with WAM Capital's disciplined investment process.

Share Purchase Plan

On 9 March 2015, the Company announced that the WAM Capital SPP and placement raised a combined \$193.4 million. The SPP offered existing shareholders the opportunity to acquire up to \$15,000 worth of ordinary shares at the fixed price of \$1.90 per share without incurring any brokerage or other charges. More than 8,800 or 61% of WAM Capital shareholders invested \$103.3 million through the offer.

Placement

In addition, existing wholesale shareholders participated in a placement under the same terms as the SPP. The placement raised \$90.1 million as allowed by the ASX listing rules and was oversubscribed and scaled back.

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CHAIRMAN'S LETTER

Equity Market Outlook

The equity market outlook for the next 12 months remains mixed. The recent fall in domestic and global markets indicates the six-and-a-half year bull market is near its end.

The recent reporting season failed to deliver positive news as analysts adjusted their earnings forecasts to reflect the uncertain conditions. We expect that some sectors of Australian equity market, such as retail, will benefit from low interest rates and improving domestic economic conditions in the face of slowing growth in China and falling commodities prices.

The prevalence of cheap debt and the strength of company balance sheets are expected to drive merger and acquisition activity in the 2016 financial year. This calendar year has been marked by major bids, such as iiNet, Amcom, and Toll Holdings. Companies with valuable intellectual property, strong cash flow, and a strategic industry position will be attractive to potential suitors.

We are cautious of the direction of the market and retain higher than average cash levels. This ensures we are well positioned to take advantage of opportunities as they emerge.

Company Outlook

WAM Capital enters FY2016 with a conservative balance sheet, a high cash weighting, no debt and a flexible and proven investment approach. The Company will continue to seek opportunities irrespective of market conditions, having achieved outperformance through various market cycles.

Public Policy and Advocacy – Dividend Imputation

We remain engaged in public debate on issues affecting WAM Capital and its shareholders. During the 2015 financial year we submitted our response to the Federal Government's Tax Discussion Paper, which flagged a review of the imputation system. The submission argued dividend imputation has significantly benefitted Australia's financial system. Dividend imputation leads to robust capital formation in Australia, efficient capital distribution, a more stable economy with reduced cyclicity and greater financial support for Australian charities. The removal or adjustment of dividend imputation would therefore be detrimental to the Australian financial system. We will continue to engage in this debate during the 2016 financial year.

Shareholder Communication

We take an active approach to keeping shareholders informed about WAM Capital's activities and performance. Regular communications include monthly investment updates and NTA announcements, yearly and half yearly profit announcements, semi-annual shareholder briefings and access to all relevant information, such as independent research reports, on our website: www.wamfunds.com.au.

We encourage shareholders and prospective investors to use the "Subscribe Here" feature on our website to receive Weekly Investor Updates and notifications when announcements and other important information are made available.

During the year we continued the successful and well-attended shareholder briefings, with presentations held in Sydney, Melbourne, Adelaide, Brisbane, Perth and Canberra. The team at Wilson Asset Management greatly values the opportunity to meet with our shareholders at the bi-annual events. We invite you to attend the upcoming briefings in November 2015 – please see details at the front of this document.

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CHAIRMAN'S LETTER

We aim to provide valuable and insightful communications and welcome all feedback on how we can improve our communication and engagement with shareholders – please contact our office on (02) 9247 6755 or email to info@wamfunds.com.au.

Thank you for your continued support.

A handwritten signature in black ink, appearing to be 'Geoff Wilson', with a long horizontal flourish extending to the right.

Geoff Wilson
Chairman

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OBJECTIVES AND INVESTMENT APPROACH

WAM Capital Objectives

The investment objectives of WAM Capital Limited (WAM Capital or the Company) are to:

- deliver investors a rising stream of fully franked dividends;
- provide capital growth; and
- preserve capital of the Company.

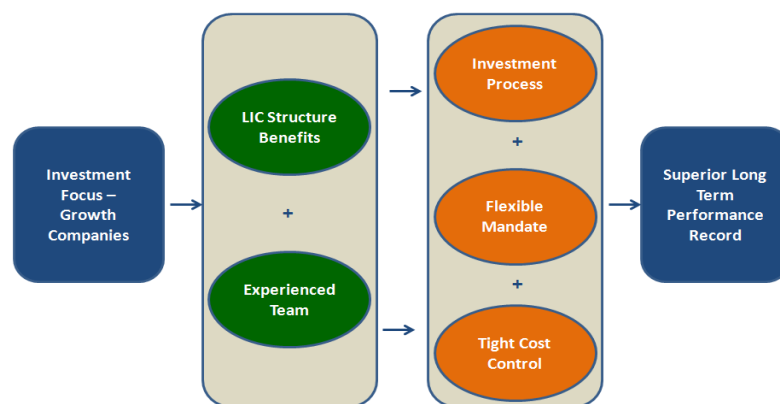
Our Approach and Business Model

Our focus is to invest in growth companies with an emphasis on identifying stocks that are under-researched and undervalued. These companies have strong earnings growth, trade on low price to earnings multiples and have an experienced management team. They are well positioned in their industry and tend to be small-to-medium sized industrial companies listed on the Australian Securities Exchange (ASX). We believe small cap stocks outperform their big cap rivals for a number of reasons:

- small companies tend to grow at a faster rate than their larger peers;
- the dilution of the Efficient Market Hypothesis (EMH) as you move from large cap stocks to small cap stocks; and
- the increased possibility of corporate activity.

Our disciplined approach is to provide the maximum return possible while taking the minimum amount of risk. WAM Capital has a relatively low risk profile for a number of reasons. If we do not identify a catalyst under the Research Driven approach or a trading opportunity under the Market Driven approach, we revert to cash. The average cash position held over the last 16 years is 34.1%. The Company also has a low exposure to the resources sector because we consider this sector is subject to extreme volatility and is difficult to value according to conservative accounting and investment principles.

Business Model



Our investment team has over 65 years of collective experience in the Australian sharemarket. The team comprises of Geoff Wilson as Chairman/Portfolio Manager, Chris Stott, Chief Investment Officer/Portfolio Manager, Martin Hickson, Senior Equity Analyst/Dealer, Matthew Haupt, Senior Equity Analyst and Tobias Yao, Equity Analyst. The team spends as much time as possible researching and meeting with the management of investee companies.

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OBJECTIVES AND INVESTMENT APPROACH

Our Style

Our investment style can be summarised as:

- fundamental bottom-up approach
- absolute return focus, benchmark unaware
- quick decision making resulting from a flat organisational structure
- increased flexibility due to the relatively small funds under management and flexible mandates
- a focus on risk adjusted returns with above average cash positions.

Investment Process

We employ the following two investment processes to achieve the Company's objectives:

Research Driven Investing

WAM Capital's research driven investment style provides investors with exposure to undervalued growth companies.

Our research methodology is centred on extensive company research, including meeting with senior executives. This process is very labour intensive with over 1,000 company meetings each year. WAM Capital forecasts free cashflows, then rates the company with respect to its management, earnings growth potential, valuation and industry position. We buy when we can identify a catalyst or an event that will change the market's valuation, and sell when the company reaches our valuation.



In the Research Driven part of the portfolio, we do not favour investing in mining companies due to their unpredictability, the volatility of revenue and the unfavourable risk reward equation. This does not apply to the Market Driven part of the portfolio where we look for trading opportunities.

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OBJECTIVES AND INVESTMENT APPROACH

Market Driven Investing

We take advantage of relative short-term arbitrage and mispricing opportunities in the Australian equities market, rather than investing in any individual companies or a portfolio of companies for a prolonged period of time. This part of the portfolio is traded actively.

We scour the market for opportunities such as:

- initial public offerings
- capital raisings
- block trades
- oversold positions
- takeovers
- Listed Investment Companies (LICs) trading at a discount to their Net Tangible Asset (NTA)
- other companies trading at a discount to their NTA
- earnings momentum / surprise
- short selling
- market themes and trends.

We also participate in investment opportunities that provide the Company with a yield that is better than our return on cash.

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CORPORATE GOVERNANCE STATEMENT

The Board is committed to the Company operating effectively and in the best interests of shareholders. The Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council having regard to the nature of the Company's activities and its size. The Company has adopted the ASX Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) for the 2015 financial year, subject to the exceptions noted below.

Lay solid foundations for management and oversight (Recommendations: 1.1 to 1.7)

The Company has a Board but no full time employees. Subject at all times to any written guidelines issued by the Board of Directors of WAM Capital Limited, the day-to-day management and investment of funds is carried out by Wilson Asset Management (International) Pty Limited ('the Manager') pursuant to a management agreement. Consequently, there is no need to delegate functions to senior management or for a process to evaluate the performance of senior executives or for a diversity policy under Recommendations 1.1, 1.3, 1.5 and 1.7.

The role of the Board is to set strategic direction, approve capital management initiatives and to be responsible for the overall corporate governance of the Company which includes:

- To oversee and monitor the performance of the Manager's compliance with the management agreement and to ensure that the Manager is monitoring the performance of other external service providers;
- Ensuring adequate internal controls exist and are appropriately monitored for compliance;
- Ensuring significant business risks are identified and appropriately managed;
- Approving the interim and final financial statements and related reports and generally various other communications to the ASX and shareholders that the Board deems material; and
- Setting appropriate business standards and codes for ethical behaviour.

The Board aims to ensure that all Directors and the Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company. The Board aims to act in a manner designed to create and build sustainable value for shareholders.

Each Director has undergone background and other checks before appointment. The Board ensures that security holders are provided in advance with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director. The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term in office are detailed in the Directors' Report on pages 17 to 20.

The Board comprises experienced Company directors who have each received a formal letter of engagement and who are fully aware of the terms of their appointment including their roles and responsibilities.

The Board has appointed an experienced Company Secretary who is directly accountable to the Board.

As the Company has no full time employees, a diversity policy has not been established under Recommendation 1.5. The Board's composition is reviewed on an annual basis. In the event a vacancy arises, the Board will include diversity in its nomination process. Currently, the Board has

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CORPORATE GOVERNANCE STATEMENT

one female officer being the Company Secretary, along with over 50% of the Manager's staff being women, including the CEO. The Company is not a relevant employer under the Workplace Gender Equality Act.

The performance of directors will be assessed and reviewed by the Board. To determine whether it is functioning effectively, the Board shall:

- review its Corporate Governance Charter annually; and
- perform an evaluation of the Board's performance at intervals considered appropriate.

The Board is responsible for undertaking an annual performance evaluation of itself and its members in light of the Company's Corporate Governance Charter. The Board will review its performance by discussion and by individual communication with the Chairman and by reference to generally accepted board performance standards. A copy of the Corporate Governance Charter can be found at the Corporate Governance section of the Company's website.

Structure the Board to add value (Recommendations: 2.1 to 2.6)

A nomination committee has not been formed under Recommendation 2.1. The Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise with the aim of achieving the optimal mix of skills and diversity.

The Company supports the appointment of Directors who bring a wide range of business, investment and professional skills and experience. While the Company does not have or disclose a formal skills matrix it does consider directors attributes prior to any appointment. The qualifications, skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report and their attendance at Board and Committee meetings is included in the Annual Report.

The Board has the following four independent Directors:

- James Chirside
- Paul Jensen
- Lindsay Mann
- Matthew Kidman

The majority of the Board are considered independent as per the criteria outlined in the Board of Directors Charter which includes the Company's criteria for independence of Directors, and can be found in the Corporate Governance section of the Company's website. The criteria are in accordance with ASX Corporate Governance Council's Principles.

The appointment dates of each Director are shown in the Directors' Report in the Annual Report.

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CORPORATE GOVERNANCE STATEMENT

The Chairman is not an independent Director. The Company believes that an independent Chairman, under Recommendation 2.5, does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business and is a sizeable shareholder, as is the case with this Company, it adds value to the Company and all shareholders' benefit. The Company does not employ a CEO consequently the Chairman is not the CEO of the entity.

Under the Board of Directors Charter, the performance of each Director was reviewed by the Chairman during the year and the Board undertook the annual review of the performance of the Chairman to ensure the Board's activities continue to be efficiently organised and conducted. At every annual general meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

Due to the fact that directors are chosen for their specialist knowledge of their sector, the Board induction process is of an informal nature. New Directors are fully briefed about the nature of the business, current issues, the corporate strategy and the expectations of the Company concerning performance of Directors. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

Act ethically and responsibly (Recommendations: 3.1)

The Company has established a Directors Code of Conduct which sets out the Company's key values and how they should be applied within the workplace and in dealings with those outside of the Company. The Directors Code of Conduct can be found in the Corporate Governance section of the Company's website.

Safeguarding integrity in corporate reporting (Recommendations: 4.1 to 4.3)

The Company has formed an Audit & Risk Committee consisting of four Independent Directors. The members of the Audit & Risk Committee are:

- James Chirnside Chairman, Independent director
- Paul Jensen Independent Director
- Matthew Kidman Independent Director
- Lindsay Mann Independent Director (appointed 13 May 2015)

The qualifications of those appointed to the Committee are detailed in the Directors' Report on pages 17 to 20.

The Audit & Risk Committee Charter can be found in the Corporate Governance section of the Company's website.

The Committee formally reports to the Board after each meeting. Details of the number of meetings of the Audit & Risk Committee during the 2015 year are set out in the Directors' Report.

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CORPORATE GOVERNANCE STATEMENT

The Company's external audit is undertaken by Moore Stephens Sydney and the audit engagement partner is required to be changed at regular intervals. Scott Whiddett, a partner of Moore Stephens Sydney, is the partner responsible for the external audit of the Company for the 2015 financial year. The external auditors are requested to attend the Annual General Meeting and are available to answer shareholders' questions regarding the conduct of the audit and preparation of the Auditor's Report.

The Company's external accountants, along with the Manager of the Company, provide written confirmations to the Board that the Company's Financial Reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards; and that this statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Make timely and balanced disclosure (Recommendations: 5.1)

The Company has established a continuous disclosure policy to ensure compliance with the continuous disclosure obligations under the ASX Listing Rules and the *Corporations Act 2001*. The policy aims to ensure all investors have equal and timely access to material information concerning the Company and that Company announcements are factual and presented in a clear and balanced way. The Continuous Disclosure Policy can be found in the Corporate Governance section of the Company's website.

Respect the rights of security holders (Recommendations: 6.1 to 6.4)

The Company's Corporate Governance Charter is available on the Company's website.

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. The Company Secretary is primarily responsible for coordinating the disclosure of information to shareholders and regulators under the direction of the Board.

The Company is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way through the annual and half yearly reports, Investor Presentations, ASX releases, general meetings and the Company's website;
- complying with continuous disclosure obligations contained in the applicable ASX Listing Rules and the Corporations Act in Australia; and
- encouraging shareholder participation at general meetings.

The Board encourages full participation of shareholders at the Annual General Meeting ('AGM') to ensure a high level of accountability and identification with the Company's strategy. Shareholder information sessions are also held twice a year in May and November following the AGM. These provide an informal forum where shareholders are given the opportunity to raise questions and participate in general discussion about the Company.

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CORPORATE GOVERNANCE STATEMENT

The Communications Policy can be found in the Corporate Governance section of the Company's website.

The Company's registrar, Boardroom Pty Limited, provides the option for shareholders to receive and send communications electronically. Shareholders are encouraged to create an online account at www.clientonline.com.au.

Recognise and manage risk (Recommendations: 7.1 to 7.4)

The Company has formed an Audit & Risk Committee consisting of four Independent Directors. The members of the Audit & Risk Committee are:

- James Chirnside Chairman, Independent director
- Paul Jensen Independent Director
- Matthew Kidman Independent Director
- Lindsay Mann Independent Director (appointed 13 May 2015)

The qualifications of those appointed to the Committee and their attendance at Audit and Risk Committee meetings are detailed in the Directors' Report on pages 17 to 24.

The Audit & Risk Committee Charter can be found in the Corporate Governance section of the Company's website.

The Company, in conjunction with the Manager, has an established enterprise risk management program in accordance with the International Risk Standard AS/NZS ISO 31000:2009. It also has an established internal control program based upon the principles set out in the Australian Compliance Standard AS 3806:2006.

This enterprise risk management program addresses the material business risks of the Company. Each identified risk is individually assessed in terms of the likelihood of the risk event occurring and the potential consequences in the event that the risk event was to occur. The CompliSpace Assurance software has been implemented through which material business risks and the mitigating controls can be monitored in real time. It also ensures transparency of data and ease of reporting to the Board on the performance of its enterprise risk and compliance programs.

The Manager has provided to the Board a report as to the overall effectiveness of the Company's management of its material business risks.

The Board has received assurance from the Director and Chief Executive Officer of the Manager that in their view:

- the declaration provided in accordance with section 295A of the *Corporations Act 2001* is founded on a sound system of risk management and internal control; and
- the system of risk management and internal control is operating effectively in all material respects in relation to financial reporting risks.

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CORPORATE GOVERNANCE STATEMENT

The Board requires the Manager to report annually on the operation of internal controls to manage the Company's material business risk, reviews any external audit commentary in respect to internal controls and conducts any other investigations it requires in order to report on the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Company does not have an internal audit function.

A summary of financial risks including market, credit, and liquidity are included in Note 16 in the Annual Report.

The Manager is primarily responsible for recognising and managing operational risk issues such as legal and regulatory risk, systems and process risk and outsourcing risk. The Company outsources its administrative functions to service providers: Wilson Asset Management (International) Pty Limited (investment management, accounting and compliance), RBC Investor Services (custody) and Boardroom Pty Limited (share registry) and accordingly risk issues associated with these activities are handled in accordance with the service provider's policies and procedures.

Remuneration fairly and responsibly (Recommendations: 8.1 to 8.3)

A Remuneration Committee has not been formed under Recommendation 8.1. The Board believes that such a committee would not serve to protect or enhance the interests of the shareholders. The Board as a whole considers the issue of remuneration.

The maximum total remuneration of the Directors of the Company has been set at \$170,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report on page 22.

All directors of WAM Capital are non-executive directors. Accordingly, the requirement under Recommendation 8.2 to distinguish the structure of the remuneration paid to executive and non-executive directors is not applicable to the Company.

No equity based remuneration is paid to Directors. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration.

The Chairman of WAM Capital Limited is the sole Director of Wilson Asset Management (International) Pty Limited and is further remunerated by that Company. Chris Stott is the Chief Investment Officer of Wilson Asset Management (International) Pty Limited and is remunerated by that Company. Further details are provided in the Directors' Report.

WAM CAPITAL LIMITED

ABN 34 086 587 395

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

The Directors present their report together with the financial report of WAM Capital Limited (the Company) for the financial year ended 30 June 2015.

Principal Activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are: to deliver a rising stream of fully franked dividends; to provide capital growth; and to preserve capital. No change in this activity took place during the year or is likely in the future.

Operating and Financial Review

Investment operations over the year resulted in an operating profit before tax of \$71,203,601 (2014: \$90,533,864) and an operating profit after tax of \$53,988,609 (2014: \$68,281,401). The change in profit from 2014 is a result of the increased capital base and the change in value of the investment portfolio, which led to an increase in performance fees payable. The investment portfolio, while being on average 61.9% invested in equities rose 14.7%, outperforming the S&P/ASX All Ordinaries Accumulation Index by 9.0% for the year to 30 June 2015.

The total shareholder return for the financial year was 6.3%, reflecting the decrease in the share price premium to net tangible assets over the twelve months.

Under Accounting Standards, realised gains and losses on the investment portfolio and dividend income are added to or reduced by changes in the market value of the Company's investments. This can lead to large variations in reported profits. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA) per share and the fully franked dividends paid. The after tax NTA, adjusted for dividends, increased 10.1% for the 12 months to 30 June 2015. This increase is after tax paid of 1.9 cents per share and the payment of 13.5 cents of fully franked dividends.

The NTA after tax for each share as at 30 June 2015 amounted to \$1.78 per share (2014: \$1.75). The NTA before tax was \$1.82 per share (2014: \$1.79). These figures are after the payment of 13.5 cents in fully franked dividends to shareholders during the year (2014: 12.5 cents).

The Company achieved continued growth during the year increasing shareholders equity by 35.3% to \$806.5 million and total shareholder numbers by 29.7% to 17,358. This growth was achieved through the strong performance of the investment portfolio and capital management initiatives including the Share Purchase Plan (SPP) and placement that raised a combined \$193.5 million.

The SPP offered existing shareholders the opportunity to acquire up to \$15,000 worth of ordinary shares at the fixed price of \$1.90 per share without incurring any brokerage or other charges. More than 8,800 or 61% of WAM Capital shareholders invested \$103.3 million through the offer. In addition, existing wholesale shareholders participated in a placement under the same terms as the SPP. The placement raised \$90.1 million as allowed by the ASX listing rules and was oversubscribed and was scaled back.

WAM CAPITAL LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Further information on the operating and financial review of the Company is contained in the Chairman's Letter on pages 1 to 5 of the Annual Report.

Financial Position

The net asset value of the Company for the year ended 30 June 2015 was \$806,499,635 (2014: \$596,254,418). Further information on the financial position of the Company is contained in the Chairman's Letter on pages 1 to 5 of the Annual Report.

Significant Changes in State of Affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2015.

Dividends Paid or Recommended

Dividends paid or declared are as follows:

	\$
Fully franked 2014 final dividend of 6.5 cents per share was paid on 17 October 2014	22,139,274
Fully franked 2015 interim dividend of 7.0 cents per share was paid on 30 April 2015	31,305,055

Since year end the Board has declared a final dividend of 7.0 cents per share fully franked to be paid on 30 October 2015.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

G.J. Wilson
M.J. Kidman
P.D.K Jensen
J.M. Chirnside
L.R. Mann
C.D. Stott (appointed 14 May 2015)

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Information on Directors

Geoffrey Wilson (Chairman – Non - Independent)

Experience and expertise

Geoffrey Wilson has over 35 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Australian Institute of Company Directors and a Fellow of the Securities Institute of Australia.

Geoffrey has been Chairman of the Company since March 1999.

Other current directorships

Geoffrey Wilson is currently Chairman of WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Global Investment Company Limited (appointed May 2015) and Future Generation Investment Company Limited (appointed July 2014) and a Director of Australian Leaders Fund Limited (appointed October 2003), Clime Capital Limited (appointed November 2003), Global Value Fund Limited (appointed April 2014), Century Australia Investments Limited (appointed September 2014), Incubator Capital Limited (appointed February 2000), Sporting Chance Cancer Foundation, the Australian Fund Managers Foundation, Odyssey House McGrath Foundation, the Australian Children's Music Foundation and he is a Member of the Second Bite NSW Advisory Committee. He is also founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in the last 3 years

Geoffrey Wilson is a former Director of Cadence Capital Limited (November 2003 to February 2013).

Special responsibilities

Chairman of the Board.

Interests in shares of the Company

Details of Geoffrey Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoffrey Wilson's interests in contracts of the Company are included later in this report.

Matthew Kidman (Director – Independent)

Experience and expertise

In 2015, Matthew Kidman became Principal and Portfolio Manager of Centennial Asset Management Pty Limited. Previously, Matthew worked as a Portfolio Manager at Wilson Asset Management (International) Pty Limited for 13 years between 1998 and 2011. Prior to joining Wilson Asset Management, Matthew worked as a finance journalist at the Sydney Morning Herald between the years 1994 and 1998. In 1997 he was made Business Editor of the paper and was charged with the responsibility of company coverage. He has degrees in Law and Economics and a Graduate Diploma in Applied Finance.

Matthew Kidman has been a Director of the Company since March 1999.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Matthew Kidman (Director – Independent) (cont'd)

Other current directorships

Matthew Kidman is currently Chairman of Watermark Market Neutral Fund Limited (appointed May 2013). He is a Director of WAM Active Limited (appointed July 2007), WAM Research Limited (appointed May 2002), Incubator Capital Limited (appointed February 2000), Centrepoint Alliance Limited (appointed February 2012) and Sandon Capital Investments Limited (appointed October 2013).

Former directorships in the last 3 years

Matthew Kidman has not resigned as a Director from any listed companies within the last three years.

Special responsibilities

Member of the Audit & Risk Committee.

Interests in shares of the Company

Details of Matthew Kidman's interests in shares of the Company are included later in this report.

Interests in contracts

Matthew Kidman has no interests in contracts of the Company.

James Chirnside (Director – Independent)

Experience and expertise

James Chirnside has been involved in financial markets for 30 years mainly as a fund manager across a broad range of sectors. James is currently Chairman and Managing Director of Dart Mining NL (appointed June 2015). Prior to this, James worked as a fund manager and proprietary metals trader in Sydney, Hong Kong, London, and Melbourne. Between 2002 and 2012, James ran equities fund manager Asia Pacific Asset Management. From 2000-2001, James worked for Challenger Financial Group in Sydney as a product manager responsible for hedge fund investments. During the 1990s James managed emerging market hedge funds in Hong Kong and London for Regent Fund Management (now London AIM listed Charlemagne Capital). Between 1988 and 1992 James ran a Proprietary trading book for County NatWest Investment Bank, based in London.

James Chirnside has been a Director of the Company since February 2003.

Other current directorships

James Chirnside is a Director of Cadence Capital Limited (appointed February 2005), Mercantile Investment Company Limited (appointed November 2010), Murchison Metals Limited (appointed July 2014) and Ask Funding Limited (appointed September 2015).

Former directorships in the last 3 years

James Chirnside has not resigned as a Director from any other listed companies within the last three years.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

James Chirnside (Director – Independent) (cont'd)

Special responsibilities

Chairman of the Audit & Risk Committee.

Interests in shares of the Company

Details of James Chirnside's interests in shares of the Company are included later in the report.

Interests in contracts

James Chirnside has no interests in contracts of the Company.

Paul Jensen (Director – Independent)

Experience and expertise

Paul Jensen is a Fellow of the Australian Institute of Company Directors and holds a Bachelor degree in Accounting and Commercial Law. Paul is a professional non-executive director and business adviser. Paul has over 25 years of international experience in finance, investment management and banking, with specific expertise in finance, investment management and banking, with specific expertise in strategy formation, governance and financial performance. He has held senior executive positions in New Zealand, United Kingdom and Australia.

Paul Jensen has been a Director of the Company since June 2004.

Other current directorships

Paul Jensen is a Director of Sandon Capital Investments Limited (appointed October 2013), Future Generation Investment Fund Limited (appointed July 2014), Foodco Group Pty Limited (appointed September 2013) and is Chairman of not for profit Lilla Foundation Limited (appointed July 2014).

Former directorships in the last 3 years

Paul Jensen is a former Director of Clime Investment Management Limited (2008 to 2012), Murchison Metals Limited (2012 to 2014), RHG Limited (2011 to 2014) and DirectMoney Marketplace Pty Limited (2015).

Special responsibilities

Member of the Audit & Risk Committee.

Interests in shares of the Company

Details of Paul Jensen's interests in shares of the Company are included later in this report.

Interests in contracts

Paul Jensen has no interests in contracts of the Company.

Lindsay Mann (Director – Independent)

Experience and expertise

Lindsay Mann has more than 40 years financial services experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia, a Graduate member of the

WAM CAPITAL LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Lindsay Mann (Director – Independent) (cont'd)

Australian Institute of Company Directors and a member of the Hong Kong Securities Institute.

Lindsay Mann has been a Director of the Company since December 2012.

Other current directorships

Lindsay Mann is currently an independent director of UCA Funds Management Limited.

Former directorships in the last 3 years

Lindsay Mann is a former Director of Lionport Asia Fund.

Interests in shares of the Company

Details of Lindsay Mann's interests in shares of the Company are included later in the report.

Interests in contracts

Lindsay Mann has no interests in contracts of the Company

Chris Stott (Director – Non-independent)

Experience and expertise

Chris Stott has over 12 years experience in the funds management industry. Chris is the Chief Investment Officer/Portfolio Manager of Wilson Asset Management (International) Pty Limited and is responsible for the research, management and construction of the company's portfolios. Previously, Chris was employed at Challenger Financial Services Group for four years in various research and administrative roles specialising in Australian Equities. He holds a Bachelor of Business from the University of Technology, Sydney and a Graduate Diploma in Applied Finance and Investment.

Chris Stott has been a Director of the Company since 14 May 2015.

Other current directorships

Chris Stott is a Director of WAM Active Limited (appointed July 2014) and WAM Research Limited (appointed August 2014).

Former directorships in the last 3 years

Chris Stott has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

None

Interests in shares of the Company

Details of Chris Stott's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Chris Stott's interests in contracts of the Company are included later in this report.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

Kate Thorley – CPA, B.Comm, Grad Dip App Fin and Inv, Grad Dip App Corp Gov

Kate Thorley has over 10 years' experience in the funds management industry and more than 15 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Investment Company Limited (appointed April 2015) and is a non-executive Director of Sandon Capital Opportunities Pty Limited. Kate is also the Company Secretary of WAM Active Limited, WAM Research Limited and Future Generation Global Investment Company Limited. Previously, Kate held the positions of Chief Financial Officer and Financial Accountant for Wilson Asset Management (International) Pty Limited. Kate was appointed Company Secretary of WAM Capital in October 2008.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Capital Limited.

a) Remuneration of Directors

All Directors of WAM Capital are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual Shareholders Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Remuneration Report (Audited) (cont'd)

The maximum total remuneration of the Directors of the Company has been set at \$170,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

Directors' remuneration received for the year ended 30 June 2015:

Director	Position	Short-term employee benefits Directors' Fees \$	Post- employment benefits Superannuation \$	Total \$
G.J. Wilson	Chairman	9,132	868	10,000
M.J. Kidman	Director	36,530	3,470	40,000
J.M. Chirnside	Director	36,530	3,470	40,000
P.D.K. Jensen	Director	29,098	10,902	40,000
L.R. Mann	Director	36,530	3,470	40,000
C.D. Stott (appointed 14 May 2015)	Director	-	-	-
		147,820	22,180	170,000

Directors receive a superannuation guarantee contribution required by the government, which was 9.5% of individuals benefits for FY2015 and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

The following table reflects the Company's performance and Directors' remuneration over five years:

	2015	2014	2013	2012	2011
Operating profit after tax (\$)	53,988,609	68,281,401	44,218,171	4,307,262	20,352,870
Dividends (cents per share)	14.0	13.0	12.0	11.0	10.0
After tax net tangible asset (\$ per share)	1.78	1.75	1.66	1.56	1.63
Total Directors' remuneration (\$)	170,000	170,000	115,000	100,000	80,000
Shareholder's equity (\$)	806,499,635	596,254,418	486,738,757	167,219,826	171,346,450

As outlined above, Directors' fees are not directly linked to the Company's performance.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Remuneration Report (Audited) (cont'd)

b) Director Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions and at market rates.

Wilson Asset Management (International) Pty Limited is a Director associated entity and has been appointed to manage the investment portfolio of WAM Capital Limited. Wilson Asset Management (International) Pty Limited operates a funds management business which employs a number of investment personnel, research analysts, corporate affairs personnel, accountants, operational and administrative staff. The core duties of the Manager in addition to managing the investment portfolio include the provision of financial and administrative support to ensure the maintenance of the corporate and statutory records of the Company; liaison with the ASX with respect to compliance with the ASX Listing Rules; liaison with ASIC with respect to compliance with the *Corporations Act 2001*; liaison with the share registrar of the Company; investor relations; and the provision of information necessary for the maintenance of financial accounts of the Company to be completed. In its capacity as Manager, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a (plus GST) of gross assets amounting to \$7,704,472 inclusive of GST (2014: \$6,616,703). As at 30 June 2015 the balance payable to the Manager was \$2,305,291 (2014: \$561,795).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- where the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period where the portfolio has decreased in value over that period. For the year ended 30 June 2015, a performance fee of \$11,028,731 inclusive of GST was payable to Wilson Asset Management (International) Pty Limited (2014: \$1,983,020).

Wilson Asset Management (International) Pty Limited employs accounting personnel to provide accounting services to WAM Capital Limited. These services are provided on commercial terms and amounted to \$38,500 inclusive of GST for the financial year 2015 (2014: \$38,500).

These amounts are in addition to the above Directors' remuneration. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

c) Remuneration of Executives

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the investment manager of the Company, remunerated Geoffrey Wilson and Chris Stott as employees and/or as a Director of the Company during the financial year. The Manager is appointed to also provide day-to-day management of the Company and is remunerated as outlined above.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Remuneration Report (Audited) (cont'd)

d) Equity Instruments Disclosures of Directors and Related Parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Directors	Ordinary Shares
G.J. Wilson	2,495,049
M.J. Kidman	294,823
P.D.K. Jensen	159,572
J.M. Chirnside	30,793
L.R. Mann	93,880
C.D. Stott (appointed 14 May 2015)	41,611

Directors and director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

For further details, please refer to Note 22 of the financial statements.

- End of Remuneration Report -

Directors' Meetings

Director	No. eligible to attend	Attended
G.J. Wilson	6	6
M.J. Kidman	6	5
P.D.K. Jensen	6	6
J.M. Chirnside	6	6
L.R. Mann	6	6
C.D. Stott (appointed 14 May 2015)	-	-

Audit & Risk Committee Meetings

The main responsibilities of the Audit & Risk Committee are set out in the Corporate Governance Statement on pages 11 to 12 of the Annual Report.

Director	No. eligible to attend	Attended
M.J. Kidman	3	3
P.D.K. Jensen	3	3
J.M. Chirnside	3	3
L.R. Mann (appointed 13 May 2015)	-	-

After Balance Date Events

Since year end, the Company declared a final dividend of 7.0 cents per share fully franked to be paid on 30 October 2015.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

WAM CAPITAL LIMITED

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Future Developments

The Company will continue to pursue investment activities – primarily investing in equities listed on the Australian Securities Exchange – to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental Regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and Insurance of Officers or Auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

During the year Moore Stephens Sydney, the Company's auditor, did not perform any other non-assurance services in addition to their statutory duties for the Company. Moore Stephens Sydney Pty Limited, a related party of the Company's auditor, performed taxation services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

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DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2015

Non-Audit Services (cont'd)

The Board of Directors, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit & Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditory independence in accordance with the APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 27 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors.



G.J. Wilson
Chairman

Dated in Sydney this 30th day of September 2015

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Sydney NSW 2000

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Sydney, NSW 2001

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Auditor's Independence Declaration to the Directors of WAM Capital Limited

As lead auditor for the audit of WAM Capital Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of WAM Capital Limited during the period.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, 30 September 2015

WAM CAPITAL LIMITED

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Net realised and unrealised gains on financial assets		63,845,127	76,601,022
Other revenue from operating activities	2	29,263,050	25,533,338
Management fees		(7,179,167)	(6,165,564)
Performance fees		(10,276,772)	(1,847,814)
Directors fees		(170,000)	(170,000)
Brokerage expense on share purchases		(2,999,238)	(2,380,833)
Dividends paid on borrowed stock		(514,758)	(258,627)
Custody fees		(121,275)	(124,355)
ASX listing and chess fees		(174,507)	(162,465)
Share registry fees		(203,858)	(201,264)
Disbursements, mailing and printing		(108,943)	(109,106)
Other expenses from ordinary activities		(156,058)	(180,468)
Profit before income tax		71,203,601	90,533,864
Income tax expense	3(a)	(17,214,992)	(22,252,463)
Profit attributable to members of the Company		53,988,609	68,281,401
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		53,988,609	68,281,401
Basic earnings per share	15	14.35 cents	20.68 cents
Diluted earnings per share	15	14.35 cents	20.68 cents

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
Assets			
Cash and cash equivalents	13	321,673,812	238,080,005
Trade and other receivables	6	30,799,518	16,512,124
Financial assets	7	504,052,029	389,323,405
Deferred tax assets	3(b)	6,911,458	9,146,304
Total assets		863,436,817	653,061,838
Liabilities			
Trade and other payables	9	33,369,940	24,731,271
Financial liabilities	8	2,965,523	8,643,145
Current tax liabilities	3(c)	2,983,418	9,380,293
Deferred tax liabilities	3(d)	17,618,301	14,052,711
Total liabilities		56,937,182	56,807,420
Net assets		806,499,635	596,254,418
Equity			
Issued capital	10	744,928,101	535,227,164
Reserves	11	89,191,532	76,740,804
Accumulated losses	12	(27,619,998)	(15,713,550)
Total equity		806,499,635	596,254,418

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2013		453,005,419	(6,687,168)	40,420,506	486,738,757
Profit for the year		-	68,281,401	-	68,281,401
Transfer to profits reserve		-	(77,307,783)	77,307,783	-
Other comprehensive income for the year		-	-	-	-
Shares issued via dividend reinvestment plan	10(b)	14,030,590	-	-	14,030,590
Shares issued via exercise of options	10(b)	43,496,583	-	-	43,496,583
Shares issued via placement	10(b)	24,694,572	-	-	24,694,572
Dividends paid	4(a)	-	-	(40,987,485)	(40,987,485)
Balance at 30 June 2014		535,227,164	(15,713,550)	76,740,804	596,254,418
Profit for the year		-	53,988,609	-	53,988,609
Transfer to profits reserve		-	(65,895,057)	65,895,057	-
Other comprehensive income for the year		-	-	-	-
Shares issued via dividend reinvestment plan	10(b)	12,899,864	-	-	12,899,864
Shares issued via DRP underwriting agreement	10(b)	3,522,659	-	-	3,522,659
Shares issued via Share Purchase Plan	10(b)	103,302,753	-	-	103,302,753
Shares issued via placement	10(b)	90,136,000	-	-	90,136,000
Capitalised share issue costs	10(b)	(160,339)	-	-	(160,339)
Dividends paid	4(a)	-	-	(53,444,329)	(53,444,329)
Balance at 30 June 2015		744,928,101	(27,619,998)	89,191,532	806,499,635

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Proceeds from sale of investments		1,375,894,313	1,062,898,143
Payments for purchase of investments		(1,447,997,997)	(1,093,853,193)
Dividends received		17,869,056	15,706,917
Interest received		8,595,285	7,604,934
Other investment income received		2,647,934	2,062,605
Management fee (inclusive GST)		(5,960,978)	(6,500,683)
Performance fee (inclusive GST)		(1,983,020)	(605,984)
Brokerage expense on share purchases (inclusive GST)		(3,217,758)	(2,552,658)
Payments for administration expenses (inclusive GST)		(1,551,770)	(1,176,392)
Income tax paid		(17,742,714)	(6,545,827)
GST on brokerage expense on share sales		(211,033)	(183,470)
Net GST received from ATO		1,064,598	850,596
Net cash used in by operating activities	14	<u>(72,594,084)</u>	<u>(22,295,012)</u>
Cash flows from financing activities			
Proceeds from issue of shares		196,961,412	68,191,155
Dividends paid – net of reinvestment		(40,544,465)	(26,956,895)
Payments for issue of shares		(229,056)	-
Net cash provided by financing activities		<u>156,187,891</u>	<u>41,234,260</u>
Net increase in cash and cash equivalents held		83,593,807	18,939,248
Cash and cash equivalents at beginning of financial year		<u>238,080,005</u>	<u>219,140,757</u>
Cash and cash equivalents at end of financial year	13	<u>321,673,812</u>	<u>238,080,005</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 30th September 2015 by the Board of Directors.

WAM Capital Limited is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Company's financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of financial assets and certain other financial assets and liabilities which have been measured at fair value.

During the year ended 30 June 2015, WAM Capital Limited's wholly owned subsidiary (Premium Investors Pty Limited) was deregistered resulting in the Company no longer being required to prepare consolidated financial statements. Further detail is provided in Note 17.

a) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions to the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits itself to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of Comprehensive Income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. Summary of significant accounting policies (cont'd)

a) Financial instruments (cont'd)

The Company classifies its financial instruments into the following categories:

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income in the period in which they arise.

(ii) *Financial liabilities at fair value through profit or loss*

Financial liabilities such as borrowed stock are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income in the period in which they arise.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Comprehensive Income.

b) Income tax

The charge of current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. Summary of significant accounting policies (cont'd)

b) Income tax (cont'd)

right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within five months or less.

d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

e) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment [please refer to Note 1(g) for further detail].

f) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at amortised cost.

g) Impairment of assets

At each reporting date, the Company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. Summary of significant accounting policies (cont'd)

j) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

m) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

There are no estimates or judgments that have a material impact on the Company's financial results for the year ended 30 June 2015. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgments are required in respect to their valuation.

n) New standards and interpretations not yet adopted

The Australian Accounting Standards Board has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to adopt any of the new and amended pronouncements. A new and amended pronouncement that is relevant to the Company, but applicable in future reporting periods is AASB 9: *Financial Instruments and its associated amending standards*.

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 (AASB 139) - *Financial Instruments: Recognition and Measurement*. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The Company has not early adopted AASB 9. This is not expected to have a significant impact on the Company's financial statements as the Company does not expect to elect any investments as not held for trading.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. Other revenue	2015	2014
	\$	\$
Australian sourced dividends	17,790,051	15,457,549
Interest	8,324,890	7,501,888
Trust distributions	2,806,174	2,341,793
Underwriting fees	299,537	149,695
Foreign sourced dividends	42,398	82,413
	<u>29,263,050</u>	<u>25,533,338</u>

3. Income tax

a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2015	2014
	\$	\$
Prima facie tax on profit before income tax at 30% (2014: 30%)	21,361,081	27,160,159
Imputation credit gross up	1,765,784	1,997,786
Foreign income tax offset gross up	4,586	4,363
Franking credit offset	(5,885,947)	(6,659,287)
Foreign income tax offset	(15,286)	(14,543)
Other non-assessable items	(15,226)	31,297
Over provision in prior year	-	(267,312)
	<u>17,214,992</u>	<u>22,252,463</u>

Total income tax expense results in a:

Current tax liability	13,564,988	14,442,180
Deferred tax liability	3,565,590	8,024,998
Deferred tax asset	84,414	52,597
Over provision in prior year	-	(267,312)
	<u>17,214,992</u>	<u>22,252,463</u>

b) Deferred tax assets

Tax losses	6,746,687	8,965,837
Accruals	9,851	7,203
Capitalised costs	154,920	173,264
	<u>6,911,458</u>	<u>9,146,304</u>

Movement in deferred tax assets

Balance at the beginning of the period	9,146,304	12,346,833
Recoupment of tax losses	(2,219,149)	(3,146,285)
Credited to the Statement of Comprehensive Income	(84,414)	(52,597)
Over provision in prior year	-	(1,647)
Capitalised share issue costs	68,717	-
At reporting date	<u>6,911,458</u>	<u>9,146,304</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. Income tax (cont'd)

c) Current tax liabilities	2015	2014
	\$	\$
Balance at the beginning of the year	9,380,293	4,899,184
Current year income tax expense on operating profit	13,564,988	14,442,180
Over provision in prior year	-	(268,959)
Recoupment of tax losses	(2,219,149)	(3,146,285)
Net income tax paid	(17,742,714)	(6,545,827)
At reporting date	2,983,418	9,380,293
d) Deferred tax liabilities		
Fair value adjustments	17,618,301	14,052,711
	17,618,301	14,052,711
Movement in deferred tax liabilities		
Balance at the beginning of the year	14,052,711	6,027,713
Credited to the Statement of Comprehensive Income	3,565,590	8,024,998
At reporting date	17,618,301	14,052,711

4. Dividends

a) Ordinary dividends paid during the year	2015	2014
	\$	\$
Final dividend FY2014: 6.5 cents per share fully franked at 30% tax rate paid 17 October 2014 (Final dividend FY2013: 6.0 cents per share fully franked)	22,139,274	19,159,237
Interim dividend FY2015: 7.0 cents per share fully franked at 30% tax rate paid 30 April 2015 (Interim dividend FY2014: 6.5 cents per share fully franked)	31,305,055	21,828,248
	53,444,329	40,987,485
b) Dividends not recognised at year end		
In addition to the above dividends, since the end of the year, the Directors have declared a 7.0 cent per share fully franked dividend which has not been recognised as a liability at the end of the financial year:	31,573,550	22,139,258

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. Dividends (cont'd)

c) Dividend franking account	2015	2014
	\$	\$
Balance of franking account at year end	1,302,596	578,579
Adjusted for franking credits arising from:		
- Estimated income tax payable	2,983,418	9,380,293
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in Note 4 (b):	(13,531,521)	(9,488,253)
	<u>(9,245,507)</u>	<u>470,619</u>

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

The balance of the franking account does not include the tax to be paid on unrealised investment gains and accrued income currently recognised as a deferred tax liability of \$17,618,301 (2014: \$14,052,711).

5. Auditor's remuneration

Remuneration of the auditor for:

	2015	2014
	\$	\$
Auditing and reviewing the financial report	43,681	41,297
Other assurance services	3,335	14,138
Other services provided by a related practice of the auditor:		
Taxation services	7,260	8,827
	<u>54,276</u>	<u>64,262</u>

The Company's Audit & Risk Committee oversees the relationship with the Company's external auditors. The Audit & Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other tax compliance services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. Trade and other receivables

	2015	2014
	\$	\$
Outstanding settlements	27,626,284	14,178,486
Income receivable	2,128,291	1,977,516
GST receivable	1,044,943	356,122
	<u>30,799,518</u>	<u>16,512,124</u>

Outstanding settlements are on the terms of operating in the securities industry. These do not incur interest and require settlement within three days of the date of the transaction. Income receivable relates to interest, sub-underwriting fees, dividend and trust distributions receivable at the end of the reporting period.

7. Financial assets

	2015	2014
	\$	\$
Listed investments at fair value	501,420,860	377,480,107
Unlisted investments at fair value	2,631,169	11,843,298
	<u>504,052,029</u>	<u>389,323,405</u>

The majority of unlisted investments held at the end of the current and previous financial year relate to Initial Public Offerings that have listed on the Australian Securities Exchange since year end. The market values of individual investments held at the end of the reporting period are disclosed on pages 56 to 58 of the Annual Report.

8. Financial liabilities

	2015	2014
	\$	\$
Borrowed stock	<u>2,965,523</u>	<u>8,643,145</u>

Borrowed stock is carried at fair value. The Company provides cash collateral backing of 105% of the fair value of the borrowed stock to the stock lender. The level of borrowed stock plus other borrowings cannot exceed 50% of the net asset value of the Company as outlined in the Management Agreement.

9. Trade and other payables

	2015	2014
	\$	\$
Outstanding settlements	19,867,286	21,962,053
Management fee payable	2,305,291	561,795
Performance fee payable	11,028,731	1,983,020
Sundry payables	168,632	224,403
	<u>33,369,940</u>	<u>24,731,271</u>

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within three days of the date of the transaction. Sundry payables are settled within the terms of payment offered. No interest is applicable on these accounts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. Issued capital	2015	2014
	\$	\$
a) Paid-up capital		
451,050,715 ordinary shares fully paid (2014: 340,603,969)	<u>744,928,101</u>	<u>535,227,164</u>
b) Ordinary shares		
Balance at the beginning of the year	535,227,164	453,005,419
2,937,687 ordinary shares issued on 17 October 2014 under a dividend reinvestment plan	5,553,072	-
1,863,545 ordinary shares issued on 23 October 2014 under a dividend reinvestment plan underwriting agreement	3,522,659	-
54,369,870 ordinary shares issued from the Share Purchase Plan on 13 March 2015	103,302,753	-
47,440,000 ordinary shares issued from the placement on 13 March 2015	90,136,000	-
3,835,644 ordinary shares issued on 30 April 2015 under a dividend reinvestment plan	7,346,792	-
Share issue costs (net of tax)	(160,339)	-
27,205,665 ordinary shares issued from the exercise of options allotted July 2013 to August 2013	-	43,496,583
2,663,881 ordinary shares issued on 18 October 2013 under a dividend reinvestment plan	-	4,732,344
13,834,494 ordinary shares issued from the placement on 21 October 2013	-	24,694,572
2,848,177 ordinary shares issued on 31 March 2014 under a dividend reinvestment plan	-	5,534,646
1,936,805 ordinary shares issued on 2 April 2014 under a dividend reinvestment plan underwriting agreement	-	3,763,600
At reporting date	<u>744,928,101</u>	<u>535,227,164</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company employs its capital including share capital and unexercised options. At the core of this, management is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share and options issues, share buy-backs as well as the use of the Company's Share Purchase Plan. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to control the capital of the Company since the prior year. The Company is not subject to any externally imposed capital requirements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

d) Share Purchase Plan and Placement

On 13 March 2015, WAM Capital issued 101,809,870 shares from the Company's Share Purchase Plan and wholesale placement that raised a combined \$193.4 million.

11. Reserves

	2015	2014
	\$	\$
Profits reserve	<u>89,191,532</u>	<u>76,740,804</u>

The profits reserve details an amount preserved for future dividend payments as outlined in accounting policy Note 1(j).

	2015	2014
	\$	\$
Movement in profits reserve		
Balance at the beginning of the year	76,740,804	40,420,506
Transfer from retained earnings	65,895,057	77,307,783
Final dividend paid (refer to note 4a)	(22,139,274)	(19,159,237)
Interim dividend paid (refer to note 4a)	(31,305,055)	(21,828,248)
At reporting date	<u>89,191,532</u>	<u>76,740,804</u>

12. Accumulated losses

	2015	2014
	\$	\$
Balance at the beginning of the year	(15,713,550)	(6,687,168)
Profit for the year attributable to members of the Company	53,988,609	68,281,401
Transfer to profits reserve	(65,895,057)	(77,307,783)
At reporting date	<u>(27,619,998)</u>	<u>(15,713,550)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

13. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2015	2014
	\$	\$
Cash at bank	713,274	5,282,521
Cash held at call	187,396,429	-
Term deposits	133,564,109	232,797,484
	<u>321,673,812</u>	<u>238,080,005</u>

The weighted average interest rate for cash and term deposits as at 30 June 2015 is 2.68% (2014: 3.38%). The term deposits have an average maturity of 127 days (2014: 83 days). All the term deposits are invested with major Australian banks and their 100% owned banking subsidiaries that have Standard & Poor's A-1+ rating. The term deposits include the cash collateral for the borrowed stock (refer Note 8).

14. Cash flow information

	2015	2014
	\$	\$
Reconciliation of profit after tax to cash flow from operations:		
Profit after income tax	53,988,609	68,281,401
Fair value gains on financial assets	(120,406,246)	(128,007,966)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(14,287,394)	337,438
Decrease in deferred tax assets	2,303,563	3,200,529
Increase in payables	8,638,669	21,387,479
(Decrease)/increase in current tax liabilities	(6,396,875)	4,481,109
Increase in deferred tax liabilities	3,565,590	8,024,998
Cash flow from operating activities	<u>(72,594,084)</u>	<u>(22,295,012)</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15. Earnings per share

	2015	2014
	\$	\$
Profit after income tax used in the calculation of basic and diluted earnings per share	<u>53,988,609</u>	<u>68,281,401</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	<u>376,328,667</u>	<u>330,157,222</u>

There are no outstanding securities that are potentially dilutive in nature for the Company.

16. Financial risk management

The Company's financial instruments consist of listed and unlisted investments, trade receivables, trade payables and borrowed stock. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk consisting of interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks from the previous period.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks daily. On a formal basis the investment team meet on a weekly basis to monitor and manage the below risks as appropriate.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of Financial Position, is the carrying amount net of any provision for impairment of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled three days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. Financial risk management (cont'd)

a) Credit risk (cont'd)

Credit risk is not considered to be a major risk to the Company as the majority of cash and term deposits held by the Company or in its portfolios are invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short term rating of A-1+ and long term rating of AA-. Also the majority of maturities are within five months.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed respectively by the Manager and the Board.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received and the exercise of options that may be on issue from time to time.

The Manager monitors the Company's cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount the Company can alter its cash outflows as appropriate. The Company also holds a portion of its portfolio in cash and term deposits sufficient to ensure that it has cash readily available to meet all payments. Furthermore the assets of the Company are largely in the form of tradable securities which, if liquidity is available, can be sold on market when, and if required.

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

30 June 2015	>1 month	<1 month	Total
	\$	\$	\$
Liabilities			
Trade and other payables	-	33,369,940	33,369,940
Financial liabilities	-	2,965,523	2,965,523
Total	-	36,335,463	36,335,463

30 June 2014	>1 month	<1 month	Total
	\$	\$	\$
Liabilities			
Trade and other payables	-	24,731,271	24,731,271
Financial liabilities	-	8,643,145	8,643,145
Total	-	33,374,416	33,374,416

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. Financial risk management (cont'd)

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments.

By its nature, as a listed investment company that invests in tradable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company however is not materially exposed to interest rate risk as the majority of its cash and term deposits mature within five months. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

At the end of the reporting period, the Company's exposure to interest rate risk and the effective weighted average interest rate was as follows:

30 June 2015	Weighted average interest rate (% pa)	Interest bearing \$	Non- interest bearing \$	Total \$
Assets				
Cash and cash equivalents	2.68%	321,673,812	-	321,673,812
Trade and other receivables		-	30,799,518	30,799,518
Financial assets		-	504,052,029	504,052,029
Total		321,673,812	534,851,547	856,525,359
Liabilities				
Trade and other payables		-	33,369,940	33,369,940
Financial liabilities		-	2,965,523	2,965,523
Total		-	36,335,463	36,335,463

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(i) Interest rate risk (cont'd)

30 June 2014	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	3.38%	238,080,005	-	238,080,005
Trade and other receivables		-	16,512,124	16,512,124
Financial assets		-	389,323,405	389,323,405
Total		238,080,005	405,835,529	643,915,534
Liabilities				
Trade and other payables		-	24,731,271	24,731,271
Financial liabilities		-	8,643,145	8,643,145
Total		-	33,374,416	33,374,416

(ii) Other price risk

Other market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's investments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net investment income.

The Manager seeks to manage and reduce the other price risk of the Company by diversification of the investment portfolio across numerous stocks and multiple industry sectors. The relative weightings of the individual securities and market sectors are reviewed daily and the risk managed on a daily basis. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk (cont'd)

The Company's industry sector weighting of the gross assets as at 30 June 2015 is as below:

Industry sector	2015 %	2014 %
Financials	19.6	23.2
Consumer Discretionary	16.5	14.7
Industrials	12.0	9.1
Health Care	3.9	2.4
Information Technology	3.5	6.0
Telecommunication Services	1.7	2.6
Consumer Staples	1.5	2.4
Utilities	1.4	1.0
Materials	0.4	2.0
Energy	-	0.1
Total	60.5%	63.5%

There were no securities representing over 5 per cent of the gross assets of the Company at 30 June 2015 (2014: nil).

Sensitivity analysis

For investments held by the Company at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result from a reasonably possible change in the risk variable. The sensitivity assumes all other variables to remain constant.

Investments represent 60.5% (2014: 63.5%) of gross assets at year end. A 5.0% movement in the market value of each of the investments within the investment portfolio would result in a 3.0% (2014: 3.2%) movement in the net assets after tax. This would result in the 30 June 2015 net asset backing after tax moving by 5.4 cents per share (2014: 5.5 cents per share).

WAM CAPITAL LIMITED

ABN 34 086 587 395

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. Financial risk management (cont'd)

d) Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The majority of the investments included in Level 2 of the hierarchy for the current and previous financial year include amounts in relation to Initial Public Offerings and Placements. These investments have not listed on the Australian Securities Exchange at the end of the reporting period and therefore represent investments in an inactive market. In valuing these unlisted investments, included in Level 2 of the hierarchy, the fair value has been determined using the valuation technique of the subscription price and the amount of securities subscribed for by the Company under the relevant offers. The remaining investments included in Level 2 of the hierarchy are unlisted securities which have been valued using techniques such as comparisons to similar investments for which market observable prices are available or the last sale price have been adopted to determine the fair value of these investments.

30 June 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets	501,420,860	2,631,169	-	504,052,029
Financial liabilities	(2,965,523)	-	-	(2,965,523)
Total	498,455,337	2,631,169	-	501,086,506

30 June 2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets	377,480,107	11,843,298	-	389,323,405
Financial liabilities	(8,643,145)	-	-	(8,643,145)
Total	368,836,962	11,843,298	-	380,680,260

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

17. Deregistration of a controlled entity

During the year ended 30 June 2015, a controlled entity (Premium Investors Pty Limited) of the Company was deregistered. This resulted in WAM Capital Limited no longer maintaining control of this entity and no longer required to prepare consolidated financial statements.

18. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 5,491 (2014: 6,060). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$5,907,726 (2014: \$4,900,306).

19. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable business or geographic segments.

20. Capital commitments

There were no capital commitments entered into by the Company before year end which settle after year end (2014: nil).

21. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2015 (2014: nil).

22. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

G.J. Wilson	Chairman
M.J. Kidman	Director
P.D.K. Jensen	Director
J.M. Chirnside	Director
L.R. Mann	Director
C.D. Stott	Director (appointed 14 May 2015)

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22. Key management personnel compensation (cont'd)

a) Remuneration

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Manager of the Company, remunerated Geoffrey Wilson and Chris Stott as an employee and/or Director of the Manager during the financial year to 30 June 2015.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on page 22, as permitted by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2015	147,820	22,180	170,000
Total Directors remuneration paid by the Company for the year ended 30 June 2014	128,993	41,007	170,000

b) Share holdings

The number of ordinary shares held in the Company during the financial year by each key management personnel of the Company and their related parties are set out below:

30 June 2015

Ordinary shares held

	Balance at 30 June 2014	Acquisitions/ Balance held on appointment	Disposals	Balance at 30 June 2015
Directors				
G.J. Wilson	3,412,902	31,576	109,500	3,334,978
M.J. Kidman	274,973	19,850	-	294,823
P.D.K. Jensen	155,083	4,489	-	159,572
J.M. Chirnside	30,793	-	-	30,793
L.R Mann	85,986	7,894	-	93,880
C.D. Stott (appointed 14 May 2015)	-	41,611	-	41,611
	3,959,737	105,420	109,500	3,955,657

*Chris Stott was appointed Director of WAM Capital on 14 May 2015. On this date, Chris held 41,611 ordinary shares in the Company.

30 June 2014

Ordinary shares held

	Balance at 30 June 2013	Acquisitions	Disposals	Balance at 30 June 2014
Directors				
G.J. Wilson	3,958,672	-	545,770	3,412,902
M.J. Kidman	257,380	17,593	-	274,973
P.D.K. Jensen	154,403	680	-	155,083
J.M. Chirnside	28,823	1,970	-	30,793
L.R Mann	85,986	-	-	85,986
	4,485,264	20,243	545,770	3,959,737

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22. Key management personnel compensation (cont'd)

b) Share holdings (cont'd)

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders.

The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

23. Related party transactions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

Wilson Asset Management (International) Pty Limited is a Director associated entity and has been appointed to manage the investment portfolio of WAM Capital Limited. Wilson Asset Management (International) Pty Limited operates a funds management business which employs a number of investment personnel, research analysts, corporate affairs personnel, accountants, operational and administrative staff. The core duties of the Manager in addition to managing the investment portfolio include the provision of financial and administrative support to ensure the maintenance of the corporate and statutory records of the Company; liaison with the ASX with respect to compliance with the ASX Listing Rules; liaison with ASIC with respect to compliance with the Corporations Act; liaison with the share registrar of the Company; investor relations; and the provision of information necessary for the maintenance of financial accounts of the Company to be completed. In its capacity as Manager, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a (plus GST) of gross assets amounting to \$7,704,472 inclusive of GST (2014: \$6,616,703). At 30 June 2015, the balance payable to the Manager in relation to the management fees was \$2,305,291 inclusive of GST (2014: \$561,795).

In addition, Wilson Asset Management (International) Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- where the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in value of the portfolio.

No performance fee is payable in respect of any performance period where the portfolio has decreased in value over that period. At 30 June 2015, the balance payable to the Manager in relation to the performance fee was \$11,028,731 inclusive of GST (2014: \$1,983,020).

Wilson Asset Management (International) Pty Limited employs accounting personnel to provide accounting services to WAM Capital Limited. These services are provided on commercial terms and include a standard charge of \$2,750 inclusive of GST per month and an additional charge of \$5,500 inclusive of GST is charged for preparing the half year and full year financial statements. These accounting services total \$38,500 inclusive of GST for the financial year 2015 (2014: \$38,500).

WAM CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

23. Related party transactions (cont'd)

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

24. Events subsequent to reporting date

Since year end the Directors declared a final dividend of 7.0 cents per share fully franked to be paid on 30 October 2015.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

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DIRECTORS' DECLARATION

The Directors of WAM Capital Limited declare that:

- 1) The financial statements as set out in pages 28 to 52 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 21 to 24, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2015 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date; and
- 2) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Manager, Wilson Asset Management (International) Pty Limited declaring that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
 - b) the Company's financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the Company's financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



G.J. Wilson, Chairman

Dated in Sydney this 30th day of September 2015

**Independent Auditor's Report
to the Members of WAM Capital Limited
A.B.N. 34 086 587 395**

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Report on the Financial Report

We have audited the accompanying financial report of WAM Capital Limited (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state that, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a) the financial report of WAM Capital Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 24 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of WAM Capital Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, 30 September 2015

WAM CAPITAL LIMITED

ABN 34 086 587 395

INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2015

Company Name	Code	Market Value \$	% of Gross Assets
Consumer Discretionary			
Burson Group Limited	BAP	15,571,973	1.9%
Harvey Norman Holdings Limited	HVN	14,017,053	1.7%
Mantra Group Limited	MTR	11,413,296	1.4%
Retail Food Group Limited	RFG	11,104,095	1.3%
iSelect Limited	ISU	10,910,677	1.3%
Amalgamated Holdings Limited	AHD	9,945,850	1.2%
Premier Investments Limited	PMV	8,889,173	1.0%
Corporate Travel Management Limited	CTD	8,780,233	1.0%
Adairs Limited	ADH	7,893,619	0.9%
Collins Foods Limited	CKF	7,378,495	0.9%
RCG Corporation Limited	RCG	7,366,280	0.9%
AP Eagers Limited	APE	5,106,503	0.6%
The Reject Shop Limited	TRS	5,042,436	0.6%
Thorn Group Limited	TGA	4,662,112	0.6%
Flight Centre Travel Group Limited	FLT	2,965,523	0.4%
APN Outdoor Group Pty Limited	APO	2,849,205	0.3%
Skydive the Beach Group Limited	SKB	1,861,742	0.2%
Elanor Investors Group	ENN	997,903	0.1%
Specialty Fashion Group Limited	SFH	378,301	0.0%
AMA Group Limited	AMA	266,600	0.0%
		137,401,069	16.3%
Financials			
Hunter Hall Global Value Limited	HHV	30,164,066	3.6%
Eclixp Group Limited	ECX	23,309,832	2.8%
Century Australia Investments Limited	CYA	18,566,000	2.2%
Gateway Lifestyle Group	GTY	9,308,865	1.1%
Sunland Group Limited	SDG	8,799,757	1.1%
Templeton Global Growth Fund Limited	TGG	7,809,412	0.9%
Galileo Japan Trust	GJT	7,532,778	0.9%
BT Investment Management Limited	BTT	7,480,785	0.9%
Aveo Group	AOG	6,793,372	0.8%
IPE Limited	IPE	6,218,653	0.7%
Ironbark Capital Limited	IBC	5,935,822	0.7%
Clime Investment Management Limited	CIW	5,098,568	0.6%
Westoz Investment Company Limited	WIC	4,294,054	0.5%
Contango Microcap Limited	CTN	4,002,820	0.5%
Keybridge Capital Limited	KBC	3,233,396	0.4%
Yellow Brick Road Holdings Limited	YBR	2,383,026	0.3%
Clearview Wealth Limited	CVW	2,341,580	0.3%
MyState Limited	MYS	1,779,010	0.2%
Argo Global Listed Infrastructure Limited	ALI	1,770,542	0.2%
Centrepont Alliance Limited	CAF	1,674,923	0.2%

WAM CAPITAL LIMITED

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INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2015

Company Name	Code	Market Value \$	% of Gross Assets
NAOS Emerging Opportunities Company Limited	NCC	1,495,198	0.2%
Ozgrowth Limited	OZG	1,074,918	0.1%
HUB24 Limited	HUB	658,962	0.1%
Hastings High Yield Fund	HHY	537,050	0.1%
Keybridge Capital Limited Convertible Redeemable Promissory Notes	KBCPA	513,237	0.1%
Servcorp Limited	SRV	359,335	0.0%
Ask Funding Limited	AKF	210,286	0.0%
Oncard International Limited	ONC	53,223	0.0%
Ozgrowth Limited Options expiring 31 August 2015	OZGO	1,959	0.0%
Westoz Investment Company Limited Options expiring 31 August 2015	WICO	740	0.0%
Katana Capital Limited Options expiring 1 March 2016	KATO	242	0.0%
		163,402,411	19.5%
Industrials			
Austal Limited	ASB	16,318,060	2.0%
IPH Limited	IPH	12,806,156	1.5%
Qantas Airways Limited	QAN	12,648,393	1.5%
Smartgroup Corporation Limited	SIQ	11,296,611	1.4%
SG Fleet Group Limited	SGF	10,797,543	1.3%
Credit Corp Group Limited	CCP	10,348,613	1.2%
McMillan Shakespeare Limited	MMS	9,711,438	1.2%
PMP Limited	PMP	4,266,163	0.5%
Silver Chef Limited	SIV	3,842,604	0.5%
Coventry Group Limited	CYG	2,814,522	0.3%
BSA Limited	BSA	1,459,752	0.2%
Service Stream Limited	SSM	1,163,564	0.1%
Seymour Whyte Limited	SWL	1,126,623	0.1%
TZ Limited	TZL	950,978	0.1%
Watpac Limited	WTP	749,008	0.1%
DMX Corporation Limited	DMX	107,867	0.0%
		100,407,895	12.0%
Health Care			
Mayne Pharma Group Limited	MYX	12,114,036	1.5%
Primary Health Care Limited	PRY	8,586,310	1.0%
Vision Eye Institute Limited	VEI	4,776,182	0.5%
Medical Developments International Limited	MVP	3,949,138	0.5%
Vita Life Sciences Limited	VSC	3,080,306	0.4%
		32,505,972	3.9%
Information Technology			
CSG Limited	CSV	10,546,041	1.3%
Hansen Technologies Limited	HSN	4,527,449	0.5%
Rhype Limited	RHP	3,838,943	0.5%

WAM CAPITAL LIMITED

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INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2015

Company Name	Code	Market Value \$	% of Gross Assets
Codan Limited	CDA	2,421,377	0.3%
Praemium Limited	PPS	1,813,563	0.2%
Mobile Embrace Limited	MBE	1,537,085	0.2%
Data3 Limited	DTL	1,166,825	0.1%
Objective Corporation Limited	OCL	927,857	0.1%
Mitula Group Limited	MUA	752,760	0.1%
Prophecy International Holdings Limited	PRO	550,655	0.1%
Senetas Corp Limited	SEN	272,121	0.0%
		28,354,676	3.4%
Telecommunication Services			
iiNet Limited	IIN	8,006,025	1.0%
SpeedCast International Limited	SDA	5,089,578	0.6%
My Net Fone Limited	MNF	685,514	0.1%
		13,781,117	1.7%
Consumer Staples			
Blackmores Limited	BKL	8,216,323	1.0%
Elders Limited	ELD	3,791,529	0.5%
The A2 Milk Company Limited	A2M	422,657	0.1%
		12,430,509	1.6%
Utilities			
Energy Developments Limited	ENE	12,063,520	1.4%
		12,063,520	1.4%
Materials			
Nuplex Industries Limited	NPX	3,704,860	0.4%
		3,704,860	0.4%
Total Long Portfolio		504,052,029	60.2%
Total Cash and cash equivalents, income receivable and net outstanding settlements		332,606,044	39.8%
Total Short Portfolio		(2,965,523)	
Gross Assets		833,692,550	

WAM CAPITAL LIMITED

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ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 August 2015)

There are currently no substantial shareholders of WAM Capital Limited.

On-market buy back (as at 31 August 2015)

There is no current on-market buy back.

Distribution of shareholders (as at 31 August 2015)

Category	No. of shareholders Ordinary Shares	%
1 – 1,000	1,108	0.1
1,001 – 9,999	6,094	6.7
10,000 – 99,999	10,027	60.7
100,000 – 999,999	579	24.0
1,000,000 and over	17	8.5
	<hr/>	
	17,825	100.0

The number of shareholdings held in less than marketable parcels is 538.

Twenty largest shareholders – Ordinary shares (as at 31 August 2015)

Name	Number of ordinary shares held	Percentage of issued capital held
HSBC Nominees (Australia) Limited	5,001,662	1.1
UBS Wealth Management Australia Nominees Pty Limited	4,882,828	1.1
Pineross Pty Limited	4,177,611	0.9
VBS Investments Pty Limited	3,448,768	0.8
Entities associated with Mr Geoffrey Wilson	3,102,394	0.7
Mr VJ Plummer	2,800,000	0.6
VBS Investments Pty Limited	2,763,220	0.6
Mrs F Martin-Weber	2,170,000	0.5
Marbear Holdings Pty Limited	1,440,300	0.3
Citicorp Nominees Pty Limited	1,323,712	0.3
Eneber Investment Company Limited	1,322,000	0.3
Trophy Components Distributors Pty Limited	1,250,000	0.3
Seweta Pty Limited	1,207,894	0.3
Wilmar Enterprises Pty Limited	1,200,000	0.3
Nulis Nominees (Australia) Limited	1,124,901	0.2
Investment Custodial Services Limited	1,094,155	0.2
Neale Edwards Pty Limited	1,043,544	0.2
Navigator Australia Limited	883,916	0.2
Mr & Mrs Heathers (Heathers Family Super Fund A/C)	866,090	0.2
Nancris Pty Limited	800,000	0.2
	<hr/>	
	41,902,995	9.3

WAM CAPITAL LIMITED

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ASX ADDITIONAL INFORMATION

Stock Exchange Listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.



WILSON
ASSET MANAGEMENT

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