



**WAM CAPITAL LTD (WAM)**  
**ABN 34 086 587 395**  
**INVESTMENT UPDATE & NET TANGIBLE ASSETS REPORT**  
**APRIL 2013**

**Performance**

Since inception, the WAM Capital Limited (WAM) investment portfolio has outperformed the overall sharemarket. WAM's performance against the S&P/ASX All Ordinaries Accumulation Index is shown in the table below. The investment performance is before expenses, fees and taxes.

Performance as at 30 April 2013	1 Mth %	6 Mths %	Fin YTD %	1 Year %	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio	+0.4%	+16.4%	+26.8%	+24.6%	+15.2%	+13.0%	+15.5%	+18.4%
S&P/ASX All Ordinaries Accumulation Index	+3.8%	+16.3%	+29.6%	+21.0%	+6.8%	+2.6%	+10.2%	+8.5%
<b>Outperformance</b>	<b>-3.4%</b>	<b>+0.1%</b>	<b>-2.8%</b>	<b>+3.6%</b>	<b>+8.4%</b>	<b>+10.4%</b>	<b>+5.3%</b>	<b>+9.9%</b>

**Consolidated Net Tangible Asset (NTA) figures**

The following NTA figures are consolidated to include assets of Premium Investors, a 100% owned subsidiary of WAM. The figures below have not been adjusted for the 38,804,232 remaining options on issue with an exercise price of \$1.60 per share.

<b>Unadjusted NTA before tax</b>	<b>184.55c</b>
Adjustment for 71,666,065 options exercised during the month	6.24c
Tax paid during the month	0.36c
Fully franked interim dividend paid 30 April 2013	6.00c
Adjustment for 2,575,638 shares issued via dividend reinvestment (DRP) during the month	0.16c
<b>Adjusted NTA before tax</b>	<b>171.79c</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>173.84c*</b>
<b>NTA after tax</b>	<b>170.13c</b>

\* Includes 4.2 cents of tax assets resulting from the merger with Premium Investors.

## Company overview

WAM Capital Limited (WAM) is a listed investment company that provides investors exposure to an actively managed diversified portfolio that concentrates on identifying undervalued growth companies. These are generally found in the small to medium industrial sector. WAM also provides exposure to relative value arbitrage and market mispricing opportunities.

## Investment objective

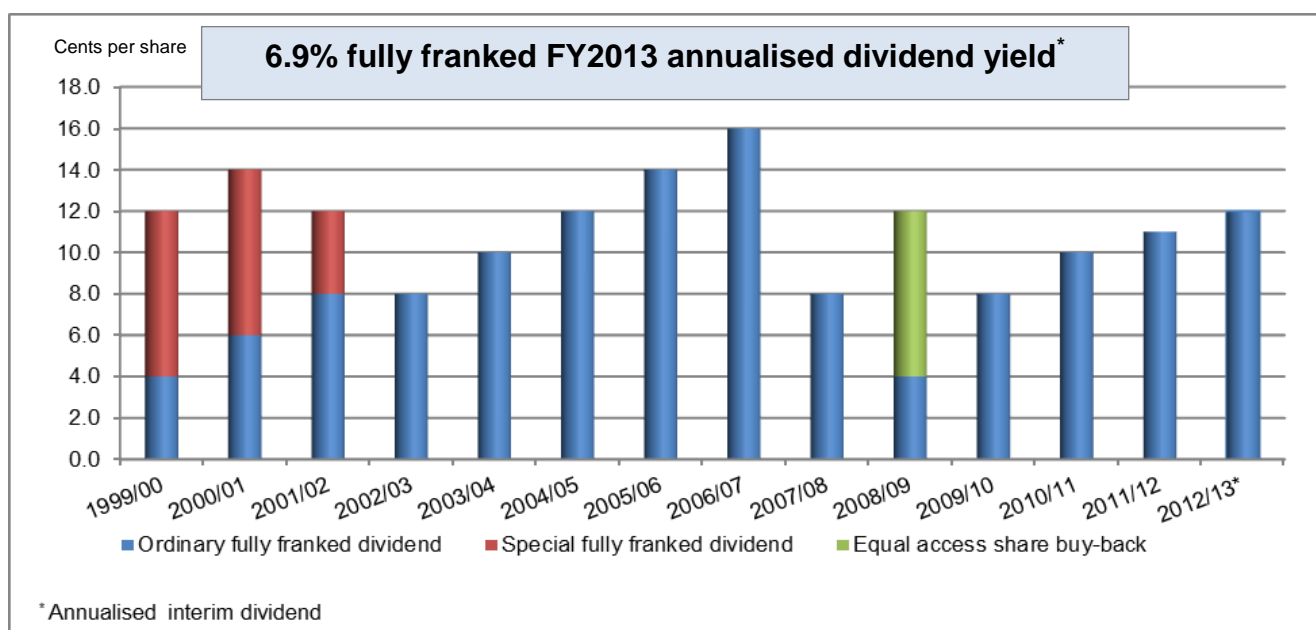
The investment objectives are to deliver a rising stream of fully franked dividends, to provide capital growth and to preserve capital.

## Dividends – 6.0 cents per share fully franked interim

On 30 April 2013, WAM paid a fully franked interim dividend of 6.0 cents per share. This is a 9.1% increase on the previous year's interim dividend and represents an annualised fully franked dividend yield of 6.9% based on the last sale price.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient franking credits and it is within prudent business practices. It must also comply with Government legislation and the ATO's interpretation of a company's ability to pay franked dividends. Dividends are paid on a six-monthly basis. Dividend payments will also be made with consideration to cash flow and cash holdings.

## WAM Capital Dividends



\*Based on the 13 May 2013 closing price.

## Option issue – exercise at any time before 31 July 2013

On 2 April 2012, the Board announced a 1 for 1 bonus issue of options to acquire ordinary shares in the capital of the Company. Further options were issued as part of the placement in August 2012 and the merger with Premium Investors.

The options have an exercise price of \$1.60 per share and can be exercised at any time on or before 31 July 2013. The options give shareholders the right but not the obligation to subscribe for shares in WAM at \$1.60 per share. The options can be exercised in full or in part. The options are currently trading on the ASX under the code WAMO.

As at 30 April 2013, 123,107,646 options have been exercised and allotted for a total consideration of \$196,972,234. The remaining balance of outstanding options is 38,804,232.

### Market outlook

The S&P/ASX All Ordinaries Accumulation Index finished up 3.8% in April. The insatiable appetite for yield continued with the four major banks and Telstra representing the majority of the market's performance in April. The Small Industrials Accumulation Index lagged in April, finishing up 0.81%. The Small Resources Accumulation Index continued its slide, closing down 20.4% for the month.

The RBA cut interest rates in early May by 0.25% which will continue to fuel the current chase for high dividend yield stocks. Resources were weak again, in particular gold stocks. Resources focused companies have had a torrid 12 months in general, with fears around global macroeconomic growth. However, with US growth slowly improving and the aggressive quantitative easing programme being undertaken by Japan, we may see an uptick in the demand for resources eventuate in late 2013. If global growth continues to improve, companies in the resources, materials and mining services sectors represent leveraged plays on a global recovery. We continue to monitor companies in these sectors for deep value opportunities.

### Portfolio structure

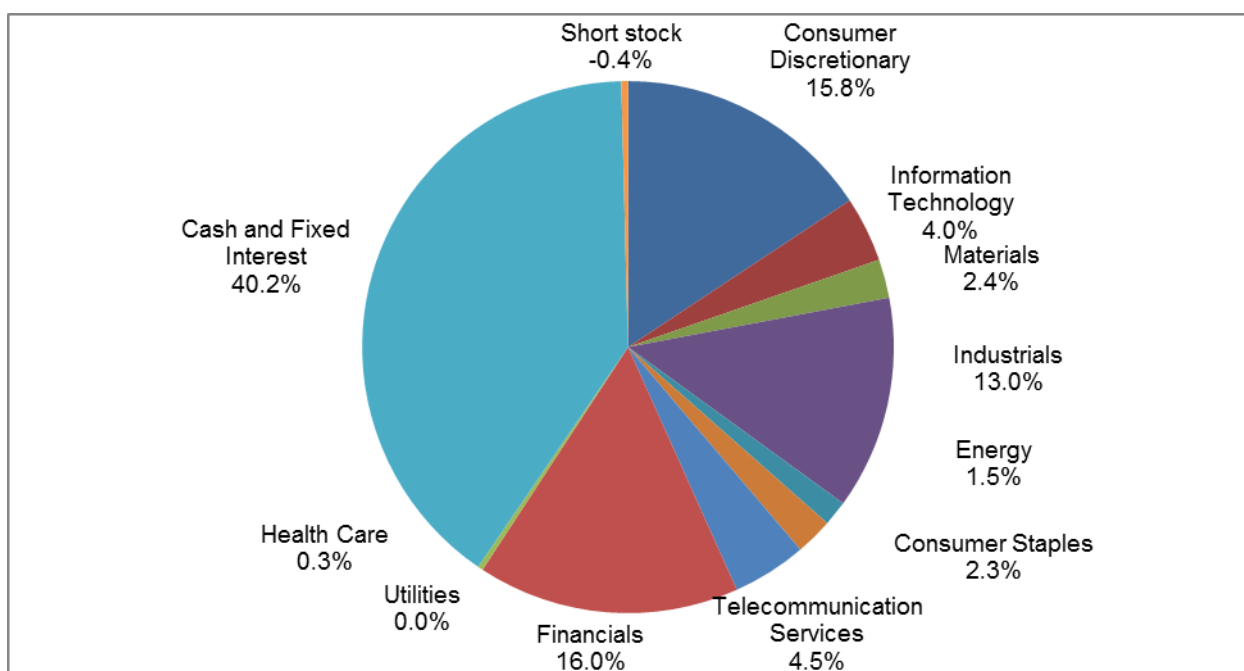
Investment Type	As at 31 March 2013		As at 30 April 2013	
	\$m	%	\$m	%
Listed Equities	236.5	59.3%	299.7	59.8%
Fixed Interest and Cash	162.4	40.7%	201.6	40.2%
<b>Long Portfolio</b>	<b>398.9</b>	<b>100.0%</b>	<b>501.3</b>	<b>100.0%</b>
<b>Short Portfolio</b>	<b>(1.6)</b>	<b>(0.4%)</b>	<b>(3.4)</b>	<b>(0.7%)</b>
<b>Total Fund Size</b>	<b>\$397.3m</b>		<b>\$497.9m</b>	
	<b>No.</b>		<b>No.</b>	
<b>Total ordinary shares on issue</b>	214,414,849		288,656,552	
<b>Total options on issue</b>	110,470,297		38,804,232	

## Portfolio structure (continued)

As at 30 April 2013 the major securities held in the WAM portfolio were as follows.

Code	Company	Market Value \$	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	11,041,111	2.2%
SKE	Skilled Group Limited	8,324,599	1.7%
CCV	Cash Converters International	7,905,637	1.6%
AHE	Automotive Holdings Group Limited	7,853,093	1.6%
HVN	Harvey Norman Holdings Limited	7,767,303	1.6%
HIL	Hills Holdings Limited	7,429,586	1.5%
BKW	Brickworks Limited	7,396,079	1.5%
MTU	M2 Telecommunications Group Limited	7,338,705	1.5%
FXJ	Fairfax Media Limited	7,177,797	1.4%
AIX	Australian Infrastructure Fund	7,160,133	1.4%
GNC	Graincorp Limited	6,499,586	1.3%
SFW	SFG Australia Limited	6,459,245	1.3%
IBC	Ironbark Capital Limited	5,744,905	1.2%
AMM	Amcom Telecommunications Limited	5,659,482	1.1%
GEM	G8 Education Limited	5,459,479	1.1%
RCR	RCR Tomlinson Limited	5,408,711	1.1%
ELI	Emerging Leaders Investments Limited	5,398,928	1.1%
TPM	TPG Telecom Limited	5,333,708	1.1%
SGN	STW Communications Group Limited	5,265,241	1.1%
ANZ	Australia And New Zealand Banking Group Limited	5,096,947	1.0%

## Portfolio structure – sector allocation



### Performance – yearly comparison to S&P/ASX All Ordinaries Accumulation Index

Since inception, the WAM investment portfolio has outperformed the overall sharemarket. Set out below is the performance of WAM's investment portfolio since listing to 30 April 2013 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to the performance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

Financial Year	WAM Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
1999/2000	+33.3%	+11.3%	<b>+22.0%</b>
2000/2001	+30.2%	+8.9%	<b>+21.3%</b>
2001/2002	+32.7%	-4.5%	<b>+37.2%</b>
2002/2003	+12.3%	-1.1%	<b>+13.4%</b>
2003/2004	+27.3%	+22.4%	<b>+4.9%</b>
2004/2005	+13.9%	+24.8%	<b>-10.9%</b>
2005/2006	+27.4%	+24.2%	<b>+3.2%</b>
2006/2007	+44.1%	+30.3%	<b>+13.8%</b>
2007/2008	-23.0%	-12.1%	<b>-10.9%</b>
2008/2009	-3.2%	-22.2%	<b>+19.0%</b>
2009/2010	+29.8%	+13.8%	<b>+16.0%</b>
2010/2011	+17.9%	+12.2%	<b>+5.7%</b>
2011/2012	+4.2%	-7.0%	<b>+11.2%</b>
YTD 2012/2013	+26.8%	+29.6%	<b>-2.8%</b>

## Performance - monthly comparison

The table below shows the month by month performance of WAM against the S&P/ASX All Ordinaries Accumulation index.

	<b>Aug 99</b>	<b>Sep 99</b>	<b>Oct 99</b>	<b>Nov 99</b>	<b>Dec 99</b>	<b>Jan 00</b>	<b>Feb 00</b>	<b>Mar 00</b>	<b>Apr 00</b>
Investment Portfolio *	+1.4%	+5.1%	+4.1%	+11.0%	+4.9%	-2.0%	+5.4%	+5.3%	-5.7%
S&P/ASX All Ord Accum	-2.5%	-1.2%	+0.5%	+5.4%	+5.6%	-0.7%	+1.9%	+0.5%	-1.5%
	<b>May 00</b>	<b>Jun 00</b>	<b>Jul 00</b>	<b>Aug 00</b>	<b>Sep 00</b>	<b>Oct 00</b>	<b>Nov 00</b>	<b>Dec 00</b>	<b>Jan 01</b>
Investment Portfolio *	-2.9%	+3.6%	+2.9%	+5.2%	-0.7%	+2.5%	+1.9%	+0.1%	+1.7%
S&P/ASX All Ord Accum	-1.3%	+7.7%	-1.3%	+1.7%	+0.2%	-1.1%	+1.1%	-2.0%	+4.4%
	<b>Feb 01</b>	<b>Mar 01</b>	<b>Apr 01</b>	<b>May 01</b>	<b>Jun 01</b>	<b>July 01</b>	<b>Aug 01</b>	<b>Sep 01</b>	<b>Oct 01</b>
Investment Portfolio *	-0.2%	-3.7%	+3.9%	+6.7%	+6.9%	-1.0%	+4.6%	-2.9%	+8.6%
S&P/ASX All Ord Accum	-0.2%	-4.8%	+5.7%	+1.6%	+3.8%	-4.5%	-1.3%	-6.7%	+6.8%
	<b>Nov 01</b>	<b>Dec 01</b>	<b>Jan 02</b>	<b>Feb 02</b>	<b>Mar 02</b>	<b>Apr 02</b>	<b>May 02</b>	<b>Jun 02</b>	<b>Jul 02</b>
Investment Portfolio *	+3.8%	+3.3%	+7.0%	+3.1%	+4.9%	-0.4%	+0.7%	-2.2%	-3.0%
S&P/ASX All Ord Accum	+3.4%	+2.7%	+1.3%	-1.1%	+0.8%	-1.8%	+0.9%	-4.4%	-4.1%
	<b>Aug 02</b>	<b>Sep 02</b>	<b>Oct 02</b>	<b>Nov 02</b>	<b>Dec 02</b>	<b>Jan 03</b>	<b>Feb 03</b>	<b>Mar 03</b>	<b>Apr 03</b>
Investment Portfolio *	+3.9%	-1.1%	+1.1%	+1.6%	+1.5%	+1.3%	-1.7%	-0.4%	+3.8%
S&P/ASX All Ord Accum	+1.8%	-4.1%	+2.6%	+1.5%	-1.5%	-1.3%	-5.1%	+3.4%	+4.4%
	<b>May 03</b>	<b>Jun 03</b>	<b>Jul 03</b>	<b>Aug 03</b>	<b>Sept 03</b>	<b>Oct 03</b>	<b>Nov 03</b>	<b>Dec 03</b>	<b>Jan 04</b>
Investment Portfolio *	+1.5%	+3.5%	+3.6%	+5.2%	+3.7%	+5.4%	-0.7%	+3.6%	+2.5%
S&P/ASX All Ord Accum	+0.5%	+1.3%	+3.6%	+3.5%	-0.1%	+3.5%	-2.1%	+3.7%	-0.7%
	<b>Feb 04</b>	<b>Mar 04</b>	<b>Apr 04</b>	<b>May 04</b>	<b>Jun 04</b>	<b>Jul 04</b>	<b>Aug 04</b>	<b>Sep 04</b>	<b>Oct 04</b>
Investment Portfolio *	+2.7%	+0.1%	-1.3%	-0.8%	+1.0%	+2.4%	+1.2%	+2.5%	+2.9%
S&P/ASX All Ord Accum	+3.1%	+2.0%	-0.1%	+1.6%	+2.7%	+0.6%	+1.1%	+3.8%	+3.1%
	<b>Nov 04</b>	<b>Dec 04</b>	<b>Jan 05</b>	<b>Feb 05</b>	<b>Mar 05</b>	<b>Apr 05</b>	<b>May 05</b>	<b>Jun 05</b>	<b>Jul 05</b>
Investment Portfolio *	+3.3%	+0.7%	+2.7%	-0.2%	-0.8%	-4.2%	+0.0%	+2.8%	+2.2%
S&P/ASX All Ord Accum	+4.6%	+3.0%	+1.3%	+1.8%	-0.7%	-3.8%	+3.4%	+4.5%	+2.8%
	<b>Aug 05</b>	<b>Sep 05</b>	<b>Oct 05</b>	<b>Nov 05</b>	<b>Dec 05</b>	<b>Jan 06</b>	<b>Feb 06</b>	<b>Mar 06</b>	<b>Apr 06</b>
Investment Portfolio *	+4.0%	+2.7%	+0.1%	+3.1%	+0.8%	+1.6%	+4.9%	+5.3%	+2.1%
S&P/ASX All Ord Accum	+2.2%	+4.8%	-3.8%	+4.4%	+3.0%	+3.7%	+0.7%	+4.8%	+2.4%
	<b>May 06</b>	<b>Jun 06</b>	<b>Jul 06</b>	<b>Aug 06</b>	<b>Sep 06</b>	<b>Oct 06</b>	<b>Nov 06</b>	<b>Dec 06</b>	<b>Jan 07</b>
Investment Portfolio *	-2.3%	+0.5%	+0.4%	+3.4%	+2.4%	+4.7%	+3.6%	+6.1%	+3.8%
S&P/ASX All Ord Accum	-4.3%	+1.9%	-1.5%	+3.2%	+1.3%	+4.8%	+2.5%	+3.6%	+2.0%
	<b>Feb 07</b>	<b>Mar 07</b>	<b>Apr 07</b>	<b>May 07</b>	<b>Jun 07</b>	<b>Jul 07</b>	<b>Aug 07</b>	<b>Sep 07</b>	<b>Oct 07</b>
Investment Portfolio *	+0.4%	+1.9%	+2.6%	+4.7%	+3.3%	+0.3%	-4.2%	+1.7%	+3.1%
S&P/ASX All Ord Accum	+1.6%	+3.3%	+3.0%	+3.2%	-0.1%	-1.9%	+1.7%	+5.8%	+3.1%
	<b>Nov 07</b>	<b>Dec 07</b>	<b>Jan 08</b>	<b>Feb 08</b>	<b>Mar 08</b>	<b>Apr 08</b>	<b>May 08</b>	<b>Jun 08</b>	<b>Jul 08</b>
Investment Portfolio *	-4.8%	-1.1%	-9.5%	-1.3%	-5.3%	+1.7%	+2.3%	-7.9%	-1.6%
S&P/ASX All Ord Accum	-2.4%	-2.4%	-11.2%	+0.3%	-4.1%	+4.6%	+2.4%	-7.3%	-5.2%
	<b>Aug 08</b>	<b>Sep 08</b>	<b>Oct 08</b>	<b>Nov 08</b>	<b>Dec 08</b>	<b>Jan 09</b>	<b>Feb 09</b>	<b>Mar 09</b>	<b>Apr 09</b>
Investment Portfolio *	+1.7%	-5.3%	-9.2%	-5.6%	+3.1%	-1.5%	+1.1%	+2.6%	+5.2%
S&P/ASX All Ord Accum	+4.0%	-10.6%	-13.9%	-7.2%	-0.1%	-4.9%	-4.3%	+8.1%	+6.1%
	<b>May 09</b>	<b>Jun 09</b>	<b>Jul 09</b>	<b>Aug 09</b>	<b>Sep 09</b>	<b>Oct 09</b>	<b>Nov 09</b>	<b>Dec 09</b>	<b>Jan 10</b>
Investment Portfolio *	+3.6%	+3.9%	+8.2%	+7.6%	+6.9%	+2.3%	+0.6%	+1.6%	-2.4%
S&P/ASX All Ord Accum	+2.2%	+3.9%	+7.7%	+6.5%	+6.1%	-1.9%	+1.9%	+3.7%	-5.9%
	<b>Feb 10</b>	<b>Mar 10</b>	<b>Apr 10</b>	<b>May 10</b>	<b>Jun 10</b>	<b>Jul 10</b>	<b>Aug 10</b>	<b>Sept 10</b>	<b>Oct 10</b>
Investment Portfolio *	-0.5%	+3.7%	+0.8%	-2.4%	+0.7%	+2.5%	+1.5%	+4.4%	+1.4%
S&P/ASX All Ord Accum	+1.8%	+5.8%	-1.2%	-7.6%	-2.6%	+4.2%	-0.7%	+5.0%	+2.2%
	<b>Nov 10</b>	<b>Dec 10</b>	<b>Jan 11</b>	<b>Feb 11</b>	<b>Mar 11</b>	<b>Apr 11</b>	<b>May 11</b>	<b>Jun 11</b>	<b>Jul 11</b>
Investment Portfolio *	+2.3%	+3.7%	+1.4%	+2.1%	+0.1%	+1.2%	-1.4%	-2.4%	+0.2%
S&P/ASX All Ord Accum	-0.7%	+3.8%	+0.1%	+2.2%	+0.6%	-0.6%	-1.9%	-2.4%	-3.4%
	<b>Aug 11</b>	<b>Sept 11</b>	<b>Oct 11</b>	<b>Nov 11</b>	<b>Dec 11</b>	<b>Jan 12</b>	<b>Feb 12</b>	<b>Mar 12</b>	<b>Apr 12</b>
Investment Portfolio *	-1.8%	-0.8%	+2.6%	-1.3%	-1.2%	+1.6%	+4.4%	+2.3%	+0.0%
S&P/ASX All Ord Accum	-2.0%	-6.3%	+7.2%	-3.4%	-1.6%	+5.2%	+2.4%	+1.2%	+1.1%
	<b>May 12</b>	<b>Jun 12</b>	<b>Jul 12</b>	<b>Aug 12</b>	<b>Sep 12</b>	<b>Oct 12</b>	<b>Nov 12</b>	<b>Dec 12</b>	<b>Jan 13</b>
Investment Portfolio *	-2.2%	+0.5%	+1.7%	+2.7%	+1.7%	+2.6%	+0.9%	+3.9%	+5.1%
S&P/ASX All Ord Accum	-6.9%	+0.3%	+3.7%	+2.1%	+2.1%	+3.0%	+0.3%	+3.4%	+5.1%
	<b>Feb 13</b>	<b>Mar 13</b>	<b>Apr 13</b>						<b>Since inception</b>
Investment Portfolio *	+4.5%	+0.8%	+0.4%						+921.4%
S&P/ASX All Ord Accum	+5.2%	-2.2%	+3.8%						+206.5%

\*The change in the investment portfolio before all expenses, fees and taxes.

**For more information**

Please contact Geoff Wilson, Chris Stott or Kate Thorley.

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