

Investment Update & Net Tangible Assets Report

AS AT 30 NOVEMBER 2014



Performance

Performance at 30 November 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	10 Yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	0.6%	5.9%	5.7%	9.8%	17.7%	14.0%	13.0%	17.9%
S&P/ASX All Ordinaries Accumulation Index	-3.2%	-1.1%	0.3%	4.0%	13.0%	6.8%	7.4%	8.2%
Outperformance	+3.8%	+7.0%	+5.4%	+5.8%	+4.7%	+7.2%	+5.6%	+9.7%

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

Net Tangible Assets (NTA) figures

NTA before tax	176.00c
NTA after tax and before tax on unrealised gains	178.24c *
NTA after tax	174.11c *

* Includes 2.3 cents of tax assets resulting from the merger with Premium Investors.

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 3.2% during November, underperforming world markets. The oil price suffered sharp declines in November, down 18%, pushing the energy sector 13.1% lower. During the month, the ASX experienced its worst two-day decline since the GFC.

US equity markets continued to perform well in November, with the S&P/500 up 2.5% for the month, buoyed by a better than expected earnings season. In Europe, inflation fell to five-year lows renewing calls for the European Central Bank to expand its asset buying program.

We continue to be cautious in our short term view of Australia's equity market. The AGM season provided mixed news flow and recent GDP data has also suggested that Australia is in a technical income recession, with quarterly growth struggling to outpace core inflation. Our investment portfolio continues to be conservatively positioned through above average cash holdings. We are well positioned to ride through the fluctuations in the market as we have done in past cycles and take advantage of any market dislocation.

WAM Capital Limited

ASX Code	WAM
Listed	Aug 1999
Gross assets	\$624.5m
Market cap	\$687.4m
Share price	\$1.99
NTA before tax	\$1.76
Shares on issue	345,405,201
Fully franked dividends (FY2014)	13.0c
Dividend yield	6.5%

Investment objectives

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

Company overview

WAM Capital Limited (ASX: WAM), one of Australia's leading Listed Investment Companies, is managed by Wilson Asset Management. Listed in August 1999, WAM provides investors with exposure to an actively managed diversified portfolio of undervalued growth companies, which are generally small-to-medium sized industrial companies listed on the Australian Securities Exchange. WAM also provides exposure to relative value arbitrages and market mispricing opportunities.

Investment & Management Team

Geoff Wilson
Chairman/Portfolio Manager

Kate Thorley
Chief Executive Officer/
Company Secretary

Chris Stott
Chief Investment Officer/
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Matthew Haupt
Senior Equity Analyst

Tobias Yao
Equity Analyst

Melanie Shaw
Corporate Affairs

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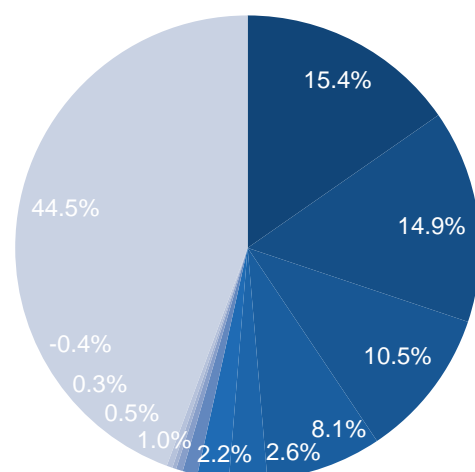
Diversified portfolio

Investment Type	October 2014		November 2014	
	\$m	%	\$m	%
Listed Equities	349.1	54.5	348.0	55.5
Fixed Interest & Cash	291.9	45.5	279.0	44.5
Long Portfolio	641.0	100.0%	627.0	100.0%
Short Portfolio	(20.0)	(3.2)	(2.5)	(0.4)
Gross Assets	\$621.0m		\$624.5m	
Total shares on issue	345,405,201		345,405,201	

Top holdings

Code	Company	Market Value as % Gross Assets
CYA	Century Australia Investments Limited	2.3%
HHV	Hunter Hall Global Value Limited	2.2%
SGH	Slater & Gordon Limited	1.9%
CSV	CSG Limited	1.7%
ALU	Altium Limited	1.4%
MTR	Mantra Group Limited	1.3%
AHE	Automotive Holdings Group Limited	1.3%
IFM	Infomedia Limited	1.3%
ASB	Austal Limited	1.3%
RFG	Retail Food Group Limited	1.3%
IPH	IPH Limited	1.2%
CTD	Corporate Travel Management Limited	1.2%
AHD	Amalgamated Holdings Limited	1.2%
SRX	Sirtex Medical Limited	1.1%
VED	Veda Group Limited	1.0%
ENE	Energy Developments Limited	1.0%
REC	Recall Holdings Limited	1.0%
CCP	Credit Corp Group Limited	1.0%
IBC	Ironbark Capital Limited	1.0%
NVT	Navitas Limited	1.0%

Sector allocation



- Financials: 15.4%
- Consumer Discretionary: 14.9%
- Industrials: 10.5%
- Information Technology: 8.1%
- Telecommunication Services: 2.6%
- Health Care: 2.2%
- Utilities: 1.0%
- Consumer Staples: 0.5%
- Materials: 0.3%
- Short Stock: -0.4%
- Cash and Fixed Interest: 44.5%

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Dividend growth

The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

The estimated profit reserve as at 30 November 2014 is 22.2 cents per share and the franking account has a balance of \$6,737,086.

On 17 October 2014, the Company paid a fully franked final dividend of 6.5 cents per share. This brings the full year fully franked dividend to 13.0 cents per share, an increase of 8.3% on the previous corresponding period.

WAM Capital dividends since inception

