

Investment update

As at 30 April 2017



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$1.92

Fully franked
dividend yield

6.3%

Gross assets

\$1,184.3m

Performance
(p.a. since August 1999)

17.7%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,184.3m
Market cap	\$1,467.7m
Share price	\$2.38
NTA before tax	\$1.92
Shares on issue	616,674,558
Annualised fully franked interim dividend (FY2017)	15.0c
Fully franked dividend yield	6.3%

Investment objectives

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

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Head of Trading
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

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

May 2017 Shareholder Presentations – last chance to RSVP

For more information and to RSVP, visit wilsonassetmanagement.com.au/RSVP.

Priority allocations in Century and WAM Microcap

WAM Capital shareholders are entitled to a \$20 million priority allocation in **Century Australia Investments Limited** and a \$121 million priority allocation in **WAM Microcap Limited**. Century Australia's \$75 million capital raising will close on 19 May 2017. WAM Microcap's \$154 million capital raising will open on 15 May and is expected to close on 14 June 2017. To participate in either offer call the team on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.8% for the month. During its April board meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 1.5% as widely expected and downgraded its assessment of the Australian labour market following weak February data. The Australian Prudential Regulatory Authority made further comments that it could increase bank capital requirements. At the end of the month the Index came close the 6,000 level following positive news about the French election, Trump's proposed tax cut announcement and domestic inflation figures that showed headline CPI up 2.1% year on year for Q1 2017.

Stock news

During the month, Helloworld Travel Limited (ASX: HLO) announced an upgrade to its current earnings guidance with earnings before interest, tax, depreciation and amortisation (EBITDA) up from \$47 to \$51 million to between \$52 and \$55 million on the back of approximately \$5.8 billion of total transaction value (TTV). The company said it was maintaining TTV and margins despite strong competition and continual airfare discounting.

Net tangible asset (NTA) figures

The following NTA figures are after the 7.5 cents per share fully franked interim dividend paid on 28 April 2017.

NTA before tax	191.56c
NTA after tax and before tax on unrealised gains	190.44c
NTA after tax	188.46c

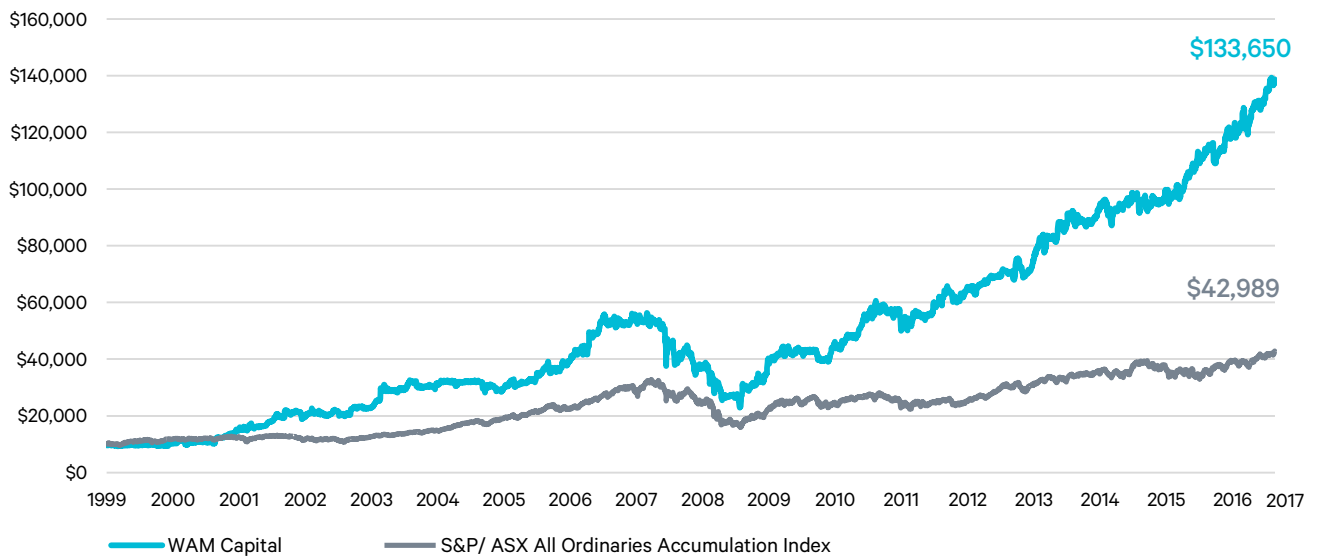
Performance

Performance at 30 April 2017	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*	-0.4%	0.8%	10.0%	16.5%	15.7%	17.1%	11.2%	17.7%
S&P/ASX All Ordinaries Accumulation Index	0.8%	12.4%	15.8%	16.6%	7.4%	10.6%	4.0%	8.4%
Outperformance	-1.2%	-11.6%	-5.8%	-0.1%	+8.3%	+6.5%	+7.2%	+9.3%

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

Growth of \$10,000 investment since inception

WAM Capital versus the Index



Diversified portfolio

Investment type	March 2017		April 2017	
	\$m	%	\$m	%
Listed equities	826.7	68.8	759.7	64.1
Short portfolio	(18.1)	(1.5)	(30.0)	(2.5)
Fixed interest & cash	392.9	32.7	454.6	38.4
Gross assets	1,201.5m	100.0	1,184.3m*	100.0
Total shares on issue	599,888,029		616,674,558**	

*This figure is after the 7.5 cents per share fully franked interim dividend and an acquisition of an unlisted investment company during the month.

**During the month, the acquisition of an unlisted investment company resulted in the issuance of 13,246,376 shares. 3,540,153 shares were issued via the dividend reinvestment plan.

Capital management

During the month, WAM Capital completed an acquisition of an unlisted investment company to the benefit of all shareholders. The acquisition represented a cost effective way to increase the size of the investment portfolio. The company also conducted a placement for the DRP shortfall, raising \$39.5 million at a premium to the Company's ex-dividend, pre-tax net tangible assets (NTA).

Top 20 holdings

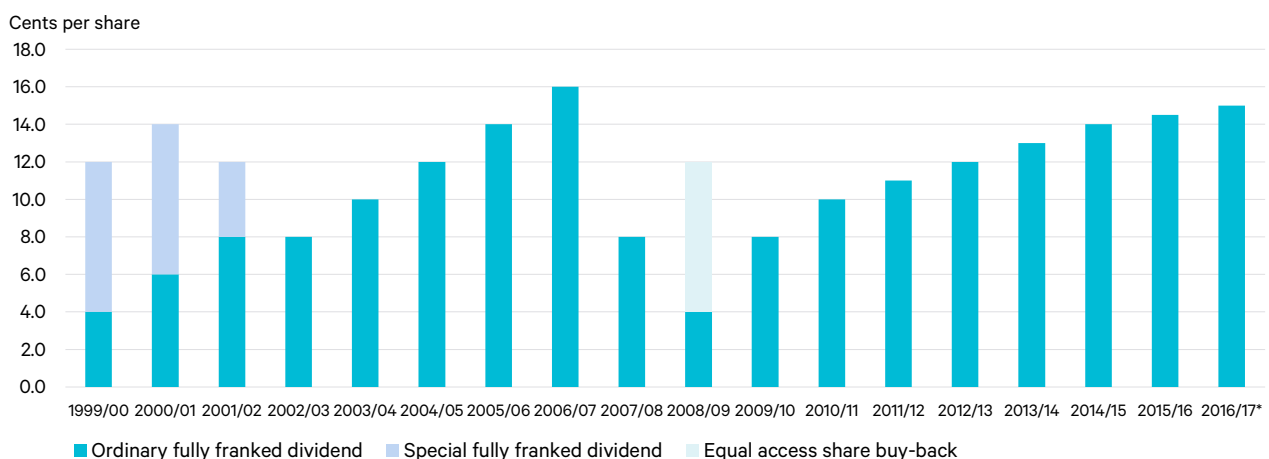
Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	CPU	Computershare Limited
CYA	Century Australia Investments Limited	ISU	iSelect Limited
NCK	Nick Scali Limited	FLT	Flight Centre Travel Group Limited
AHG	Automotive Group Holdings Limited	NUF	Nufarm Limited
CGF	Challenger Limited	HGG	Henderson Group PLC
TGG	Templeton Global Growth Fund Limited	SLC	Superloop Limited
AUB	AUB Group Limited	NHF	NIB Holdings Limited
WOW	Woolworths Limited	CAR	Carsales.Com Limited
ECX	Eclixp Group Limited	PSI	PSC Insurance Group Limited
AFY	Afterpay Holdings Limited	NXT	NEXTDC Limited

Fully franked dividends

On 28 April 2017, the Company paid a fully franked interim dividend of 7.5 cents per share, an increase of 3.4% on the previous corresponding period. The dividend reinvestment price for the interim dividend was \$2.3699, incorporating the 2.5% discount.

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. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

Fully franked dividends since inception



*Annualised Interim Dividend