

# Investment update

As at 31 October 2017



wilsonassetmanagement.com.au  
ABN 34 086 587 395

## Snapshot

Pre-tax net tangible assets

**\$1.97**

Fully franked  
dividend yield

**6.1%**

Gross assets

**\$1,273.8m**

Performance  
(p.a. since August 1999)

**17.7%**

## WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,273.8m
Market cap	\$1,553.8m
Share price	\$2.44
NTA before tax	\$1.97
Shares on issue	636,822,344
Fully franked dividends (FY2017)	15.0c
Fully franked dividend yield	6.1%

## 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	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	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.

## Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

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## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 4.1% for the month.

During the month the Australian Bureau of Statistics announced the September quarter consumer price index (CPI) was unchanged at 1.8%, falling well below market expectations and further supporting our view that the Reserve Bank of Australia will maintain the cash rate at 1.5% for the foreseeable future. The Westpac-Melbourne Institute index of consumer sentiment rose 3.6% in October, the highest level recorded in 12 months.

Globally, the revival of United States President Trump's tax plan positively impacted US equities, driving the S&P 500 Index to yet another all time record high.

## November 2017 Shareholder Presentations

Don't forget to reserve your place at our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).

## Net tangible asset (NTA) figures

The following NTA figures are **after** the 7.5 cents per share fully franked final dividend paid on 27 October 2017.

NTA before tax	197.03c*
NTA after tax and before tax on unrealised gains	197.20c**
NTA after tax	192.84c**

\* The before tax figure is after the payment of \$396k (0.06 cents per share) in tax during the month.

\*\*This includes 0.34cps of tax assets resulting from the acquisition of an unlisted investment company in April 2017.

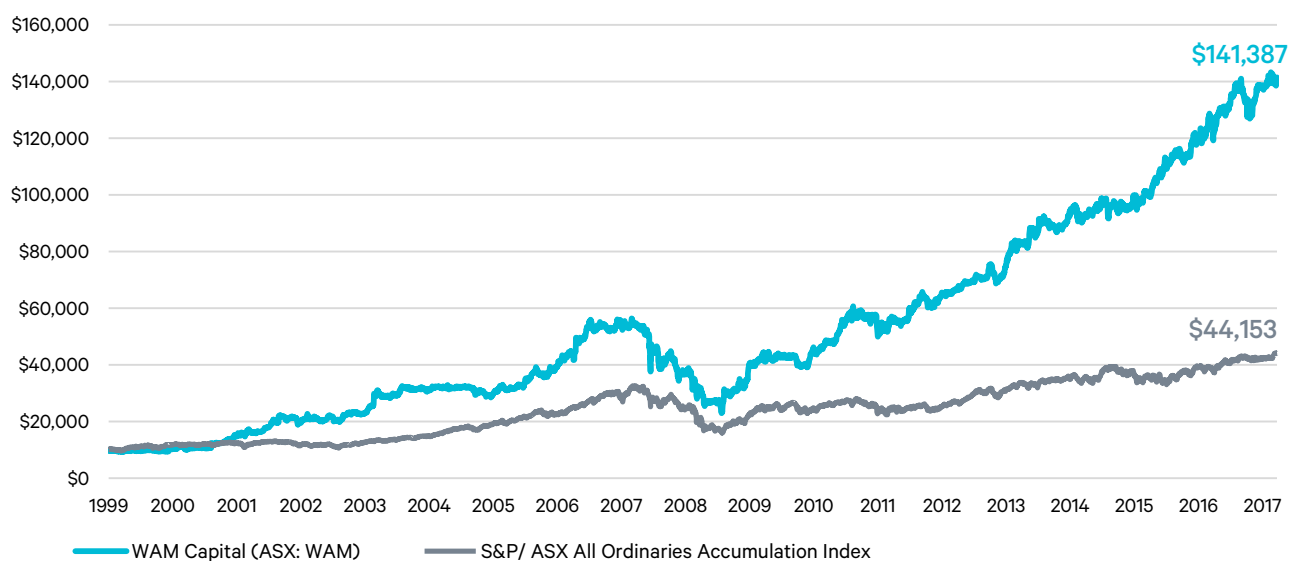
## Performance

Performance at 31 October 2017	1 mth	Fin YTD	6 mths	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since Inception %pa (Aug-99)
WAM Investment Portfolio*	3.8%	6.5%	8.0%	8.9%	16.4%	17.4%	11.1%	17.7%
S&P/ASX All Ordinaries Accumulation Index	4.1%	5.1%	2.7%	15.5%	7.3%	10.3%	3.1%	8.3%
<b>Outperformance</b>	<b>-0.3%</b>	<b>+1.4%</b>	<b>+5.3%</b>	<b>-6.6%</b>	<b>+9.1%</b>	<b>+7.1%</b>	<b>+8.0%</b>	<b>+9.4%</b>

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

## Growth of \$10,000 investment since inception

### WAM Capital versus the Index



#### Notes:

1. The above graph reflects the period from inception in August 1999 to 31 October 2017.
2. WAM Capital's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Capital portfolio.

## Diversified portfolio

Investment type	September 2017		October 2017	
	\$m	%	\$m	%
Listed equities	793.8	62.7	968.8	76.1
Short portfolio	(13.1)	(1.0)	(6.3)	(0.5)
Fixed interest & cash	485.2	38.3	311.3	24.4
<b>Gross assets</b>	<b>1,265.9m</b>	<b>100.0</b>	<b>1,273.8m*</b>	<b>100.0</b>
Total shares on issue	633,342,008		636,822,344**	

\*This figure is after the 7.5 cents per share fully franked final dividend and \$396k (0.06 cents per share) in tax paid during the month.

\*\*During the month, 3.5m shares were issued from the Dividend Reinvestment Plan (DRP) for the final dividend.

## Top 20 holdings

Code	Company	Code	Company
HHV	Hunter Hall Global Value Limited	SIQ	Smartgroup Corporation Limited
NEC	Nine Entertainment Co Holdings Limited	NUF	Nufarm Limited
SVW	Seven Group Holdings Limited	GEM	G8 Education Limited
TGG	Templeton Global Growth Fund Limited	ASL	Ausdrill Limited
APT	Afterpay Touch Group Limited	IMD	Index Limited
A2M	a2 Milk Company Limited	PSI	PSC Insurance Group Limited
FXJ	Fairfax Media Limited	MMS	McMillan Shakespeare Limited
FLT	Flight Centre Travel Group Limited	WOR	WorleyParsons Limited
PTM	Platinum Investment Management Limited	NXT	NEXTDC Limited
MTR	Mantra Group Limited	HFA	HFA Holdings Limited

## Fully franked dividends

On 27 October 2017, the Company paid a fully franked final dividend of 7.5 cents per share, bringing the FY17 fully franked full year dividend to 15.0 cents per share.

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.

### Fully franked dividends since inception

