

Investment update

As at 28 February 2018



wilsonassetmanagement.com.au
ABN 34 086 587 395

Snapshot

Pre-tax net tangible assets

\$2.06

Fully franked
dividend yield

6.2%

Gross assets

\$1,357.6m

Performance
(p.a. since August 1999)

17.7%

WAM Capital Limited

ASX code	WAM
Date of listing	Aug 1999
Gross assets	\$1,357.6m
Market cap	\$1,638.1m
Share price	\$2.50
NTA before tax	\$2.06
Shares on issue	655,257,315
Annualised fully franked interim dividend (FY2018)	15.5c
Fully franked dividend yield	6.2%

Investment objectives

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

Wilson Asset Management investment & management team

Geoff Wilson AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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.

Save the date: Shareholder Presentations

Hobart	11 May
Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.2% in February, an almost flat close to a volatile month.

Global equity markets started the month with turbulence. Data released on US wage growth sparked expectations of higher inflation, which in turn saw bonds sell off on concerns about the pace of interest rate increases. Equity markets around the world followed suit, Australia included. As the month continued, heightened volatility dissipated, and a slightly positive reporting season provided Australian investors with some reassurance.

Overall, it was a satisfactory reporting period with earnings estimates increasing marginally. Improved economic performance translated to increased earnings that are being reinvested and returned to shareholders in the form of higher dividend payout ratios.

During the month we made meaningful changes to the portfolio as we capitalised on several new investment opportunities discovered during the reporting period.

Chief Investment Officer Chris Stott recently shared his thoughts on reporting season in an article in the [Australian Financial Review](#).

Net tangible asset (NTA) figures

NTA before tax	205.68c*
NTA after tax and before tax on unrealised gains	205.99c**
NTA after tax	201.14c**

*The NTA before tax figure is after the payment of \$14.3m (218cps) in tax during the month.

**This includes 0.33cps of tax assets resulting from the acquisition of an unlisted investment company in April 2017.

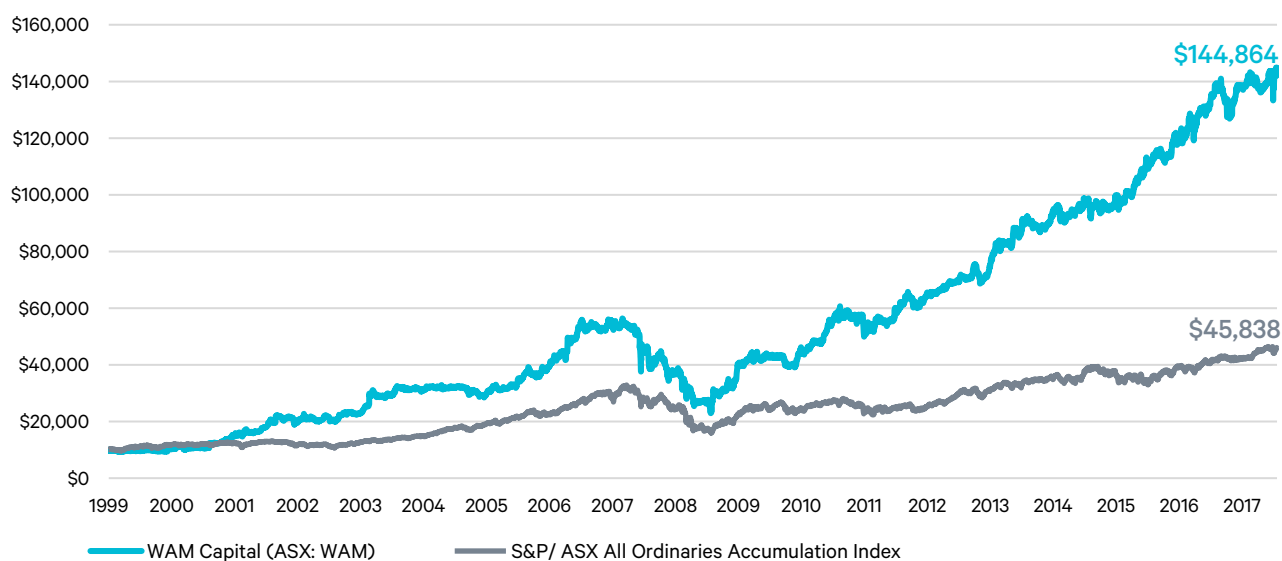
Performance

Performance at	1	6	Fin	1	3 yrs	5 yrs	10 yrs	Since
28 February 2018	1	6	YTD	1	3 yrs	5 yrs	10 yrs	inception
	1	6	YTD	1	3 yrs	5 yrs	10 yrs	%pa
	1	6	YTD	1	3 yrs	5 yrs	10 yrs	%pa (Aug-99)
WAM Investment Portfolio*	0.7%	10.2%	12.5%	15.0%	15.9%	15.4%	13.6%	17.7%
S&P/ASX All Ordinaries Accumulation Index	0.2%	8.1%	9.1%	10.8%	5.7%	8.1%	5.2%	8.4%
Outperformance	+0.5%	+2.1%	+3.4%	+4.2%	+10.2%	+7.3%	+8.4%	+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



Notes:

1. The above graph reflects the period from inception in August 1999 to 28 February 2018.
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	January 2018		February 2018	
	\$m	%	\$m	%
Listed equities	1,032.7	75.7	957.8	70.5
Short portfolio	(0.1)	(0.0)	(23.7)	(1.7)
Fixed interest & cash	331.3	24.3	423.5	31.2
Gross assets	1,363.9m	100.0	1,357.6m*	100.0
Total shares on issue	655,257,315		655,257,315	

*This figure is after the payment of \$14.3m in tax during the month.

Top 20 holdings

Code	Company	Code	Company
NEC	Nine Entertainment Co Holdings Limited	PSI	PSC Insurance Group Limited
PIA	Pengana International Equities Limited	EHE	Estia Health Limited
SVW	Seven Group Holdings Limited	CTD	Corporate Travel Management Limited
ASL	Ausdrill Limited	PRY	Primary Health Care Limited
TPM	TPG Telecom Limited	FLT	Flight Centre Travel Group Limited
TGG	Templeton Global Growth Fund Limited	SDA	Speedcast International Limited
IMD	Imdex Limited	MND	Monadelphous Group Limited
APT	Afterpay Touch Group Limited	FXJ	Fairfax Media Limited
EHL	Emeco Holdings Limited	NGI	Navigator Global Investments Limited
AOG	Aveo Group	SIQ	Smartgroup Corporation Limited

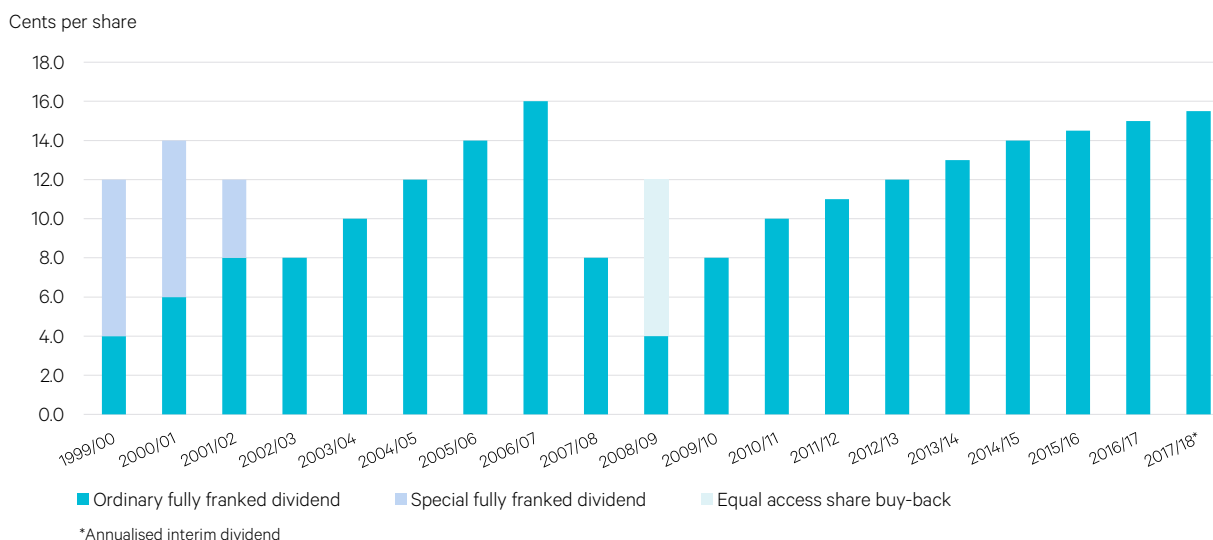
Fully franked dividends

On 12 February 2018, the Board announced a fully franked interim dividend of 7.75 cents per share, an increase of 3.3% on the previous year. The dividend will be paid on 27 April 2018 and will trade ex on 12 April 2018. The DRP is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 17 April 2018.

Key dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for DRP	17 April 2018
Payment date	27 April 2018

Fully franked dividends since inception



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.