

WAM Capital Limited

Merger with Premium Investors

November 2012



**SUPERIOR
RETURNS
FROM
GROWTH
COMPANIES**

- more opportunities
- more value
- more dividends

Welcome



We would like you to become a WAM Capital shareholder
by accepting scrip alternative in the Scheme of Arrangement

We encourage you to vote in favour of the Scheme
at the scheme meeting on 10 December 2012

Merger details



- WAM Capital to merge with Premium Investors on an NTA for NTA basis¹
- Premium Investors shareholders can elect:
 - 100% shares in WAM Capital
 - 100% cash; or
 - a combination of both
- If electing to receive shares, you will receive approximately one new WAM Capital share (WAM) and one WAM Capital Option (WAMO) for each two Premium shares held.²
- Premium Investors independent directors unanimously recommend the offer
- Premium Investors Chairman, Lindsay Mann invited to join Board of WAM Capital

¹ NTA to be calculated after scheme has been voted on by Premium shareholders

² Based on pre-tax NTA as at 31 August 2012 excluding deferred tax assets and including estimated transaction costs

Indicative timetable



Scheme booklet despatched	8 November 2012
Scheme meeting	10 December 2012
Second court hearing and calculation date for NTAs	12 December 2012
Record date	20 December 2012
Implementation date	31 December 2012
New WAM share and option holding statements and cash consideration despatched	by 8 January 2013

Benefits of becoming a WAM shareholder



- History of paying fully franked dividends to shareholders
- Investment manager with a strong performance track record
- Likely use of Premium Investors franking credits and tax losses
- Lower management expense ratio (MER)

Investment objectives of WAM Capital



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

WAM Capital: superior returns from growth companies



WAM Capital provides exposure to

- a diversified portfolio of growth companies with a focus on small to medium sized industrial companies
- relative value arbitrages and market mispricings

WAM Capital has delivered

- consistent fully franked dividends
- strong and consistent returns

Dividend guidance



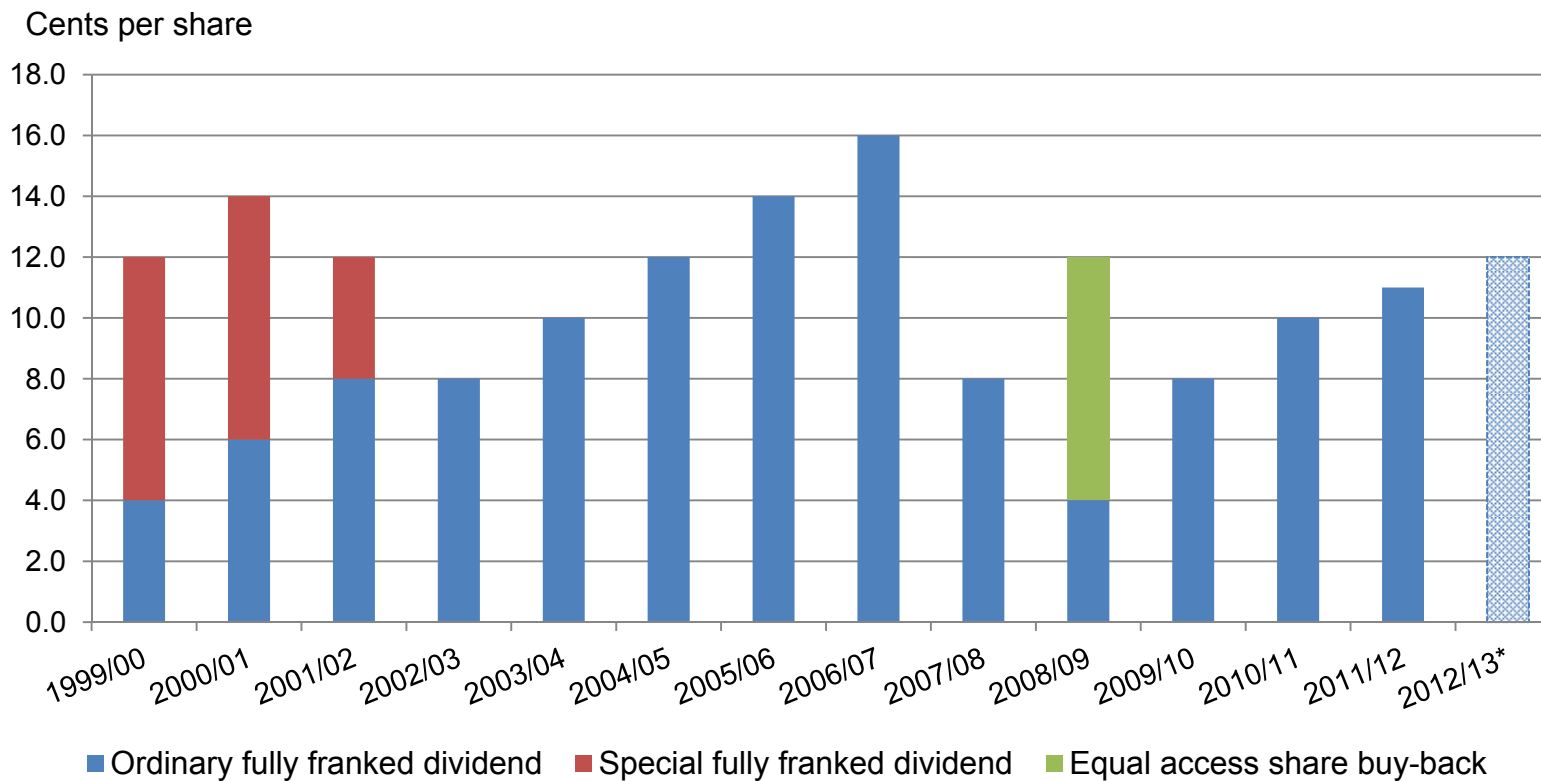
- 5 November 2012 WAM Capital announced intention to pay a fully franked FY2013 interim dividend of 6.0 cents per share
- **Annualised fully franked dividend yield of 7.5%***
- 9.1% increase on the previous years' interim dividend
- Indicative payment dates:
 - FY2013 interim dividend: Mar/Apr 2013
 - FY2013 final dividend: Sep/Oct 2013
- Current dividend reinvestment plan (DRP) discount 2.5%

* Based on proposed annualised interim dividend and share price as at 8 November 2012

Dividend growth



**Average fully franked dividend yield of 10.7%
on IPO price over 13 years**

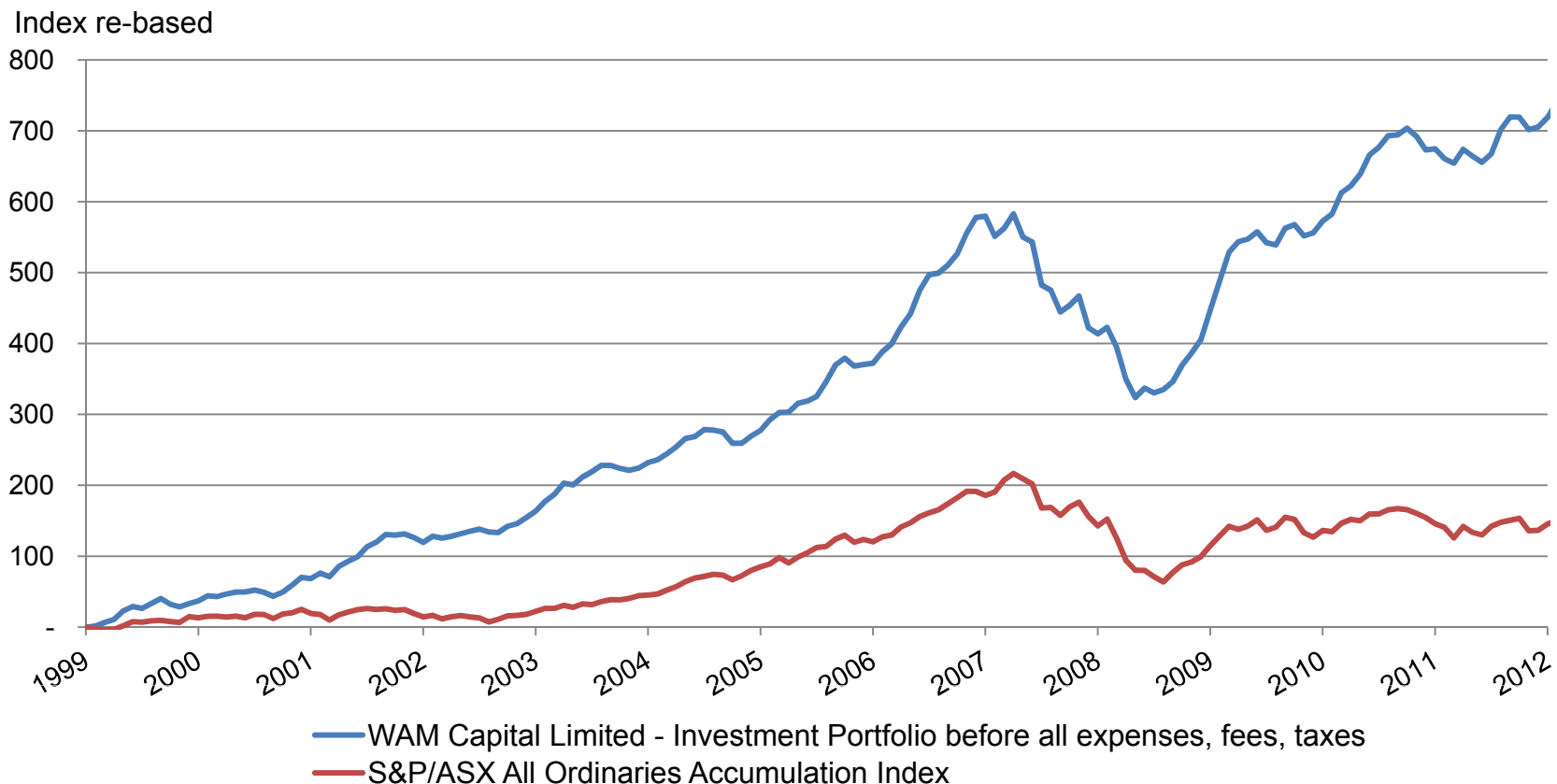


*Proposed interim dividend annualised

Outperformance since inception



Average investment return of 17.7% p.a. outperforming the benchmark by 10.3% p.a. over 13 years

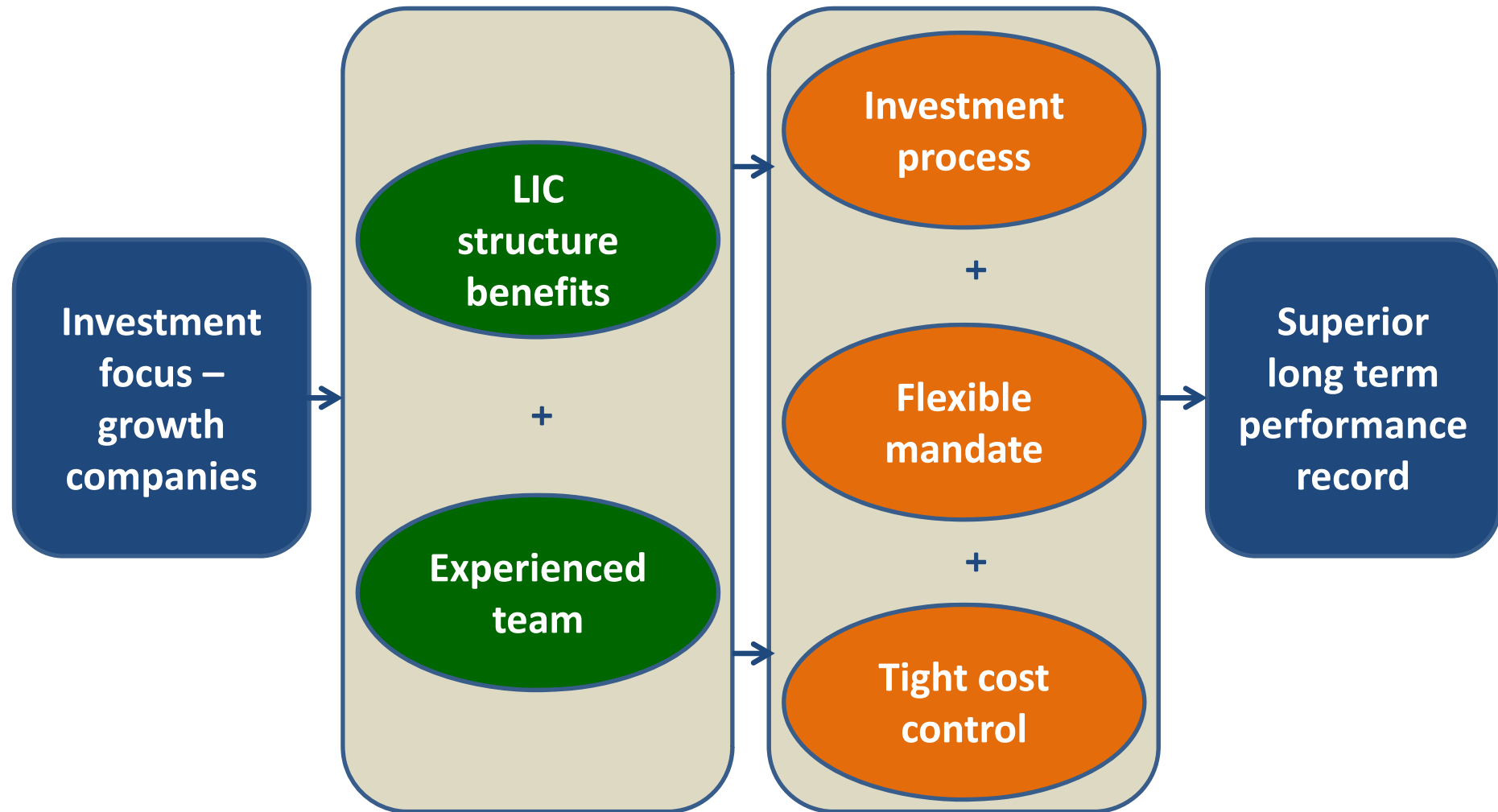


Wilson Asset Management – Investment Manager



- Wilson Asset Management is the Investment Manager of WAM Capital Limited (WAM)
- A boutique fund manager established in 1997
- 5 investment professionals
- Funds under management (FUM): \$372 million

Wilson Asset Management business model



What distinguishes us as an investment manager



- Over 50 years of collective experience in the sharemarket
- A rigorous investment process
- An intensive investee company visitation schedule (1,000+ meetings per year)
- Flexible investment mandate

External research coverage



Research houses covering WAM Capital:

- Bell Potter Securities
- Independent Investment Research
- Evans & Partners
- JBWere
- Morningstar
- E.L.&C. Baillieu

The Company is on the approved product list of the Association of Independently Owned Financial Planners (AIOFP), and the Company is listed on BT SuperWrap and BT Investment Wrap platforms.

Investor communications



- Half yearly investor presentations
- Website – wamfunds.com.au
- Subscribe for weekly emails – includes market update
- Audio casts – monthly
- Media – Sky Business, Switzer, CNBC, newspapers, industry magazines
- Half yearly investor newsletters
- Half yearly results and media release
- Attend and present at industry conferences – ASX, AIA, ASA, AIOFP

In the community



Our people are passionate about the well-being of our shareholders and the wider community because helping others is part of our culture. We have supported various organisations, some mentioned below.

Please note that all donations are made by our management company and not the listed entities.





Questions

Disclaimer

This presentation has been prepared for use in conjunction with a verbal presentation and should be read in that context.

Information for the graphs, charts and quoted indices contained in this presentation has been sourced from IRESS Market Technology and WAM Capital Ltd unless otherwise stated.

The information in this presentation is only intended for Australian residents.

The purpose of this presentation is to provide information only and the contents of the presentation does not purport to provide investment advice. We strongly suggest that investors consult a financial adviser prior to making any investment decision.

The presentation does not take into account the investment objectives, financial situation or particular needs of any person and should not be used as the basis for making investment, financial or other decisions. The information is selective and may not be complete or accurate for your particular purposes and should not be construed as a recommendation to invest in any particular investment or security, or Fund offered by Wilson Asset Management.

The information provided in the presentation is given in good faith and is believed to be accurate at the time of compilation. Neither Wilson Asset Management, WAM Capital Ltd, WAM Research Ltd and WAM Active Ltd nor its directors or employees make any representation or warranty as to the accuracy, reliability, timeliness or completeness of the information. To the extent permissible by law, Wilson Asset Management, WAM Capital Ltd, WAM Research Ltd and WAM Active Ltd and its director and employees disclaim all liability (whether arising in contract, tort, negligence or otherwise) for any error, omission, loss or damage (whether direct, indirect, consequential or otherwise).

Performance figures quoted in the report are past performance. Past performance is not an indicator of future performance. Neither Wilson Asset Management, WAM Capital Ltd, WAM Research Ltd and WAM Active Ltd nor its directors or employees guarantee or make any representation as to the performance of the Funds, the maintenance or repayment of capital, the price at which shares may trade or any particular rate of return.