



20 June 2013

Dear Optionholder,

Important notice:
Expiry of your WAM Capital Limited Options on 31 July 2013

I am writing to you as the holder of WAM Capital Limited ('WAM Capital' or the 'Company') options. The options expire on 31 July 2013 and trade on the Australian Securities Exchange ('ASX') under the code WAMO. In accordance with the terms and conditions of the option issue and the ASX Listing Rules, the Company is required to give you notice at least 20 business days before the expiry date.

You have a choice to make regarding your options and it is important that you are informed so you can make a decision that is appropriate for your circumstances.

The exercise form enclosed details your WAM Capital option holding and payment details should you wish to exercise your options.

Optionholders have four choices

1) Exercise your options

This entitles you to subscribe for one WAM Capital share at \$1.60 (the exercise price) for each option you own. **If you exercise your options before 31 July 2013, you will be entitled to receive the proposed fully franked final dividend of 6.0 cents per share** (announced 18 June) for each share you own, including shares held as a result of exercising your options.

The last date for the exercise and payment of the options is 31 July 2013. If you wish to exercise your options, please complete the enclosed "Notice of Exercise of Options Expiring 31 July 2013" form in full, sign it and send it to our share registrar.

2) Sell your options on market

In the event you choose not to exercise your options, you may wish to consider selling your options on the stock market. Your options are traded on the ASX under the code WAMO. The closing price for WAMO on 19 June 2013 was \$0.03. You may choose to sell your options on market between now and when the options ceased trading on 24 July 2013 (last day of quotation).

If you wish to sell your options, retail stockbroker CommSec will refund brokerage for up to a maximum trade value of \$25,000. The refund will be processed in August 2013. To take up this offer, please contact CommSec on 13 15 19.

3) Combination of both

You may exercise some of your options and/or sell some of your options.

4) Do nothing

Your options will expire on 31 July 2013. They will cease trading on the ASX on 24 July 2013. If you do not exercise or sell your options, they will expire and have no value. While I can't provide personal advice and you must consider your own investment profile, I would encourage you to consider realising some value from your option holding using one of the alternatives explained above, rather than simply letting the options expire.

WAM Capital Share Price and NTA

The closing share price for WAM Capital shares (ASX Code: WAM) on 19 June 2013 was \$1.64. The WAM Capital options therefore have a theoretical value of \$0.04 each (i.e. \$1.64-\$1.60). The closing price for the WAM Capital options (WAMO) on 19 June 2013 was \$0.03.

The highest and lowest market price of the underlying securities (WAM shares) during the three months prior to 19 June 2013 are set out below:

- i. Highest: \$1.76 per share on 14 May 2013
- ii. Lowest: \$1.60 per share on 12 June 2013

The net tangible assets 'NTA' of WAM Capital as at 31 May 2013 was \$1.67 per share. The NTA has not been diluted for the remaining options on issue. The NTA as at 30 June 2013 will be announced on or before 12 July 2013.

WAM Capital Dividend

If you chose to exercise your options, you will be entitled to receive the proposed 6.0 cent per share fully franked final dividend on your WAM Capital shares held, including those held as a result of exercising your WAM Capital options. The proposed final dividend is a 9.1% increase on the final dividend and represents an annualised fully franked dividend yield of 7.3%[^].

Important dates

Investment Update & NTA as at June 2013 announced	On or before 12 July 2013
WAM Capital options cease trading on the ASX	24 July 2013
Final day for WAM Capital optionholders to exercise their options	31 July 2013
Full year results announced	Early August 2013
Final dividend record date	October 2013 [*]
Final dividend ex date	October 2013 [*]
Final dividend payment date	October 2013 [*]

Anticipated dates - actual dates to be announced with full year results.

We encourage you to make the most of the choices available to best suit your individual circumstances. Should you have any further questions please call our office on 02 9247 6755 or alternatively my mobile 0412 242 712. Thank you for your support of WAM Capital.

Yours sincerely,



Geoff Wilson
Chairman

[^]Based on the last available sale price.