



1 August 2016

Dear fellow shareholder

## WAM CAPITAL SHARE PURCHASE PLAN

On behalf of the Board of WAM Capital Limited (**WAM** or **the Company**), I am pleased to offer you the opportunity to participate in the WAM Capital Share Purchase Plan (**SPP**) which was announced on 25 July 2016.

The SPP offers existing shareholders the opportunity to acquire up to \$15,000 worth of ordinary, fully paid WAM Capital shares (**Shares**) without incurring any brokerage. The SPP will be offered to existing shareholders at the fixed price of \$2.14 per share. Shareholders will be entitled to the fully franked final dividend of 7.25 cents per share (which will be paid on 28 October 2016) on shares issued under the SPP. Based on the SPP price of \$2.14, the full year fully franked dividend of 14.5 cents per share equates to a fully franked dividend yield of 6.8%. WAM Capital's pre tax Net Tangible Assets (**NTA**) as at 30 June 2016 was \$1.92 per share and after tax NTA was \$1.86. The latest share price closed at \$2.29 on Friday, 22 July 2016.

### Placement

The Board currently intends to offer existing WAM Capital professional and sophisticated investors\* the ability to participate in a Placement at \$2.14 per share, the same fixed price as the SPP. The Placement is currently expected to occur in August. The Board can issue additional shares provided it complies with the relevant ASX Listing Rules. The shares issued under the Placement will rank pari passu with existing shares.

### Benefits to all shareholders

The SPP and Placement will deliver benefits to all shareholders beyond the opportunity for participants to purchase shares at a discount to the current market price, including:

- As the Company's size increases, on-market liquidity for the shares is also expected to increase; and
- It will increase the Company's relevance in the market, improve the prospect of broker and research coverage, and gain additional interest from financial planners.

### Use of the additional capital

The proceeds of the additional capital will be invested in accordance with the Company's proven and disciplined investment process, which has delivered an average annual performance of 18.0% since inception in August 1999. WAM Capital's gross assets as at 30 June 2016 were \$939.1 million, 63% were allocated to Australian equities with the remaining 37% held in cash and term deposits. The current cash weighting supports the flexible investment mandate to actively pursue opportunities in the market as they arise, as well as protecting capital.

I encourage you to read this SPP Offer Booklet carefully and in its entirety before making a decision on whether to participate in the SPP. If you have any questions in relation to the SPP or the Placement, please contact Alexandra Hopper on (02) 9247 6755 or consult your financial advisor or stockbroker.

On behalf of the Board of WAM Capital, I thank you for your continued support.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Geoff Wilson', written over a horizontal line.

Geoff Wilson  
Chairman

\*These terms are defined in the Corporations Act and refer to individuals with net assets greater than \$2.5 million, or those who earn gross income of \$250,000, or a Superannuation Fund with net assets of at least \$10 million.

## SPP TERMS AND CONDITIONS

### *Important Notice*

The offer to purchase shares under the SPP is not a recommendation to acquire shares. If you are in any doubt about the SPP, you should consider obtaining professional financial and / or taxation advice to assist you in determining whether or not and the extent to which, you wish to participate in the SPP (taking into account your own financial situation, needs and objectives). Nothing in these terms and conditions (**SPP Terms and Conditions**), the SPP application form (**Application Form**) or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP. If you apply to participate in the SPP by making a BPAY® payment or completing and returning the Application Form with a cheque, bank draft or money order, you are accepting the risk that the market price of the shares may change. This means it is possible that, between the time you make your application and up to or after the issue date, you may be able to buy shares at a lower price than the issue price. No cooling-off regime applies in relation to the acquisition of WAM shares under the SPP.

### 1) Eligible shareholders

- a) Subject to clauses 1(c) to 1(i), all persons registered as holders of fully paid ordinary shares in WAM (**Shares**) at 7.00pm (Sydney time) on Friday, 22 July 2016 (**Record Date**), whose registered address in the register is in Australia or New Zealand (**Eligible Shareholders**) may participate in the SPP.

WAM has determined that it is not practical for holders of Shares with registered addresses in other jurisdictions to participate in the SPP.

- b) Directors and employees of WAM who are Eligible Shareholders may participate in the SPP.
- c) Shareholders who hold Shares on behalf of persons who reside outside Australia or New Zealand, are in the United States, or are acting for the account or benefit of a person in the United States are not entitled to participate in the SPP on behalf of those persons. A trustee, nominee or custodian must not participate in the SPP on behalf of, nor distribute this document or any other document relating to the SPP to, any person in the United States. The Shares to be issued under this SPP have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, Shareholders who are located in the United States or are acting for the account or benefit of a person in the United States are not Eligible Shareholders entitled to participate in the SPP.
- d) To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any application complies with all applicable foreign laws. You must not distribute any documents relating to the SPP to any person in the United States. Consistent with the representations, warranties and acknowledgements contained in clause 3 and the Application Form included with these SPP Terms and Conditions, you may not submit any completed Application Forms for any person in the United States or who is acting for the account or benefit of a person in the United States. Failure to comply with these restrictions may result in violations of applicable securities laws.
- e) Shareholders who are joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and the certification under clause 3(a)(v) by one joint holder will be effective in respect of the other joint holder(s).
- f) If you are a custodian (as defined in Australian Securities and Investments Commission (**ASIC**) Class Order CO 09/425), you may apply for up to A\$15,000 worth of Shares for each beneficiary subject to you delivering a certificate addressed to WAM with the following information (**Custodian Certificate**) before 5.00pm on the date the SPP closes:

- For personal use only
- i) confirmation of either or both of the following:
    - (1) that you hold Shares on behalf of one or more other persons (each a **participating beneficiary**) that are not custodians; or
    - (2) that another custodian (**downstream custodian**) holds beneficial interests in Shares on behalf of one or more other persons (each a **participating beneficiary**), and you hold the Shares to which those beneficial interests relate on behalf of the downstream custodian or another custodian;
  - ii) confirmation that each participating beneficiary has subsequently instructed the following persons:
    - (1) where paragraph 1(f)(i)(1) above applies – you; or
    - (2) where paragraph 1(f)(i)(2) above applies – the downstream custodian,to apply for shares on their behalf under the SPP;
  - iii) the number of participating beneficiaries and their names and addresses;
  - iv) in respect of each participating beneficiary:
    - (1) where paragraph 1(f)(i)(1) above applies – the number of Shares that you hold on their behalf; or
    - (2) where paragraph 1(f)(i)(2) above applies – the number of Shares to which the beneficial interests relate;
  - v) in respect of each participating beneficiary:
    - (1) where paragraph 1(f)(i)(1) above applies – the number or the dollar amount of Shares they have instructed you to apply for on their behalf; or
    - (2) where paragraph 1(f)(i)(2) above applies – the number or the dollar amount of Shares they have instructed the downstream custodian to apply for on their behalf;
  - vi) confirmation that there are no participating beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
    - (1) the Shares applied for by you under the SPP in accordance with the instructions referred to in 1(f)(v) above; and
    - (2) any other Shares issued to you in the 12 months before the application as a result of an instruction given by them to you or the downstream custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
  - vii) confirmation that a copy of these SPP Terms and Conditions was given to each participating beneficiary; and
  - viii) where paragraph 1(f)(i)(2) above applies – the name and address of each custodian who holds beneficial interests in the Shares held by you in relation to each participating beneficiary.
- g) If you hold Shares as a trustee or nominee for another person, but are not a custodian as defined in ASIC Class Order CO 09/425, you cannot participate for beneficiaries in the manner described above. In this case, the rules in clause 2(b) apply.

- h) Custodians wishing to participate on behalf of a beneficiary or beneficiaries must provide the certifications required by ASIC Class Order CO 09/425 and should contact the registry on the Offer Information Line to request a Custodian Certificate that contains these certifications and other details required to be provided by the Custodian.
- i) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

## 2) Applying for Shares

- a) Participation in the SPP is optional. Eligible Shareholders may apply to purchase a parcel of shares with a dollar amount of A\$500, A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000. If you are an Eligible Shareholder and wish to participate in the SPP, you must follow the instructions on the Application Form and:
- i) if the Application form provides for Electronic Applications, you may make payment by BPAY® equivalent to the dollar amount of the parcel of Shares you wish to apply for (including providing the unique identification number provided to you for the purposes of the SPP only) (**Electronic Application**) by 5.00pm (Sydney time) on Friday, 19 August 2016 (the **Closing Date**); or
- ii) irrespective of whether the Application Form provides for Electronic Applications, you may complete the Application Form and provide a cheque, bank draft or money order made payable to "WAM Capital Limited" and crossed "Not Negotiable" (**Written Application**). Payments must be made in Australian dollars. Please ensure that sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. A Written Application should be posted so that it is received by the registry by the Closing Date.

The number of Shares that you apply for will be calculated by dividing the relevant dollar amount by the Issue Price (see clause 4). If this calculation produces a fractional number, the maximum number of Shares issued will be rounded down to the nearest whole Share.

If WAM receives an amount that is not equal to A\$500, A\$1,000, A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, WAM has the ability to accept the amount. If WAM receives less than A\$500, WAM will reject your application and refund your application monies in accordance with clause 7.

If you make an Electronic Application, in applying for Shares, you represent to WAM that the total of the application price for the following does not exceed A\$15,000:

- (1) the Shares the subject of the application;
  - (2) any other shares in the class applied for under the SPP or any shares in the class issued under a similar arrangement in the 12 months before the application;
  - (3) any other shares in the class which you have instructed a custodian to acquire on your behalf under the SPP; and
  - (4) any other shares in the class issued to a custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in the Shares, noting that WAM has not conducted a similar arrangement in the preceding 12 months.
- b) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold shares in more than one capacity) may apply on different Application Forms for Shares but may not apply for Shares with an aggregate dollar amount of more than A\$15,000.

- c) WAM may accept or reject your application for Shares at its discretion. WAM may reject your application in the following circumstances (among others):
- i) your Application Form is incorrectly completed, incomplete or otherwise determined by WAM to be invalid;
  - ii) you have provided WAM with application monies of less than A\$500;
  - iii) your cheque is dishonoured or the cheque, bank draft or money order that you enclose with your Application Form is not made out for the amount referred to in your Application Form;
  - iv) it appears that you are applying to acquire Shares with an aggregate application price in excess of A\$15,000;
  - v) you are a custodian and you have not provided the required Custodian Certificate;
  - vi) your Application Form is received after the Closing Date. Late payments will be refunded, without interest, as soon as practicable following the issue of Shares; or
  - vii) WAM believes you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX Limited (**ASX**) requirements).
- d) References in these SPP Terms and Conditions to \$ or A\$ should be read as Australian dollars.

### 3) Effect of Making an Application

- a) If you make an Electronic Application or Written Application, by making that application:
- i) you warrant that you have read and accepted these SPP Terms and Conditions in full and you declare that all details and statements in your Application Form are true and complete and not misleading;
  - ii) you acknowledge that you are an Eligible Shareholder using the unique identifier provided to you for purposes of the SPP only;
  - iii) you irrevocably and unconditionally agree to these SPP Terms and Conditions and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
  - iv) you acknowledge your application is irrevocable and unconditional and cannot be varied;
  - v) you certify that the total of the application price for the following does not exceed A\$15,000:
    - (1) the Shares the subject of your application;
    - (2) any other shares in the class you applied for under the SPP or any shares in the class issued under a similar arrangement in the 12 months before the application;
    - (3) any other shares in the class which you have instructed a custodian to acquire on your behalf under the SPP; and
    - (4) any other shares in the class issued to a custodian under an arrangement similar to the SPP in the 12 months before the application as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in the shares.
  - vi) you, and each person for whose account or benefit you are acting, are not in the United States and you are not acting for the account or benefit of a person in the United States;

- vii) you acknowledge that the Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the Shares may not be offered, sold or resold in the United States;
- viii) you represent that you have not, and you agree that you will not, send any materials relating to the SPP to any person in the United States; or to any person acting for the account or benefit of a person in the United States;
- ix) you accept the risk associated with any refund that may be dispatched to your address or to your nominated bank account as shown on the WAM register;
- x) you are responsible for any dishonour fees or other costs WAM may incur in presenting a cheque for payment that is dishonoured;
- xi) you acknowledge that no interest will be paid on any application monies held pending the issue of the Shares or subsequently returned to you for any reason;
- xii) you acknowledge that you have not been provided with investment advice or financial product advice by WAM or the registry and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP; and
- xiii) you acknowledge that WAM is not liable for any exercise of its discretions referred to in these SPP Terms and Conditions.
- b) In addition, if you make a Written Application, by making that Written Application:
- i) you authorise WAM to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail; and
- ii) you acknowledge that WAM may determine that your Application Form is valid, in accordance with these SPP Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective.

#### 4) Price of shares issued under the SPP

- a) The Issue Price is \$2.14 per new Share, which represents a discount of 6.6% to the closing price of Shares on 22 July 2016 (\$2.29), the trading day before the announcement of this offer, a 6.5% discount to the VWAP over the 5 trading days ending on that date, and has been calculated at a 1.4% discount to the preceding months VWAP of \$2.17.
- b) You agree to pay the Issue Price per Share for the number of Shares calculated under clause 2(a) or, if there is a Scale back (as defined below), the number of Shares calculated under clause 6.
- c) You acknowledge the risk that the market price of Shares may change (ie, rise or fall) between the date of this offer and the date the Shares are issued to you under the SPP (**Issue Date**) which may mean that the Issue Price you pay for the Shares may exceed or be less than the market price of the Shares on the Issue Date.

#### 5) Ranking of shares

Shares issued under the SPP will rank equally in all respects with existing shares quoted on the ASX, with the same voting rights, dividend rights and other entitlements.

#### 6) Scale back and refunds

- a) WAM may in its absolute discretion allocate to you less than the number of shares you have applied for (**Scale back**). If there is a Scale back, WAM may in its absolute discretion determine to apply the Scale back to the extent and in the manner that it sees fit.

- b) If there is a Scale back, you may receive less than the parcel of Shares for which you applied. If a Scale back produces a fractional number of Shares when applied to your parcel, the number of new Shares you will be allocated will be rounded down to the nearest whole number of new Shares.
- c) In the event of a Scale back, the difference between the application monies received, and the number of new shares allocated to you multiplied by the Issue Price, will be refunded to you, without interest in the same manner as your WAM dividends are paid to you. Refunds will be made as soon as practical after the SPP closes.

## 7) Refunds

- a) Any difference between the value of the Shares you are issued (calculated using the Issue Price) and the application money you paid will be treated as follows:
- i) the difference is less than \$2, it will be retained by WAM; and
  - ii) if the difference is \$2 or more, it will be refunded to you without interest.
- b) If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable after the SPP closes, by direct credit to the Australian bank account nominated by you for payment of WAM dividends or by cheque to your address shown on the Register.

## 8) Costs of Participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and the issue of, shares under the SPP.

## 9) Timetable

<b>Record Date</b>	Friday, 22 July 2016
<b>Issue of SPP Terms and Conditions</b>	Monday, 1 August 2016
<b>SPP opens</b>	Monday, 1 August 2016
<b>SPP closes</b>	Friday, 19 August 2016
<b>Issue of SPP Shares</b>	Friday, 26 August 2016
<b>New shares expected to commence trading on ASX</b>	Monday, 29 August 2016
<b>Despatch of SPP holding statements</b>	Tuesday, 30 August 2016

WAM may vary any of the above dates at its discretion (even if the offer has opened, or BPAY® or Application Forms have been received) by lodging a revised timetable with the ASX.

## 10) Compliance

The offer of Shares under the SPP is made in accordance with the requirements of CO 09/425 (as amended) and the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

## 11) Dispute Resolution

WAM may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP and the decision of WAM will be conclusive and binding on all participants and other persons to whom the determination relates.

## 12) Waiver, amendment, suspension and withdrawal

WAM may, at its discretion, waive compliance with any provision of these SPP Terms and Conditions, amend or vary these SPP Terms and Conditions, or suspend or withdraw the offer at any time. Any such waiver, amendment, variation, suspension or withdrawal will be binding on all Eligible Shareholders even where WAM does not notify you of the event.

### 13) No Underwriting

The SPP will not be underwritten.

### 14) Governing Law

These SPP Terms and Conditions are governed by the laws in force in New South Wales.

### 15) Privacy Policy

- a) Chapter 2C of the *Corporations Act 2001* requires information about you as a shareholder including your name, address and details of the shares you hold to be included in the public register of the entity in which you hold shares. This information must continue to be included in the public register if you cease to be a shareholder. The *Privacy Amendment (Private Sector) Act 2000* does not alter these statutory obligations.
- b) WAM and Boardroom Pty Limited may collect personal information to process your application and implement the SPP, and to administer your shareholding.
- c) The personal information contained on the WAM register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the *Corporations Act 2001*.
- d) The personal information we collect may include your name, address, other contact details, bank account details and details of your WAM shareholdings.
- e) WAM shareholders who are individuals and the other individuals in respect of whom personal information is collected, as outlined above, have certain rights to access, correct or update the personal information held about them, subject to some exceptions allowed by law. Such individuals should contact Boardroom Pty Limited in writing; The Privacy Officer, Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 or by email [privacyofficer@boardroomlimited.com.au](mailto:privacyofficer@boardroomlimited.com.au) in the first instance if they wish to request access to that personal information. Reasons will be given if access is denied.
- f) Your personal information may be disclosed to joint investors, registry, to securities brokers, to third party service providers (including print and mail service providers, technology providers, and professional advisers), to related entities of WAM and each of their agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom we will disclose your personal information may be located overseas.
- g) The main consequence of not providing the personal information outlined in clauses 14 a) to 14 d) above would be that WAM may be hindered in, or prevented from, processing your application, and from conducting and implementing the SPP.
- h) Boardroom Pty Limited's privacy policy is available on their website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### 16) Other Terms and Conditions

Shareholders will be bound by the constitution of WAM and these SPP Terms and Conditions by accepting the offer to acquire shares under the SPP.



## CORPORATE DIRECTORY

### Directors

Geoff Wilson (Chairman)  
James Chirnside  
Paul Jensen  
Matthew Kidman  
Lindsay Mann  
Chris Stott

### Company Secretary

Kate Thorley

### Principal registered office in Australia

Level 11, 139 Macquarie Street  
Sydney NSW 2000  
Telephone: (02) 9247 6755

### Security exchange listings

WAM Capital Limited shares are listed on the Australian Securities Exchange (**ASX**) under the code WAM.

### Website address

[www.wamfunds.com.au](http://www.wamfunds.com.au)

### Share registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
Telephone: (Australia) 1300 737 760  
(Overseas) +61 2 9290 9600