

WAM CAPITAL LIMITED

ABN 34 086 587 395

Appendix 4D Half Year Report

for the half year ended 31 December 2020

Results for Announcement to the Market

All comparisons to the half year ended 31 December 2019

	\$	up/down	% mvmt
Revenue from ordinary activities	258,777,830	up	117.8%
Profit from ordinary activities before income tax expense	233,406,969	up	144.1%
Net profit from ordinary activities after income tax expense	166,491,681	up	136.6%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2021 Interim dividend cents per share	7.75c	7.75c	30%
2020 Final dividend cents per share	7.75c	7.75c	30%

Interim dividend dates

Ex dividend date	31 May 2021
Record date	1 June 2021
Last election date for the DRP	3 June 2021
Payment date	7 June 2021

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ("DRP") is in operation and the recommended fully franked interim dividend of 7.75 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price, calculated as the VWAP (volume weighted average market price) of shares sold on the ASX on the ex date for the relevant dividend and the three trading days following that date.

	31 Dec 20	31 Dec 19
Net tangible asset backing (after tax) per share	\$1.85	\$1.89

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2020 Annual Financial Report.

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W | A | M *Capital*

Financial Report

For the half year ended 31 December 2020

 **Wilson**
Asset Management

OVER **20** Making a
YEARS difference

ABN 34 086 587 395

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WAM Capital Limited

WAM Capital Limited (WAM Capital or the Company) is a listed investment company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

Directors

Geoff Wilson AO (Chairman)
Dr. Philippa Ryan
James Chirnside
Lindsay Mann
Matthew Pancino
Kate Thorley

Joint Company Secretaries

Jesse Hamilton
Linda Kiriczenko

Investment Manager

Wilson Asset Management
(International) Pty Limited
Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Auditor

Pitcher Partners

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Contact Details

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Sydney NSW 2001
T: (02) 9247 6755
F: (02) 9247 6855
E: info@wilsonassetmanagement.com.au
W: wilsonassetmanagement.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
T: 1300 420 372 (in Australia)
+61 2 8023 5472 (International)
F: (02) 9279 0664

For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

Australian Securities Exchange

WAM Capital Limited
Ordinary Shares (WAM)

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Directors' Report to shareholders for the half year ended 31 December 2020

The Directors present their report together with the financial report of WAM Capital Limited for the half year ended 31 December 2020.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

Geoff Wilson AO (Chairman – Non-independent)

Dr. Philippa Ryan (Director – Independent)

James Chirnside (Director – Independent)

Lindsay Mann (Director – Independent)

Matthew Pancino (Director – Independent) (appointed 1 September 2020)

Kate Thorley (Director – Non-independent)

Principal activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital. No change in this activity took place during the period or is likely to in the future.

Operating and financial review

Investment operations during the half year resulted in an operating profit before tax of \$233,406,969 (2019: \$95,627,893) and an operating profit after tax of \$166,491,681 (2019: \$70,354,264). The profit for the period is reflective of the strong performance of the investment portfolio over the six months to 31 December 2020. The investment portfolio increased 22.8% in the six months to December 2020, outperforming the S&P/ASX All Ordinaries Accumulation Index by 7.1%. This outperformance was achieved with an average cash weighting of 11.0%.

The operating profit for the period includes unrealised gains or losses arising from changes in the fair value of the investments held in the investment portfolio during the period. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each period. Because of this treatment under the Accounting Standards, this can cause large variations in reported operating profits between periods.

The operating profit or loss for each financial period is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given period. As a result, we believe the more appropriate measures of the financial results for the period are the investment portfolio performance, the change in net tangible assets (NTA) and fully franked dividends, together with total shareholder return.

WAM Capital's NTA before tax increased 18.8% for the six months to 31 December 2020, including the 7.75 cents per share fully franked final dividend paid to shareholders during the period. This increase is after corporate tax paid of 5.2 cents per share or 3.3% during the period. Corporate tax payments made throughout the period were the major item of difference between the investment portfolio increase of 22.8% and the NTA performance. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the period were management fees of 0.5%, performance fees accrued of 1.3% and other company related expenses of 0.2%, being offset by capital raising accretion of 1.3%.

The NTA before tax as at 31 December 2020 amounted to \$1.80 per share (June 2020: \$1.59). The NTA after tax was \$1.85 per share (June 2020: \$1.68). These figures are after the 7.75 cents per share fully franked final dividend paid to shareholders during the period.

The total shareholder return for the Company for the period to 31 December 2020 was 26.8%. This was reflective of WAM Capital's strong investment portfolio performance and the increase in the share price premium to NTA. As at 31 December 2020, the share price premium to NTA was 23.9% (June 2020: 14.6%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

A fully franked final dividend of 7.75 cents per share was paid during the period and a fully franked interim dividend of 7.75 cents per share has been declared by the Board and will be paid on 7 June 2021.

During the period, the Company successfully completed its takeover offer for Contango Income Generator Limited (ASX: CIE), acquiring 69.6% of CIE. The offer opened on 13 October 2020 and closed on 13 November 2020. On 15 January 2021, CIE announced a selective buy-back of the WAM Capital holding, enabling WAM Capital to exit the position at the NTA backing per share of CIE, less transaction costs.

On 3 September 2020, WAM Capital also announced its off-market takeover bid to acquire all ordinary shares in Concentrated Leaders Fund Limited (ASX: CLF). The offer is currently scheduled to close at 7:00pm (Sydney time) on 26 February 2021, unless extended or withdrawn. WAM Capital currently owns 83.2% of CLF and the CLF board of directors have unanimously recommended that all CLF shareholders accept the offer.

As a result of the CIE and CLF takeover offers, 32.2 million new WAM Capital shares were issued during the period. The shares were issued at a premium to the Company's pre-tax NTA to the benefit of all shareholders. The issue of shares was accretive to the Company's pre-tax NTA by approximately 1.2% and generated over \$14.7 million in value for WAM Capital shareholders as a result during the period. Since 31 December 2020, WAM Capital received 14.9 million additional acceptances into the CLF takeover offer following acceptances of the major CLF shareholder into the revised offer. An additional 15.8 million new WAM Capital shares have been issued as a result (includes acceptances up to and since 31 December 2020), bringing the total NTA accretion for WAM Capital in the financial year to approximately 1.5%, or \$19.4 million in value to the benefit of WAM Capital shareholders.

On 15 December 2020, WAM Capital announced a bid implementation agreement with amaysim Australia Limited (ASX: AYS) in relation to WAM Capital's off-market takeover offer to acquire all of the ordinary shares of AYS. The offer was subject to the sale of AYS's mobile business to Optus Mobile Pty

Limited which was approved at the AYS extraordinary general meeting on 21 January 2021. The offer opened on 2 February 2021 and benefits WAM Capital shareholders from the issuance of new shares at a premium to the underlying NTA, which is accretive to WAM Capital's pre-tax NTA. The AYS business, following the mobile business sale, is largely represented by the underlying cash distribution available to AYS shareholders, including a significant fully franked component to the distribution of approximately \$80.7 million. WAM Capital currently owns 56.7% of AYS.

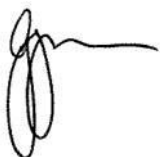
Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* in relation to the review for the half year is set out on page 7 of this Financial Report.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 19th day of February 2021

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201 Sussex Street
Sydney NSW 2000

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Sydney NSW 2001

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**Auditor's Independence Declaration
To the Directors of WAM Capital Limited
ABN 34 086 587 395**

In relation to the independent auditor's review of WAM Capital Limited for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



S M Whiddett
Partner

Pitcher Partners
Sydney

19 February 2021

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Statement of comprehensive income for the half year ended 31 December 2020

	Note	December 2020 \$	December 2019 \$
Net realised and unrealised gains/(losses) on financial investments		244,227,110	100,898,065
Other revenue from operating activities	2	14,550,720	17,917,575
Management fees		(6,537,358)	(7,070,034)
Performance fees		(15,426,378)	(12,827,475)
Directors fees		(83,333)	(70,710)
Brokerage expense on share purchases		(2,245,748)	(2,323,531)
Expenses paid on borrowed stock		(5,738)	(22,476)
Custody fees		(43,074)	(57,148)
ASX listing and chess fees		(120,571)	(166,149)
Share registry fees		(216,834)	(147,622)
Disbursements, mailing and printing		(220,516)	(208,109)
Legal and professional fees		(228,839)	(26,889)
ASIC industry funding levy		(45,812)	(33,548)
Other expenses from ordinary activities		(196,660)	(234,056)
Profit before income tax		233,406,969	95,627,893
Income tax expense		(66,915,288)	(25,273,629)
Profit after income tax attributable to members of the Company	6	166,491,681	70,354,264
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		166,491,681	70,354,264
Basic and diluted earnings per share		22.62 cents	9.78 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 31 December 2020

	Note	December 2020 \$	June 2020 \$
Current assets			
Cash and cash equivalents		79,766,826	203,400,924
Trade and other receivables		4,924,084	20,984,982
Financial assets	7	1,285,620,566	963,612,288
Current tax assets		-	22,676,280
Total current assets		1,370,311,476	1,210,674,474
Non-current assets			
Deferred tax assets		81,424,068	68,540,392
Total non-current assets		81,424,068	68,540,392
Total assets		1,451,735,544	1,279,214,866
Current liabilities			
Trade and other payables		18,937,862	32,857,926
Financial liabilities	7	1,392,238	897,913
Current tax liabilities		19,719,836	-
Total current liabilities		40,049,936	33,755,839
Non-current liabilities			
Deferred tax liabilities		-	23,778,042
Total non-current liabilities		-	23,778,042
Total liabilities		40,049,936	57,533,881
Net assets		1,411,685,608	1,221,680,985
Equity			
Issued capital	4	1,435,185,547	1,352,964,191
Profits reserve	5	152,383,288	44,600,021
Accumulated losses	6	(175,883,227)	(175,883,227)
Total equity		1,411,685,608	1,221,680,985

The accompanying notes form part of these financial statements.

Statement of changes in equity for the half year ended 31 December 2020

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2019		1,337,451,236	(47,616,161)	54,582,036	1,344,417,111
Profit for the half year		-	70,354,264	-	70,354,264
Transfer to profits reserve		-	(77,293,240)	77,293,240	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	7,957,672	-	-	7,957,672
Dividends paid	3(a)	-	-	(55,644,075)	(55,644,075)
Balance at 31 December 2019		1,345,408,908	(54,555,137)	76,231,201	1,367,084,972
Balance at 1 July 2020		1,352,964,191	(175,883,227)	44,600,021	1,221,680,985
Profit for the half year		-	166,491,681	-	166,491,681
Transfer to profits reserve	5	-	(166,491,681)	166,491,681	-
Other comprehensive income for the half year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	4(b)	7,812,832	-	-	7,812,832
Shares issued via scrip consideration for the acquisition of Concentrated Leaders Fund Limited	4(b)	19,029,813	-	-	19,029,813
Shares issued via scrip consideration for the acquisition of Contango Income Generator Limited	4(b)	55,505,386	-	-	55,505,386
Share issue costs (net of tax)		(126,675)	-	-	(126,675)
Dividends paid	3(a)	-	-	(58,708,414)	(58,708,414)
Balance at 31 December 2020		1,435,185,547	(175,883,227)	152,383,288	1,411,685,608

The accompanying notes form part of these financial statements.

Statement of cash flows for the half year ended 31 December 2020

	December 2020 \$	December 2019 \$
Cash flows from operating activities		
Proceeds from sale of investments	1,616,741,591	1,779,954,798
Payments for purchase of investments	(1,632,944,683)	(1,814,077,142)
Dividends received	13,649,326	16,313,751
Interest received	399,284	2,280,161
Other investment income received	510,671	337,445
Management fee (GST inclusive)	(6,821,988)	(7,549,320)
Brokerage expense on share purchases (GST inclusive)	(2,403,039)	(2,490,914)
Payments for administration expenses (GST inclusive)	(1,197,649)	(971,208)
Income tax paid	(61,126,601)	(19,293,467)
GST on brokerage expense on share sales	(161,700)	(173,655)
Net GST received from ATO	797,236	841,144
Net cash used in operating activities	(72,557,552)	(44,828,407)
Cash flows from financing activities		
Dividends paid – net of reinvestment	(50,895,582)	(47,686,403)
Share issue costs	(180,964)	-
Net cash used in financing activities	(51,076,546)	(47,686,403)
Net decrease in cash and cash equivalents held	(123,634,098)	(92,514,810)
Cash and cash equivalents at the beginning of the half year	203,400,924	325,988,043
Cash and cash equivalents at the end of the half year	79,766,826	233,473,233
Non-cash transactions:		
Shares issued via scrip consideration for acquisition of Concentrated Leaders Fund Limited	19,029,813	-
Shares issued via scrip consideration for acquisition of Contango Income Generator Limited	55,505,386	-
Shares issued via dividend reinvestment plan	7,812,832	7,957,672

The accompanying notes form part of these financial statements.

Notes to the financial statements for the half year ended 31 December 2020

1. Summary of significant accounting policies

These interim financial statements and notes for the half year represent those of WAM Capital Limited.

The half year financial report was authorised for issue on 19 February 2021 by the Board of Directors.

Basis of preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

The half year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and any public announcements made by the Company during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical cost with the exception of certain financial assets and liabilities that have been measured at fair value.

In accordance with ASIC Corporations (rounding in financial reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2020 Annual Financial Report.

2. Other revenue

	December 2020 \$	December 2019 \$
Australian sourced dividends	13,701,028	15,448,502
Interest	376,974	1,668,579
Trust distributions	177,972	664,818
Underwriting fees	155,813	135,676
Other income	138,933	-
	14,550,720	17,917,575

3. Dividends

a) Ordinary dividends paid during the period

	December 2020 \$	December 2019 \$
Final dividend FY2020: 7.75 cents per share fully franked at 30% tax rate, paid 27 November 2020 (Final dividend FY2019: 7.75 cents per share fully franked)	58,708,414	55,644,075

b) Dividends not recognised at period end

	December 2020 \$	December 2019 \$
Since the end of the period, the Directors have declared a fully franked interim dividend of 7.75 cents per share, payable on 7 June 2021 (Interim dividend FY2020: 7.75 cents per share fully franked)	58,993,735	55,898,039

4. Issued capital

a) Paid-up capital

	December 2020 \$	June 2020 \$
761,209,488 ordinary shares fully paid (June 2020: 725,465,456)	1,435,185,547	1,352,964,191

b) Ordinary shares

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	1,352,964,191	1,337,451,236
3,556,920 ordinary shares issued on 27 November 2020 under a dividend reinvestment plan	7,812,832	-
8,179,101 ordinary shares issued as scrip consideration for the takeover offer of Concentrated Leaders Fund Limited	19,029,813	-
24,008,011 ordinary shares issued as scrip consideration for the takeover offer of Contango Income Generator Limited	55,505,386	-
3,693,795 ordinary shares issued on 25 October 2019 under a dividend reinvestment plan	-	7,957,672
4,200,529 ordinary shares issued on 28 April 2020 under a dividend reinvestment plan	-	7,555,283
Share issue costs (net of tax)	(126,675)	-
At reporting date	1,435,185,547	1,352,964,191

5. Profits reserve

	December 2020 \$	June 2020 \$
Profits reserve	152,383,288	44,600,021

The profits reserve is made up of amounts transferred from current period profits and are preserved for future dividend payments.

	December 2020 \$	June 2020 \$
Movement in profits reserve		
Balance at the beginning of the period	44,600,021	54,582,036
Transfer of profits during the period	166,491,681	101,560,099
Final dividend paid (refer to note 3(a))	(58,708,414)	(55,644,075)
Interim dividend paid (refer to note 3(b))	-	(55,898,039)
At reporting date	152,383,288	44,600,021

6. Accumulated losses

	December 2020 \$	June 2020 \$
Balance at the beginning of the period	(175,883,227)	(47,616,161)
Profit/(loss) for the period attributable to members of the Company	166,491,681	(26,706,967)
Transfer to profits reserve	(166,491,681)	(101,560,099)
At reporting date	(175,883,227)	(175,883,227)

7. Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

7. Financial instruments measured at fair value (cont'd)

Included within Level 2 of the hierarchy is WAM Capital's investment in Contango Income Generator Limited (ASX: CIE). The fair value of the investment in CIE is based on the net tangible asset backing of CIE at the end of the period (\$64.9 million). On 15 January 2021, CIE announced a selective buy-back of the WAM Capital holding, enabling WAM Capital to exit the position at the net tangible asset backing per share of CIE, less transaction costs. WAM Capital's initial interest in CIE before the completion of the takeover bid was historically included in Level 1 of the hierarchy and valued using its quoted last price on the ASX. As a result of the takeover bid, the investment was transferred from Level 1 to Level 2 in the hierarchy during the period upon completion of the takeover offer.

Also included within Level 2 of the hierarchy is WAM Capital's investment in a convertible note, unlisted investment companies and unlisted investments. The fair value of the investment in the convertible note has been recognised using the effective interest rate method inherent in the instrument. The fair value of these unlisted investment companies has been based on their respective net asset backing, being the underlying value of their residual cash and cash equivalents and investment portfolio values at the end of the reporting period. The unlisted investments have been valued using valuation techniques such as comparisons to similar investments for which market observable prices are available, the net asset backing per share or the last price to determine fair value.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2020:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2020				
Financial assets	1,213,167,977	72,452,589	-	1,285,620,566
Financial liabilities	(1,392,238)	-	-	(1,392,238)
Total	1,211,775,739	72,452,589	-	1,284,228,328
30 June 2020				
Financial assets	961,933,032	1,679,256	-	963,612,288
Financial liabilities	(897,913)	-	-	(897,913)
Total	961,035,119	1,679,256	-	962,714,375

During the period, Ellerston Global Investments Limited was delisted from the ASX (24 August 2020) and subsequently transferred to level 2 in the fair value hierarchy. There were no other transfers between Level 1 and Level 2 during the period (June 2020: nil).

The carrying amount of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

8. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable operating segments.

9. Capital commitments

On 3 September 2020, WAM Capital announced its off-market takeover bid to acquire all ordinary shares in Concentrated Leaders Fund Limited (ASX: CLF). The offer is currently scheduled to close at 7:00pm (Sydney time) on 26 February 2021 unless extended or withdrawn. On 31 December 2020, WAM Capital announced an increase in its offer consideration for its off-market takeover bid for CLF. CLF shareholders that had already accepted the WAM Capital offer also received the increased offer consideration. Since 31 December 2020, WAM Capital received 14.9 million additional acceptances into the CLF takeover offer and currently holds 83.2% of CLF. An additional 15.8 million shares have been issued since 31 December 2020 in relation to the CLF offer (includes acceptances up to and since 31 December 2020). The takeover offer for CLF has been accretive to WAM Capital's NTA, to the benefit of all WAM Capital shareholders.

On 15 December 2020, WAM Capital announced a bid implementation agreement with amaysim Australia Limited (ASX: AYS) in relation to WAM's off-market takeover offer to acquire all of the ordinary shares of AYS. The offer was subject to the sale of AYS's mobile business to Optus Mobile Pty Limited which was approved at the AYS extraordinary general meeting on 21 January 2021. The offer opened on 2 February 2021 and benefits WAM Capital shareholders from the issuance of new shares at a premium to the underlying NTA, which is accretive to WAM Capitals pre-tax NTA. The AYS business, following the mobile business sale, is largely represented by the underlying cash distribution available to AYS shareholders, including a significant fully franked component to the distribution of approximately \$80.7 million. WAM Capital currently owns 56.7% of AYS.

Other than already disclosed in the interim financial report, there were no other capital commitments for the Company as at 31 December 2020 (June 2020: nil).

10. Contingent liabilities

There were no contingent liabilities for the Company as at 31 December 2020 (June 2020: nil).

11. Events subsequent to reporting date

Since the end of the period, the Directors declared a fully franked interim dividend of 7.75 cents per share to be paid on 7 June 2021.

Other than already disclosed in the interim financial report, no other matter or circumstance has arisen since the end of the period, other than already disclosed, which significantly affects or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Directors' Declaration

The Directors of WAM Capital Limited declare that:

- 1) The financial statements and notes, as set out on pages 8 to 16, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 31 December 2020 and of its performance for the half year ended on that date.
- 2) in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated in Sydney this 19th day of February 2021

**Independent Auditor's Review Report
To the Members of WAM Capital Limited
ABN 34 086 587 395**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of WAM Capital Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S M Whiddett
Partner



Pitcher Partners
Sydney

19 February 2021

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