

WAM CAPITAL LIMITED

ABN 34 086 587 395

Appendix 4E Preliminary Final Report for the year ended 30 June 2024

Results for Announcement to the Market All comparisons to the year ended 30 June 2023

	\$	up/down	% mvmt
Revenue from ordinary activities	380,842,552	up	44.4%
Profit from ordinary activities before income tax expense	319,369,300	up	37.0%
Net profit from ordinary activities after income tax expense	229,231,424	up	32.3%

Dividend information	Cents per share	Franking %	Tax rate for franking
2024 Final dividend cents per share	7.75c	60%	30%
2024 Interim dividend cents per share	7.75c	60%	30%

Final dividend dates

Ex-dividend date	21 October 2024
Record date	22 October 2024
Last election date for the DRP	24 October 2024
Payment date	31 October 2024

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended partially franked final 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 calculated as the volume weighted average market price (VWAP) of shares sold on the ASX on the ex-date for the relevant dividend and the three trading days following that date. The DRP will operate without a discount for the final dividend.

	30 Jun 24	30 Jun 23
Net tangible asset backing (before tax) per share	\$1.50	\$1.42
Net tangible asset backing (after tax) per share	\$1.63	\$1.57

This report is based on the Annual Report which has been audited by Pitcher Partners. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

W | A | M Capital

ABN 34 086 587 395

2024

Annual Report

Wilson
Asset Management
Making a difference





WAM Capital Limited (WAM Capital or the Company) is a listed investment company and is a reporting entity. Listed on the ASX in August 1999, WAM Capital provides investors with exposure to an actively managed diversified portfolio of undervalued growth companies listed on the Australian Securities Exchange, with a focus on small-to-medium sized businesses.

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Regional
Shareholder
Presentations

The Wilson Asset Management and Future Generation teams look forward to meeting with our shareholders across the country.
Further details are provided on our website.

Join our hybrid
Annual General Meeting

Thursday 21 November 2024
Museum of Sydney (Warrane Theatre)
Corner Bridge Street and Phillip Street Sydney NSW 2000
Further details to be provided.

Deadline for Director nominations, including the deadline for signed consent, is 5:00pm (AEST) on Tuesday 24 September 2024.

FY2024 financial highlights

Operating profit before tax in FY2024

\$319.4m

Investment portfolio performance in FY2024

+26.4%

Investment portfolio outperformance of S&P/ASX All Ordinaries Accumulation Index in FY2024

+13.9%

Full year dividend, 60% franked

15.5 cps

Dividend yield

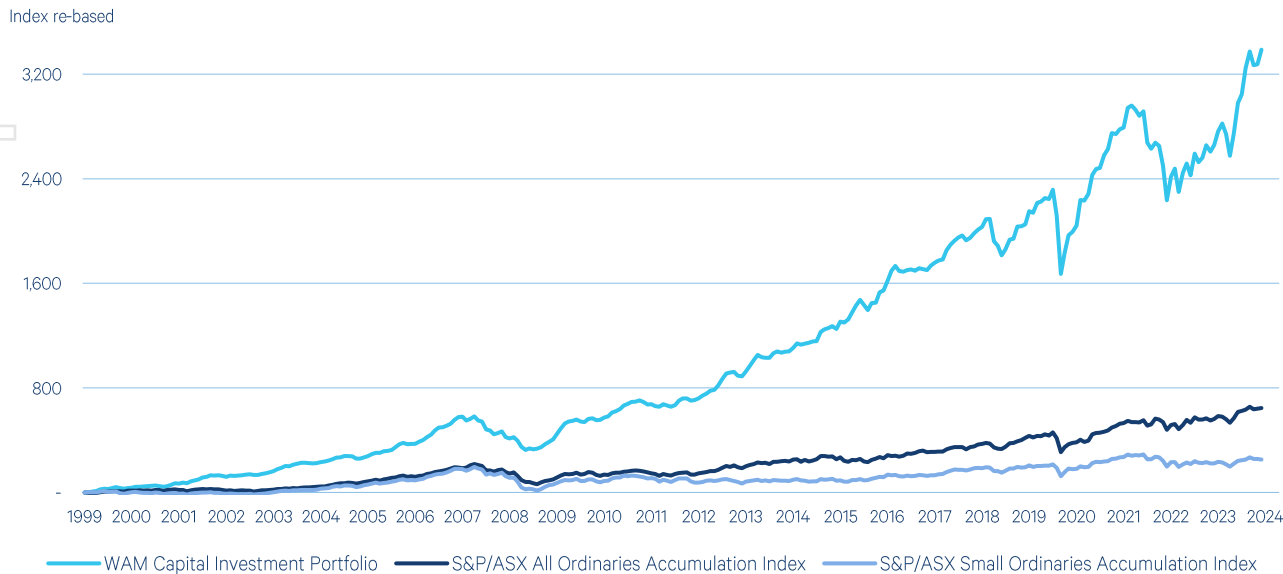
10.8%

Grossed-up dividend yield: **13.6%**

Dividends paid since inception, including franking credits

439.0 cps

WAM Capital's investment portfolio has returned 15.3% per annum since inception, outperforming the market by 6.9% per annum.



Notes:

1. The above graph reflects the period from inception in August 1999 to 30 June 2024.
2. WAM Capital's investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the indexes which are before expenses, fees and taxes.

30 June 2024 snapshot

Assets

\$1.7bn

Market capitalisation

\$1.6bn

Profits reserve, before the payment of final dividend

14.7 cps

NTA before tax

\$1.50

Share price

\$1.43

Dividend coverage at 30 June 2024

0.9 years

Glossary of performance measures

The key measures used to analyse and discuss our results are defined here to guide the reader through FY2024 financial highlights, the Letter from the Chairman, and the Update from the Lead Portfolio Manager. A full glossary of terms is also located on pages 82 to 84.

Dividend yield

The annual dividend amount expressed as a percentage of the share price at a certain point in time. This is calculated as follows: $\text{Annual dividend amount per share} \div \text{share price}$

Grossed-up dividend yield

Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is partially franked.

This is calculated as follows:

$\text{Annual dividend yield \%} + [\text{annual dividend yield \%} \times \text{franking \%} \times (\text{the corporate tax rate of 30.0\%} \div (1 - \text{the corporate tax rate of 30.0\%}))]$

Net tangible assets (NTA) before tax

The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company, i.e. cash and investments, less any associated liabilities excluding tax and is the most comparable figure for a listed investment company (LIC) to an exchange traded fund (ETF) or managed fund.

Share price premium or discount

LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA.

This is calculated as follows: $(\text{Share price} - \text{NTA before tax}) \div \text{NTA before tax}$

Total shareholder return (TSR)

Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders.

This is calculated as follows:

$(\text{Closing share price} - \text{starting share price} + \text{dividends paid} + \text{franking credits}) \div \text{starting share price}$

Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.



Letter from the Chairman

Geoff Wilson AO

Dear Fellow Shareholders,

In the 2024 financial year, the investment team applied WAM Capital's proven investment process, identifying a number of compelling undervalued growth companies across key sectors that benefitted the investment portfolio. The WAM Capital investment team delivered its strongest investment portfolio outperformance in FY2024, since the 2016 financial year.

The WAM Capital investment portfolio increased 26.4%, outperforming the S&P/ASX All Ordinaries Accumulation Index by 13.9% and the S&P/ASX Small Ordinaries Accumulation Index by 17.1%, with an average cash weighting of 11.8% over the year. WAM Capital's strong investment portfolio performance added 20.8 cents per share to the profits reserve during the year. The profits reserve was 1.6 cents per share at the start of the year after the FY2023 final dividend, and ended the year at 14.7 cents per share, increasing to 18.8 cents per share at 31 July 2024. The investment portfolio performance contributed to a 37.0% increase in the operating profit before tax of \$319.4 million (FY2023: \$233.2 million) and an operating profit after tax of \$229.2 million (FY2023: \$173.3 million) in the Company's 2024 full year results.

Since inception in 1999, WAM Capital has achieved an investment portfolio return of 15.3% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 6.9% per annum, while having an average cash weighting of 29.6% over this period.

The WAM Capital Board of Directors declared a final dividend of 7.75 cents per share, partially franked at 60%, given the franking account balance of the Company at the end of the financial year. The full year dividend of 15.5 cents per share provides shareholders with a yield on the Company's 28 June 2024 share price of 10.8% and a grossed-up yield of 13.6% when including the value of franking credits. This dividend is extremely high and when calculating the yield on the pre-tax net tangible assets (NTA) at 30 June 2024, the dividend yield of WAM Capital is 10.3%, with a grossed-up yield of 12.9%. The S&P/ASX All Ordinaries Accumulation Index yields around 3.8% and is approximately 73% franked at 30 June 2024.

**Investment portfolio performance
in the financial year to 30 June
2024**

+26.4%

**Investment portfolio
outperformance of the S&P/ASX
All Ordinaries Accumulation Index
in FY2024**

+13.9%

Full year dividend, 60% franked

15.5 cps

Dividend yield

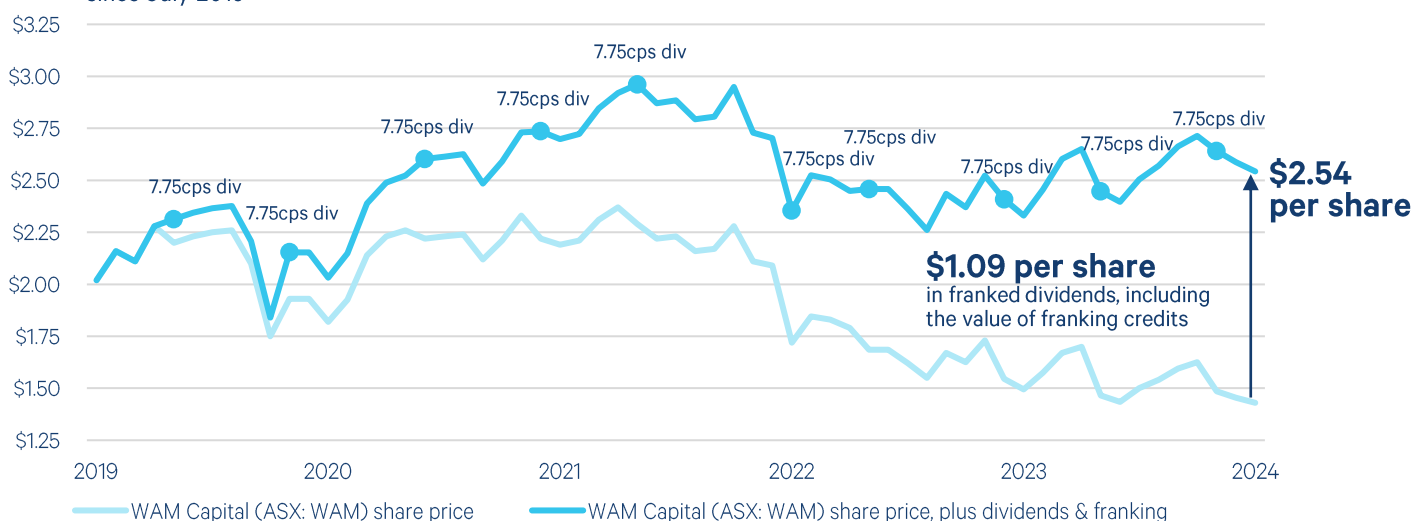
10.8%

Grossed-up dividend yield: 13.6%

The level of franking in FY2025 and beyond is dependent on tax paid on realised profits and the receipt of franked dividends from investee companies. The WAM Capital Board of Directors expects the FY2025 full year dividend to also be partially franked at 60%, should the Company be able to maintain the full year dividend of 15.5 cents per share. The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits and it is within prudent business practices. The Board's decision to maintain the full year dividend of 15.5 cents per share and partially frank dividends in FY2024 was made having consideration to the profits reserve and franking credits available and the investment portfolio performance over the period. The Company has maintained an extremely high franked dividend yield over the past five years. WAM Capital is one of the highest-yielding listed investment companies (LICs) in Australia and in order to continue paying a 15.5 cents per share full year dividend, the investment portfolio needs to increase more than 16% per annum, grossed-up for fees and taxes. There is no certainty that such high returns can be maintained each year. Since inception, WAM Capital has returned over \$1.8 billion or \$4.39 per share in dividends and franking credits to shareholders.

As fellow shareholders, we share your disappointment and understand your frustration with the total shareholder return (TSR) of the Company (i.e. the movement in the WAM Capital's share price together with franked dividends paid to shareholders) not reflecting the returns the investment team has delivered on the investment portfolio for you over the past five years and as the NTA of the Company has declined following the payment of the high franked dividends each year. The return on any equity investment for shareholders can be made up of a combination of capital (i.e. movement in the Company's share price) and income (i.e. through franked or unfranked dividends paid to shareholders on a semi-annual basis). If the dividends paid to shareholders (including franking credits) exceeds the increase in assets during the year, then the NTA of the Company declines.

WAM Capital (ASX: WAM) Total Shareholder Return Analysis
since July 2019

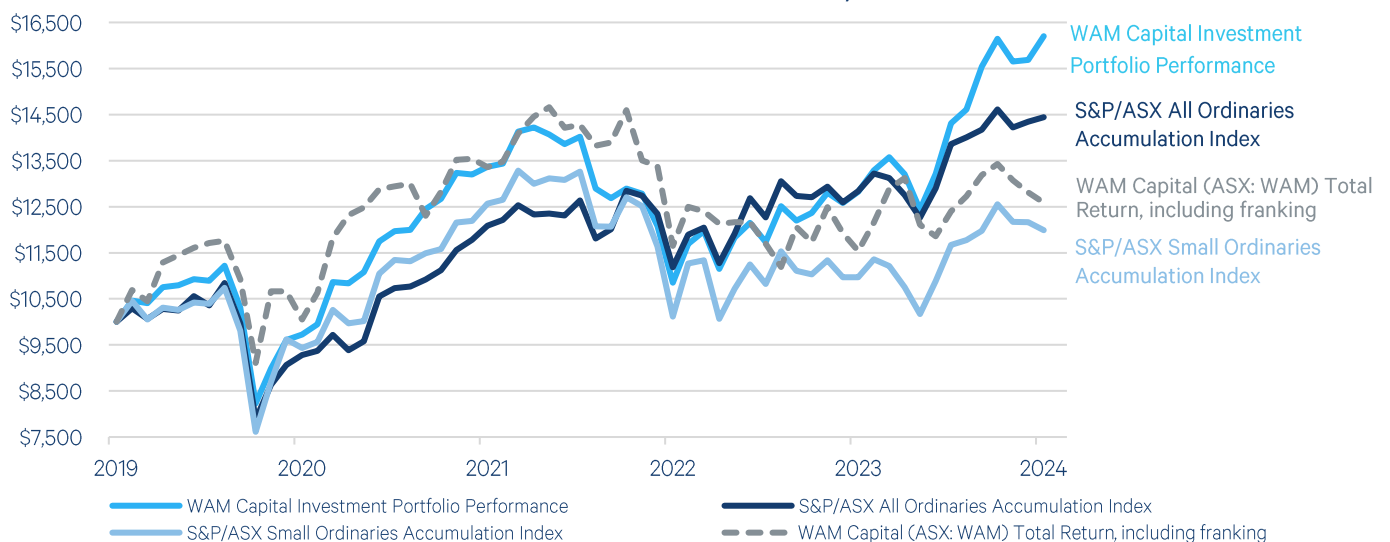


One of the benefits of the LIC structure is that the profits reserve accumulated over time allows the Company to maintain its dividend during volatile periods in equity markets. Following the coronavirus pandemic and market volatility in 2020, the Board made the decision to maintain the 15.5 cents per share franked dividend for shareholders rather than reducing the dividend, recognising the importance of regular income through franked dividends for shareholders. Over the past five years, WAM Capital has paid shareholders an average grossed-up dividend yield on the pre-tax NTA of approximately 14%, which is much higher than the return on the equity market and the investment portfolio performance over this time. Over the same period, the S&P/ASX Small Ordinaries Accumulation Index rose 3.7% per annum and the S&P/ASX All Ordinaries Accumulation Index was up 7.6% per annum, while the WAM Capital investment portfolio increased 10.1% per annum.

	5 yrs return % per annum
WAM Capital investment portfolio performance	10.1%
WAM Capital pre-tax NTA, including dividends and tax paid	8.7%
WAM Capital total shareholder return, including the value of franking credits	4.8%
S&P/ASX All Ordinaries Accumulation Index	7.6%
S&P/ASX Small Ordinaries Accumulation Index	3.7%

WAM Capital's high franked dividend yield, in excess of the annualised return of the investment portfolio performance, has resulted in a capital reduction of approximately 5.2% per annum of the Company's NTA as the value of the franked dividend of 15.5 cents per share and the tax paid to frank the dividend have been paid out each year.

WAM Capital Investment Portfolio Performance, Equity Market Performance and Total Shareholder Return - Growth in \$10,000, since July 2019

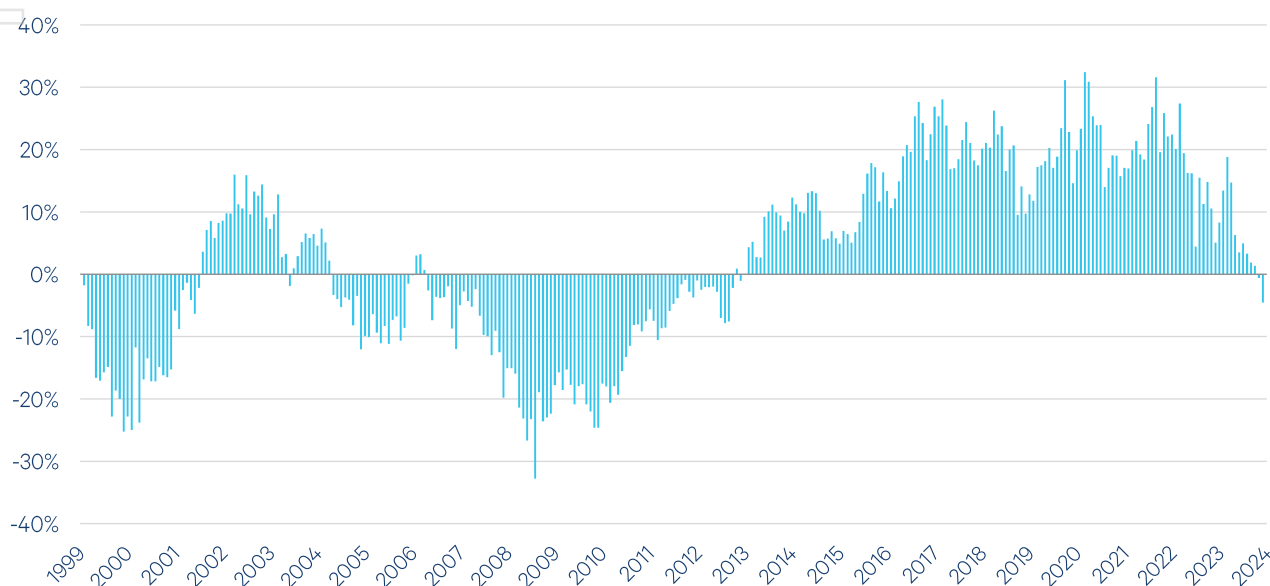


The Company has paid out 109.4 cents per share to shareholders during this five-year period, including 77.5 cents per share in franked dividends and 31.9 cents per share in franking credits, providing shareholders with a significant income stream and a reduction in capital. The dividends and franking credits (tax paid) paid out to shareholders exceed the reduction in the Company's share price and NTA over this period, as shareholders have received a high-income component to their returns versus a combination of income and capital growth.

TSR for WAM Capital has been impacted over the past five years with the Company's share price premium to NTA reducing from a high of 32.4% in late 2020 to a discount of 4.6% as at 30 June 2024. TSR for WAM Capital shareholders over the past five years was 4.8% per annum, including the value of franking credits. LICs can trade at premiums and discounts to their underlying NTA and over the past 10 years, WAM Capital has traded at an average premium to NTA of 16.4%. A LIC's premium or discount to NTA can move independently of the underlying investment portfolio performance of the Company.

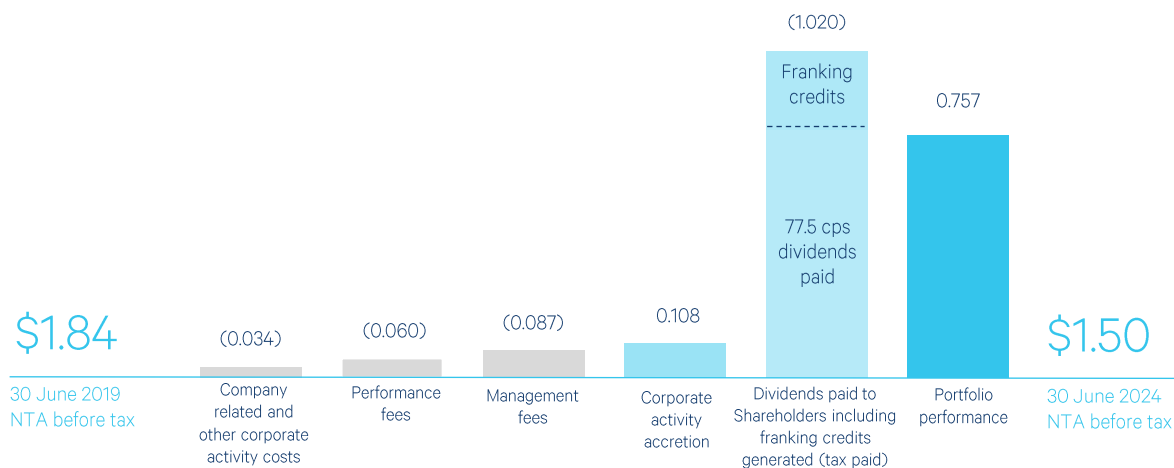
Share price premiums and discounts to NTA in the LIC and listed investment trust (LIT) sector, both in Australia and globally, can be cyclical. In this high-interest rate environment, the narrowing of premiums to NTA and the widening of some discounts has occurred as investors have maintained elevated allocations to cash and low risk yielding assets. A common assumption made by LIC investors is that premiums are positive, while discounts are negative. I believe this definition is oversimplified and misses the opportunity of investing in discounted assets. I have recently been purchasing additional shares in WAM Capital as it is the first time the Company has been at a discount to NTA since June 2013. The Company traded at a discount to NTA between November 2004 and June 2013, before returning to a premium to NTA.

WAM Capital (ASX: WAM) share price premium/discount to NTA since inception

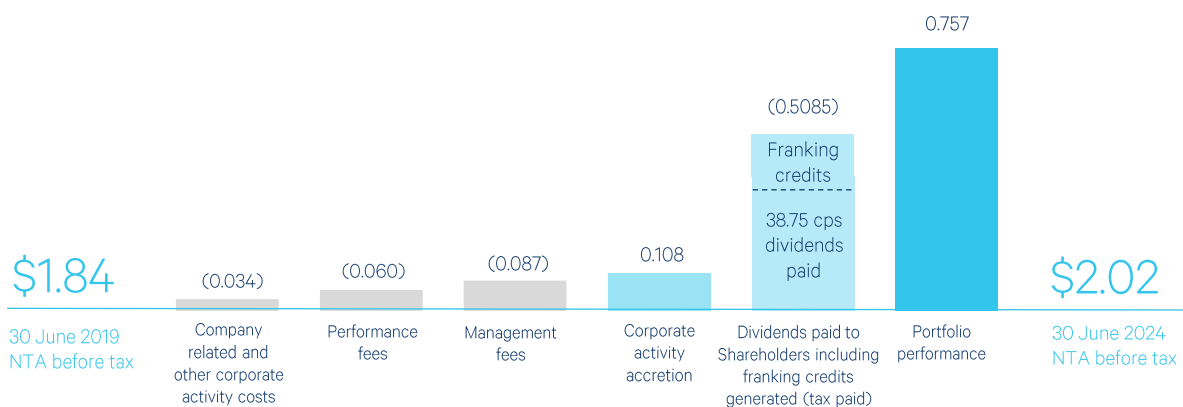


If the Board of Directors had made the decision to reduce the fully franked dividend of 15.5 cents per share by 50% in 2020 as mentioned earlier, shareholders would have received a combination of income and capital growth over the past five years. As a result, the WAM Capital pre-tax NTA would be approximately \$2.02 per share as at 30 June 2024, with significantly less dividend income and franking credits being paid out by the Company over that time to shareholders.

WAM Capital NTA movement since FY2020



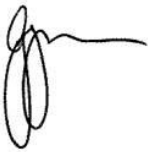
WAM Capital NTA movement - 50% dividend reduction in FY2020 - FY2024



In FY2025, the Company's ability to continue paying franked dividends at the current level is dependent on generating additional profits reserves, through positive investment portfolio performance, and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on realised profits. At 31 July 2024, the Company had 18.8 cents per share available in its profits reserve before the payment of the 7.75 cents per share final dividend, and 11.0 cents per share after the payment of the final dividend.

We encourage you to visit our website, subscribe to receive our updates and to call or email us with any questions or suggestions you have regarding WAM Capital or Wilson Asset Management. Please contact myself or the team on (02) 9247 6755 or email us at info@wilsonassetmanagement.com.au.

Thank you for your continued support.



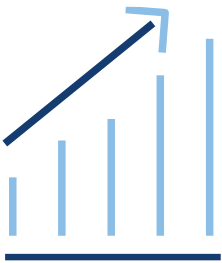
Geoff Wilson AO
Chairman

Company performance

Over four decades of investing, we have found three key measures crucial to the evaluation of a listed investment company's (LIC) performance:

Key performance measure 1

Investment portfolio performance



Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees, taxes and capital management initiatives. Each LIC is driven towards outperforming a benchmark index, or increasing the underlying investment portfolio of equities and cash at a faster rate.

Key performance measure 2

Net tangible asset growth



NTA growth is the change in value of the company's assets, less liabilities and costs (after management and performance fees). The NTA growth includes dividends paid to shareholders and tax paid (franking credits), demonstrates the value of the investment portfolio performance and quantifies the impact of capital management decisions.

Key performance measure 3

Total shareholder return

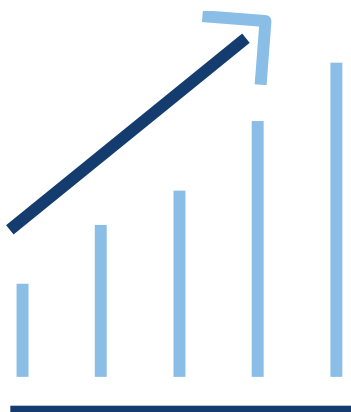


TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before and after the value of any franking credits distributed to shareholders through franked dividends.

Key performance measure 1

Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees, taxes and capital management initiatives. A key objective of WAM Capital is long-term outperformance against the S&P/ASX All Ordinaries Accumulation Index, which is achieved by growing the investment portfolio at a greater rate. The S&P/ASX All Ordinaries Accumulation Index is measured before expenses, fees and taxes.



Investment portfolio performance in the financial year to 30 June 2024

+26.4%

WAM Capital's investment portfolio increased 26.4% in the year to 30 June 2024, outperforming the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index by 13.9% and 17.1% respectively, while holding on average 11.8% of the investment portfolio in cash.

Since inception, WAM Capital has achieved an investment portfolio return of 15.3% per annum, outperforming the S&P/ASX All Ordinaries Accumulation Index by 6.9% and the S&P/ASX Small Ordinaries Accumulation Index by 10.1% per annum.

Set out on the next page is the performance of WAM Capital since inception, on a financial year basis. The performance data excludes all expenses, fees, taxes and capital management initiatives, and is used as a guide to show how the Company's investment portfolio has performed against the S&P/ASX All Ordinaries Accumulation Index over the same period.

WAM Capital investment portfolio performance since inception

Investment portfolio performance at 30 June 2024	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception %pa (Aug-99)
WAM Capital Investment Portfolio	26.4%	6.6%	10.1%	11.5%	15.3%
S&P/ASX All Ordinaries Accumulation Index	12.5%	6.1%	7.6%	8.3%	8.4%
Outperformance	+13.9%	+0.5%	+2.5%	+3.2%	+6.9%
S&P/ASX Small Ordinaries Accumulation Index	9.3%	-1.5%	3.7%	6.4%	5.2%
Outperformance	+17.1%	+8.1%	+6.4%	+5.1%	+10.1%

Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant indexes which are before expenses, fees and taxes.

Investment portfolio performance by financial year

Financial year	WAM Capital Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
1999/2000	33.3%	11.3%	+22.0%
2000/2001	30.2%	8.9%	+21.3%
2001/2002	32.7%	-4.5%	+37.2%
2002/2003	12.3%	-1.1%	+13.4%
2003/2004	27.3%	22.4%	+4.9%
2004/2005	13.9%	24.8%	-10.9%
2005/2006	27.4%	24.2%	+3.2%
2006/2007	44.1%	30.3%	+13.8%
2007/2008	-23.0%	-12.1%	-10.9%
2008/2009	-3.2%	-22.1%	+18.9%
2009/2010	29.8%	13.8%	+16.0%
2010/2011	17.9%	12.2%	+5.7%
2011/2012	4.2%	-7.0%	+11.2%
2012/2013	22.7%	20.7%	+2.0%
2013/2014	19.2%	17.6%	+1.6%
2014/2015	14.7%	5.7%	+9.0%
2015/2016	21.6%	2.0%	+19.6%
2016/2017	11.7%	13.1%	-1.4%
2017/2018	15.0%	13.7%	+1.3%
2018/2019	2.0%	11.0%	-9.0%
2019/2020	-2.8%	-7.2%	+4.4%
2020/2021	37.5%	30.2%	+7.3%
2021/2022	-18.8%	-7.4%	-11.4%
2022/2023	18.2%	14.8%	+3.4%
2023/2024	26.4%	12.5%	+13.9%

Key performance measure 2

Net tangible asset growth

NTA growth is the change in value of the Company's assets, less liabilities and costs (including management and performance fees). The NTA represents the realisable value of the Company and is provided to shareholders and announced on the ASX each month.

NTA growth in the financial year to 30 June 2024

+22.6%

WAM Capital's pre-tax NTA increased 22.6% in the 12 months to 30 June 2024, including 15.5 cents per share of franked dividends paid to shareholders during the year and corporate tax paid of 7.1 cents per share or 5.0%. The franking credits attached to corporate tax payments are available for distribution to shareholders through franked dividends.

Performance fee payable of 2.4% was the major item of difference between the investment portfolio performance of 26.4% and the NTA performance of 22.6%. Other items contributing to the change in the value of the assets during the year were management fees of 1.0% and other company related expenses of 0.5%, offset by capital management accretion of 0.1%.



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WAM Capital pre-tax NTA performance



+\$0.364

Portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees, taxes and capital management initiatives for shareholders. The WAM Capital investment portfolio increased 26.4% for the 12 months to 30 June 2024.

-\$0.155

Dividends paid to Shareholders

When the Company pays a dividend, it represents income that is returned to shareholders out of the Company's assets and profits reserve. The dividend payment reduces the Company's NTA when paid. This excludes the value of franking credits attached to the dividend payment for shareholders. During the year, 15.5 cents per share of franked dividends were paid or 20.8 cents per share including the value of franking credits, comprising of the FY2023 fully franked final dividend of 7.75 cents per share and the FY2024 partially franked interim dividend of 7.75 cents per share.

-\$0.071

Franking credits generated (tax paid)

Tax paid reduces the pre-tax NTA of the Company, as it represents an outflow of cash from the investment portfolio at the time of payment. Shareholders receive the benefit of tax paid by the Company as franked dividend payments are made. Shareholders receive the cash dividend, plus the value of the attached franking credits. Shareholders can use these credits to help offset additional tax payable on their taxable income, or have it refunded to them if their tax rate is lower than the 30% franking rate (corporate tax rate) attached to the dividend.

-\$0.014

Management fees

In return for its duties as Investment Manager of the portfolio, the Investment Manager is entitled to be paid monthly a management fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the portfolio (calculated on the last business day of each month and paid at the end of each month in arrears).

+\$0.001

Corporate activity accretion

Corporate activities such as new shares issued at a premium or discount to NTA through the dividend reinvestment plan (DRP), mergers and acquisitions or share purchase plan (SPP) and placement, can impact the value of the Company's NTA, separate to the management of the investment portfolio.

-\$0.007

Company related and other corporate activity costs

Company related expenses include ASX, ASIC, Director, audit, tax, accounting, Company Secretary, registry fees and other expenses incurred that relate to the operation of the Company each year. Other costs include fees associated with corporate activity, where applicable.

-\$0.034

Performance fee

Under the investment management agreement, the Investment Manager is eligible to be paid a performance fee being 20% (plus GST), in circumstances where :

- the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

Key performance measure 3

Total shareholder return

TSR measures the tangible value shareholders gain from share price growth and dividends paid over the period, before and after the value of any franking credits distributed to shareholders through franked dividends.

TSR in the financial year to
30 June 2024

+9.6%

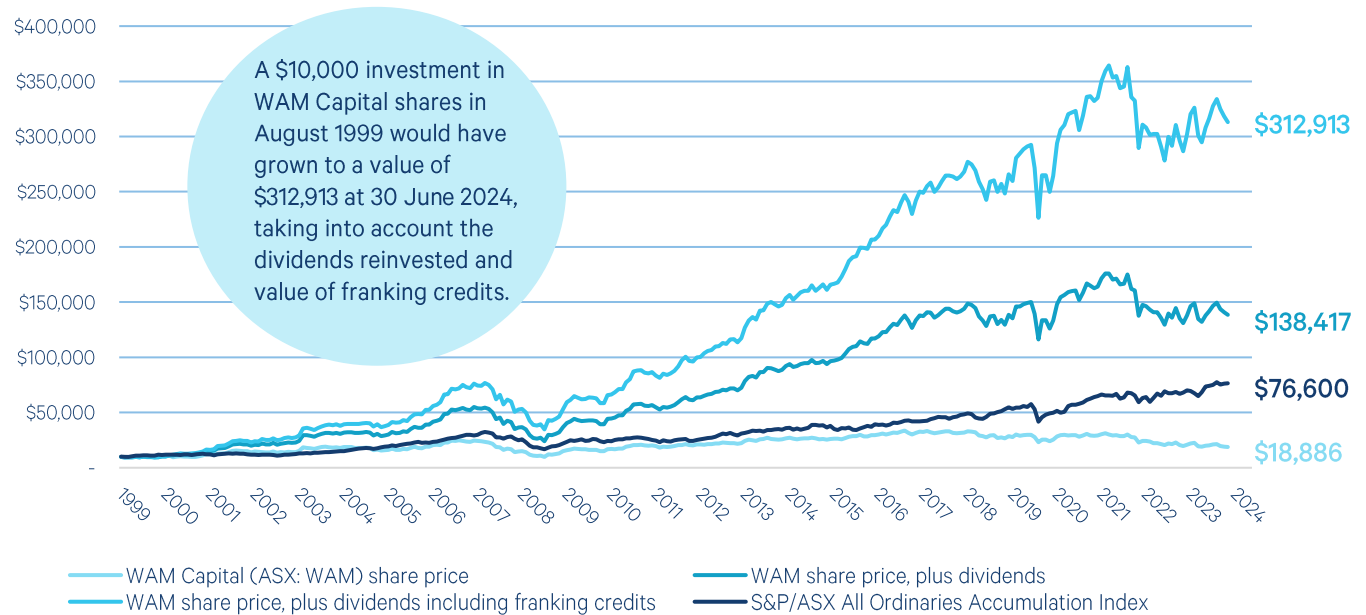
The TSR for WAM Capital was 9.6% during the 12 months to 30 June 2024, including the value of franking credits distributed to shareholders through franked dividends. This was driven by the investment portfolio performance of 26.4% during the period, being offset by the share price moving from a premium to NTA of 5.1% as at 30 June 2023 to a discount to NTA of 4.6% as at 30 June 2024.

Excluding the value of franking credits, TSR was 6.0% for the period.



Growth of a \$10,000 investment

WAM Capital versus the index



NTA growth and TSR calculations

The table below reflects the Company's total return to shareholders calculated on a per share basis by adding back dividends paid (including the value of tax paid or franking credits) to the change in the NTA before tax or share price during the year. The dividends are assumed to have been re-invested at the relevant net asset value or share price, respectively, on the date on which the shares were quoted ex-dividend. The movement in the NTA before tax is driven by the investment portfolio performance, with TSR being added or offset by the increase or narrowing in the share price premium or discount to NTA.

2024	NTA before tax	Share price	Premium/(discount) to NTA
At 30 June 2024	\$1.4984	\$1.43	(4.6%)
At 30 June 2023	\$1.4228	\$1.495	5.1%
Change in the year (capital)	5.3%	-4.3%	
Impact of dividend reinvestments (income)	12.3%	10.3%	
Impact of tax paid/value of franking credits (income)	5.0%	3.6%	
Total return for the year	22.6%	9.6%	

Dividends

Full year dividend, 60% franked

15.5 cps

Dividend yield

10.8%

Grossed-up dividend yield: 13.6%

Dividend coverage
at 31 July 2024

1.2 years

Dividends paid since inception,
including franking credits

439.0 cps

The Board declared a final dividend of 7.75 cents per share, partially franked at 60%, bringing the full year dividend to 15.5 cents per share. Since inception in August 1999, the Company has paid 439.0 cents per share in dividends to shareholders, including the value of franking credits.

In FY2025, the Company's ability to continue paying franked dividends at the current level is dependent on generating additional profits reserves, through positive investment portfolio performance, and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on realised profits. At 31 July 2024, the Company had 18.8 cents per share available in its profits reserve before the payment of the 7.75 cents per share final dividend, and 11.0 cents per share after the payment of the final dividend.

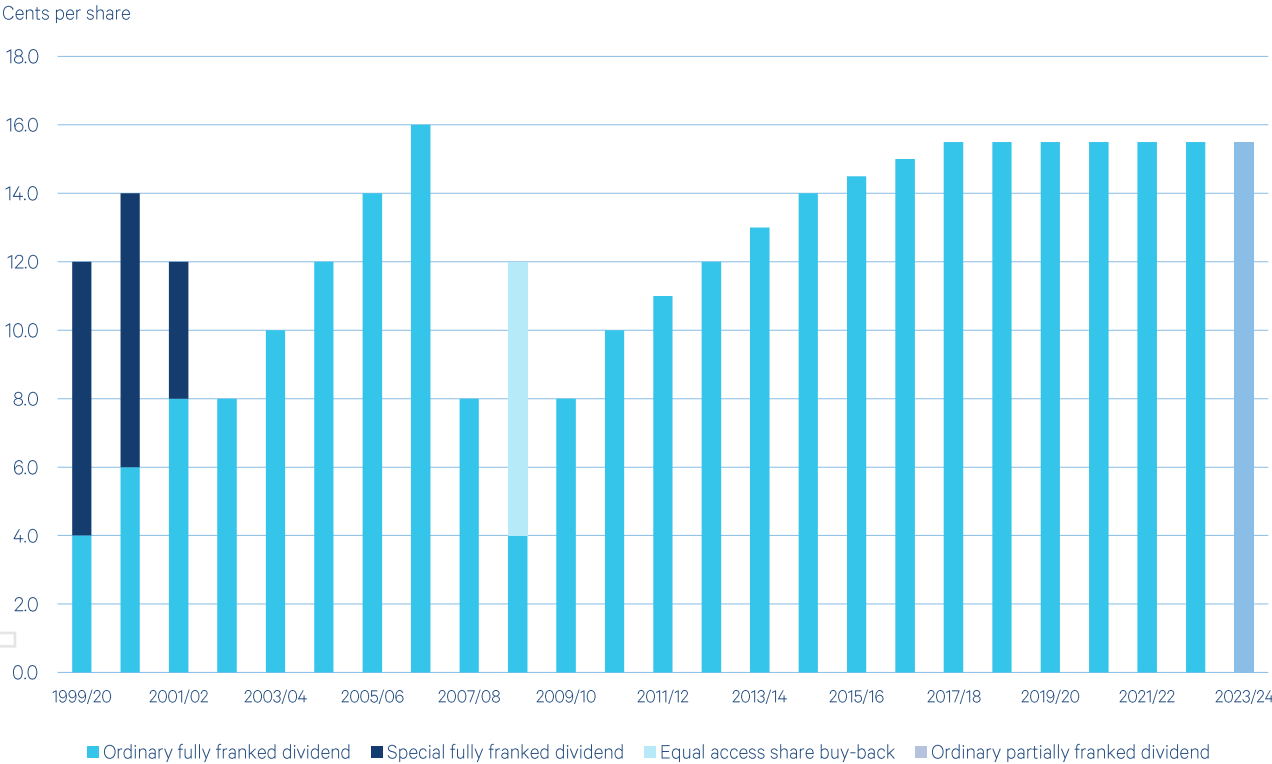
Since inception, WAM Capital has returned over \$1.8 billion in dividends and franking credits to shareholders. The long-term investment portfolio performance has enabled WAM Capital to pay shareholders an average grossed-up annualised dividend yield on the initial public offering price of 18.0% per annum over the last 25 years. Over the last six financial years, the historical profits reserve has enabled WAM Capital to maintain its full year dividend at 15.5 cents per share.

The LIC structure provides a permanent and stable closed-end pool of capital. An investment team that manages capital on behalf of a LIC can therefore make rational investment decisions based on sound investment strategies, undisturbed by inflows and outflows of investors' capital (applications and redemptions). Investors in LICs may also benefit from franked dividends paid over time.

For personal use only

Since inception, WAM Capital has returned over \$1.8 billion or 439.0 cents per share in dividends and franking credits to shareholders.

WAM Capital dividends since inception



Key dividend dates for the final dividend of 7.75 cents per share

Ex-dividend date	21 October 2024
Dividend record date (7:00pm Sydney time)	22 October 2024
Last election date for DRP	24 October 2024
Payment date	31 October 2024

The Dividend Reinvestment Plan (DRP) is in operation and the recommended partially franked final 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 calculated as the volume weighted average market price (VWAP) of shares sold on the ASX on the ex-date for the relevant dividend and the three trading days following that date. The DRP will operate without a discount for the final dividend.



Update from the Lead Portfolio Manager

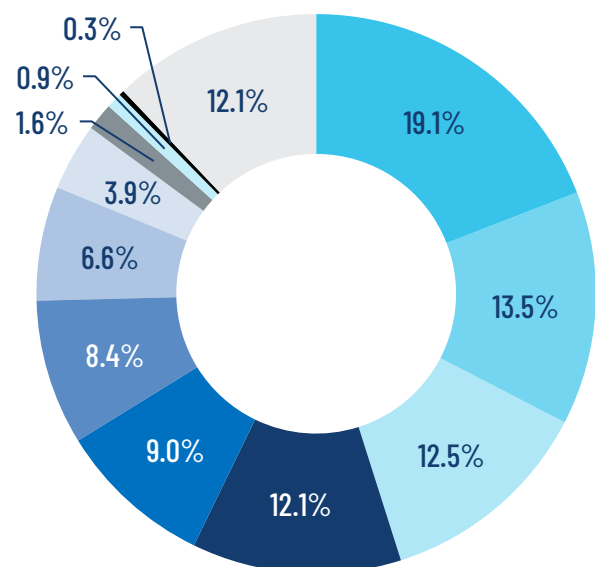
Oscar Oberg CFA

The 2024 financial year was dominated by the direction of future interest rates, the unexpected strength of the United States and Australian economy, and geopolitical unrest in the Middle East. Despite the continuation of macroeconomic headwinds we have been witnessing since the 2020 coronavirus pandemic, the WAM Capital investment portfolio increased 26.4% in the 12 months to 30 June 2024. The investment portfolio had the strongest year of outperformance since 2016, outperforming the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index by 13.9% and 17.1% respectively.

The team and I are pleased with this result given small-cap companies underperformed the broader market for the third financial year in a row.

Over the last 12 months, the team took advantage of themes that benefitted small-cap companies in light of the macroeconomic backdrop. The technology sector showed outstanding performance given the emergence of artificial intelligence (AI), which benefitted companies exposed to data centres such as NEXTDC (ASX: NXT) and Megaport (ASX: MP1). Other technology companies including Life360, Inc (ASX: 360), Technology One (ASX: TNE) and Pro Medicus (ASX: PME) continued their strong momentum through contract wins and earnings upgrades which contributed to a strong rerating of share prices.

Diversified investment portfolio by sector
at 30 June 2024



- Consumer discretionary: 19.1%
- Financials: 13.5%
- Industrials: 12.5%
- Information technology: 12.1%
- Health care: 9.0%
- Communication services: 8.4%
- Consumer staples: 6.6%
- Real estate: 3.9%
- Materials: 1.6%
- Energy: 0.9%
- Utilities: 0.3%
- Cash: 12.1%

At the beginning of the financial year we invested into the retail sector due to the view that analyst earnings expectations were too low and could be upgraded, irrespective of a tougher domestic economy. This thesis was validated in the August 2023 reporting season, with improved earnings from Premier Investments (ASX: PMV), Lovisa Holdings (ASX: LOV), Nick Scali (ASX: NCK) and Temple & Webster Group (ASX: TPW). These companies saw their share prices rerate further in December 2023 when the United States Federal Reserve suggested that the interest rate hiking cycle was coming to an end, with the market at the time beginning to factor in substantial interest rate cuts.

Stock picking from the team was strong over the course of the year, with the WAM Capital investment portfolio benefitting from Sigma Healthcare's (ASX: SIG) proposed acquisition of Chemist Warehouse, Tuas' (ASX: TUA) continued momentum in the Singaporean mobile market and the resurgence of The a2 Milk Company (ASX: A2M) which is taking market share in a challenging Chinese infant formula market. WAM Capital also benefitted from several takeovers including Capitol Health (ASX: CAJ), Healthia (ASX: HLA) and MMA Offshore (ASX: MRM). We expect takeovers to continue to be prominent in the small-cap market in the 2025 financial year.

Portfolio composition by market capitalisation
at 30 June 2024

	WAM Capital [^]	S&P/ASX All Ordinaries Index	S&P/ASX Small Ordinaries Index
ASX Top 20	0.0%	56.5%	0.0%
ASX 21-50	0.0%	15.5%	0.0%
ASX 51-100	16.8%	12.8%	0.0%
ASX 101-300	52.0%	11.6%	100.0%
Ex ASX 300	19.1%	3.6%	0.0%

[^]The investment portfolio held 12.1% in cash.

As is common with a balanced investment portfolio, WAM Capital held companies that detracted from the investment portfolio performance, with two of those being international education company NextEd Group (ASX: NXD) and tourism company Tourism Holdings Rentals (ASX: THL). Increased government scrutiny around immigration and the performance of international education providers meant that NextEd Group downgraded earnings numerous times over the financial year and unfortunately due to liquidity constraints we were unable to reduce our holding to our desired level. In May 2024, Tourism Holdings Rentals downgraded expectations, largely due to a weaker second-hand sales market for campervans. While the next 12-months present challenges, the company is now trading at a large discount to its net tangible assets and has a strong management team and in turn we will remain shareholders and see value over the longer term.

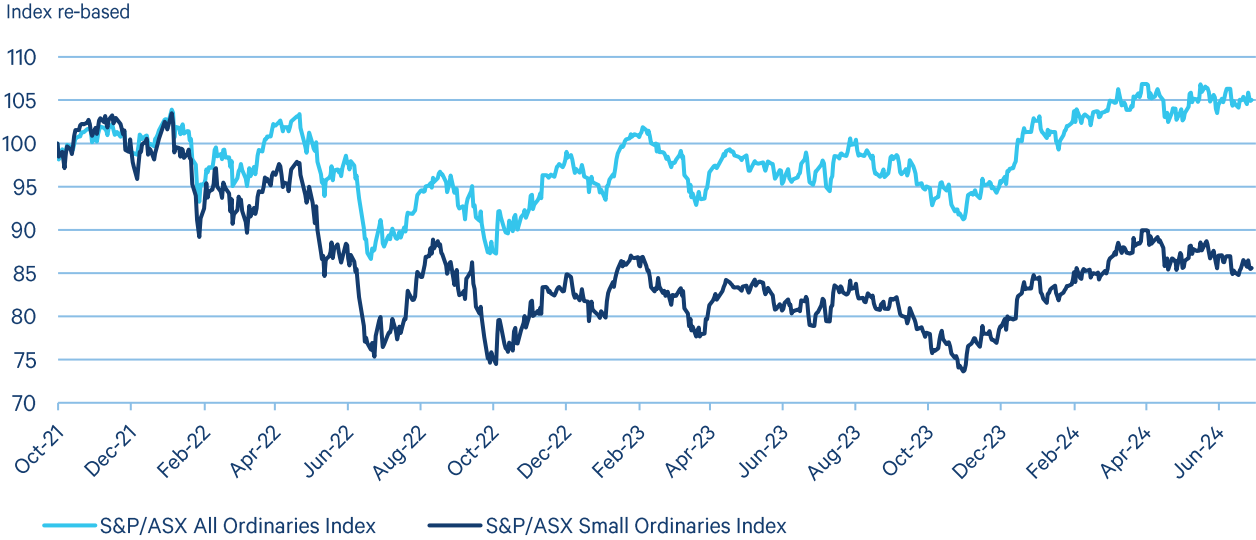
The underperformance of small-cap companies continued in the 2024 financial year with the cumulative underperformance of the S&P/ASX Small Ordinaries Index compared to the S&P/ASX All Ordinaries Index being 19.1% since September 2021. This represents the worst period of underperformance we have seen, surpassing the dot-com era from 2000 to 2002 and the global financial crisis from 2008 to 2009. We note that this phenomenon is consistent in other markets such as the United States, where small-cap companies have underperformed by 14.5% over the same period.

Despite an increasingly volatile market for small-cap investing since September 2021, the team found a number of exciting, undervalued growth companies across several sectors. During this period, the WAM Capital investment portfolio has increased 14.7% despite these headwinds, while the S&P/ASX Small Ordinaries Accumulation Index has decreased 9.7% and the S&P/ASX All Ordinaries Accumulation Index has increased 15.2%. 20 of the largest companies within the ASX make up 56.5% of the S&P/ASX All Ordinaries Index and these companies generally do not meet WAM Capital's investment process. The WAM Capital investment team largely identifies quality, undervalued growth companies outside the top 20 companies listed on the ASX.

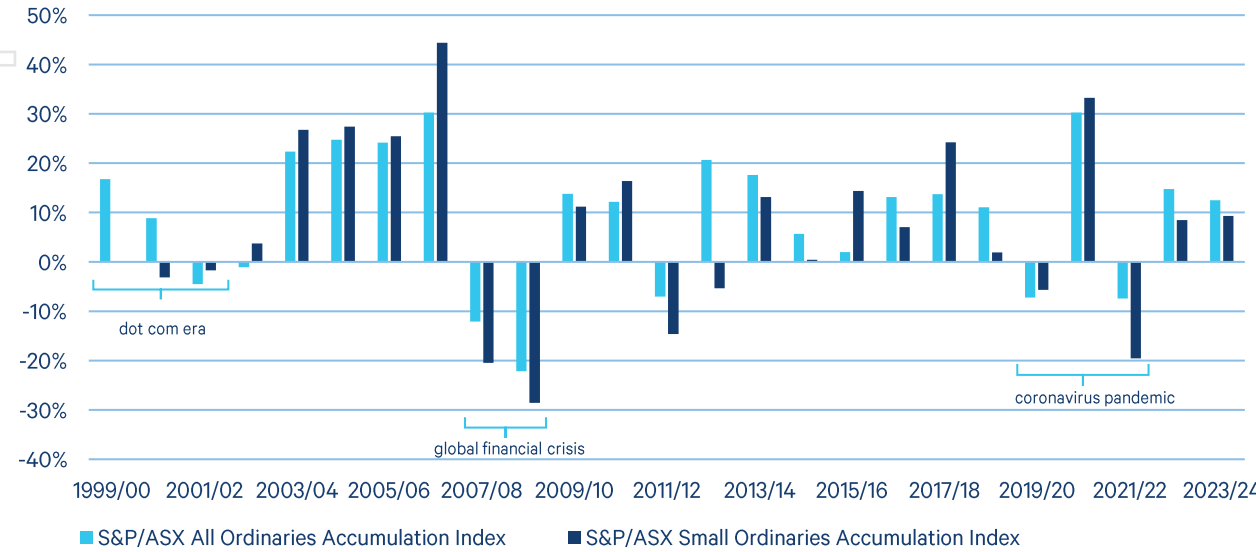
While the outlook for interest rates remains volatile and fears around an impending recession continue to build, we believe the current cycle of small-cap underperformance is coming to an end, and the headwinds experienced can turn into tailwinds over the medium term. We saw evidence of this in a four-month period from December 2023 to March 2024 when the market was expecting interest rates to fall. In this four-month period, the S&P/ASX Small Ordinaries Index outperformed the S&P/ASX All Ordinaries Index by 2.4%.

We strongly believe that small-cap outperformance can occur in a stable or declining interest rate environment. This reflects the number of companies exposed to the economy such as retail, financials, automotive, building materials, media, travel and real estate. These sectors are approximately 30% of the investable universe within the S&P/ASX Small Ordinaries Index and will drive the outperformance of small-cap companies in the future.

S&P/ASX All Ordinaries Index vs S&P/ASX Small Ordinaries Index from 2021 to 2024



S&P/ASX All Ordinaries Accumulation Index and S&P/ASX Small Ordinaries Accumulation Index yearly performance over the last 25 years



Heading into the 2025 financial year, the WAM Capital investment team has identified a number of compelling investment opportunities across a variety of sectors, where valuations remain attractive. Over the last 12 months, there were three takeovers in the healthcare sector, supporting our view that the sector is cheap, having been impacted heavily by the coronavirus pandemic. After a few challenging years, we anticipate volumes for pathology company Healius (ASX: HLS) have reached their lowest point and foresee potential upside to the share price from the proposed sale of its radiology business. In the aged care sector, we see government support and a lack of competition providing Regis Healthcare (ASX: REG) with opportunities. Childcare operator G8 Education (ASX: GEM) has a new management

team focused on improving occupancy and divesting underperforming centres, which we believe can achieve double-digit earnings growth and a rerating of the share price.

We see a strong period ahead for undervalued growth companies with a catalyst. We continue to maintain a flexible cash position to ensure we can benefit from share price volatility and take advantage of valuation anomalies.

Thank you for your continued support.



Oscar Oberg CFA
Lead Portfolio Manager

WAM Capital top holdings with portfolio weightings at 30 June 2024

Research-driven holdings

Code	Company name	%
TUA	Tuas Limited	3.9%
GEM	G8 Education Limited	2.5%
LNW	Light & Wonder Inc.	2.4%
SGF	SG Fleet Group Limited	2.3%
WEB	Webjet Limited	2.3%
MGH	Maas Group Holdings Limited	2.1%
GTK	Gentrack Group Limited	2.0%
GDG	Generation Development Group Limited	1.8%
BGA	Bega Cheese Limited	1.7%
JIN	Jumbo Interactive Limited	1.7%

Market-driven holdings

Code	Company name	%
A2M	The a2 Milk Company Limited	3.9%
SVW	Seven Group Holdings Limited	2.7%
CAR	CAR Group Limited	2.2%
360	Life360, Inc.	2.1%
INA	Ingenia Communities Group	2.0%
IRE	Iress Limited	2.0%
NXT	NEXTDC Limited	1.9%
CDA	Codan Limited	1.7%
HUB	HUB24 Limited	1.6%
HMC	HMC Capital Limited	1.5%

The fair values of individual investments held at the end of the reporting period are disclosed on pages 79 to 80.

Investment

objectives and process

Investment objectives

The investment objectives of WAM Capital are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth; and
- preserve capital of the Company.

Investment process

WAM Capital provides investors with access to Wilson Asset Management's two distinctive investment processes:

- a research-driven process focused on identifying undervalued growth companies; and
- a market-driven process that takes advantage of mispricing opportunities.

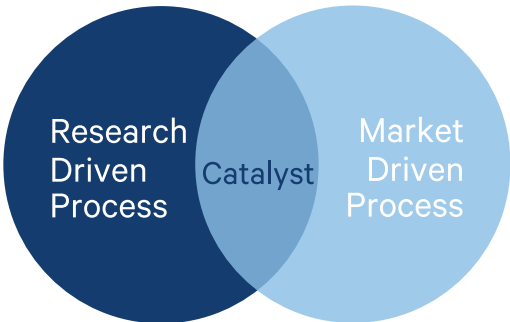
Research-driven investing

This investment process involves diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. Each company is carefully rated with respect to management, earnings growth potential, valuation and industry position. Under this process, our investment team will only ever invest in a security once we can identify a catalyst or event that we expect will change the market's valuation of the company.

Market-driven investing

This investment process takes advantage of short-term mispricing opportunities in the Australian equity market. This part of the investment portfolio is actively traded, and as such, opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangement, corporate spin-offs and restructures), arbitrage opportunities, LIC discount arbitrages, short-selling and trading market themes and trends.

Diligent and deep research on undervalued growth companies that focuses on free cash flow, return on equity, meeting management and the quality of a company.



Takes advantage of short-term mispricing opportunities in the Australian equity market.

Catalyst: a major event that alters the market's perception of a company or its earnings momentum which will lead to a rerating of the investee company's share price.

About

Wilson Asset Management

Wilson Asset Management has been passionate about making a difference for shareholders and the community for more than 25 years. As an investment manager, Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management is proud to be the Investment Manager for eight listed investment companies (LICs), WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) as well as the Wilson Asset Management Leaders Fund. Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG).

W | A | M Capital

W | A | M Leaders

W | A | M Global

W | A | M Microcap

W | A | M Alternative Assets

W | A | M Strategic Value

W | A | M Research

W | A | M Active

>\$5 billion

in funds under management

>200 years

combined investment experience

>25 years

making a difference for shareholders

10

investment products

Philanthropy



Geoff Wilson founded Future Generation Australia in 2014 and Future Generation Global in 2015. The Future Generation companies are Australia's first listed investment companies to provide both investment and social returns. The companies seek to deliver a stream of fully franked dividends, preserve shareholder capital and provide medium to long-term capital growth for investors by giving them unprecedented access to prominent Australian and global fund managers. These managers generously waive their performance and management fees, which enables the Future Generation companies to invest 1.0% of average net tangible assets each year in their social impact partners and other not-for-profit organisations. To date, the Future Generation companies have invested \$75.8 million to organisations that support children and youth mental health, making them one of Australia's Top 30 Corporate Philanthropists. The team at Wilson Asset Management continue to be the leading supporter to both companies.

By 2030, Future Generation aims to have donated over \$100 million, with \$75.8 million donated since inception so far. The team at Wilson Asset Management continue to support both companies.



Wilson Asset Management is a member of the global philanthropic Pledge 1% movement, a significant funder of many Australian charities and provides all team members with \$10,000 each year to donate to charities of their choice. During the year, Wilson Asset Management and Future Generation team members were proud to support 97 charities across several cause areas such as cancer research, homelessness and mental health. All philanthropic investments are made by the Investment Manager.

We are honoured to provide continued support to Olympic athletes, through managing funds for the Australian Olympic Committee (AOC) on a pro bono basis. The AOC provides crucial financial and institutional support to Australian athletes to compete at an Olympic level. All fees are foregone by the Investment Manager.

We also support a number of organisations through sponsorships and partnerships across a range of initiatives including The Australian Shareholder's Association, Sporting Chance Cancer Foundation, Women in Super, Team Jefferson's Race Across America (RAAM), Rugby Australia, Alpine Cycling Club, Bondi2Berry, Morgans Big Dry Friday, UTS Indigenous College, and the Go Foundation.

All sponsorships and partnerships are paid for by the Investment Manager.

Advocacy

As part of our focus on making a difference for shareholders and the community, our advocacy work for fair and equitable treatment of retail shareholders continues to be a priority. We firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market.

In the financial year to date we have been focused on four key policies:

1. Changes to the franking system

Together we have been publicly fighting for the preservation of Paul Keating's franking system since the Labor party first proposed changes in 2018, a proposal that was going to deny cash refunds of franking credits to certain investors and reintroduce double taxation. In September 2021, the Australian Government announced proposed legislation changes to the Australian franking system, this time limiting the ability of Australian companies to pay fully franked dividends to their shareholders.

In November 2023, the Federal Government debated Treasury Laws Amendment (2023 Measures No.1) Bill 2023 and its proposed amendments. While many amendments that we argued for through various parliamentary submissions, including presenting a Senate inquiry have been accepted, *Schedule 4: Off-market share buy backs* and *Schedule 5: Franked distributions funded by capital raisings* were passed as law. While this is a disappointing outcome, by taking a public stance we secured some important changes to Schedule 5. You can read more on our website under our 'Making a difference' section.

We are grateful for the support our shareholders have given our campaign to raise awareness on the unintended consequences of tinkering with the Australian franking system which has been fundamental to more than three decades of economic stability and growth in Australia.

We will continue to engage with Federal Members of Parliament and Senators to ensure there are no further changes to the system.



2. Treasury Laws Amendment (Better targeted superannuation concessions)

In October 2023, Wilson Asset Management provided a response to the consultation that was undertaken into the proposed changes to the “large superannuation balance thresholds” of \$3 million plus, which refers to a 30% concessional tax rate being applied to future superannuation earnings. We objected to the proposed changes based on the significant stress they will place on Australian superannuants, who will be expected to pay tax on unrealised capital gains that may never be realised. We believe this particular issue will place self-managed superannuation funds (SMSFs) at a significant disadvantage to large industry funds due to the practicalities of managing capital flows on taxed unrealised gains.

We also objected to the lack of indexing of the \$3 million threshold which will transfer tax liabilities to younger generations. We believe these changes will distort investment markets, alter the incentive for retirement plans and place financial strain on younger generations.

We presented at the Senate inquiry regarding this matter and will continue to monitor this proposal and engage with federal politicians on the proposed changes.

3. Sophisticated investor test (Wholesale investor and wholesale client tests)

In May 2024, we made a submission in response to the Parliamentary Joint Committee on Corporations and Financial Services’ inquiry into the wholesale investor test. The inquiry proposes that it lifts the income and asset test threshold for sophisticated investors to a reported \$4.5 million in assets or \$450,000 in income. We proposed two regulatory changes that could help level the playing field between large and small investors:

- a) Abolish the wholesale investor test completely for listed companies allowing all shareholders to participate in equity raisings by ASX-listed companies, ensuring fairness to small shareholders. This recognises the effectiveness of the ASX continuous disclosure rules and will encourage companies to value equity from all shareholders versus unfairly excluding smaller retail shareholders; and
- b) enhance the sophisticated investor test that currently discriminates between investors according to their wealth by adding a new test of financial literacy to enable those with the relevant experience and qualifications to qualify for the test and not be excluded simply because of their wealth. This is particularly pertinent to companies that are not-listed and therefore pose greater risks for investors. For investors who fall outside of the threshold, there should be recognition of education and experience as an indication of investment sophistication. The latter will capture those who, for example, are in the profession but do not meet the income or asset tests.

We understand the Government is reconsidering the proposed changes and we will continue to advocate on behalf of retail shareholders on this matter.

4. Virtual Annual General Meetings (AGMs)

In July 2024, we submitted a response to the Treasury’s review into making temporary virtual AGMs permanent. We believe AGMs of publicly listed companies should be held as hybrid meetings (a combination of in-person and virtual meetings), not exclusively online meetings, as virtual-only meetings shift the balance of power away from shareholders by eroding transparency, accountability and access.



Education

We also remain committed to education initiatives which advocate for change and progress in corporate Australia. We support the University of New South Wales School of Mathematics and Statistics' Do the Maths program, which aims to inspire girls in high school to consider tertiary studies and careers in mathematics and statistics. We believe in the importance of gender diversity in the financial services industry, in particular funds management, which provides rewarding career paths. We regularly host Women's Investor Events which give likeminded women a platform to network and enhance financial literacy, while our Young Investor Events aim to inspire the next generation to begin their investment journey early.

We encourage all shareholders to visit our website and subscribe to receive our updates.

As always, please contact us by phone on (02) 9247 6755 or by email at info@wilsonassetmanagement.com.au if you ever have any questions or feedback.

Shareholder engagement and communication



WAM Capital is your company and it is Wilson Asset Management's responsibility to manage the Company on your behalf and be available to report to you on a regular basis. We encourage all shareholders to communicate with us and share their feedback. We have a variety of options to keep you informed, including:

- ✓ Email updates from the Chairman and CIO, the Lead Portfolio Managers and the investment team
- ✓ Shareholder Presentations and events
- ✓ Investment team insights including market and macroeconomic commentary, updates from management teams of ASX listed companies and 'Talking Stocks' videos
- ✓ Shareholder Q&A webinars
- ✓ Monthly net tangible asset reports and investment updates
- ✓ Social media engagement
- ✓ Investor education material
- ✓ Annual and interim results announcements with detailed commentary on the portfolios and markets
- ✓ Media and events coverage from our ongoing media partnerships with Livewire Market, the ASX, Equity Mates, the Australian Shareholders' Association and more.

Directors' Report

to shareholders

For the year ended 30 June 2024

The Directors present their report together with the financial report of WAM Capital for the financial year ended 30 June 2024.

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 year or is likely to in the future.

Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$319,369,300 (FY2023: \$233,183,754) and an operating profit after tax of \$229,231,424 (FY2023: \$173,297,145). The operating profit for 2024 was reflective of the strong performance of the investment portfolio over the period. The investment portfolio increased 26.4%, outperforming the S&P/ASX All Ordinaries Accumulation Index and the S&P/ASX Small Ordinaries Accumulation Index by 13.9% and 17.1% respectively. This investment portfolio outperformance was achieved with an average cash weighting of 11.8%.

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the 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, trust distribution and interest income) in each period. This treatment under the Accounting Standards 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 franked dividends, together with total shareholder return.

Further information on the three key listed investment company performance measures and the operating and financial review of the Company is contained in the Chairman's Letter.

Financial position

The net asset value of the Company as at 30 June 2024 was \$1,809,578,816 (2023: \$1,731,978,811). Further information on the financial position of the Company is contained in the Chairman's Letter.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2024.

Dividends paid or recommended

Dividends paid or declared during the year are as follows:

	\$
Fully franked FY2023 final dividend of 7.75 cents per share paid on 31 October 2023	85,296,834
Partially franked FY2024 interim dividend of 7.75 cents per share paid on 30 April 2024	85,793,658

Since the end of the year, the Directors declared a final dividend of 7.75 cents per share, partially franked at 60%, to be paid on 31 October 2024.

Since inception, WAM Capital has returned over \$1.8 billion in dividends and franking credits to shareholders. The long-term investment portfolio performance has enabled WAM Capital to pay shareholders an average grossed-up annualised dividend yield on the initial public offering price of 18.0% per annum over the last 25 years.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices. In FY2025, the Company's ability to continue paying franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on realised profits. At 31 July 2024, the Company had 18.8 cents per share available in its profits reserve before the payment of the 7.75 cents per share final dividend, and 11.0 cents per share after the payment of the final dividend. The WAM Capital Board of Directors expects the FY2025 full year dividend to also be partially franked at 60%, should the Company be able to maintain the full year dividend of 15.5 cents per share.

Directors of the *Company*

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



**Geoff
Wilson AO**



**Kate
Thorley**



**Dr. Philippa
Ryan**



**James
Chirnside**



**Lindsay
Mann**



**Matthew
Pancino**



**Angus
Barker**

Information on Directors

Geoff Wilson AO (Chairman – non-independent)
Chairman of the Company since March 1999

Experience and expertise

Geoff Wilson has more than 44 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Australia Limited and Future Generation Global Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson AO (Chairman – non-independent) (cont'd)

Other current listed company directorships

Geoff Wilson is currently Chairman of WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a Director of Future Generation Australia Limited (appointed July 2014) and Future Generation Global Limited (appointed May 2015) and a Director of WAM Alternative Assets Limited (appointed September 2020), Staude Capital Global Value Fund Limited (appointed April 2014) and Hearts and Minds Investments Limited (appointed September 2018).

Former listed company directorships in the last 3 years

Geoff Wilson has not resigned as a director from any listed companies within the last three years.

Special responsibilities

Chairman of the Board.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

Kate Thorley (Director – non-independent)

Director of the Company since August 2016

Experience and expertise

Kate Thorley has over 20 years' experience in the funds management industry and more than 25 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Active Limited, WAM Research Limited, WAM Leaders Limited, WAM Microcap Limited, WAM Global Limited, WAM Strategic Value Limited, Future Generation Australia Limited and Future Generation Global Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (GAICD).

Other current listed company directorships

Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Australia Limited (appointed April 2015), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Future Generation Global Limited (appointed March 2021) and WAM Strategic Value Limited (appointed March 2021).

Kate Thorley (Director – non-independent) (cont'd)

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Kate Thorley has not resigned as a director from any listed companies within the last three years.	None.	Details of Kate Thorley's interests in shares of the Company are included later in this report.	Kate Thorley has no interests in contracts of the Company.

Dr. Philippa Ryan (Director – independent)

Director of the Company since April 2018

Experience and expertise

Dr. Philippa Ryan is an experienced legal academic with experience in commercial law, corporate governance, finance and technology. Dr Ryan is an honorary associate professor in the Australian National University's (ANU) College of Law and program director of the ANU Master of Laws. She has authored books and articles on blockchain technology, digital economies, and crypto currencies. She is a member of the Standards Australia blockchain technical committee and a member of ASIC's Fintech Advisory Committee. She was lead author of the ISO technical specification for smart contracts and a non-executive director on the Board of Lander and Rogers until February 2023. Dr. Ryan holds a number of legal and academic qualifications including BA, LLB (Hons), Master of Education, and PhD (Law).

Other current listed company directorships

Dr. Philippa Ryan has no other current listed company directorships.

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Dr. Philippa Ryan has not resigned as a director from any listed companies within the last three years.	Member of the Audit and Risk Committee.	Details of Dr. Philippa Ryan's interests in shares of the Company are included later in this report.	Dr. Philippa Ryan has no interests in contracts of the Company.

James Chirnside (Director – independent)

Director of the Company since February 2003

Experience and expertise

James Chirnside has been involved in financial markets for over 33 years mainly as an equities fund manager across a broad range of sectors. James is currently Chairman and Managing Director of Dart Mining NL. Prior to this, James worked as a fund manager and proprietary metals trader in Sydney, Hong Kong, London, and Melbourne. Between 2002 and 2012, James ran equities fund manager Asia Pacific Asset Management. From 2000-2001, James worked for Challenger Financial Group in Sydney as a product manager responsible for hedge fund investments. During the 1990s, James managed frontier and emerging market hedge funds in Hong Kong and London for Regent Fund Management (now London AIM listed Charlemagne Capital). Between 1988 and 1992, James ran a proprietary trading book for County NatWest Investment Bank, based in London.

Other current listed company directorships

James Chirnside is a director of Cadence Capital Limited (appointed February 2005), Dart Mining NL (appointed June 2015) and IPE Limited (appointed August 2018).

Former listed company directorships in the last 3 years

James Chirnside resigned as a director of Ask Funding Limited in April 2023.

Special responsibilities

Chairman of the Audit and Risk Committee.

Interests in shares of the Company

Details of James Chirnside's interests in shares of the Company are included later in the report.

Interests in contracts

James Chirnside has no interests in contracts of the Company.

Lindsay Mann (Director – independent)

Director of the Company since December 2012

Experience and expertise

Lindsay Mann has more than 50 years' financial services experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia and a Graduate member of the AICD (GAICD).

Other current directorships

Lindsay Mann is currently an independent non-executive Director and Chair of Uniting Ethical Investors Limited (appointed September 2014) and an independent Director of WAM Leaders Limited (appointed March 2016).

Lindsay Mann (Director – independent) (cont’d)

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Lindsay Mann has not resigned as a director from any listed companies within the last three years.	Member of the Audit and Risk Committee.	Details of Lindsay Mann’s interests in shares of the Company are included later in this report.	Lindsay Mann has no interests in contracts of the Company.

Matthew Pancino (Director – independent)
Director of the Company since September 2020

Experience and expertise

Matthew is a noted technology, operations and transformation expert with 33 years’ experience gained in leading organisations within the communications, banking and funds management sectors. Matthew is currently a Director of Customer Engineering at Google LLC. Matthew has previously served as Chief Technology Officer for the Commonwealth Bank of Australia Group, Chief Executive Officer for Suncorp Business Services, Group Executive – Operations and Chief Information Officer for Perpetual Limited and Head of Transformation at Telstra Corporation Limited. He holds a Bachelor of Science (Computer Science), is a member of the AICD and has completed executive education at INSEAD and Stanford University School of Business.

Other current listed company directorships

Matthew Pancino has no other current listed company directorships.

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Mathew Pancino has not resigned as a director from any listed companies within the last three years.	Member of the Audit and Risk Committee.	Matthew Pancino has no interests in shares of the Company.	Matthew Pancino has no interests in contracts of the Company.

Angus Barker (Director – independent)
Director of the Company since January 2023

Experience and expertise

With over 30 years of professional experience, Angus Barker brings a wealth of expertise in mergers and acquisitions, capital markets, and strategic advisory. He held senior executive roles at top-tier global investment banks across Australia, the United Kingdom, and Asia, including 12 years based in Hong Kong, and has advised boards and CEOs on strategic mergers and acquisitions, as well as complex capital markets transactions. Angus' deep industry knowledge spans the natural resources, financial services, infrastructure and technology sectors, where he has guided boards and executives through complex financial decisions. In addition to his corporate advisory roles, Angus served as a Chief of Staff or Senior Adviser to Australian Government Ministers in key economic portfolios, shaping policies related to superannuation, financial services, the digital economy, trade, and foreign investment. He holds a Master of Philosophy from the University of Cambridge and a Bachelor of Commerce (Honours) from the University of Melbourne and is a graduate member of the Australian Institute of Company Directors.

Other current listed company directorships

Angus Barker is Chairman of Australian Rare Earths Limited (appointed November 2023).

Former listed company directorships in the last 3 years	Special responsibilities	Interests in shares of the Company	Interests in contracts
Angus Barker has not resigned as a director from any listed companies within the last three years.	Member of the Audit and Risk Committee.	Details of Angus Barker's interests in shares of the Company are included later in this report.	Angus Barker has no interests in contracts of the Company.

Joint Company Secretaries

The following persons held the position of Joint Company Secretary at the end of the financial year:



Jesse Hamilton
Company Secretary of WAM Capital Limited since November 2020

Jesse Hamilton is a Chartered Accountant with more than 16 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. Jesse is currently a non-executive director of the Listed Investment Companies & Trusts Association, Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia Limited and Future Generation Global Limited. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Joint Company Secretaries (cont'd)



Linda Kiriczenko

*Company Secretary of WAM Capital Limited
since October 2017*

Linda Kiriczenko has over 20 years' experience in financial accounting including more than 16 years in the funds management industry. As the Finance Manager of Wilson Asset Management (International) Pty Limited, Linda oversees finance and accounting and is also Joint Company Secretary for six listed investment companies, WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited. Linda holds a Bachelor of Commerce and is a fully qualified CPA. She is a certified member of the Governance Institute of Australia.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Capital.

a) Remuneration of Directors

All Directors of WAM Capital are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$220,000 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

Directors' remuneration received for the year ended 30 June 2024:

Director	Position	Short-term employee benefits	Post-employment benefits	Total
		Directors' fees \$	Superannuation \$	
Geoff Wilson	Chairman	9,009	991	10,000
Kate Thorley	Director	9,009	991	10,000
Dr. Philippa Ryan	Director	36,036	3,964	40,000
James Chirnside	Director	36,036	3,964	40,000
Lindsay Mann	Director	36,036	3,964	40,000
Matthew Pancino	Director	36,036	3,964	40,000
Angus Barker	Director	36,036	3,964	40,000
		198,198	21,802	220,000

Remuneration Report (Audited) (cont'd)

a) Remuneration of Directors (cont'd)

Directors receive a superannuation guarantee contribution required by the government, which was 11.0% of individuals benefits for FY2024 (FY2023: 10.5%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

Directors' remuneration received for the year ended 30 June 2023:

Director	Position	Short-term employee benefits	Post-employment benefits	Total
		Directors' fees	Superannuation	
		\$	\$	\$
Geoff Wilson*	Chairman	4,525	475	5,000
Kate Thorley*	Director	4,525	475	5,000
Dr. Philippa Ryan	Director	36,199	3,801	40,000
James Chirnside	Director	36,199	3,801	40,000
Lindsay Mann	Director	36,199	3,801	40,000
Matthew Pancino	Director	36,199	3,801	40,000
Angus Barker (appointed 3 January 2023)	Director	18,100	1,900	20,000
		171,946	18,054	190,000

*In FY2023, Directors' fee were set at \$190,000 per annum. When Angus Barker joined the Board of Directors in January 2023, Geoff Wilson and Kate Thorley agreed to forgo a portion of their director fees in order to allow Angus Barker to receive fees as an independent director of the Company for the period.

The following table reflects the Company's performance and Directors' remuneration over five years:

	2024	2023	2022	2021	2020
Operating profit/(loss) after tax (\$)	\$229,231,424	\$173,297,145	(\$293,696,431)	\$266,615,114	(\$26,706,967)
Dividends paid, including the value of franking credits (\$)	\$229,707,505	\$241,566,433	\$218,910,824	\$180,652,534	\$159,345,857
Dividends (cents per share)	15.5	15.5	15.5	15.5	15.5
Share price (\$ per share)	\$1.43	\$1.495	\$1.72	\$2.19	\$1.82
NTA after tax (\$ per share)	\$1.63	\$1.57	\$1.57	\$1.93	\$1.68
Total Directors' remuneration (\$)	\$220,000	\$190,000	\$180,000	\$173,333	\$140,710
Shareholder's equity (\$)	\$1,809,578,816	\$1,731,978,811	\$1,706,710,575	\$1,697,218,031	\$1,221,680,985

As outlined above, Directors' fees are not directly linked to the Company's performance.

b) Director related entities remuneration

All transactions with related entities during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the director of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Capital. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio amounting to \$18,012,500 inclusive of GST (2023: \$17,528,592). As at 30 June 2024, the balance payable to the Manager was \$1,564,280 inclusive of GST (2023: \$1,442,236).

Remuneration Report (Audited) (cont'd)

b) Director related entities remuneration (cont'd)

In addition, Wilson Asset Management (International) Pty Limited is eligible to be paid a performance fee, being 20% (plus GST), in circumstances where:

- the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

For the year ended 30 June 2024, a performance fee of \$39,799,255 inclusive of GST was payable to Wilson Asset Management (International) Pty Limited (2023: \$6,902,108).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Capital to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2024, the fee for accounting services amounted to \$55,000 inclusive of GST (2023: \$46,200) and the fee for company secretarial services amounted to \$19,800 inclusive of GST (2023: \$16,500).

These amounts are in addition to the Directors' remuneration. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company of the Director or with a firm of which he/she is a member or with a Company in which he/she has substantial financial interest.

c) Remuneration of executives

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined above.

d) Equity instruments disclosures of Directors and related parties

As at the balance date, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2023	Acquisitions	Disposals	Balance at 30 June 2024
Geoff Wilson	941,143	173,251	(33,605)	1,080,789
Kate Thorley	57,491	-	-	57,491
Dr. Philippa Ryan	-	6,535	-	6,535
James Chirnside	45,350	4,719	-	50,069
Lindsay Mann	63,880	-	-	63,880
Matthew Pancino	-	-	-	-
Angus Barker	70,000	10,000	(70,000)	10,000
	1,177,864	194,505	(103,605)	1,268,764

There have been no changes in shareholdings disclosed above between 30 June 2024 and the date of the report. Directors and director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

- End of Remuneration Report -

Directors' meetings

Director	No. eligible to attend	Attended
Geoff Wilson	4	4
Kate Thorley	4	4
Dr. Philippa Ryan	4	3
James Chirnside	4	4
Lindsay Mann	4	4
Matthew Pancino	4	4
Angus Barker	4	4

Audit and Risk Committee meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2024 Corporate Governance Statement.

Audit and Risk Committee member	No. eligible to attend	Attended
James Chirnside	4	4
Dr. Philippa Ryan	4	3
Lindsay Mann	4	4
Matthew Pancino	4	4
Angus Barker	1	1

After balance date events

Since the end of the year, the Directors declared a final dividend of 7.75 cents per share, partially franked at 60%, to be paid on 31 October 2024.

No other matters or circumstances have arisen since the end of the financial year, other than already disclosed, which significantly affect 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 years.

Future developments

The Company will continue to pursue investment activities - primarily investing in equities listed on the Australian Securities Exchange - to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and insurance of Officers or Auditors

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

During the year Pitcher Partners, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

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

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2024 is provided on the Company's website at wilsonassetmanagement.com.au/wam-capital.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 48 of the Annual Report.

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



Geoff Wilson AO
Chairman

Dated this 29th day of August 2024

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

In relation to the independent audit of WAM Capital Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief there have been:

- i. No contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- ii. No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

**Richard King**
Partner**Pitcher Partners**
Sydney

29 August 2024

W | A | M Capital

Financial Report

For the year ended 30 June 2024

This financial report is for WAM Capital Limited (WAM Capital or the Company) for the year ended 30 June 2024.

WAM Capital is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

WAM Capital is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 29 August 2024 by the Board of Directors.

In addition to the relevant financial information, the notes to the financial statements include a description of the accounting policies applied, and where applicable key judgements and estimates used by management in applying these policies.

Consolidated entity disclosure statement

WAM Capital is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with subsection 295(3A) of the *Corporations Act 2001*, no further information is required to be disclosed in the consolidated entity disclosure statement.

Statement of Comprehensive Income ('Profit or Loss')

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Net realised and unrealised gains on financial investments and foreign currency		343,378,223	222,102,281
Other revenue from operating activities	2	37,464,329	41,615,167
Management fees		(16,784,375)	(16,333,461)
Performance fees		(37,085,660)	(6,431,510)
Directors fees		(220,000)	(190,000)
Brokerage expense on share purchases		(5,549,515)	(5,691,308)
Custody fees		(136,298)	(128,380)
ASX listing and CHESS fees		(263,800)	(300,359)
Share registry fees		(371,426)	(374,944)
Disbursements, mailing and printing		(251,534)	(265,372)
Legal and professional fees		(41,531)	(44,278)
ASIC industry funding levy		(36,884)	(49,250)
Accounting fees		(55,000)	(46,200)
Company secretary fees		(19,800)	(16,500)
Other expenses from ordinary activities		(657,429)	(662,132)
Profit before income tax		319,369,300	233,183,754
Income tax expense	3(a)	(90,137,876)	(59,886,609)
Profit after income tax attributable to members of the Company		229,231,424	173,297,145
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		229,231,424	173,297,145
Basic and diluted earnings per share			
	14	20.72 cents	15.85 cents

The accompanying notes form part of these financial statements.

Statement of Financial Position ('Balance Sheet')

As at 30 June 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	12	211,804,350	133,691,118
Trade and other receivables	6	26,397,794	56,342,329
Financial assets	7	1,505,882,165	1,400,871,818
Total current assets		1,744,084,309	1,590,905,265
Non-current assets			
Deferred tax assets	3(b)	187,968,811	189,140,217
Total non-current assets		187,968,811	189,140,217
Total assets		1,932,053,120	1,780,045,482
Current liabilities			
Trade and other payables	8	75,890,786	25,453,942
Current tax liabilities	3(c)	22,147,405	16,353,225
Total current liabilities		98,038,191	41,807,167
Non-current liabilities			
Deferred tax liabilities	3(d)	24,436,113	6,259,504
Total non-current liabilities		24,436,113	6,259,504
Total liabilities		122,474,304	48,066,671
Net assets		1,809,578,816	1,731,978,811
Equity			
Issued capital	9	2,185,296,134	2,165,837,061
Profits reserve	10	163,981,894	102,460,369
Accumulated losses	11	(539,699,212)	(536,318,619)
Total equity		1,809,578,816	1,731,978,811

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2022		2,144,769,461	(532,820,536)	94,761,650	1,706,710,575
Profit for the year		-	173,297,145	-	173,297,145
Transfer to profits reserve		-	(176,795,228)	176,795,228	-
Other comprehensive income for the year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	9(b)	21,067,600	-	-	21,067,600
Dividends paid	4(a)	-	-	(169,096,509)	(169,096,509)
Balance at 30 June 2023		2,165,837,061	(536,318,619)	102,460,369	1,731,978,811
Profit for the year		-	229,231,424	-	229,231,424
Transfer to profits reserve		-	(232,612,017)	232,612,017	-
Other comprehensive income for the year		-	-	-	-
Transactions with owners:					
Shares issued via dividend reinvestment plan	9(b)	19,459,073	-	-	19,459,073
Dividends paid	4(a)	-	-	(171,090,492)	(171,090,492)
Balance at 30 June 2024		2,185,296,134	(539,699,212)	163,981,894	1,809,578,816

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Proceeds from sale of investments		4,300,971,056	4,199,445,409
Payments for purchase of investments		(4,012,825,372)	(4,111,458,090)
Dividends received		27,536,757	35,521,564
Interest received		9,440,408	6,136,058
Other investment income received		406,934	270,959
Management fee (GST inclusive)		(17,890,456)	(17,494,546)
Performance fee (GST inclusive)		(6,902,108)	-
Brokerage expense on share purchases (GST inclusive)		(5,942,401)	(6,096,926)
Payments for administration expenses (GST inclusive)		(2,493,555)	(2,109,638)
Income tax paid		(64,708,319)	(54,309,401)
GST on brokerage expense on share sales		(428,123)	(421,258)
Net GST received from ATO		2,579,830	2,057,955
Net cash provided by operating activities	13	229,744,651	51,542,086
Cash flows from financing activities			
Dividends paid – net of reinvestment		(151,631,419)	(148,028,909)
Net cash used in financing activities		(151,631,419)	(148,028,909)
Net increase/(decrease) in cash and cash equivalents held		78,113,232	(96,486,823)
Cash and cash equivalents at beginning of the year		133,691,118	230,177,941
Cash and cash equivalents at the end of the year	12	211,804,350	133,691,118
Non-cash transactions			
Shares issued via dividend reinvestment plan	9(b)	19,459,073	21,067,600

The accompanying notes form part of these financial statements.

Notes to the *financial statements*

For the year ended 30 June 2024

1. Basis of preparation

The financial statements are general purpose financial statements, which:

- have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and *the Corporations Act 2001*;
- has been prepared on a for-profit entity basis;
- complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on an accruals basis (except for cash flow information) and are based on historical costs, with the exception of certain financial assets which have been measured at fair value;
- is presented in Australian dollars with all amounts in the Financial Report rounded to the nearest dollar, unless otherwise indicated, in accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191;
- adopts all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There was no material impact to the financial statements; and
- does not adopt any new standards or interpretations issued but not yet effective. The impact of these standards or interpretations has been assessed and the impact has been identified as not being material.

Material and other accounting policy information adopted in the preparation of these financial statements has been included with the relevant notes to the financial statements, and where applicable key judgements and estimates used by management in applying these policies.

2. Other revenue

Dividend and trust distribution revenue is recognised when the right to receive a dividend or distribution has been established (i.e. the ex-dividend or ex-distribution date).

All revenue is stated net of the amount of goods and services tax (GST) where applicable.

	2024 \$	2023 \$
Australian sourced dividends	24,592,539	32,710,473
Interest income from cash and cash equivalents	10,062,771	5,882,838
Foreign sourced dividends	2,304,958	2,750,897
Trust distributions	405,455	6,579
Underwriting fees and other income	98,606	264,380
	37,464,329	41,615,167

3. Income tax

Current income tax expense

The current income tax expense is based on profit for the year adjusted for non-assessable or disallowed items, as well as franking credits (or imputation credits) received on franked dividend income from investee companies. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date (i.e. 30% corporate tax rate). Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority in the next 12 months.

Deferred tax assets and liabilities

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled (i.e. 30% corporate tax rate). Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets and liabilities relating to temporary differences on financial assets or liabilities and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

3. Income tax (cont'd)

Deferred tax assets and liabilities (cont'd)

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation legislation

The Company and its wholly owned entities have formed an income tax consolidated group under the Tax Consolidation Regime. Under this arrangement, each entity in the tax consolidated group recognises its own current tax amounts, except for any deferred tax assets arising from unused tax losses and unused tax credits, which are immediately assumed by the Company. The current tax liability of each entity in the tax consolidated group is subsequently assumed by the Company. There is currently no tax funding agreement between the Company and its wholly owned entities.

Key estimates and judgements

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. The assumptions about future taxable profits require the use of judgment. Future taxable profits are determined based on the historical performance of the Company and the ability of the Company to generate positive performance even when market conditions are uncertain. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2024 \$	2023 \$
Prima facie tax on profit before income tax at 30% (2023: 30%)	95,810,790	69,955,126
Franking credit gross up	2,797,456	3,178,072
Franking credit offset	(9,324,853)	(10,593,574)
Foreign income tax gross up	117,192	96,242
Foreign income tax offset	(390,639)	(320,807)
Other non-assessable items*	1,127,930	(2,428,450)
	90,137,876	59,886,609

*Other non-assessable items primarily relate to timing differences on franked dividends receivable and investments.

3. Income tax (cont'd)

a) Income tax expense (cont'd)

Effective tax rate	2024 \$	2023 \$
The effective tax rate reflects the benefit to the Company from franking credits received on dividend income during the year. The increase in the effective tax rate from the comparative year is reflective of the lower proportion of franked dividends received compared to the operating profit before tax for the year.	28.2%	25.7%
Total income tax expense results in a change to the following:	2024 \$	2023 \$
Current tax liability	70,502,499	64,004,638
Deferred tax liability	18,176,609	(2,179,300)
Deferred tax asset	1,458,768	(1,938,729)
	90,137,876	59,886,609

b) Deferred tax assets

	2024 \$	2023 \$
Tax losses	187,466,422	188,589,943
Accruals	16,963	15,873
Share issue costs	485,426	534,401
	187,968,811	189,140,217

Movement in deferred tax assets

Balance at the beginning of the year	189,140,217	186,749,962
(Charged)/credited to the statement of comprehensive income	(1,458,768)	1,938,729
Share issue costs*	287,362	451,526
At reporting date	187,968,811	189,140,217

The Directors continue to consider it probable that future taxable profits will be available against which the \$187,466,422 (2023: \$188,589,943) of income tax losses can be recovered and therefore, the deferred tax asset recognised will be able to be utilised against future income tax payable.

*Share issue costs relate to the acquisitions of controlled entities in FY2022.

c) Current tax liabilities

	2024 \$	2023 \$
Balance at the beginning of the year	16,353,225	6,380,163
Current year income tax on operating profit	70,502,499	64,004,638
Net income tax paid	(64,708,319)	(54,309,401)
Tax liability transferred from acquisition of controlled entities	-	277,825
At reporting date	22,147,405	16,353,225

3. Income tax (cont'd)

d) Deferred tax liabilities

	2024 \$	2023 \$
Fair value adjustments and timing differences on receivable	24,436,113	6,259,504
	24,436,113	6,259,504
Movement in deferred tax liabilities		
Balance at the beginning of the year	6,259,504	8,438,804
Charged/(credited) to the statement of comprehensive income	18,176,609	(2,179,300)
At reporting date	24,436,113	6,259,504

4. Dividends

a) Ordinary dividends paid during the year

	2024 \$	2023 \$
Final dividend FY2023: 7.75 cents per share fully franked (30% tax rate), paid 31 October 2023 (Final dividend FY2022: 7.75 cents per share fully franked)	85,296,834	84,304,168
Interim dividend FY2024: 7.75 cents per share, partially franked at 60% (30% tax rate), paid 30 April 2024 (Interim dividend FY2023: 7.75 cents per share fully franked)	85,793,658	84,792,341
	171,090,492	169,096,509

b) Dividends not recognised at year end

	2024 \$	2023 \$
In addition to the above dividends, since the end of the year, the Directors have declared a final dividend of 7.75 cents per share, partially franked at 60% (2023: 7.75 cents per share fully franked) which has not been recognised as a liability at the end of the financial year	86,283,688	85,296,792

c) Dividend franking account

	2024 \$	2023 \$
Balance of franking account at year end	27,670,155	12,253,996
Adjusted for franking credits arising from: - Estimated income tax payable	22,147,405	16,353,225
Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in Note 4(b):	(22,187,234)	(36,555,768)
	27,630,326	(7,948,547)

4. Dividends (cont'd)

c) Dividend franking account (cont'd)

The Company's ability to continue paying franked dividends is dependent on generating additional profits reserves and franking credits. The ability to generate franking credits is reliant on the receipt of franked dividends from investee companies and the payment of tax on realised profits.

The balance of the franking account does not include the tax to be paid on unrealised investment gains (i.e. fair value movements) currently recognised as a deferred tax liability of \$24,406,362 (2023: \$6,119,341).

5. Auditor's remuneration

	2024 \$	2023 \$
Remuneration of the auditor for:		
Auditing and reviewing the financial report	70,541	77,879
Other services provided by a related practice of the auditor:		
Taxation services	13,695	11,165
Acquisition of controlled entities	12,100	2,750
	96,336	91,794

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditor. The Audit and Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

6. Trade and other receivables

Trade and other receivables are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment (where applicable).

As at reporting date, trade and other receivables primarily relates to outstanding trade settlements (i.e. settlement proceeds from the sale of securities that are receivable as at the balance date). Outstanding settlements are on the terms operating in the securities industry, which do not incur interest and require settlement within two days from the date of the transaction.

Receivables also include GST recoverable from the Australian Taxation Office due to claimable items on expenses incurred by the Company.

Investment income receivable include dividends from securities and other income where settlement has not occurred at the end of the reporting period.

	2024 \$	2023 \$
Outstanding settlements	22,760,973	54,407,955
GST receivable	3,258,231	920,723
Investment income receivable	378,590	1,013,651
	26,397,794	56,342,329

7. Financial assets

Initial recognition and measurement

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Trade date accounting is adopted for the purchase or sale of financial assets, which is equivalent to the date that the Company commits itself to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

Classification and subsequent measurement

Financial assets are classified ‘at fair value through profit or loss’ when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise and form part of the Company’s net profit as a result.

Financial instruments are subsequently measured at fair value. The fair values of financial instruments traded in active markets are based on the closing quoted last sale prices at the end of the reporting date. For all listed or unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm’s length transactions and reference to similar instruments. Refer to Note 15 for further details of these valuation techniques.

Investment entity accounting

WAM Capital owns 100% of the shares on issue in the following Australian entities: Concentrated Leaders Fund, Wealth Defender Equities, PM Capital Asian Opportunities Fund, Westoz Investment Company (now known as A.C.N. 113 332 942), Ozgrowth (now known as A.C.N. 126 450 271) and two unlisted investment entities. The Directors have assessed the requirements of AASB 10 Consolidated Financial Statements and have applied the criteria set out in that standard to the operations of the Company. WAM Capital is therefore considered to be an investment entity and as a result, the wholly owned entities of the Company are not consolidated into the financial statements, but rather are accounted for as financial assets at fair value through profit or loss, like other investments in the investment portfolio held by the Company.

Financial risk management

Information regarding the Company’s exposure to financial risk management is set out in Note 15.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset.

	2024 \$	2023 \$
Listed investments at fair value	1,479,728,463	1,373,756,615
Unlisted investments at fair value	26,153,702	27,115,203
	1,505,882,165	1,400,871,818

The fair values of individual investments held at the end of the reporting period are disclosed on pages 79 to 80 of the Annual Report.

7. Financial assets (cont'd)

The balance of unlisted investments held at fair value as at 30 June 2024 includes WAM Capital's investments in wholly owned unlisted investment companies. The fair values of these unlisted investment companies have been based on their respective net asset backing, being the underlying residual cash and cash equivalents at the end of the reporting period.

8. Trade and other payables

Trade and other payables are stated at amortised cost.

As at reporting date, trade and other payables primarily relates to performance fee payable and outstanding trade settlements (i.e. settlement proceeds from the purchase of securities that are payable as at the balance date). Outstanding settlements are on the terms operating in the securities industry, which do not incur interest and require settlement within two days from the date of the transaction. Sundry payables are settled within the terms of payment offered. No interest is applicable on these accounts.

	2024 \$	2023 \$
Performance fee payable	39,799,255	6,902,108
Outstanding settlements	34,338,653	16,542,828
Management fee payable	1,564,280	1,442,236
Sundry payables	188,598	566,770
	75,890,786	25,453,942

9. Issued capital

Ordinary shares are classified as equity. Incremental costs (i.e. share issue costs) directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds raised by the Company.

a) Paid-up capital

	2024 \$	2023 \$
1,113,337,912 ordinary shares fully paid (2023: 1,100,603,773)	2,185,296,134	2,165,837,061

9. Issued capital (cont'd)

b) Ordinary shares

	2024 \$	2023 \$
Balance at the beginning of the year		
1,100,603,773 ordinary shares fully paid (2023: 1,087,795,156)	2,165,837,061	2,144,769,461
6,410,650 ordinary shares issued on 31 October 2023 under a dividend reinvestment plan	10,012,628	-
6,323,489 ordinary shares issued on 30 April 2024 under a dividend reinvestment plan	9,446,445	-
6,299,028 ordinary shares issued on 28 October 2022 under a dividend reinvestment plan	-	10,627,734
6,509,589 ordinary shares issued on 26 May 2023 under a dividend reinvestment plan	-	10,439,866
At reporting date	2,185,296,134	2,165,837,061

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, all substantive resolutions will be decided by a poll. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

c) Capital management

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share placements, share purchase plans, option issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to manage the capital of the Company during the year. The Company is not subject to any externally imposed capital requirements.

10. Profits reserve

The profits reserve is made up of amounts transferred from current period and prior year earnings ('retained earnings') that are preserved for future dividend payments to shareholders. The profits reserve is made up of both realised and unrealised amounts from the performance of the investment portfolio in each period. The profits reserve represents the ability of the Company to frank future dividend payments for shareholders, subject to the availability of franking credits.

There can be situations where the franking account balance including franking credits generated from the receipt of franked dividends from investee companies, and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).

10. Profits reserve (cont'd)

	2024 \$	2023 \$
Profits reserve	163,981,894	102,460,369
Movement in profits reserve		
Balance at the beginning of the year	102,460,369	94,761,650
Transfer of profits during the year	232,612,017	176,795,228
Final dividend paid (refer to Note 4(a))	(85,296,834)	(84,304,168)
Interim dividend paid (refer to Note 4(a))	(85,793,658)	(84,792,341)
At reporting date	163,981,894	102,460,369

11. Accumulated losses

	2024 \$	2023 \$
Balance at the beginning of the year	(536,318,619)	(532,820,536)
Profit for the year attributable to members of the Company	229,231,424	173,297,145
Transfer to profits reserve	(232,612,017)	(176,795,228)
At reporting date	(539,699,212)	(536,318,619)

12. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at call deposits with banks or financial institutions.

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2024 \$	2023 \$
Cash at bank	211,804,350	133,691,118
	211,804,350	133,691,118

The weighted average interest rate for cash as at 30 June 2024 is 4.51% (2023: 4.26%). There were no term deposits held at 30 June 2024 (2023: nil).

13. Cash flow information

	2024 \$	2023 \$
Reconciliation of profit after tax to cash flows from operating activities:		
Profit after income tax	229,231,424	173,297,145
Fair value gains and movements in financial assets	(55,854,902)	(133,861,741)
Changes in assets and liabilities:		
Increase in receivables	(1,702,447)	(440,342)
Decrease/(increase) in deferred tax assets	1,458,768	(1,938,730)
Increase in payables	32,641,019	6,969,817
Increase in current tax liabilities	5,794,180	9,695,237
Increase/(decrease) in deferred tax liabilities	18,176,609	(2,179,300)
Net cash provided by operating activities	229,744,651	51,542,086

14. Earnings per share

	2024 Cents per share	2023 Cents per share
Basic and diluted earnings per share	20.72	15.85
	2024 \$	2023 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	229,231,424	173,297,145
	2024 No.	2023 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	1,106,487,998	1,093,118,512

There are no outstanding securities that are potentially dilutive in nature for the Company at the end of the year.

15. Financial risk management

The Company's financial instruments consist of listed and unlisted investments, trade receivables, trade payables and cash. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk, consisting of interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks during the period.

Under delegation from the Board, Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager) has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks daily. On a formal basis, the investment team meet twice weekly to monitor and manage the below risks as appropriate.

15. Financial risk management (cont'd)

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging with them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of financial position, is the carrying amount net of any expected credit losses of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk on an ongoing basis.

Credit risk is not considered to be a major risk to the Company as the cash held by the Company or in its portfolios are invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short-term rating of A-1+ and long-term rating of AA-. The Company also holds cash with its custodian that has a Standard and Poor's short-term rating of A-1 and long-term rating of A+. There were no term deposits held at 30 June 2024.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed respectively by the Manager.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received, or other capital management initiatives that may be implemented by the Board from time to time.

The Manager monitors the Company's cash flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount, the Company can alter its cash outflows as appropriate. The Company also holds a portion of its portfolio in cash sufficient to ensure that it has cash readily available to meet all payments. Furthermore, the assets of the Company are largely in the form of tradable securities which, where liquidity is available, can be sold on market when and if required.

15. Financial risk management (cont'd)

b) Liquidity risk (cont'd)

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

30 June 2024	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	75,890,786	75,890,786
Total	-	75,890,786	75,890,786

30 June 2023	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	25,453,942	25,453,942
Total	-	25,453,942	25,453,942

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments.

By its nature, as a listed investment company that invests in tradable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company however is not materially exposed to interest rate risk as it did not hold any term deposits at the end of the period. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

15. Financial risk management (cont'd)

c) Market risk (cont'd)

(i) Interest rate risk (cont'd)

At the end of the reporting period, the Company's exposure to interest rate risk and the effective weighted average interest rate was as follows:

	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
30 June 2024				
Assets				
Cash and cash equivalents	4.51%	211,804,350	-	211,804,350
Trade and other receivables		-	26,397,794	26,397,794
Financial assets		-	1,505,882,165	1,505,882,165
Total		211,804,350	1,532,279,959	1,744,084,309
Liabilities				
Trade and other payables		-	75,890,786	75,890,786
Total		-	75,890,786	75,890,786
30 June 2023				
Assets				
Cash and cash equivalents	4.26%	133,691,118	-	133,691,118
Trade and other receivables		-	56,342,329	56,342,329
Financial assets		-	1,400,871,818	1,400,871,818
Total		133,691,118	1,457,214,147	1,590,905,265
Liabilities				
Trade and other payables		-	25,453,942	25,453,942
Total		-	25,453,942	25,453,942

(ii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's investments are carried at fair value with fair value changes recognised in the Statement of comprehensive income, all changes in market conditions will directly affect net investment income. Due to the short-term nature of receivables and payables, the carrying amounts of these financial assets and financial liabilities approximate their fair values.

15. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk (cont'd)

The Manager seeks to manage and reduce the other price risk of the Company by diversification of the investment portfolio across numerous stocks and multiple industry sectors. The risks and relative weightings of the individual securities and market sectors are reviewed daily in order to manage risk. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The Company's industry sector weighting of gross assets as at 30 June 2024 is as below:

Industry sector	2024 %	2023 %
Consumer discretionary	19.1	16.4
Financials	13.5	10.5
Industrials	12.5	13.1
Information technology	12.1	8.0
Health care	9.0	15.2
Communication services	8.4	8.1
Consumer staples	6.6	3.8
Real estate	3.9	3.8
Materials	1.6	5.2
Energy	0.9	4.7
Utilities	0.3	-
Total	87.9	88.8

There were no securities representing over 5 per cent of gross assets of the Company as at 30 June 2024 (2023: nil).

Sensitivity analysis

For investments held by the Company at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result of a reasonably possible change in the risk variable. The sensitivity assumes all other variables remain constant.

Investments represent 87.9% (2023: 88.8%) of gross assets at year end. At reporting date, if the fair value of each of the investments within the portfolio changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$52,705,876 (2023: \$49,030,514). This would result in the 30 June 2024 net asset backing after tax moving by 4.7 cents per share (2023: 4.5 cents per share).

15. Financial risk management (cont'd)

d) 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 that 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 have been based on the closing quoted last sale prices at the end of the reporting period, excluding transaction costs.

Included within Level 2 of the hierarchy are WAM Capital's investments in convertible notes and unlisted investments. The fair value of the investment in the convertible notes has been recognised using the effective interest rate method inherent in the instrument. 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, the price of the most recent arm's length transaction or the last closing price to determine fair value.

Also included within Level 2 of the hierarchy are WAM Capital's investments in wholly owned unlisted investment companies. The fair values of these investments have been based on their respective net asset backing, being the underlying value of their residual cash and cash equivalents at the end of the reporting period.

During the year, Sunland Group Limited was transferred from Level 1 to Level 2 in the fair value hierarchy following the security's removal from the ASX and Keybridge Capital Limited was transferred from Level 1 to Level 2 in the fair value hierarchy following the security's suspension from the ASX (June 2023: HHY Fund and Lanyon Investment Company Limited were transferred from Level 1 to Level 2 in the fair value hierarchy).

The following table presents the Company's financial assets measured and recognised at fair value at 30 June 2024:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2024				
Financial assets	1,477,620,741	28,261,424	-	1,505,882,165
Total	1,477,620,741	28,261,424	-	1,505,882,165
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2023				
Financial assets	1,373,756,615	27,115,203	-	1,400,871,818
Total	1,373,756,615	27,115,203	-	1,400,871,818

16. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 9,818 (2023: 9,224). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$12,352,827 (2023: \$12,372,286).

17. Segment reporting

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

18. Capital commitments

There were no capital commitments for the Company as at 30 June 2024 (2023: nil).

19. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2024 (2023: nil).

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Geoff Wilson AO Chairman
- Kate Thorley Director
- Dr. Philippa Ryan Director
- James Chirnside Director
- Lindsay Mann Director
- Matthew Pancino Director
- Angus Barker Director

a) Remuneration

There are no executives that are paid by the Company. Wilson Asset Management (International) Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined in Note 21.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on pages 42 to 44, as required by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2024	198,198	21,802	220,000
Total Directors remuneration paid by the Company for the year ended 30 June 2023	171,946	18,054	190,000

20. Key management personnel compensation (cont'd)

b) Shareholdings

At 30 June 2024, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2023	Acquisitions	Disposals	Balance at 30 June 2024
Geoff Wilson	941,143	173,251	(33,605)	1,080,789
Kate Thorley	57,491	-	-	57,491
Dr. Philippa Ryan	-	6,535	-	6,535
James Chirnside	45,350	4,719	-	50,069
Lindsay Mann	63,880	-	-	63,880
Matthew Pancino	-	-	-	-
Angus Barker	70,000	10,000	(70,000)	10,000
	1,177,864	194,505	(103,605)	1,268,764

At 30 June 2023, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2022/ on appointment	Acquisitions	Disposals	Balance at 30 June 2023
Geoff Wilson	485,232	455,911	-	941,143
Kate Thorley	57,491	-	-	57,491
Dr. Philippa Ryan	-	-	-	-
James Chirnside	41,360	3,990	-	45,350
Lindsay Mann	63,880	-	-	63,880
Matthew Pancino	-	-	-	-
Angus Barker (appointed 3 January 2023)	-	70,000	-	70,000
	647,963	529,901	-	1,177,864

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. Related party transactions

All transactions with related parties during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with Wilson Asset Management (International) Pty Limited (the Investment Manager or the Manager). Geoff Wilson is the Director of Wilson Asset Management (International) Pty Limited, the entity appointed to manage the investment portfolio of WAM Capital. Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, Wilson Asset Management (International) Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio amounting to \$18,012,500 inclusive of GST (2023: \$17,528,592). At 30 June 2024, the balance payable to the Manager was \$1,564,280 inclusive of GST (2023: \$1,442,236).

In addition, Wilson Asset Management (International) Pty Limited is eligible to be paid a performance fee, being 20% (plus GST), in circumstances where:

- the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or
- the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in value of the portfolio.

No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.

For the year ended 30 June 2024, a performance fee of \$39,799,255 inclusive of GST was payable to Wilson Asset Management (International) Pty Limited (2023: \$6,902,108).

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Capital to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2024, the fee for accounting services amounted to \$55,000 inclusive of GST (2023: \$46,200) and the fee for company secretarial services amounted to \$19,800 inclusive of GST (2023: \$16,500).

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

22. Events subsequent to reporting date

Since the end of the year, the Directors declared a final dividend of 7.75 cents per share, partially franked at 60%, to be paid on 31 October 2024.

No other matters or circumstances have arisen since the end of the financial year, other than already disclosed, which significantly affect 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 years.

Directors' Declaration

The Directors of WAM Capital Limited declare that:

- 1) The financial statements as set out in pages 49 to 72 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 42 to 44, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), 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 30 June 2024 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date.
- 2) The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Manager, Wilson Asset Management (International) Pty Limited.
- 3) At the date of this declaration, 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.
- 4) The consolidated entity disclosure statement required by subsection 295(3A) of the *Corporations Act 2001* is true and correct.

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



Geoff Wilson AO
Chairman

Dated this 29th day of August 2024

**Independent Auditor's Report
To the Members of WAM Capital Limited
ABN 34 086 587 395****Report on the Audit of the Financial Report***Opinion*

We have audited the financial report of WAM Capital Limited ("the Company"), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of WAM Capital Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key audit matter</i>	<i>How our audit addressed the matter</i>
Existence and Valuation of Financial Assets Refer to Note 7: Financial Assets	
We focused our audit effort on the existence and valuation of the Company's financial assets as they represent the most significant driver of the Company's Net Tangible Assets and Profit. The Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs).	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls; ▪ Reviewing and evaluating the independent auditor's report on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Custodian; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the auditor's report relate to; ▪ Obtaining confirmation of the investment holdings directly from the Custodian; ▪ Assessing and recalculating the Company's valuation of individual investment holdings using independent observable pricing sources and inputs; ▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

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Key Audit Matters (Continued)

Key audit matter	How our audit addressed the matter
Accuracy of Management and Performance Fees Refer to Note 8: Trade and other payables and Note 21: Related party transactions	
We focused our audit effort on the accuracy of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the design and implementation of the processes and controls for calculating the management and performance fees; ▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; ▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees; ▪ Testing of key inputs including the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and ▪ Assessing the adequacy of disclosures made in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the Directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 42 to 44 of the Directors' Report for the year ended 30 June 2024. In our opinion, the Remuneration Report of WAM Capital Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Richard King
Partner



Pitcher Partners
Sydney

29 August 2024

Investments at fair value as at 30 June 2024

Company name	Code	Fair value \$	% of Gross assets
Consumer discretionary			
G8 Education Limited	GEM	42,802,256	2.5%
Light & Wonder Inc.	LNW	40,567,419	2.4%
Webjet Limited	WEB	38,916,922	2.3%
Jumbo Interactive Limited	JIN	29,618,133	1.7%
Flight Centre Travel Group Limited	FLT	24,211,237	1.4%
PWR Holdings Limited	PWH	24,029,247	1.4%
Nick Scali Limited	NCK	22,540,033	1.3%
Premier Investments Limited	PMV	21,284,702	1.2%
Lovisa Holdings Limited	LOV	21,182,381	1.2%
Myer Holdings Limited	MYR	11,933,394	0.7%
Temple & Webster Group Limited	TPW	10,343,677	0.6%
Amotiv Limited	AOV	8,307,831	0.5%
Collins Foods Limited	CKF	6,127,003	0.4%
The Reject Shop Limited	TRS	6,072,432	0.4%
Tabcorp Holdings Limited	TAH	4,361,287	0.3%
ARB Corporation Limited	ARB	4,174,334	0.2%
Corporate Travel Management Limited	CTD	4,172,378	0.2%
Harvey Norman Holdings Limited	HVN	3,370,173	0.2%
NextEd Group Limited	NXD	2,834,971	0.2%
		326,849,810	19.1%
Financials			
Generation Development Group Limited	GDG	30,920,778	1.8%
HUB24 Limited	HUB	26,888,723	1.6%
GQG Partners Inc.	GQG	23,469,832	1.4%
Smartpay Holdings Limited	SMP	22,009,602	1.3%
Xpansiv Limited [†]	n/a	20,750,500	1.3%
EML Payments Limited	EML	17,501,581	1.0%
Pinnacle Investment Management Group Limited	PNI	15,944,233	0.9%
Regal Partners Limited	RPL	12,620,076	0.7%
Zip Co Limited	ZIP	12,599,698	0.7%
Steadfast Group Limited	SDF	10,975,804	0.6%
AMP Limited	AMP	10,821,037	0.6%
Tyro Payments Limited	TYR	10,344,192	0.6%
Judo Capital Holdings Limited	JDO	10,340,896	0.6%
Clime Investment Management Limited	CIW	2,788,120	0.2%

Company name	Code	Fair value \$	% of Gross assets
Financials (cont'd)			
Keybridge Capital Limited	KBC	2,107,721	0.1%
Clime Private Limited [†]	n/a	805,232	0.1%
HHY Fund [†]	n/a	368,439	0.0%
DMX Corporation Proprietary Limited [†]	n/a	76,160	0.0%
Lanyon Investment Company Limited [†]	n/a	178	0.0%
		231,332,802	13.5%
Industrials			
Seven Group Holdings Limited	SVW	46,280,799	2.7%
SG Fleet Group Limited	SGF	39,028,952	2.3%
Maas Group Holdings Limited	MGH	36,515,686	2.1%
Service Stream Limited	SSM	27,516,279	1.6%
Kelsian Group Limited	KLS	18,564,262	1.2%
Austin Engineering Limited	ANG	13,770,300	0.8%
Mainfreight Limited	MFT NZX	8,858,453	0.5%
Close the Loop Limited	CLG	8,596,122	0.5%
IPH Limited	IPH	4,550,735	0.3%
Tourism Holdings Rentals Limited	THL	4,206,158	0.3%
Fletcher Building Limited	FBU	2,564,186	0.1%
Reece Limited	REH	2,526,942	0.1%
		212,978,874	12.5%
Information technology			
Life360, Inc.	360	36,148,054	2.1%
Iress Limited	IRE	33,728,502	2.0%
Gentrack Group Limited	GTK	33,457,288	2.0%
NEXTDC Limited	NXT	31,781,654	1.9%
Codan Limited	CDA	29,976,715	1.7%
Technology One Limited	TNE	20,360,583	1.2%
Megaport Limited	MP1	14,562,427	0.8%
Bravura Solutions Limited	BVS	6,831,198	0.4%
		206,846,421	12.1%
Health care			
Regis Healthcare Limited	REG	29,609,859	1.7%
Capitol Health Limited	CAJ	23,630,209	1.4%
Summerset Group Holdings Limited	SUM NZX	22,793,728	1.3%

Company name	Code	Fair value \$	% of Gross assets
Health care (cont'd)			
Healius Limited	HLS	21,515,940	1.3%
Sigma Healthcare Limited	SIG	17,401,748	1.0%
Fisher & Paykel Healthcare Corporation Limited	FPH	13,532,265	0.8%
Pro Medicus Limited	PME	12,109,624	0.7%
Telix Pharmaceuticals Limited	TLX	9,530,113	0.6%
Paragon Care Limited	PGC	3,293,503	0.2%
		153,416,989	9.0%
Communication services			
Tuas Limited	TUA	67,031,019	3.9%
CAR Group Limited	CAR	37,065,058	2.2%
News Corporation	NWS	21,651,807	1.3%
Aussie Broadband Limited	ABB	17,346,399	1.0%
		143,094,283	8.4%
Consumer staples			
The a2 Milk Company Limited	A2M	66,688,630	3.9%
Bega Cheese Limited	BGA	29,901,019	1.7%
Select Harvests Limited	SHV	16,723,019	1.0%
		113,312,668	6.6%
Real estate			
Ingenia Communities Group	INA	33,956,283	2.0%
HMC Capital Limited	HMC	26,058,122	1.5%
PEXA Group Limited	PXA	6,039,261	0.4%
Sunland Group Limited [^]	n/a	41,552	0.0%
		66,095,218	3.9%

Company name	Code	Fair value \$	% of Gross assets
Materials			
Emerald Resources NL	EMR	15,851,056	0.9%
Bellevue Gold Limited	BGL	6,590,143	0.4%
Vulcan Steel Limited	VSL	4,671,388	0.3%
		27,112,587	1.6%
Energy			
Viva Energy Group Limited	VEA	10,895,333	0.6%
Boss Energy Limited	BOE	4,259,475	0.2%
Starling Energy Group Pty Limited [^]	n/a	900,000	0.1%
		16,054,808	0.9%
Utilities			
LGI Limited	LGI	5,576,064	0.3%
		5,576,064	0.3%
Total long portfolio		1,502,670,524	87.9%
Investments in wholly owned unlisted investment companies^{***}		3,211,641	0.2%
Total cash and cash equivalents, income receivable and net outstanding settlements		203,863,491	11.9%
Gross assets		1,709,745,656	

^{*}Consists of unlisted units and unlisted convertible notes.

[^]Unlisted investments.

^{***}The investments in six wholly owned unlisted investment companies primarily represents their residual cash and cash equivalents at the end of the reporting period.

The total number of stocks held at the end of the financial year was 86.

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

- Substantial shareholders (as at 31 July 2024) – there are currently no substantial shareholders.
- On-market buy back (as at 31 July 2024) – there is no current on-market buy back.

Distribution of shareholders (as at 31 July 2024)

Category	Number of shareholders	% of issued capital held
1 – 1,000	5,169	0.2%
1,001 – 5,000	10,568	2.8%
5,001 – 10,000	7,590	5.3%
10,001 – 100,000	19,038	53.1%
100,001 and over	1,725	38.6%
	44,090	100.0%

The number of shareholders holding a less than marketable parcel is 1,514.

Twenty largest shareholders – Ordinary shares (as at 31 July 2024)

Name	Number of ordinary shares held	% of issued capital held
Mr J N Bishop & Mr N C Anderson	16,678,217	1.5%
HSBC Custody Nominees (Australia) Limited	10,251,128	0.9%
BNP Paribas Nominees Pty Limited	7,500,302	0.7%
Netwealth Investments Limited	7,492,009	0.7%
Ehj Investments Pty Limited	5,823,188	0.5%
Gold Tiger Investments Pty Limited	4,478,000	0.4%
Citicorp Nominees Pty Limited	3,471,910	0.3%
IOOF Investment Services Limited	2,518,340	0.2%
Redbrook Nominees Pty Limited	2,120,208	0.2%
Acres Holdings Pty Limited	2,069,263	0.2%
R & R Corbett Pty Limited	1,959,862	0.2%
Seweta Pty Limited	1,900,000	0.2%
Cooltrac Pty Limited	1,895,149	0.2%
Mr J C Plummer	1,886,500	0.2%
Gasweld Pty Limited	1,760,158	0.2%
Wilmar Enterprises Pty Limited	1,487,209	0.1%
FinClear Services Pty Limited	1,342,074	0.1%
Eneber Investment Company Limited	1,322,000	0.1%
Mr L P Ledger	1,150,000	0.1%
I & R Simpson Super Pty Limited	1,150,000	0.1%
	78,255,517	7.1%

Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

Glossary

Term	Definition
Benchmark	A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market.
Dividend coverage	Dividend coverage represents the number of years the Company can maintain the current full year dividend payment paid semi-annually from the current level of profits reserve. <i>This is calculated as follows: Profits reserve ÷ annual dividend amount</i>
Dividend yield	The annual dividend amount expressed as a percentage of the share price at a certain point in time. <i>This is calculated as follows: Annual dividend amount per share ÷ share price</i>
Franking credits	Franking credits (also known as imputation credits) are tax credits attached to franked dividends that companies distribute to their shareholders. These credits represent the tax the company has already paid on its profits, which helps to avoid double taxation of those profits once distributed to shareholders. Shareholders can use franking credits to offset their income tax liabilities.
Grossed-up dividend yield	Grossed-up dividend yield includes the value of franking credits and is based on the corporate tax rate (generally 30.0%), assuming the dividend is partially franked. <i>This is calculated as follows:</i> $\text{Annual dividend yield \%} + [\text{annual dividend yield \%} \times \text{franking \%} \times (\text{the corporate tax rate of 30.0\%} \div (1 - \text{the corporate tax rate of 30.0\%}))]$
Investment portfolio performance	Investment portfolio performance measures the growth of the underlying portfolio of investments and cash before expenses, fees, taxes and capital management initiatives, to compare to the relevant benchmark which is before expenses, fees and taxes.
Listed investment company (LIC)	LICs are corporate entities in a 'company' structure providing a permanent and stable closed-end pool of capital, established for the purpose of investing in a portfolio of securities or investments on behalf of shareholders. LICs are listed on an exchange, which in Australia is primarily the Australian Securities Exchange (ASX). Each company on the ASX has an ASX code, also known as a 'ticker'.
Management fee	Management fee means the fee payable to the Investment Manager in return for its duties as Investment Manager of the portfolio. The Investment Manager is entitled to be paid monthly a management fee equal to 0.0833334% per month or 1% per annum (plus GST) of the value of the portfolio (calculated on the last business day of each month and paid at the end of each month in arrears) in accordance with the Investment Management Agreement (IMA).
Net tangible assets (NTA)	The aggregate of a company's assets (i.e. cash and investments) less its liabilities and current and deferred income tax. The NTA represents the value of the company and is announced on the ASX to shareholders each month.

Term	Definition
NTA before tax	The NTA of a company, exclusive of current and deferred income tax assets or liabilities. The NTA before tax represents the investment portfolio of the Company, i.e. cash and investments, less any associated liabilities excluding tax, and is the most comparable figure for a LIC to an exchange traded fund (ETF) or managed fund.
NTA after tax	The NTA of a company, inclusive of current and deferred income tax assets or liabilities.
Performance fee	Performance fee means the fee payable to the Investment Manager under the IMA. The Investment Manager is eligible to be paid a performance fee, being 20% (plus GST), in circumstances where: - the S&P/ASX All Ordinaries Accumulation Index has increased over that period, the amount by which the value of the portfolio exceeds this increase; or - the S&P/ASX All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the value of the portfolio. No performance fee is payable in respect of any performance period where the value of the portfolio has decreased over that period.
Profits reserve	The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments. The profits reserve forms part of the NTA of the company and is invested in the market. The profits reserve is an accounting entry only that quarantines the profits of the LIC for future dividend payments. We convert the profits reserve amount into dividend years coverage for ease of seeing how sustainable the current dividend amount is. The ability to frank a dividend is dependent on the availability of franking credits which are generated from the receipt of franked dividends from investee companies and the payment of tax on realised profits. There can be situations where the franking account balance including franking credits generated from the receipt of franked dividends from investee companies and the payment of tax on realised profits, may not match the profits reserve balance (which includes realised and unrealised profits).
Share price premium or discount	LIC's shares are traded on the ASX and a LIC has a fixed amount of capital. At times, the LIC's share price can fluctuate above or below its NTA value. When the share price is above the NTA of the company, the LIC is trading at a premium to NTA. When the share price is below the NTA, the LIC is trading at a discount to NTA. <i>This is calculated as follows: $(\text{Share price} - \text{NTA before tax}) \div \text{NTA before tax}$</i>
S&P/ASX All Ordinaries Accumulation Index	The S&P/ASX All Ordinaries Accumulation Index tracks the 500 largest companies listed on the ASX according to their market capitalisation. This Index assumes that dividends are reinvested and measures both growth and dividend income.
S&P/ASX Small Ordinaries Accumulation Index	The S&P/ASX Small Ordinaries Accumulation Index is comprised of companies included in the S&P/ASX 300 Index, but not in the S&P/ASX 100 Index. This Index assumes that dividends are reinvested and measures both growth and dividend income. The S&P/ASX Small Ordinaries Accumulation Index is used as a benchmark for small-cap Australian equity portfolios.

Term	Definition
Three key measures of a LIC's performance	The three key measures crucial to the evaluation of a LIC's performance are: investment portfolio performance, NTA growth and total shareholder return.
Total shareholder return (TSR)	Total share price return to shareholders, assuming all dividends received were reinvested without transaction costs and the compounding effect over the period. This measure is calculated before and after the value of franking credits attached to dividends paid to shareholders. <i>This is calculated as follows:</i> <i>(Closing share price – starting share price + dividends paid + franking credits) ÷ starting share price</i> <i>Note: the TSR reported in the Annual Report and media release is calculated monthly, using the above formula, and includes the effect of compounding over the period.</i>

Corporate Directory

WAM Capital Directors

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

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

Country of Incorporation

Australia

Australian Securities Exchange

WAM Capital Limited Ordinary Shares (WAM)

Registered Office

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

Contact Details

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Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

T 1300 420 372 (in Australia)
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For enquiries relating to shareholdings, dividends (including participation in the dividend reinvestment plan) and related matters, please contact the share registry.

Auditor

Pitcher Partners

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