

Investment update

As at 31 July 2017



Snapshot

Pre-tax net tangible assets

\$1.22

Fully franked
dividend yield

5.6%

Gross assets

\$229.1m

Performance
(p.a. since July 2010)

18.5%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$229.1m
Market cap	\$294.1m
Share price	\$1.595
NTA before tax	\$1.22
Shares on issue	184,404,085
Fully franked dividends (FY2017)	9.0c
Fully franked dividend yield	5.6%

Investment objectives

- Provide shareholders a rising stream of fully franked dividends
- Achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors

Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

WAM Research Limited (ASX: WAX) is a listed investment company managed by Wilson Asset Management. Listed in August 2003, WAM Research provides investors with exposure to a diversified portfolio of undervalued growth companies, which are generally small-to-medium sized industrial companies listed on the ASX.

Shareholder Presentations 2017

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

SAVE THE DATE

FY2017 full year results and increased fully franked dividend

On 8 August 2017, WAM Research reported an operating profit before tax of \$20.3 million and an operating profit after tax of \$15.6 million for the financial year ended 30 June 2017. The company announced a fully franked final dividend of 4.5 cents per share, bringing the full year fully franked dividend to 9.0 cents per share. The total shareholder return for the 2017 financial year was 18.8%.

Key dividend dates

Dividend ex-date	17 October 2017
Record date	18 October 2017
Last election date for DRP	20 October 2017
Payment date	27 October 2017

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.2% for the month. As expected, the Reserve Bank of Australia (RBA) announced its decision to keep the cash rate on hold at 1.5% for the 12th consecutive month. The Australian Bureau of Statistics released its anticipated inflation numbers with the consumer price index over the June quarter coming in below expectations, lowering the probability of the RBA increasing its cash rate in the near term. Consumer sentiment figures released by the Westpac-Melbourne Institute showed a decline of 2.5% over the last 12 months.

Net tangible asset (NTA) figures

NTA before tax	122.12c*
NTA after tax and before tax on unrealised gains	122.07c
NTA after tax	121.96c

*The NTA before tax is after the payment and provision for tax of \$32m (1.7 cps) for the 2017 financial year.

Performance

Performance at 31 July 2017	Since change in investment strategy					
	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	(Jul-10) %pa
WAX Investment Portfolio*	0.6%	0.9%	6.3%	18.9%	21.4%	18.5%
S&P/ASX All Ordinaries Accumulation Index	0.2%	3.9%	6.6%	5.3%	10.8%	8.7%
Outperformance	+0.4%	-3.0%	-0.3%	+13.6%	+10.6%	+9.8%

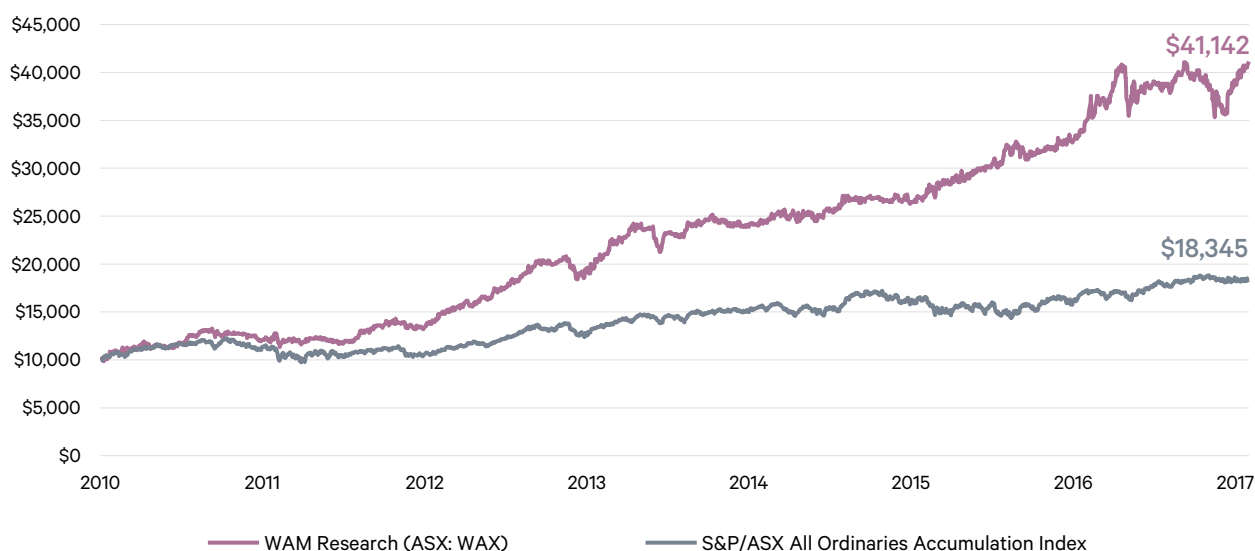
*Investment performance and Index returns are before expenses, fees and taxes.

Diversified portfolio

Investment type	June 2017		July 2017	
	\$m	%	\$m	%
Listed equities	124.8	54.7	144.5	63.1
Fixed interest & cash	103.4	45.3	84.6	36.9
Gross assets	\$228.2m	100.0	\$229.1m	100.0
Total shares on issue	184,404,085		184,404,085	

Growth of \$10,000 investment since change in investment strategy

WAM Research versus the Index



Notes:

1. The above graph reflects the period from the change in investment strategy in July 2010 to 31 July 2017.
2. WAM Research's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Research portfolio.

Investor conference call

Shareholders have the opportunity to take part in an investor conference call in which the investment team will provide an update on the WAM Research investment portfolio, insights from the current reporting season and our equity market outlook. The call will also cover WAM Capital, WAM Leaders, WAM Active, WAM Microcap and Century Australia.

Date: Wednesday 6 September 2017

Time: 4:30pm – 5:30pm (AEST)

To register, please visit <https://waminvestorcall.eventbrite.com.au>

Top 20 holdings

Code	Company	Code	Company
HT1	HT&E Limited	RKN	Reckon Limited*
SXL	Southern Cross Media Group Limited	ALQ	ALS Limited
CGF	Challenger Limited	NXT	NEXTDC Limited
ISU	iSelect Limited	CVW	ClearView Wealth Limited
PNI	Pinnacle Investment Management Group Limited	IMD	Imdex Limited
NCK	Nick Scali Limited	AAD	Ardent Leisure Group
SLC	Superloop Limited	PMV	Premier Investments Limited
CL1	Class Limited	WOR	WorleyParsons Limited
PSI	PSC Insurance Group Limited	ONE	Oneview Healthcare PLC
AUB	AUB Group Limited	PEA	Pacific Energy Limited

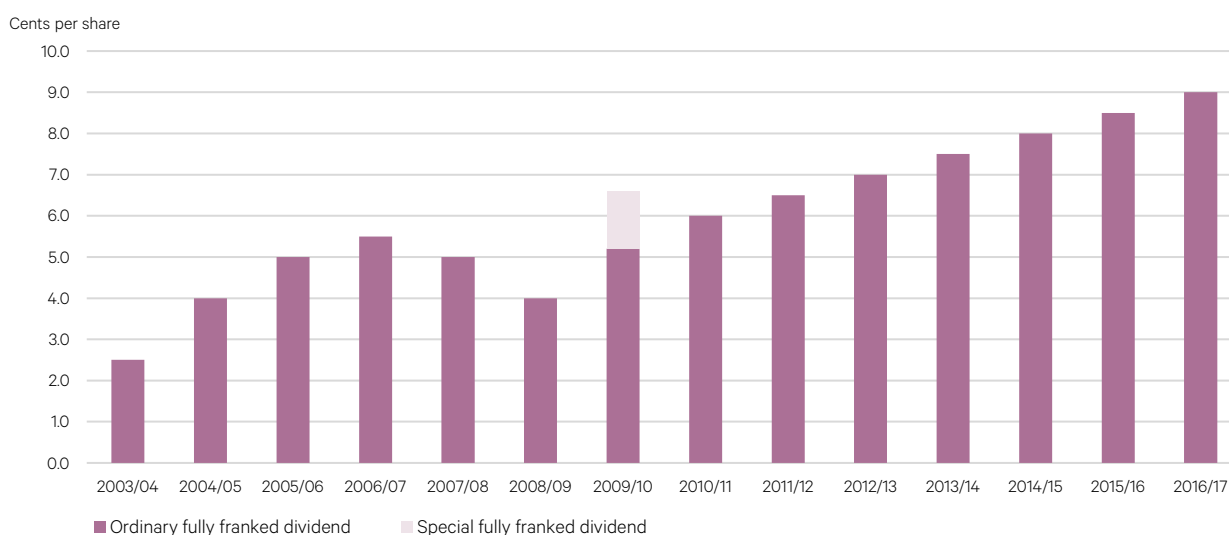
*On 4 August 2017, Reckon Limited announced the completion of its de-merger of GetBusy Plc which has been formally admitted for trading to the AIM market of the London Stock Exchange.

Fully franked dividends

On 8 August 2017, the Company announced a fully franked final dividend of 4.5 cents per share, bringing the fully franked full year dividend to 9.0 cents per share. The final dividend will be paid on 27 October 2017 and will trade ex on 17 October 2017.

The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the final dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 20 October 2017.

Fully franked dividends since inception



The Board is committed to paying an increasing stream of fully franked dividends to shareholders, provided the Company has sufficient profit reserves and franking credits and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.