

# Investment update

As at 30 November 2017



## Snapshot

Pre-tax net tangible assets

**\$1.27**

Fully franked  
dividend yield

**6.0%**

Gross assets

**\$241.8m**

Performance  
(p.a. since July 2010)

**18.8%**

## WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$241.8m
Market cap	\$282.7m
Share price	\$1.51
NTA before tax	\$1.27
Shares on issue	187,221,984
Fully franked dividends (FY2017)	9.0c
Fully franked dividend yield	6.0%

## 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.

## Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 1.9% for the month.

During November the Index pushed through the 6,000 point mark for the first time since the global financial crisis, largely driven by the energy and mining sectors. The NAB Business survey reported yet another strong outcome in October 2017, with conditions soaring to an all-time high. In contrast, the Westpac-Melbourne Institute index of consumer sentiment registered a 1.7% fall in November 2017. Data from the Australian Bureau of Statistics (ABS) reported Australia's unemployment rate fell to a near five-year low.

## November 2017 Shareholder Presentations

Thank you to those who attended our Shareholder Presentations, we greatly enjoyed the opportunity to meet over 3,000 of our shareholders. If you were unable to attend, you can access the full recording of our Sydney [presentation](#) and the presentation [slides](#), also available on our website.

## Net tangible asset (NTA) figures

NTA before tax	126.99c*
NTA after tax and before tax on unrealised gains	126.56c
NTA after tax	124.57c

\*The NTA before tax figure is after the payment of \$50k (0.03 cents per share) in tax during the month.

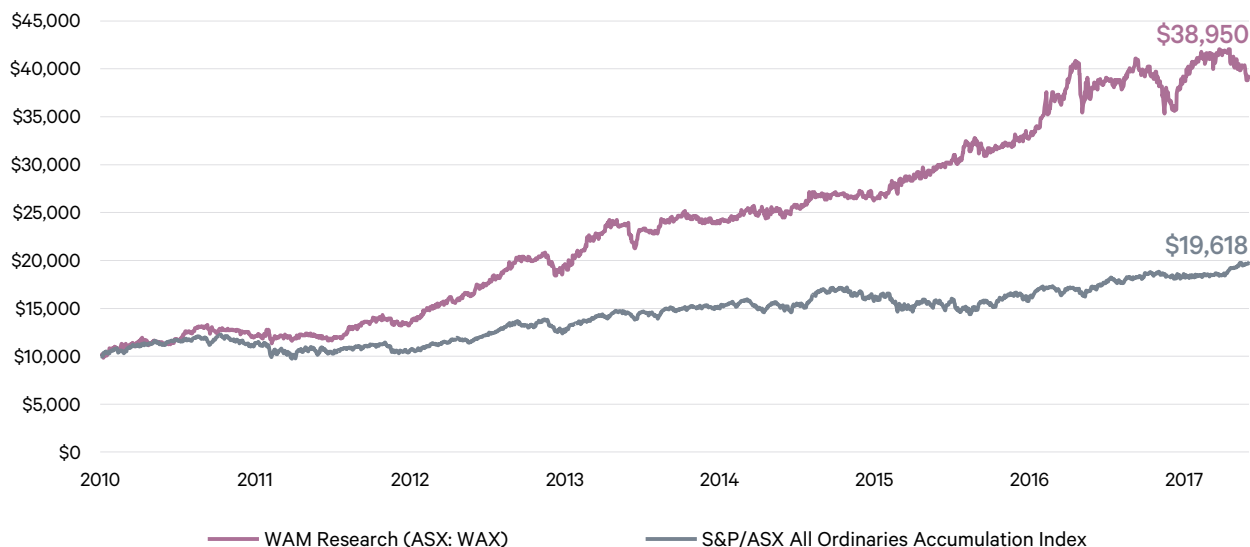
## Performance

Performance at 30 November 2017	1 Mth	Fin YTD	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	2.7%	8.5%	11.3%	9.1%	18.7%	20.8%	18.8%
S&P/ASX All Ordinaries Accumulation Index	1.9%	7.1%	7.4%	14.8%	9.2%	10.7%	9.3%
<b>Outperformance</b>	<b>+0.8%</b>	<b>+1.4%</b>	<b>+3.9%</b>	<b>-5.7%</b>	<b>+9.5%</b>	<b>+10.1%</b>	<b>+9.5%</b>

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

## 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 30 November 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.

## Diversified portfolio

Investment type	October 2017		November 2017	
	\$m	%	\$m	%
Listed equities	166.6	71.5	180.7	74.8
Fixed interest & cash	66.5	28.5	61.1	25.2
<b>Gross assets</b>	<b>\$233.1m</b>	<b>100.0</b>	<b>\$241.8m*</b>	<b>100.0</b>
<b>Total shares on issue</b>	185,505,984		187,221,984**	

\*This figure is after the payment of \$50k (0.03 cents per share) in tax during the month.

\*\*During the month, 1.7m shares were issued via the DRP Shortfall Placement.

## Top 20 holdings

Code	Company	Code	Company
PSI	PSC Insurance Group Limited	PNI	Pinnacle Investment Management Group Limited
SIQ	Smartgroup Corporation Limited	RKN	Reckon Limited
MTR	Mantra Group Limited	NXT	NEXTDC Limited
GEM	G8 Education Limited	WOR	WorleyParsons Limited
ASL	Ausdrill Limited	IPH	IPH Limited
APT	Afterpay Touch Group Limited	SDF	Steadfast Group Limited
MLB	Melbourne IT Limited	CCP	Credit Corp Group Limited
IMD	Imdex Limited	AUB	AUB Group Limited
SCO	Scottish Pacific Group Limited	SGR	Star Entertainment Group Limited
SDA	SpeedCast International Limited	CVW	ClearView Wealth Limited

## Fully franked dividends

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.

### Fully franked dividends since inception

