

# Investment update

As at 30 April 2018



## Snapshot

Pre-tax net tangible assets

**\$1.24**

Fully franked  
dividend yield

**6.3%**

Gross assets

**\$234.3m**

Performance  
(p.a. since July 2010)

**18.0%**

## WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$234.3m
Market cap	\$286.4m
Share price	\$1.52
NTA before tax	\$1.24
Shares on issue	188,406,337
Annualised fully franked interim dividend (FY2018)	9.5c
Fully franked dividend yield	6.3%

## 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 AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

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## WAM Global initial public offering

WAM Global launched its initial public offering (IPO) on 2 May and exceeded the minimum offer proceeds on the same day. The general and priority offers are open and expected to close on 8 June. WAM Research shareholders are eligible to take part in the \$165 million priority allocation to the Wilson Asset Management Family.

Visit [www.wilsonassetmanagement.com.au/global](http://www.wilsonassetmanagement.com.au/global) to participate in the IPO.

## May 2018 Shareholder Presentations

This month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations, so we encourage you to stay and talk to the team. **Register now!**

## Market overview

The S&P/ASX All Ordinaries Accumulation Index gained 3.5% in April led by an increase in commodity prices following robust Chinese economic growth data, and an abatement in geopolitical risks, particularly surrounding 'trade wars'. The International Monetary Fund maintained its positive outlook on global economic growth, forecast to be 3.9% in 2018, the best annual growth rate since 2011.

## Net tangible asset (NTA) figures

The following NTA figures are **after** the 4.75 cents per share fully franked interim dividend paid on 27 April 2018. Since inception, WAM Research has paid 89.9 cents per share in fully franked dividends to shareholders.

NTA before tax	123.88c*
NTA after tax and before tax on unrealised gains	121.72c
NTA after tax	121.54c

\*The NTA before tax figure is after the payment of \$98k (0.05 cents per share) in tax during the month.

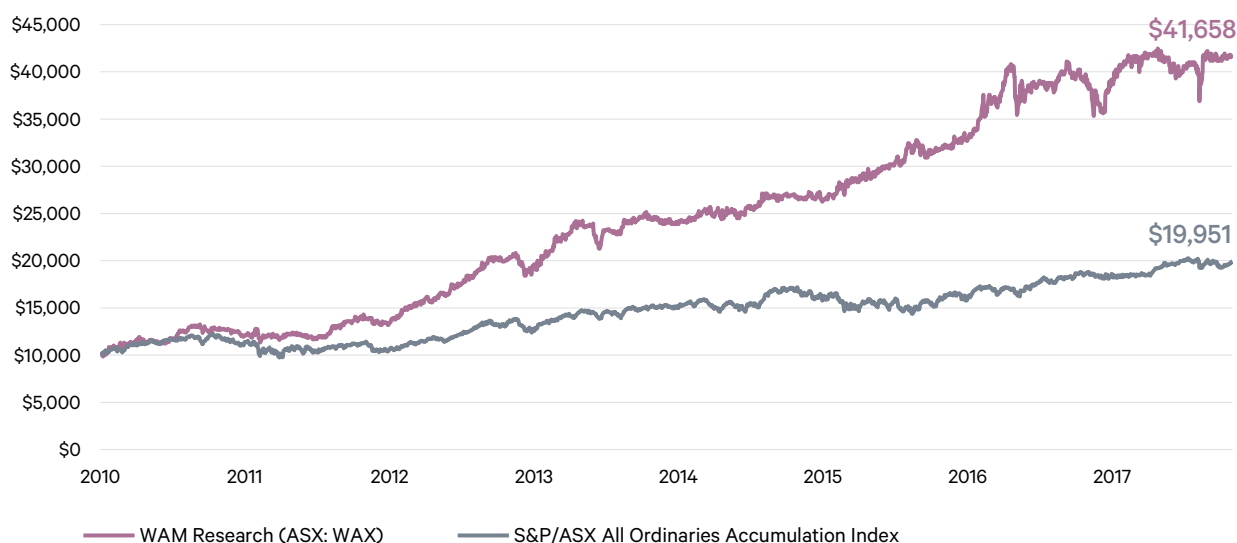
## Performance

Performance at 30 April 2018	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since change in investment strategy %pa (Jul-10)
WAX Investment Portfolio*	0.5%	4.6%	10.5%	12.3%	15.4%	17.4%	18.0%
S&P/ASX All Ordinaries Accumulation Index	3.5%	3.6%	8.9%	6.4%	6.2%	7.8%	9.0%
<b>Outperformance</b>	<b>-3.0%</b>	<b>+1.0%</b>	<b>+1.6%</b>	<b>+5.9%</b>	<b>+9.2%</b>	<b>+9.6%</b>	<b>+9.0%</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 April 2018.
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	March 2018		April 2018	
	\$m	%	\$m	%
Listed equities	173.3	72.0	153.1	65.3
Fixed interest & cash	67.5	28.0	81.2	34.7
<b>Gross assets</b>	<b>\$240.8m</b>	<b>100.0</b>	<b>\$234.3m*</b>	<b>100.0</b>
<b>Total shares on issue</b>	187,221,984		188,406,337**	

\*This figure is after the 4.75 cents per share fully franked interim dividend paid on 27 April 2018 and \$98k in tax paid during the month.

\*\*During the month, 1,184,353 shares were issued under the Dividend Reinvestment Plan (DRP) for the interim dividend.

## Top 20 holdings

Code	Company	Code	Company
AHG	Automotive Holdings Group Limited	IMD	Imdex Limited
ASL	Ausdrill Limited	LIC	Lifestyle Communities Limited
AUB	AUB Group Limited	MTR	Mantra Group Limited
AX1	Accent Group Limited	NEC	Nine Entertainment Co. Holdings Limited
BIN	Bingo Industries Limited	PAC	Pacific Current Group Limited
BVS	Bravura Solutions Limited	PSI	PSC Insurance Group Limited
CTD	Corporate Travel Management Limited	RKN	Reckon Limited
CVW	ClearView Wealth Limited	SCO	Scottish Pacific Group Limited
EHL	Emeco Holdings Limited	SDA	SpeedCast International Limited
FLT	Flight Centre Travel Group Limited	WOR	WorleyParsons Limited

The top 20 holdings are presented in alphabetical order.

## Fully franked dividends

On 27 April 2018, the Company paid a fully franked interim dividend of 4.75 cents per share. 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

