

Investment update

As at 30 September 2016



wilsonassetmanagement.com.au
ABN 15 100 504 541

Snapshot

Pre-tax net tangible assets

136.68c

Fully franked
dividend yield

5.4%

Gross assets

\$249.2m

Performance
(p.a. since July 2010)

21.9%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$249.2m
Market cap	\$275.2m
Share price	\$1.58
NTA before tax	\$1.37
Shares on issue	174,169,283
Fully franked dividends (FY2016)	8.5c
Fully franked dividend yield	5.4%

Investment objectives

- Provide 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	Senior Equity Analyst & Dealer
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Equity Analyst

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.

Key dividend dates

Ex date	17 October 2016
Record date	18 October 2016
Last election date for DRP	20 October 2016
Payment date	28 October 2016

Invitations to our November 2016 shareholder presentations have been mailed to shareholders. To RSVP, visit wilsonassetmanagement.com.au/RSVP

Market overview

For the month of September, the S&P/ASX All Ordinaries Accumulation Index closed up 0.4%, to finish the quarter up 5.3%. Australian retail sales data released beat market expectations, on the back of low interest rates and improved consumer confidence following the election. Despite this, many retailers are expecting a flat Christmas following the overall trend of weak sales growth.

Globally, equity markets continued to focus on central bank announcements. During September, the Bank of Japan shifted away from specific quantities of asset purchases and instead introduced a new policy of targeting the interest rate yield curve. The US Federal Reserve left interest rates unchanged as expected, while commentary pointed to a potential rate hike later in the year.

Stock news

September saw a return of merger and acquisition activity, which has largely been absent this calendar year. ASG Group (ASX: ASZ) announced a recommended deal with Nomura Research Institute while Superloop (ASX: SLC) announced an earnings accretive acquisition of BigAir Group (ASX: BGL).

Net tangible asset (NTA) figures

The following NTA figures are before the 4.25 cents per share fully franked final dividend due to be paid on 28 October 2016. The shares will trade ex dividend on 17 October 2016.

NTA before tax	136.68c*
NTA after tax and before tax on unrealised gains	131.95c
NTA after tax	131.86c

*The before tax figure is after the payment of \$301k (0.17 cents per share) in tax during the month.

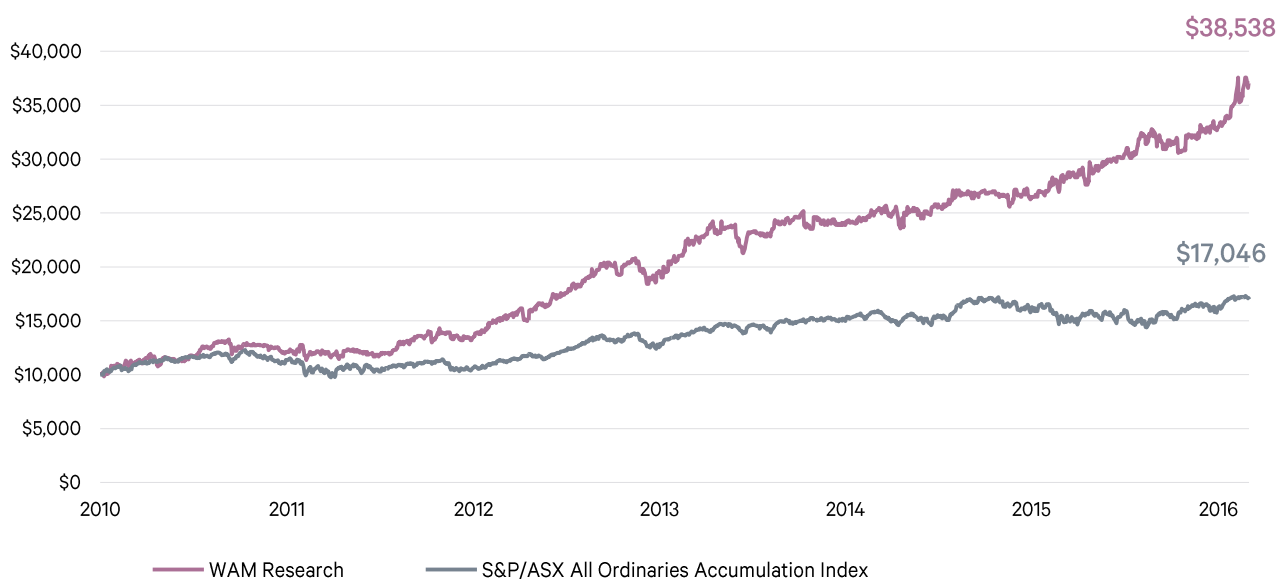
Performance

Performance at 30 September 2016	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%	16.2%	24.9%	35.8%	23.4%	25.6%	21.9%
S&P/ASX All Ordinaries Accumulation Index	0.4%	5.3%	9.5%	14.0%	6.4%	11.0%	8.7%
Outperformance	+2.3%	+10.9%	+15.4%	+21.8%	+17.0%	+14.6%	+13.2

*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



Diversified portfolio

Investment type	August 2016		September 2016	
	\$m	%	\$m	%
Listed equities	173.8	71.5	186.8	75.0
Fixed interest & cash	69.4	28.5	62.4	25.0
Gross assets	\$243.2m		\$249.2m*	
Total shares on issue	174,169,283		174,169,283	

*The before tax figure is after the payment of \$301k (0.17 cents per share) in tax during the month.

Top 20 holdings

Code	Company	Market value \$	Market value as % Gross assets
AAD	Ardent Leisure Group	10,601,225	4.3%
SIQ	Smartgroup Corporation Limited	10,595,191	4.3%
CCP	Credit Corp Group Limited	9,471,864	3.8%
ECX	Eclipx Group Limited	9,370,422	3.8%
NCK	Nick Scali Limited	8,784,234	3.5%
CL1	Class Limited	7,891,490	3.2%
SGF	SG Fleet Group Limited	7,249,354	2.9%
RCG	RCG Corp Limited	6,759,015	2.7%
WEB	Webjet Limited	6,713,755	2.7%
HLO	Helloworld Limited	6,593,382	2.6%
SLC	Superloop Limited	5,760,055	2.3%
PSI	PSC Insurance Group Limited	5,640,522	2.3%
LNK	Link Administration Holdings Limited	5,527,873	2.2%
PME	Pro Medicus Limited	5,496,945	2.2%
ONE	Oneview Healthcare PLC	5,340,779	2.1%
SXL	Southern Cross Media Group Limited	5,206,090	2.1%
SDF	Steadfast Group Limited	4,872,362	2.0%
VTG	Vita Group Limited	4,792,392	1.9%
IMF	IMF Bentham Limited	3,414,480	1.4%
PNI	Pinnacle Investment Management Group Limited	3,346,758	1.3%

Fully franked dividends

On 8 August 2016, the Company announced a fully franked final dividend of 4.25 cents per share. This brings the full year dividend to 8.5 cents per share, an increase of 6.3% on the previous corresponding period.

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 2016.

Fully franked dividends since inception

