

Investment update

As at 31 August 2017



Snapshot

Pre-tax net tangible assets

\$1.23

Fully franked
dividend yield

5.6%

Gross assets

\$231.6m

Performance
(p.a. since July 2010)

18.4%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$231.6m
Market cap	\$295.0m
Share price	\$1.60
NTA before tax	\$1.23
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

Market overview

The S&P/ASX All Ordinaries Accumulation Index finished 0.8% higher for the month on the back of a mixed reporting season.

Overall, earnings growth was the best in many years although a number of companies fell short of the market's elevated expectations. Most companies provided subdued outlook statements reflecting current economic conditions. The defensive sectors had one of their worst reporting periods in a decade, led by Telstra (ASX: TLS), which surprised the market with a significant reduction in its dividend guidance for the year ahead.

The rebound of the resources and mining services sectors was a standout, outperforming analysts' expectations. We were also pleased to see strong performance from the small-cap sector after a difficult 12 months. We believe the current equity market is fairly valued and we are well positioned to take advantage of opportunities as they emerge.

Investor conference call recording and slides

Thank you to those who dialled in to our investor conference call on 6 September 2017. If you would like to listen to the recording, along with the corresponding slides, please click [here](#).

Net tangible asset (NTA) figures

NTA before tax	123.39c*
NTA after tax and before tax on unrealised gains	123.27c
NTA after tax	122.87c

*The before tax figure is after the payment of \$40k (0.02 cents per share) in tax during the month.

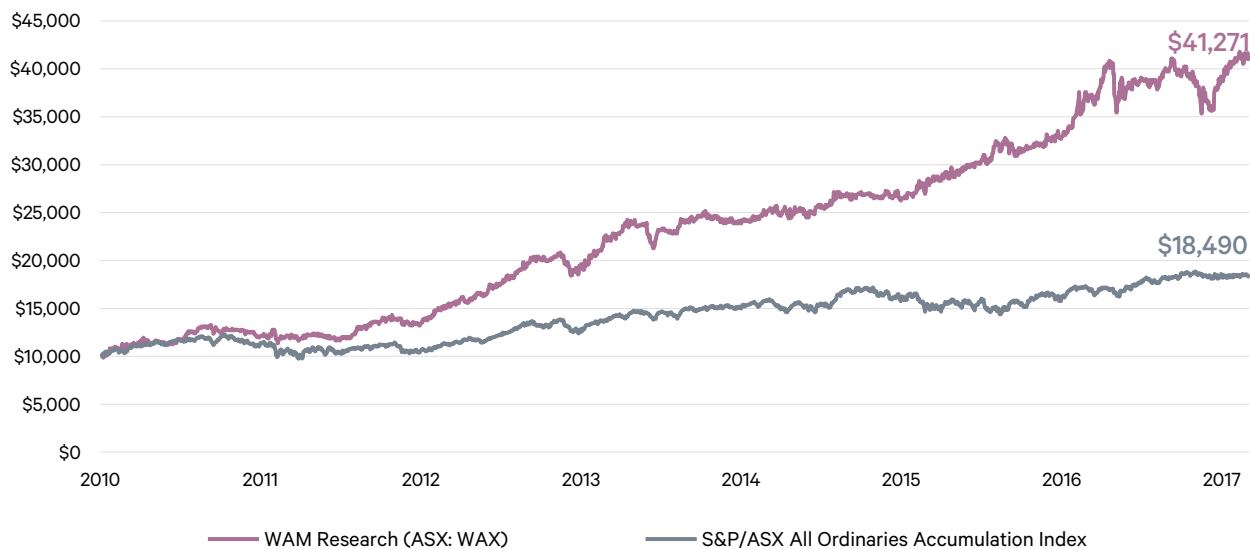
Performance

Performance at 31 August 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*	1.2%	1.8%	3.7%	0.0%	17.4%	20.8%	18.4%
S&P/ASX All Ordinaries Accumulation Index	0.8%	1.0%	2.6%	8.9%	5.4%	10.5%	8.7%
Outperformance	+0.4%	+0.8%	+1.1%	-8.9%	+12.0%	+10.3%	+9.7%

*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 31 August 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	July 2017		August 2017	
	\$m	%	\$m	%
Listed equities	144.5	63.1	182.7	78.9
Fixed interest & cash	84.6	36.9	48.9	21.1
Gross assets	\$229.1m	100.0	\$231.6m*	100.0
Total shares on issue	184,404,085		184,404,085	

*This figure is after \$40k (0.02 cents per share) paid in tax during the month.

Top 20 holdings

Code	Company	Code	Company
WOR	WorleyParsons Limited	SCO	Scottish Pacific Group Limited
ALQ	ALS Limited	NXT	NEXTDC Limited
SIQ	Smartgroup Corporation Limited	IFL	IOOF Holdings Limited
CL1	Class Limited	AUB	AUB Group Limited
SXL	Southern Cross Media Group Limited	NUF	Nufarm Limited
CGF	Challenger Limited	GEM	G8 Education Limited
PNI	Pinnacle Investment Management Group Limited	MLB	Melbourne IT Limited
IMD	Imdex Limited	CVW	ClearView Wealth Limited
SLC	Superloop Limited	AAD	Ardent Leisure Group
PSI	PSC Insurance Group Limited	RKN	Reckon Limited

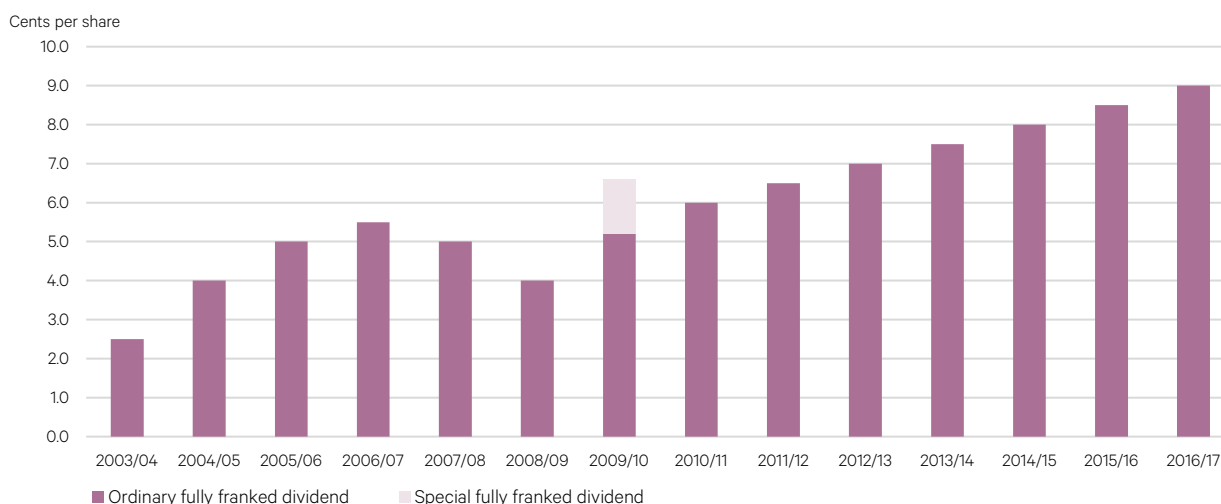
Fully franked dividends

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.

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

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.