

Investment update

As at 30 September 2017



Snapshot

Pre-tax net tangible assets

\$1.24

Fully franked
dividend yield

5.6%

Gross assets

\$231.8m

Performance
(p.a. since July 2010)

18.2%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$231.8m
Market cap	\$298.7m
Share price	\$1.62
NTA before tax	\$1.24
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

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Market overview

The S&P/ASX All Ordinaries Accumulation Index closed relatively flat for the month.

Minutes from the Reserve Bank of Australia (RBA) indicated reduced demand for steel production in China would weigh on the iron ore price. Evidence of this was a fall of almost 20% in the iron ore price in September. During the month, the RBA Assistant Governor (Financial System) Michele Bullock said the central bank would continue to consider the heightened level of household debt in monetary policy decision-making, reaffirming our view that interest rates will remain on hold in the short term.

Globally, the US Federal Reserve announced it would start to unwind its balance sheet and indicated another rate increase before the end of the year was possible. US President Trump announced a simplified plan to cut corporate taxes that would reduce the corporate tax rate from 35% to 20% and eliminate tax on foreign profits.

November 2017 Shareholder Presentations

This week you will receive an invitation to our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).

Net tangible asset (NTA) figures

The following NTA figures are **before** the 4.5 cents per share fully franked final dividend due to be paid on 27 October 2017. The shares will trade ex dividend on 17 October 2017.

NTA before tax	123.53c*
NTA after tax and before tax on unrealised gains	123.22c
NTA after tax	123.28c

*The before tax figure is after the payment of \$45k (0.02 cents per share) in tax during the month.

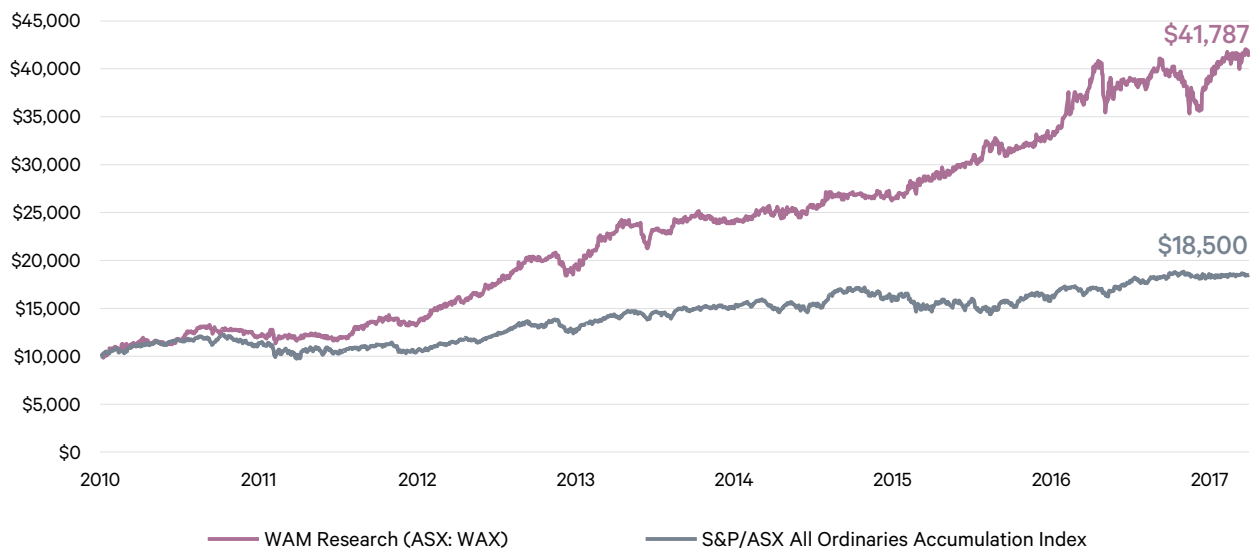
Performance

Performance at 30 September 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*	0.2%	2.0%	2.3%	-2.5%	17.1%	20.4%	18.2%
S&P/ASX All Ordinaries Accumulation Index	0.1%	1.0%	-0.5%	8.5%	7.3%	10.1%	8.6%
Outperformance	+0.1%	+1.0%	+2.8%	-11.0%	+9.8%	+10.3%	+9.6%

*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 September 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	August 2017		September 2017	
	\$m	%	\$m	%
Listed equities	182.7	78.9	163.7	70.6
Fixed interest & cash	48.9	21.1	68.1	29.4
Gross assets	\$231.6m	100.0	\$231.8m*	100.0
Total shares on issue	184,404,085		184,404,085	

*This figure is after \$45k (0.02 cents per share) paid in tax during the month.

Top 20 holdings

Code	Company	Code	Company
SIQ	Smartgroup Corporation Limited	WOR	WorleyParsons Limited
APT	Afterpay Touch Group Limited	NXT	NEXTDC Limited
CL1	Class Limited	CVW	ClearView Wealth Limited
ASL	Ausdrill Limited	AUB	AUB Group Limited
PSI	PSC Insurance Group Limited	MTR	Mantra Group Limited
SXL	Southern Cross Media Group Limited	BVS	Bravura Solutions Limited
IMD	Imdex Limited	NUF	Nufarm Limited
GEM	G8 Education Limited	MLB	Melbourne IT Limited
SCO	Scottish Pacific Group Limited	SGF	SG Fleet Group Limited
PNI	Pinnacle Investment Management Group Limited	RKN	Reckon Limited

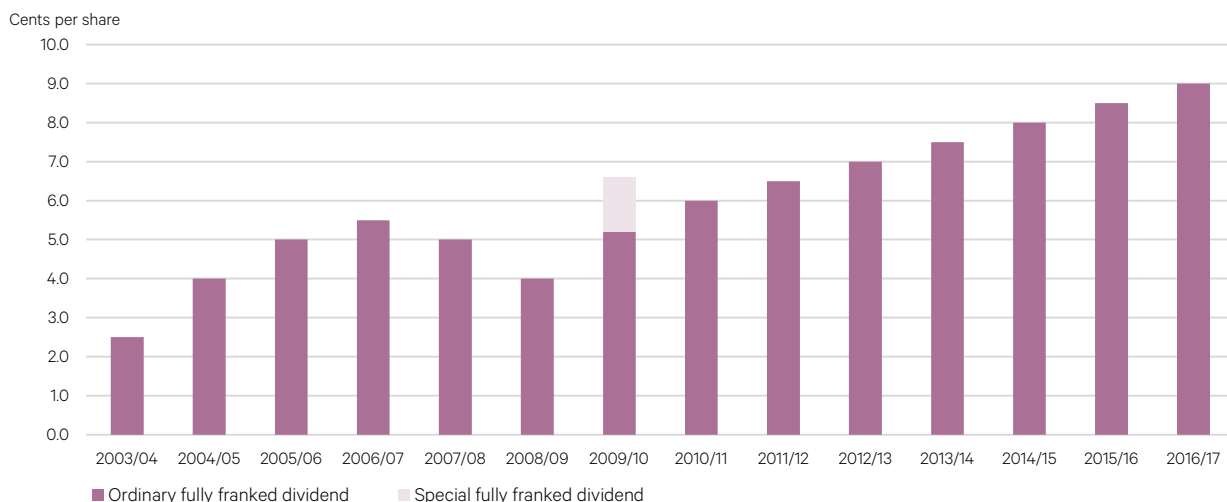
Fully franked dividends

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.