

# Investment update

As at 31 October 2017



## Snapshot

Pre-tax net tangible assets

**\$1.24**

Fully franked  
dividend yield

**5.7%**

Gross assets

**\$233.1m**

Performance  
(p.a. since July 2010)

**18.6%**

## WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$233.1m
Market cap	\$294.0m
Share price	\$1.585
NTA before tax	\$1.24
Shares on issue	185,505,984
Fully franked dividends (FY2017)	9.0c
Fully franked dividend yield	5.7%

## 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 up 4.1% for the month.

During the month the Australian Bureau of Statistics announced the September quarter consumer price index (CPI) was unchanged at 1.8%, falling well below market expectations and further supporting our view that the Reserve Bank of Australia will maintain the cash rate at 1.5% for the foreseeable future. The Westpac-Melbourne Institute index of consumer sentiment rose 3.6% in October, the highest level recorded in 12 months.

Globally, the revival of United States President Trump's tax plan positively impacted US equities, driving the S&P 500 Index to yet another all time record high.

## November 2017 Shareholder Presentations

Don't forget to reserve your place at 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 **after** the 4.5 cents per share fully franked final dividend paid on 27 October 2017.

NTA before tax	123.68c*
NTA after tax and before tax on unrealised gains	123.24c
NTA after tax	122.16c

\*The before tax figure is after the payment of \$143k (0.08 cents per share) in tax during the month.

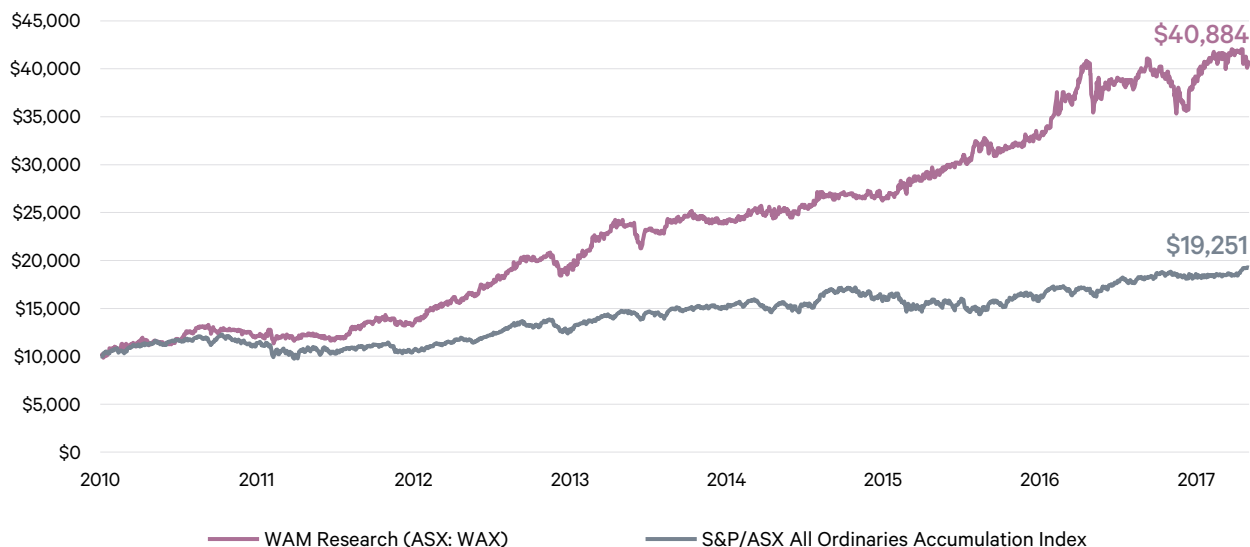
## Performance

Performance at 31 October 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*	3.6%	5.6%	7.3%	4.4%	18.1%	20.6%	18.6%
S&P/ASX All Ordinaries Accumulation Index	4.1%	5.1%	2.7%	15.5%	7.3%	10.3%	9.1%
<b>Outperformance</b>	<b>-0.5%</b>	<b>+0.5%</b>	<b>+4.6%</b>	<b>-11.1%</b>	<b>+10.8%</b>	<b>+10.3%</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 31 October 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	September 2017		October 2017	
	\$m	%	\$m	%
Listed equities	163.7	70.6	166.6	71.5
Fixed interest & cash	68.1	29.4	66.5	28.5
<b>Gross assets</b>	<b>\$231.8m</b>	<b>100.0</b>	<b>\$233.1m*</b>	<b>100.0</b>
<b>Total shares on issue</b>	184,404,085		185,505,984**	

\*This figure is after the 4.5 cents per share fully franked final dividend and \$143k (0.08 cents per share) paid in tax during the month.

\*\*During the month, 1.1m shares were issued from the Dividend Reinvestment Plan (DRP) for the final dividend.

## Top 20 holdings

Code	Company	Code	Company
APT	Afterpay Touch Group Limited	SCO	Scottish Pacific Group Limited
MTR	Mantra Group Limited	MLB	Melbourne IT Limited
SIQ	Smartgroup Corporation Limited	MYO	MYOB Group Limited
NUF	Nufarm Limited	PNI	Pinnacle Investment Management Group Limited
GEM	G8 Education Limited	BVS	Bravura Solutions Limited
ASL	Ausdrill Limited	AUB	AUB Group Limited
PSI	PSC Insurance Group Limited	MIN	Mineral Resources Limited
IMD	Imdex Limited	CVW	ClearView Wealth Limited
WOR	WorleyParsons Limited	SGF	SG Fleet Group Limited
NXT	NEXTDC Limited	SLC	Superloop Limited

## Fully franked dividends

On 27 October 2017, the Company paid a fully franked final dividend of 4.5 cents per share, bringing the FY17 fully franked full year dividend to 9.0 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

