

Investment Update & Net Tangible Assets Report

AS AT 31 JULY 2015



Performance

Performance at 31 July 2015	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	4.5%	14.1%	25.4%	25.3%	19.0%	19.5%
S&P/ASX All Ordinaries Accumulation Index	4.2%	4.5%	5.4%	14.7%	9.4%	10.1%
Outperformance	+0.3%	+9.6%	+20.0%	+10.6%	+9.6%	9.4%

* Investment performance and Index returns are before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

NTA before tax	117.57c
NTA after tax and before tax on unrealised gains	116.16c
NTA after tax	115.96c

*This is after the payment of \$238k (0.1 cents a share) and the provision of \$3.0m (1.8 cents a share) in tax relating to FY2015.

Market overview

July was a positive month for the Australian equity market with the S&P/ASX All Ordinaries Accumulation Index up 4.2%. The Index was lifted higher by the healthcare and consumer staples sectors, despite significant drag from the resources sector. The Australian dollar reached its lowest level against the US dollar since May 2009, driven by falling commodity prices and further realisation that interest rates in the United States are moving higher short term. Unsurprisingly, many of the best performing stocks for the month were foreign earners.

Corporate earnings season gets underway in August where we expect the earnings outlook for companies to remain mixed. The retail and housing sectors are well positioned on the back of low interest rates and stable levels of consumer sentiment, while companies exposed to the resources sector are likely to remain weak with poor results and outlook statements.

Inflation data released during the month remained well within the Reserve Bank of Australia's (RBA) target 2-3% range and as a result in early August the RBA left interest rates on hold. According to their statement, there seems to be a low level of urgency short term to make further adjustments to monetary policy.

We are now almost six and a half years into this current bull market which is in its mature phase. We believe the Australian equity market will continue to benefit from low interest rates and improving domestic economic conditions over the medium term. In the short term, we believe opportunities will continue to present themselves, irrespective of macroeconomic conditions.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$203.3m
Market cap	\$195.1m
Share price	\$1.18
NTA before tax	\$1.18
Shares on issue	165,303,976
Fully franked annualised interim dividend (FY2015)	8.0c
Dividend yield	6.8%

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

Company overview

WAM Research Limited (ASX: WAX) is a Listed Investment Company managed by Wilson Asset Management Group. 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 Australian Securities Exchange.

Investment & Management Team

Geoff Wilson
Chairman/Portfolio Manager

Kate Thorley
Chief Executive Officer/
Company Secretary

Chris Stott
Chief Investment Officer/
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Matthew Haupt
Senior Equity Analyst

Tobias Yao
Equity Analyst

James McNamara
Communications Manager

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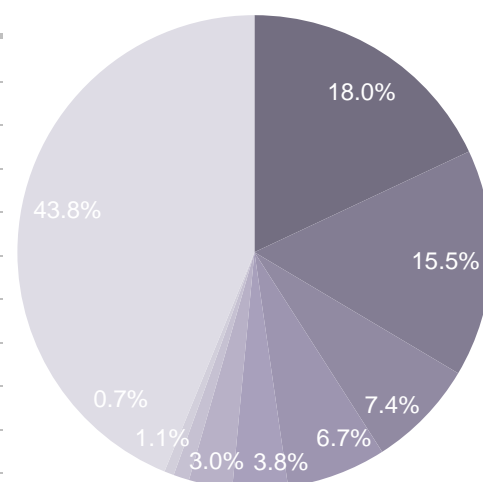
Diversified portfolio

Investment Type	June 2015		July 2015	
	\$m	%	\$m	%
Listed Equities	106.4	54.4	114.5	56.2
Fixed Interest & Cash	89.0	45.6	89.1	43.8
Gross Assets	\$195.4m	100.0%	\$203.6m	100.0%
Total shares on issue	165,303,976		165,303,976	

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
ECX	Eclipx Group Limited	8,024,462	3.9%
ASB	Austal Limited	7,995,543	3.9%
IPH	IPH Limited	6,251,019	3.1%
ENE	Energy Developments Limited	6,029,098	3.0%
MTR	Mantra Group Limited	5,802,922	2.9%
SIQ	Smartgroup Corporation Limited	5,678,623	2.8%
ISU	iSelect Limited	5,500,535	2.7%
CCP	Credit Corp Group Limited	5,379,332	2.6%
CSV	CSG Limited	5,368,334	2.6%
RFG	Retail Food Group Limited	5,117,156	2.5%
AHD	Amalgamated Holdings Limited	5,015,896	2.5%
VOC	Vocus Communications Limited	4,389,282	2.2%
RCG	RCG Corp Limited	3,970,600	2.0%
CKF	Collins Foods Limited	3,448,847	1.7%
APE	AP Eagers Limited	3,041,544	1.5%
SDA	SpeedCast International Limited	2,895,959	1.4%
CIW	Clime Investment Management Limited	2,612,185	1.3%
HSN	Hansen Technologies Limited	2,380,694	1.2%
TRS	The Reject Shop Limited	2,213,015	1.1%
RHP	Rhype Limited	2,155,221	1.1%

Sector allocation



- Consumer Discretionary: 18.0%
- Industrials: 15.5%
- Financials: 7.4%
- Information Technology: 6.7%
- Telecommunication Services: 3.8%
- Utilities: 3.0%
- Consumer Staples: 1.1%
- Health Care: 0.7%
- Cash and Fixed Interest: 43.8%

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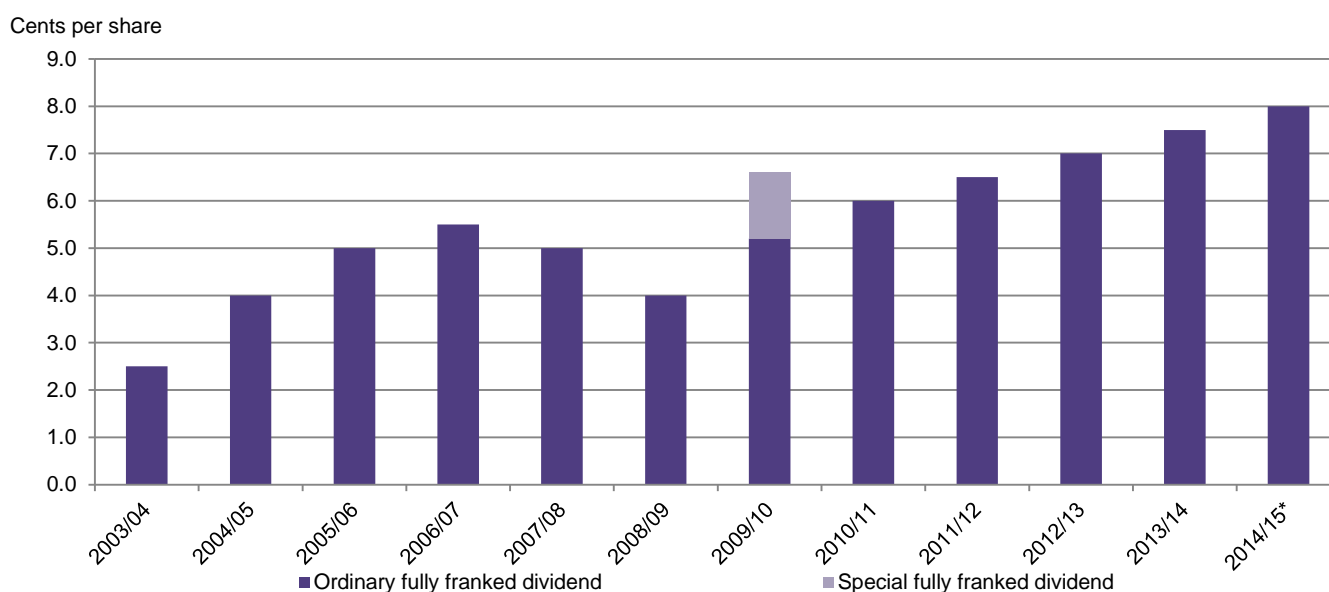
AS AT 31 JULY 2015



Dividend growth

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.

WAM Research dividends since inception



*Annualised interim dividend

On 28 May 2015, the Company paid a fully franked interim dividend of 4.0 cents per share, an increase of 6.7% on the previous corresponding period. The dividend reinvestment price was \$1.1362 after the 2.5% discount.

Priority offer to WAM Research shareholders in Future Generation Global Investment Company Limited

WAM Research shareholders are entitled to share in the \$110 million priority allocation to the Future Generation Global Investment Company Limited (FGG) initial public offering (IPO). FGG will be Australia's first internationally focused listed investment company with the dual objectives of providing shareholders with diversified exposure to selected global equities and changing the lives of young Australians affected by mental illness. FGG will charge shareholders 0.0% management fees and 0.0% performance fees as the participating fund managers will manage the capital on a pro bono basis. This arrangement allows the company to donate 1.0% of its net tangible assets each year to selected Australian non-profits working to improve the mental health of young Australians.

Further information, including the prospectus and online application form, is available at www.futuregeninvest.com.au/global.