

Investment Update & Net Tangible Assets Report

AS AT 30 JUNE 2016



Performance

Performance at 30 June 2016	1 Mth	6 Mths	1 Yr	3 Yrs %pa	5 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	1.8%	5.6%	25.5%	22.9%	20.4%	19.9%
S&P/ASX All Ordinaries Accumulation Index	-2.3%	1.6%	2.0%	8.2%	7.3%	8.1%
Outperformance	+4.1%	+4.0%	+23.5%	+14.7%	+13.1%	+11.8%

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

Net Tangible Assets (NTA) figures

NTA before tax	123.20c
NTA after tax and before tax on unrealised gains	119.69c*
NTA after tax	119.58c*

*These figures are after the payment of \$16k (0.01 cents per share) in tax during the month.

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 2.3% for the month of June, to finish the financial year up 2.0%. Utilities and healthcare were the best performing sectors for the financial year while energy, materials and financials detracted.

Globally, the surprise Brexit vote saw a surge in financial market volatility. Financial markets were pricing in a 'remain' vote, resulting in a violent sell off in equities across global markets following the outcome. The US Federal Reserve saw a dovish shift in commentary in the June minutes after a softer than expected jobs number and, coupled with the Brexit vote, is now not expected to raise rates until 2017.

Concerns around the implications of Brexit eased in the last few days of the month, which saw a rebound in global equity markets to see the Australian market finish in the black for the year, with expectations of further global stimulus in the coming months.

We continue to find investment opportunities and our current cash weightings ensure we are well positioned to seize these opportunities as and when they arise.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$224.4m
Market cap	\$235.1m
Share price	\$1.35
NTA before tax	\$1.23
Shares on issue	174,169,283
Fully franked annualised interim dividend (FY2016)	8.5c
Dividend yield	6.3%

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

Chris Stott
Chief Investment Officer/
Portfolio Manager

Linda Vo
Company Secretary

Matthew Haupt
Portfolio Manager

Martin Hickson
Senior Equity Analyst/Dealer

Tobias Yao
Senior Equity Analyst

John Ayoub
Senior Equity Analyst

Oscar Oberg
Equity Analyst

James McNamara
Head of Corporate Affairs

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Diversified portfolio

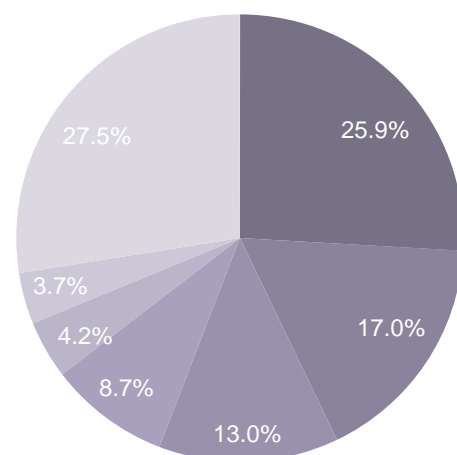
Investment Type	May 2016		June 2016	
	\$m	%	\$m	%
Listed Equities	\$164.1	74.5	\$162.7	72.5
Fixed Interest & Cash	\$56.1	25.5	\$61.7	27.5
Gross Assets	\$220.2	100.0	\$224.4	100.0
Total shares on issue	174,169,283		174,169,283	

*This figure is after the payment of \$16k (0.01 cents per share) in tax during the month.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
SIQ	Smartgroup Corporation Limited	9,458,227	4.2%
MYX	Mayne Pharma Group Limited	8,525,873	3.8%
NCK	Nick Scali Limited	7,715,489	3.4%
RWC	Reliance Worldwide Corporation Limited	7,345,607	3.3%
CL1	Class Limited	7,015,655	3.1%
ECX	Eclix Group Limited	6,991,159	3.1%
CCP	Credit Corp Group Limited	6,779,597	3.0%
SXL	Southern Cross Media Group Limited	6,748,171	3.0%
RCG	RCG Corporation Limited	6,609,883	3.0%
SDF	Steadfast Group Limited	6,342,760	2.8%
VOC	Vocus Communications Limited	6,181,609	2.8%
SGF	SG Fleet Group Limited	6,179,777	2.8%
VTG	Vita Group Limited	6,147,085	2.7%
AAD	Ardent Leisure Group	5,933,761	2.7%
TRS	The Reject Shop Limited	4,972,183	2.2%
PME	Pro Medicus Limited	4,925,405	2.2%
PSI	PSC Insurance Group Limited	4,549,412	2.0%
HLO	Helloworld Limited	4,175,938	1.9%
ASB	Austal Limited	3,659,830	1.6%
CVW	ClearView Wealth Limited	3,310,153	1.5%

Sector allocation



- Consumer Discretionary: 25.9%
- Industrials: 17.0%
- Financials: 13.0%
- Health Care: 8.7%
- Information Technology: 4.2%
- Telecommunication Services: 3.7%
- Cash and Fixed Interest: 27.5%

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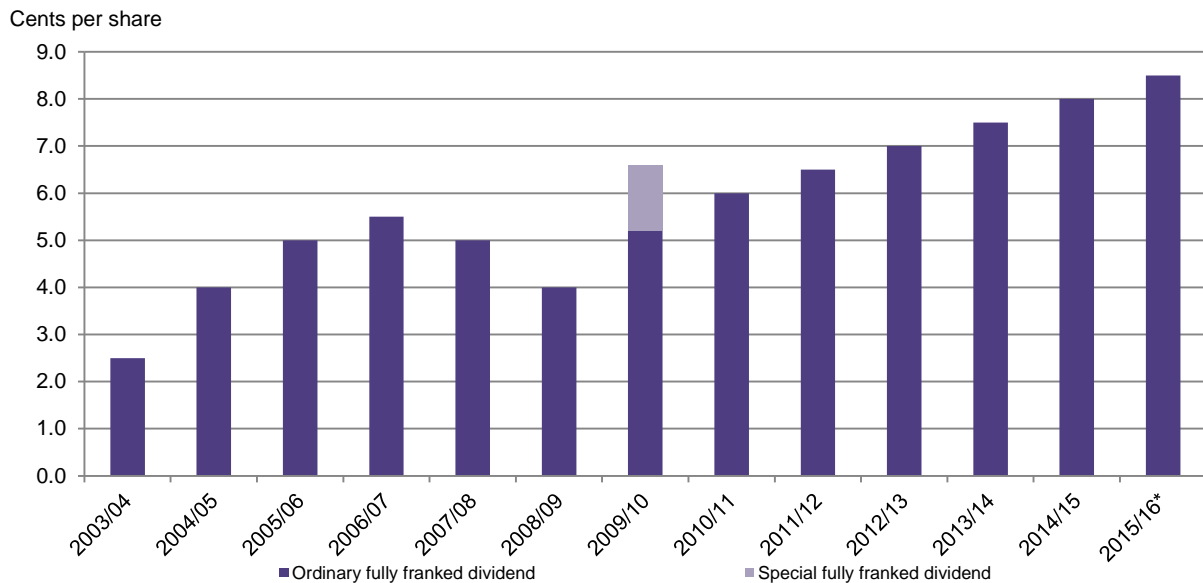
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Dividend growth

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 29 April 2016, the Company paid a fully franked interim dividend of 4.25 cents per share, an increase of 6.3% on the previous corresponding period.