

Investment Update & Net Tangible Assets Report

AS AT 29 FEBRUARY 2016



Performance

Performance at 29 February 2016	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	-3.6%	7.8%	12.6%	15.4%	18.7%	17.1%	18.9%
S&P/ASX All Ordinaries Accumulation Index	-1.5%	-3.1%	-6.4%	-12.2%	3.2%	4.6%	7.0%
Outperformance	-2.1%	+10.9%	+19.0%	+27.6%	+15.5%	+12.5%	+11.9%

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

Net Tangible Assets (NTA) figures

NTA before tax	117.27c
NTA after tax and before tax on unrealised gains	116.29c*
NTA after tax	116.15c*

*These figures are after the payment of \$352k (0.20 cents per share) in tax during the month.

Market overview

Extreme volatility continued to characterise the Australian equity market in February. The S&P/ASX All Ordinaries Accumulation Index fell sharply in the first half of the month and after recovering some ground, the Index finished the month slightly lower, down 1.5%. The Australian share market entered a technical bear market in February, declining 20% from its April 2015 high.

The overall tone of the market leading into reporting season was fairly bearish on account of the prevailing macroeconomic environment. Although market conditions were volatile and expectations were low, company results were relatively good and ahead of expectations outside the mining sector. Early in the season, the market's negative sentiment overrode the positive results delivered by a number of companies, causing considerable volatility in their share prices, particularly businesses with high levels of debt.

With further volatility expected, positive performance will continue to be limited to a number of industry sectors and will be very much stock-specific. While the Australian share market may fall further in the short to medium term, we believe that over the course of the bear market, opportunities will become more apparent. A historical analysis of bear markets reveals that after reaching a low point, the share market rebounds sharply with the majority of gains being made immediately after the market hits its bottom. Research also shows that while the average bull market lasts for 55 months, the average bear market lasts just 17 months. Our current high cash weighting ensures we are well positioned to seize opportunities as and when they arise.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$207.7m
Market cap	\$236.7m
Share price	\$1.37
NTA before tax	\$1.17
Shares on issue	172,768,120
Fully franked annualised interim dividend (FY2016)	8.5c
Dividend yield	6.2%

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

Matthew Haupt

Portfolio Manager

Martin Hickson

Senior Equity Analyst/Dealer

Tobias Yao

Senior Equity Analyst

James McNamara

Head of Corporate Affairs

Investment Update & Net Tangible Assets Report

AS AT 29 FEBRUARY 2016



Diversified portfolio

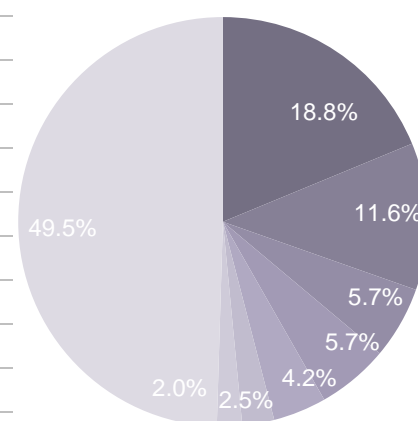
Investment Type	January 2016		February 2016	
	\$m	%	\$m	%
Listed Equities	\$108.2	50.1	\$104.8	50.5
Fixed Interest & Cash	\$107.9	49.9	\$102.9	49.5
Gross Assets	\$216.1m	100.0	\$207.7m*	100.0
Total shares on issue	172,768,120		172,768,120	

*This figure is after the payment of \$352k (0.20 cents per share) in tax during the month.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
RCG	RCG Corporation Limited	6,874,379	3.3%
SIQ	Smartgroup Corporation Limited	6,486,465	3.1%
SGF	SG Fleet Group Limited	6,014,724	2.9%
SRX	Sirtex Medical Limited	5,764,768	2.8%
TRS	The Reject Shop Limited	5,474,312	2.6%
VOC	Vocus Communications Limited	4,966,494	2.4%
SXL	Southern Cross Media Group Limited	4,193,622	2.0%
BWX	BWX Limited	4,129,112	2.0%
CCP	Credit Corp Group Limited	4,084,489	2.0%
PSI	PSC Insurance Group Limited	3,807,178	1.8%
CL1	Class Limited	3,339,433	1.6%
ECX	Eclixp Group Limited	3,285,641	1.6%
BBN	Baby Bunting Group Limited	3,117,262	1.5%
BLX	Beacon Lighting Group Limited	2,997,689	1.4%
PME	Pro Medicus Limited	2,808,968	1.4%
AAD	Ardent Leisure Group	2,804,485	1.4%
CKF	Collins Foods Limited	2,514,112	1.2%
IPH	IPH Limited	2,474,097	1.2%
ISU	iSelect Limited	2,198,038	1.1%
CIW	Clime Investment Management Limited	2,182,130	1.1%

Sector allocation



- Consumer Discretionary: 18.8%
- Industrials: 11.6%
- Financials: 5.7%
- Health Care: 5.7%
- Information Technology: 4.2%
- Telecommunication Services: 2.5%
- Consumer Staples: 2.0%
- Cash and Fixed Interest: 49.5%

Investment Update & Net Tangible Assets Report

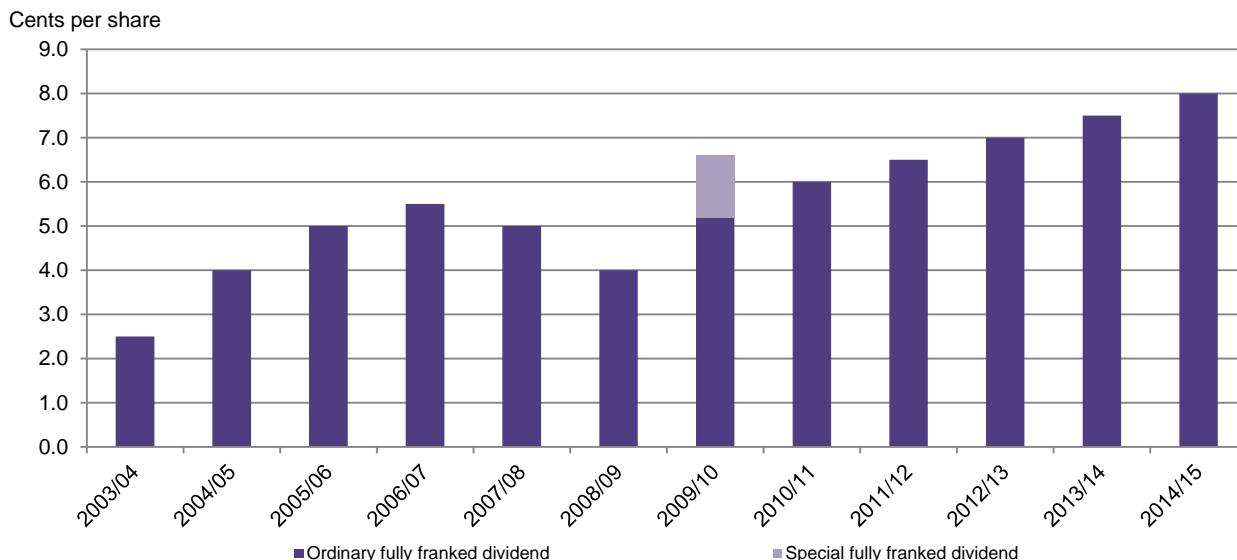
AS AT 29 FEBRUARY 2016



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



On 16 February 2016, the Company announced a fully franked interim dividend of 4.25 cents per share, an increase of 6.3% on the previous corresponding period. The dividend reinvestment plan (DRP) will operate at a 2.5% discount for the interim dividend. To participate in the DRP, shareholders should send their DRP Election Form to the Company's share registrar (Boardroom) no later than 18 April 2016.

Key dividend dates

Ex date: 13 April 2016

Record date: 14 April 2016

Last election date for DRP: 18 April 2016

Payment date: 29 April 2016