

Investment Update & Net Tangible Assets Report

AS AT 31 MARCH 2016



Performance

Performance at 31 March 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*	3.7%	8.7%	16.8%	17.4%	19.5%	17.9%	19.4%
S&P/ASX All Ordinaries Accumulation Index	4.7%	4.1%	-1.9%	-8.0%	5.6%	5.4%	7.7%
Outperformance	-1.0%	+4.6%	+18.7%	+25.4%	+13.9%	+12.5%	+11.7%

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

Net Tangible Assets (NTA) figures

The following NTA figures are before the payment of the 4.25 cents per share fully franked interim dividend which will be paid on 29 April 2016. The shares traded ex dividend on 13 April 2016.

NTA before tax	120.36c
NTA after tax and before tax on unrealised gains	118.70c*
NTA after tax	118.58c*

*These figures are after the payment of \$454k (0.26 cents per share) in tax during the month.

Market overview

March saw positive gains on the Australian share market with the S&P/ASX All Ordinaries Accumulation Index ending the month up 4.7%. During the month the US Federal Reserve said there would be fewer rate hikes this year than they previously anticipated, citing increasing risks to global growth. The US Fed's 'dovish' comments, coupled with the European Central Bank's latest measures to stimulate growth in the Euro Zone, led global equity markets to rally, while having a softening effect on the greenback.

Locally, the big four Australian banks weighed on the market towards the end of March with Australia and New Zealand Banking Group (ASX: ANZ) and Westpac Banking Corporation (ASX: WBC) confirming their bad debt provisions were increasing mostly due to exposures in the resources sector.

While Australia's share market remains in the midst of a bear market, which began in February this year, we continue to find investment opportunities. We believe we are nearing the end of the current bear market and, given the market historically rebounds sharply after reaching its low point, we anticipate opportunities will present themselves. Our above-average cash weighting positions us well to capitalise on prevailing market conditions.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$214.7m
Market cap	\$229.8m
Share price	\$1.33
NTA before tax	\$1.20
Shares on issue	172,768,120
Fully franked annualised interim dividend (FY2016)	8.5c
Dividend yield	6.4%

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

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Diversified portfolio

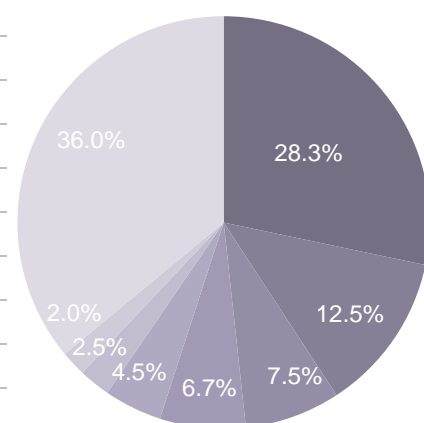
Investment Type	February 2016		March 2016	
	\$m	%	\$m	%
Listed Equities	\$104.8	50.5	\$137.3	64.0
Fixed Interest & Cash	\$102.9	49.5	\$77.4	36.0
Gross Assets	\$207.7m	100.0	\$214.7m*	100.0
Total shares on issue	172,768,120		172,768,120	

*This figure is after the payment of \$454k (0.26 cents per share) in tax during the month.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
RCG	RCG Corp Limited	8,743,072	4.1%
SIQ	Smartgroup Corporation Limited	7,094,662	3.3%
NCK	Nick Scali Limited	7,050,618	3.3%
MYX	Mayne Pharma Group Limited	6,917,763	3.2%
SXL	Southern Cross Media Group Limited	5,933,496	2.8%
SGF	SG Fleet Group Limited	5,815,341	2.7%
TRS	The Reject Shop Limited	5,637,492	2.6%
VOC	Vocus Communications Limited	5,045,231	2.4%
VTG	Vita Group Limited	4,890,100	2.3%
CCP	Credit Corp Group Limited	4,589,428	2.1%
BWX	BWX Limited	4,114,368	1.9%
PSI	PSC Insurance Group Limited	4,049,346	1.9%
AAD	Ardent Leisure Group	3,951,244	1.8%
CL1	Class Limited	3,922,425	1.8%
ECX	Eclix Group Limited	3,553,619	1.7%
CTD	Corporate Travel Management Limited	3,404,772	1.6%
PME	Pro Medicus Limited	3,316,142	1.5%
BLX	Beacon Lighting Group Limited	3,146,746	1.5%
BBN	Baby Bunting Group Limited	3,030,855	1.4%
CVW	ClearView Wealth Limited	2,973,660	1.4%

Sector allocation



- Consumer Discretionary: 28.3%
- Industrials: 12.5%
- Financials: 7.5%
- Health Care: 6.7%
- Information Technology: 4.5%
- Telecommunication Services: 2.5%
- Consumer Staples: 2.0%
- Cash and Fixed Interest: 36.0%

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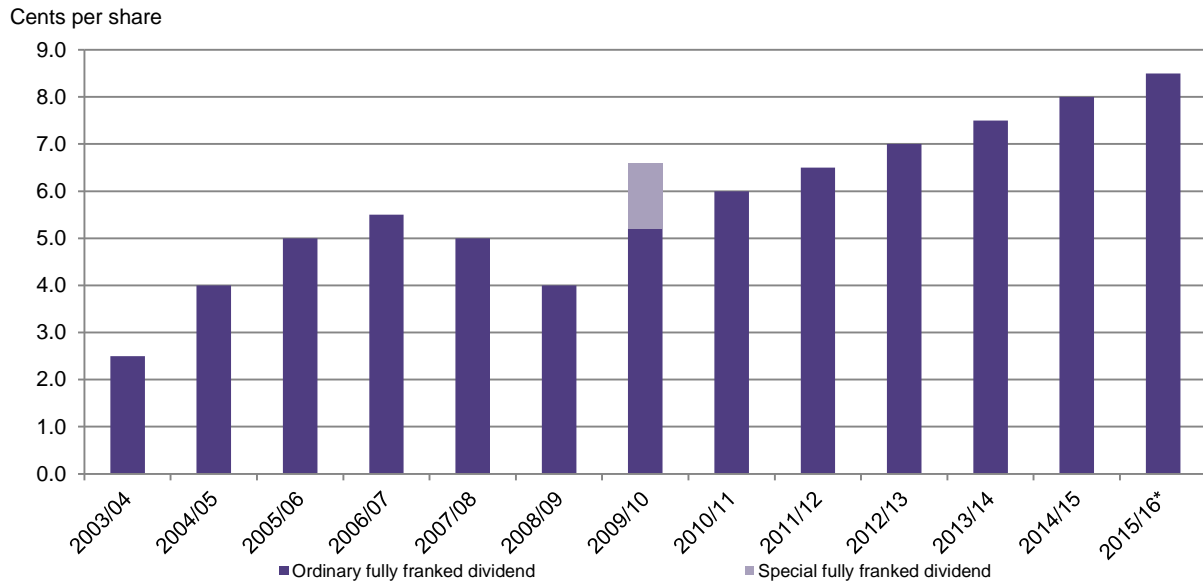
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Dividend growth

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 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