

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2015



Performance

Performance at 30 April 2015	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	0.9%	12.2%	23.2%	23.8%	23.9%	19.6%
S&P/ASX All Ordinaries Accumulation Index	-1.5%	7.1%	11.1%	10.2%	13.7%	10.8%
Outperformance	+2.4%	+5.1%	+12.1%	+13.6%	+10.2%	+8.8%

* 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 4.0 cents per share fully franked interim dividend which will be paid on 28 May 2015. The shares will trade ex dividend on 18 May 2015.

NTA before tax	119.77c
NTA after tax and before tax on unrealised gains	117.25c
NTA after tax	117.08c

* The above figures are after the payment of 0.22 cents in tax during the month.

^ The above figures were adjusted by 0.41 cents after the inclusion of unallocated options.

The above figures have not been adjusted for the remaining options on issue.

WAX Options

If you are a WAM Research optionholder and you exercise your options before **13 May 2015**, you will be entitled to receive the 4.0 cents per share fully franked interim dividend.

Should you have any further queries about exercising your options, please call Mary-Ann on (02) 9258 4998.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed down 1.5% in April. The banking sector weighed heavily on the market late in the month, as it reacted negatively to news of potential regulatory tightening. This led to one of the sharpest falls in a day this calendar year, wiping \$20 billion off the banking sector's market capitalisation. Unsurprisingly Westpac Banking Corporate (ASX: WBC), Commonwealth Bank of Australia (ASX: CBA), Australian and New Zealand Bank (ASX: ANZ) and National Australia Bank (ASX: NAB) were the biggest detractors from the index in the month.

US markets continued to rally with the S&P500 gaining 0.9% and the Nasdaq 0.8% higher at the end of the month. This came despite poor US economic data with employment, inflation and GDP data weaker than expected, leading investors to once again push out anticipations of interest rate rises from the US Federal Reserve. European equity markets experienced a positive month, with strong company earnings supporting the region. China's markets surprised during the month, with the Shanghai composite posting a 18.5% gain despite slowing growth.

Our outlook for the remainder of the year is mixed as we believe valuations are full, notwithstanding the likelihood of further rate cuts. The market continues to experience increasing initial public offering activity and we are actively monitoring and participating in opportunities as they arise.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$185.1m
Market cap	\$182.4m
Share price	\$1.21
NTA before tax	\$1.20
Shares on issue	150,772,215
Options on issue	58,498,623
Fully franked annualised interim dividend (FY2015)	8.0c
Dividend yield	6.6%

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

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2015



Diversified portfolio

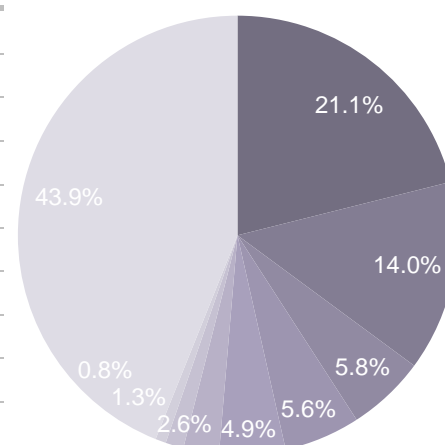
Investment Type	March 2015		April 2015	
	\$m	%	\$m	%
Listed Equities	104.3	58.6	103.9	56.1
Fixed Interest & Cash	73.7	41.4	81.2	43.9
Gross Assets	\$178.0m	100.0%	\$185.1m*	100.0%
Total shares on issue	145,185,417		150,772,215	
Total options on issue	64,085,421		58,498,623	

*This is after payment of \$326k (0.22 cents) in tax paid during the month.

Top holdings

Code	Company	Market Value \$	Market Value as % Gross Assets
TPM	TPG Telecom Limited	7,300,645	3.9%
ASB	Austal Limited	6,657,947	3.6%
SGH	Slater & Gordon Limited	6,260,572	3.4%
RFG	Retail Food Group Limited	5,300,584	2.9%
ENE	Energy Developments Limited	4,859,367	2.6%
MTR	Mantra Group Limited	4,838,609	2.6%
ISU	iSelect Limited	4,739,427	2.6%
CSV	CSG Limited	4,505,389	2.4%
AHD	Amalgamated Holdings Limited	4,364,663	2.4%
ECX	Eclix Group Limited	4,199,349	2.3%
IPH	IPH Limited	4,069,716	2.2%
CCP	Credit Corp Group Limited	3,971,942	2.1%
SIQ	Smartgroup Corporation Limited	3,966,233	2.1%
CTD	Corporate Travel Management Limited	3,897,178	2.1%
ISD	iSentia Group Limited	2,282,594	1.2%
CIW	Clime Investment Management Limited	2,148,124	1.2%
APE	AP Eagers Limited	2,145,665	1.2%
QUB	Qube Holdings Limited	2,092,500	1.1%
TGA	Thorn Group Limited	1,961,195	1.1%
CKF	Collins Foods Limited	1,869,047	1.0%

Sector allocation



- Consumer Discretionary: 21.1%
- Industrials: 14.0%
- Financials: 5.8%
- Information Technology: 5.6%
- Telecommunication Services: 4.9%
- Utilities: 2.6%
- Health Care: 1.3%
- Consumer Staples: 0.8%
- Cash and Fixed Interest: 43.9%

Investment Update & Net Tangible Assets Report

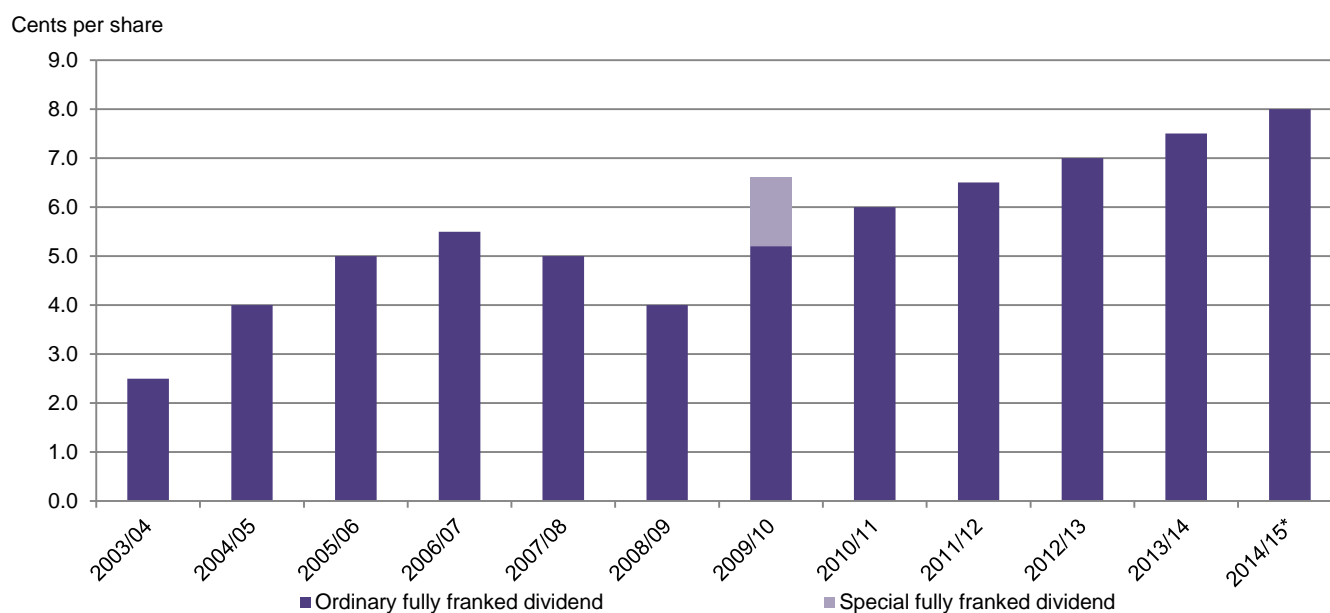
AS AT 30 APRIL 2015



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



On 27 January 2015, the Company announced a fully franked interim dividend of 4.0 cents per share, an increase of 6.7% 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 21 May 2015. Option holders are required to exercise their options by 13 May 2015 to be eligible for the 4.0 cent fully franked interim dividend.

Key dividend dates

Ex date:	18 May 2015
Record date:	20 May 2015
Last election date for DRP:	21 May 2015
Payment date:	28 May 2015
Last day for Option holders to exercise options in order to be eligible for the dividend:	13 May 2015

Bonus Option Issue

On 28 October 2013, the Company announced a one for two bonus option issue ('Bonus Option Issue') to all WAM Research shareholders to acquire ordinary shares in the Company. The options have an exercise price of \$1.20 per share and can be exercised at any time on or before 17 June 2015.

As at 30 April 2015, 5,586,798 options had been exercised for a total consideration of \$6,704,158, with the remaining balance of outstanding options being 58,498,623.

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2015



Upcoming investor presentations

Date	City	Location	Time
Tuesday 19 May 2015	Sydney	Wesley Conference Centre Wesley Theatre 220 Pitt Street	9.30am – 11.20am
Wednesday 20 May 2015	Adelaide	The Playford 120 North Terrace	9.30am – 11.20am
Friday 22 May 2015	Brisbane	Brisbane Convention & Exhibition Centre Cnr Merivale & Glenelg Streets South Bank	9.30am – 11.20am
Tuesday 26 May 2015	Melbourne	Rydges Hotel 186 Exhibition St	9.30am – 11.20am
Thursday 28 May 2015	Canberra	Belconnen Premier Hotel 110 Benjamin Way Belconnen	9.30am – 11.20am
Thursday 4 June 2015	Perth	Rydges Hotel 815 Hay Street	9.30am – 11.20am

If you wish to attend one of our investor presentations, please RSVP by email to info@wamfunds.com.au or call Mary-Ann on (02) 9258 4998.