

Investment update

As at 31 March 2018



Snapshot

Pre-tax net tangible assets

\$1.27

Fully franked
dividend yield

6.1%

Gross assets

\$240.8m

Performance
(p.a. since July 2010)

18.1%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	\$240.8m
Market cap	\$292.1m
Share price	\$1.56
NTA before tax	\$1.27
Shares on issue	187,221,984
Annualised fully franked interim dividend (FY2018)	9.5c
Fully franked dividend yield	6.1%

Investment objectives

- Provide shareholders 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

Wilson Asset Management investment & management team

Geoff Wilson AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	Portfolio Manager
Martin Hickson	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

Company overview

WAM Research Limited (ASX: WAX) is a listed investment company managed by Wilson Asset Management. 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 ASX.

Shareholder Presentations

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

RESERVE YOUR PLACE NOW

May 2018 Shareholder Presentations

Next month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations so we encourage you to stay and talk to the team. [Register now!](#)

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 3.5% in March following global peers in an adverse reaction to geopolitical events through the month.

Global news centred on protectionist policies from the US and China, which rattled equity markets, coupled with key departures from the White House. Technology companies suffered a broad-based sell-off triggered by the Cambridge Analytica controversy into Facebook data collection.

Domestically, the Royal Commission into financial services continued to cause issues for the major banks, further dragging on the Index. In politics, the federal opposition outlined proposed changes to the dividend imputation system that would negatively impact self-funded retirees. Chairman Geoff Wilson spoke to [The Australian](#) and [The Australian Financial Review](#) about the policy.

In an article for the [Australian Financial Review](#), Chief Investment Officer Chris Stott recently discussed three sectors and stocks that present value in an expensive and increasingly volatile equity market.

Net tangible asset (NTA) figures

The following NTA figures are before the 4.75 cents per share fully franked interim dividend due to be paid on 27 April 2018. The shares traded ex dividend today, Thursday 12 April 2018.

NTA before tax	127.31c*
NTA after tax and before tax on unrealised gains	125.47c
NTA after tax	125.25c

*The NTA before tax figure is after the payment of \$103k (0.06 cents per share) in tax during the month.

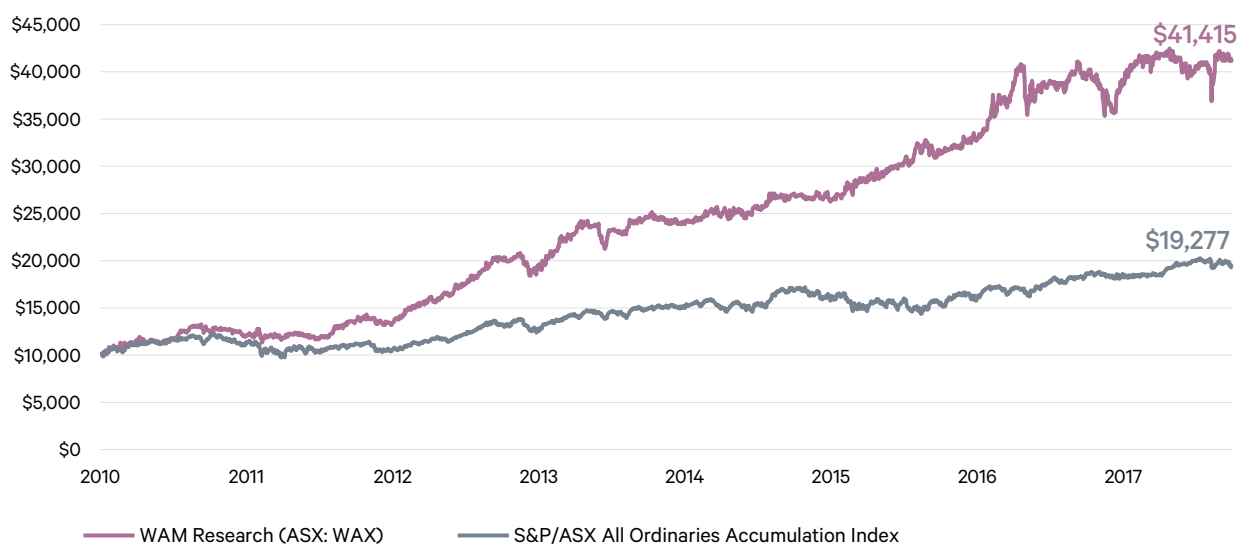
Performance

Performance at 31 March 2018	1 mth	6 mths	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since change in investment strategy %pa (Jul-10)
WAX Investment Portfolio*	-0.7%	7.9%	10.0%	10.4%	15.5%	17.5%	18.1%
S&P/ASX All Ordinaries Accumulation Index	-3.5%	4.2%	5.3%	3.6%	4.4%	7.9%	8.6%
Outperformance	+2.8%	+3.7%	+4.7%	+6.8%	+11.1%	+9.6%	+9.5%

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

Growth of \$10,000 investment since change in investment strategy

WAM Research versus the Index



Notes:

1. The above graph reflects the period from the change in investment strategy in July 2010 to 31 March 2018.
2. WAM Research's performance is calculated using the closing daily share price in Australian dollars and assumes all dividends are reinvested.
3. The S&P/ASX All Ordinaries Accumulation Index has been chosen for comparison purposes only. The graph is not intended to be an indication of future performance of any asset class, index or the WAM Research portfolio.

Diversified portfolio

Investment type	February 2018		March 2018	
	\$m	%	\$m	%
Listed equities	174.2	71.8	173.3	72.0
Fixed interest & cash	68.5	28.2	67.5	28.0
Gross assets	\$242.7m	100.0	\$240.8m*	100.0
Total shares on issue	187,221,984		187,221,984	

*This figure is after the payment of \$103k in tax during the month.

Top 20 holdings

Code	Company	Code	Company
AHG	Automotive Holdings Group Limited	IMD	Index Limited
ASL	Ausdrill Limited	LIC	Lifestyle Communities Limited
AUB	AUB Group Limited	MTR	Mantra Group Limited
BIN	Bingo Industries Limited	NEC	Nine Entertainment Co. Holdings Limited
BVS	Bravura Solutions Limited	PAC	Pacific Current Group Limited
CTD	Corporate Travel Management Limited	PRY	Primary Health Care Limited
CVW	ClearView Wealth Limited	PSI	PSC Insurance Group Limited
ECX	Eclixp Group Limited	RKN	Reckon Limited
EHL	Emeco Holdings Limited	SCO	Scottish Pacific Group Limited
FLT	Flight Centre Travel Group Limited	WOR	WorleyParsons Limited

Fully franked dividends

On 22 February 2018, the Board announced a fully franked interim dividend of 4.75 cents per share, an increase of 5.6% on the previous year. The dividend will be paid on 27 April 2018 and traded ex dividend today, Thursday 12 April 2018. The DRP is available to shareholders for the interim dividend. The dividend reinvestment plan will operate at a 2.5% discount. The last election date for the DRP will be 17 April 2018.

Key dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for DRP	17 April 2018
Payment date	27 April 2018

Fully franked dividends since inception



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.