W|A|M *Research*

Investment update

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Snapshot

Pre-tax net tangible assets

$1.22

Gross assets

$225.2m

Fully franked
dividend yield

5.9%

Performance
(p.a. since July 2010)

18.8%

WAM Research Limited

ASX code	WAX
Listed	Aug 2003
Gross assets	$225.2m
Market cap	$280.3m
Share price	$1.52
NTA before tax	$1.22
Shares on issue	184,404,085
Annualised fully franked interim dividend (FY2017)	9.0c
Fully franked dividend yield	5.9%

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	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Head of Trading
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	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.

May 2017 Shareholder Presentations - last chance to RSVP

For more information and to RSVP, visit wilsonassetmanagement.com.au/RSVP.

Priority allocations in Century and WAM Microcap

WAM Research shareholders are entitled to a $20 million priority allocation in Century Australia Investments Limited and a $121 million priority allocation in WAM Microcap Limited. Century Australia's $75 million capital raising will close on 19 May 2017. WAM Microcap's $154 million capital raising will open on 15 May and is expected to close on 14 June 2017. To participate in either offer call the team on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

Market overview

The S&P/ASX All Ordinaries Accumulation Index closed up 0.8% for the month. During its April board meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 1.5% as widely expected and downgraded its assessment of the Australian labour market following weak February data. The Australian Prudential Regulatory Authority made further comments that it could increase bank capital requirements. At the end of the month the Index came close the 6,000 level following positive news about the French election, Trump's proposed tax cut announcement and domestic inflation figures that showed headline CPI up 2.1% year on year for Q1 2017.

Stock news

During the month, Helloworld Travel Limited (ASX: HLO) announced an upgrade to its current earnings guidance with earnings before interest, tax, depreciation and amortisation (EBITDA) up from $47 to $51 million to between $52 and $55 million on the back of approximately $5.8 billion of total transaction value (TTV). The company said it was maintaining TTV and margins despite strong competition and continual airfare discounting.

Net tangible asset (NTA) figures

The following NTA figures are after the 4.5 cents per share fully franked interim dividend paid on 21 April 2017.

NTA before tax	121.76c*
NTA after tax and before tax on unrealised gains	120.52c
NTA after tax	120.46c

*The before tax figure is after the payment of $48k (0.03 cents per share) in tax during the month.
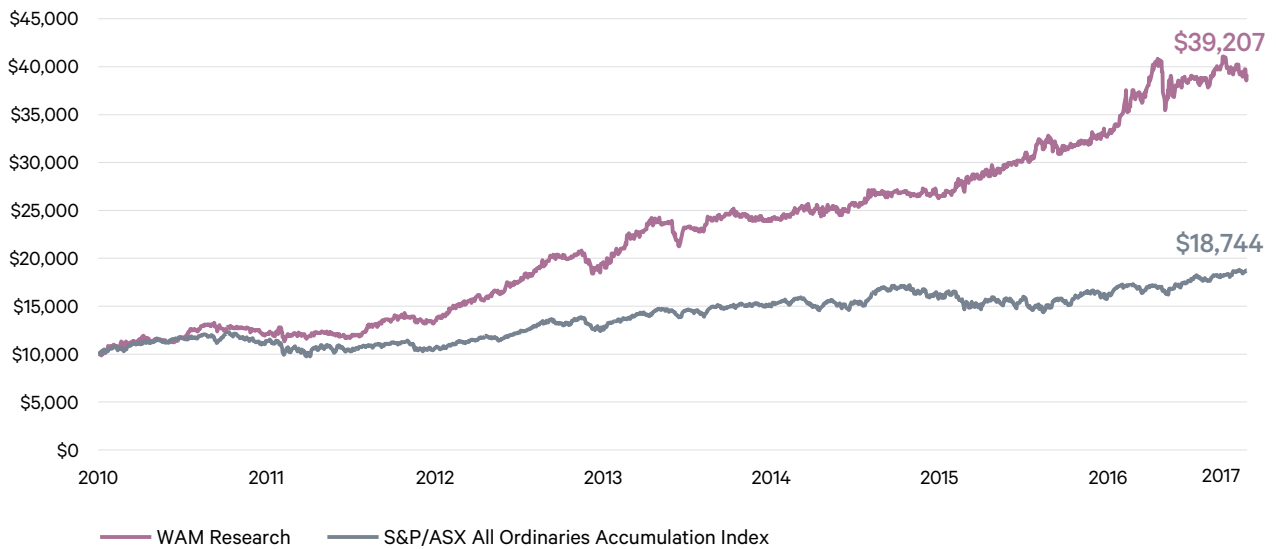
Performance

Performance at 30 April 2017	1 Mth	6 Mth	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	-1.2%	-2.7%	9.4%	17.5%	19.2%	21.1%	18.8%
S&P/ASX All Ordinaries Accumulation Index	0.8%	12.4%	15.8%	16.6%	7.4%	10.6%	9.4%
Outperformance	-2.0%	-15.1%	-6.4%	+0.9%	+11.8%	+10.5%	+9.4%

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

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

WAM Research versus the Index

Legend: WAM Research | S&P/ASX All Ordinaries Accumulation Index

Diversified portfolio

Investment type	March 2017		April 2017	
	$m	%	$m	%
Listed equities	176.8	75.3	156.3	69.4
Fixed interest & cash	58.0	24.7	68.9	30.6
Gross assets	**$234.8m**	**100.0**	**$225.2m***	**100.0**
Total shares on issue	183,229,919		184,404,085**	

*This figure is after the 4.5 cents per share fully franked interim dividend and $48k (0.03 cents per share) paid in tax during the month.
**During the month, 1.2m shares were issued from the Dividend Reinvestment Plan (DRP) for the interim dividend.

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Top 20 holdings

Code	Company	Code	Company
NCK	Nick Scali Limited	SXL	Southern Cross Media Group Limited
AHG	Automotive Holdings Group Limited	REA	REA Group Limited
CGF	Challenger Limited	PNI	Pinnacle Investment Management Group Limited
AUB	AUB Group Limited	HLO	Helloworld Travel Limited
ECX	Eclipx Group Limited	CL1	Class Limited
ISU	iSelect Limited	IMD	Imdex Limited
NHF	NIB Holdings Limited	CVW	ClearView Wealth Limited
CAR	carsales.com Limited	RKN	Reckon Limited
PSI	PSC Insurance Group Limited	ONE	Oneview Healthcare PLC
NXT	NEXTDC Limited	APN	APN News & Media Limited

Fully franked dividends

On 21 April 2017, the Company paid a fully franked interim dividend of 4.5 cents per share, an increase of 5.9% on the previous corresponding period. The dividend reinvestment price for the interim dividend was $1.5116, incorporating the 2.5% discount.

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.

Fully franked dividends since inception

■ Ordinary fully franked dividend   ▫ Special fully franked dividend

*Annualised interim dividend

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