

## Investment portfolio outperformance drives increase in profit

2 February 2021  
ASX announcement

- 205.2% increase in operating profit before tax to \$44.6 million\*
- 27.3% investment portfolio performance<sup>^</sup> in the financial year to date, outperforming the Index by 11.6%<sup>^</sup>
- 4.95 cents per share FY2021 fully franked interim dividend

WAM Research achieved a 205.2% increase in operating profit before tax to \$44.6 million and a 188.0% increase in operating profit after tax to \$31.7 million in its FY2021 half year results\*.

The WAM Research Board of Directors has declared a fully franked interim dividend of 4.95 cents per share. The fully franked dividend has been achieved through the strong performance of the investment portfolio since its change in the investment strategy in 2010 and the profits reserve available and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

The Company's strong investment portfolio performance provided shareholders with a total shareholder return of 21.9% in the six months to 31 December 2020. WAM Research's investment portfolio increased 27.3%<sup>^</sup> outperforming the S&P/ASX All Ordinaries Accumulation Index by 11.6%<sup>^</sup>, with an average cash holding of 11.3% during the half year to 31 December 2020. The WAM Research investment portfolio increased 11.9%<sup>^</sup> in the 2020 calendar year, outperforming the Index by 8.3%<sup>^</sup> with an average cash holding of 17.4%.

WAM Research's investment approach, which focuses on identifying undervalued growth companies with a catalyst, has led to strong investment portfolio outperformance. Since its change in the investment strategy in 2010, the WAM Research investment portfolio has increased 15.8%<sup>^</sup> per annum, outperforming the Index by 6.9%<sup>^</sup> per annum.

The Company has a profits reserve of 37.5 cents per share as at 31 December 2020, representing 3.8 years of dividend coverage, and forms part of the net tangible assets (NTA) of the Company. Since inception, WAM Research has paid 114.1 cents per share in fully franked dividends to shareholders. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax on profits.

The WAM Research fully franked interim dividend will be paid on Tuesday 20 April 2021. The record date is Thursday 8 April 2021 and the shares will trade ex dividend on Wednesday 7 April 2021. The last election date for the Dividend Reinvestment Plan (DRP) is Monday 12 April 2021.

The DRP will be operating with a 2.5% discount for the interim dividend.

### FY2021 Interim Results Webinar

Please **register** to join Chairman and Chief Investment Officer Geoff Wilson AO, Lead Portfolio Manager Oscar Oberg, Portfolio Manager Tobias Yao, Equity Analyst Shaun Weick and Equity Analyst Sam Koch for our WAM Capital, WAM Microcap, WAM Research and WAM Active **FY2021 Interim Results Webinar** on Tuesday 2 February 2021 at 2:30pm (Sydney time). We encourage you to ask any questions you may have.

### Investment portfolio outperformance since change in investment strategy

as at 31 December 2020

	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	7 yrs %pa	Since change in investment strategy %pa (Jul-10)
WAX Investment Portfolio <sup>^</sup>	27.3%	11.9%	8.7%	10.6%	13.9%	15.8%
S&P/ASX All Ordinaries Accumulation Index	15.7%	3.6%	7.4%	9.3%	7.9%	8.9%
<b>Outperformance</b>	<b>+11.6%</b>	<b>+8.3%</b>	<b>+1.3%</b>	<b>+1.3%</b>	<b>+6.0%</b>	<b>+6.9%</b>

\*The HY2021 profit figures are unaudited. Audited half-year results will be announced to the market in February 2021.

<sup>^</sup>Investment portfolio performance and Index returns are before expenses, fees and taxes.

## Top 20 holdings with portfolio weightings

as at 31 December 2020

Code	Company	%	Code	Company	%
CDA	Codan Limited	5.1%	AFG	Australian Finance Group Limited	2.8%
IFM	Infomedia Limited	3.8%	IMD	Imdex Limited	2.7%
BWX	BWX Limited	3.6%	IEL	IDP Education Limited	2.5%
FBU	Fletcher Building Limited	3.5%	BGA	Bega Cheese Limited	2.4%
ELD	Elders Limited	3.4%	FLT	Flight Centre Travel Group Limited	2.1%
SLK	SeaLink Travel Group Limited	3.3%	CCX	City Chic Collective Limited	2.1%
BAP	Bapcor Limited	3.2%	PRN	Perenti Global Limited	2.0%
VEA	Viva Energy Group Limited	3.0%	WOR	Worley Limited	2.0%
UMG	United Malt Group Limited	2.9%	SVW	Seven Group Holdings Limited	2.0%
BRG	Breville Group Limited	2.9%	ADH	Adairs Limited	2.0%

This announcement has been authorised by the Board of WAM Research Limited.

### About WAM Research

WAM Research Limited has an investment management agreement with 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. WAM Research's investment objectives are to provide a stream of fully franked dividends and achieve a high real rate of return, comprising both income and capital growth, within acceptable risk parameters.

All major platforms provide access to WAM Research, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Research receives coverage from the following independent investment research providers:

**BELL POTTER**

**EL&C Baillieu**  
1889 ONWARD

**INDEPENDENT**  
INVESTMENT RESEARCH

**Zenith**  
Investment Partners

**MORNINGSTAR**

### About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 90,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first listed investment companies to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement, is a significant funder of many Australian Charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.

**Wilson**  
Asset Management

**OVER 20 YEARS** Making a difference

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