

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2014



Performance

Performance at 30 April 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	-1.3%	1.8%	20.0%	17.1%	16.2%	18.5%
S&P/ASX All Ordinaries Accumulation Index	1.3%	3.0%	18.6%	10.4%	8.4%	11.0%
Outperformance	-2.6%	-1.2%	+1.4%	+6.7%	+7.8%	+7.5%

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

Net Tangible Assets (NTA) figures

The following NTA figures are after the payment of the 3.75 cents per share fully franked interim dividend on 30 April 2014.

NTA before tax	107.21c
NTA after tax and before tax on unrealised gains	106.20c
NTA after tax	105.83c

* The above figures are after the payment of 0.1 cents in tax during the month and have not been adjusted for the remaining options on issue.

Market overview

The S&P/ASX All Ordinaries Accumulation Index climbed 1.3% in April driven higher by the four major banks as they approached their interim reporting season. During the month, the S&P/ASX All Ordinaries Index reached a six year high with the Index now up 35.6% from its lows of June 2012 and up 14.6% for the financial year to date.

Markets overseas also rose in April. American equities continued to move higher hitting all-time highs in spite of macroeconomic data and the Federal Reserve continuing to taper its Quantitative Easing ('QE') program. We believe the technology sector is losing momentum with recent IPOs in the sector performing poorly and high profile stocks, such as Twitter, experiencing volatility. As we foreshadowed following our trip to China earlier this year, the world's second largest economy is adjusting to a lower growth environment.

In the short term, we maintain a cautious outlook for Australian equities with the Price to Earnings (P/E) ratios of stocks across various industries trading significantly higher than their historical averages. We predict the market will finish the calendar year flat. Subject to growth in economic activity driven by low interest rates, our view of the share market over the medium and longer term is more optimistic. The investment portfolio currently has a cash weighting of 41.0% ensuring the Company is well positioned to seize on opportunities in the market when they arise.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$150.6m
Market cap	\$161.4m
Share price	\$1.155
NTA before tax	\$1.07
Shares on issue	139,727,544
Options on issue	68,289,357
Fully franked annualised interim dividend (FY2014)	7.5c
Dividend yield	6.5%

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
Equity Analyst

Mark Tobin
Equity Analyst

Meredith Hemsley
Corporate Affairs

Investment Update & Net Tangible Assets Report

AS AT 30 APRIL 2014



Diversified portfolio

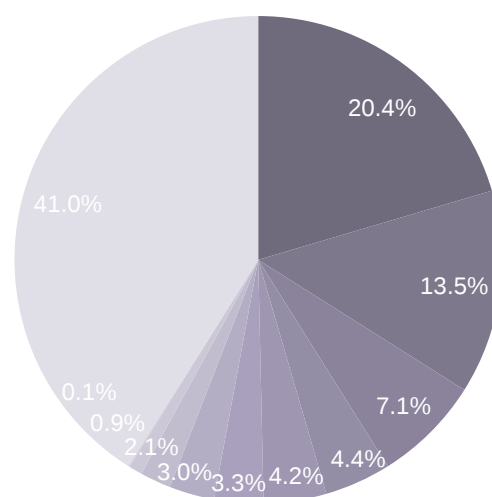
Investment Type	March 2014		April 2014	
	\$m	%	\$m	%
Listed Equities	99.1	63.2	88.8	59.0
Fixed Interest & Cash	57.6	36.8	61.8	41.0
Gross Assets	\$156.7m	100.0%	\$150.6m*	100.0%
Total shares on issue	138,182,644		139,727,544	
Total options on issue	68,663,082		68,289,357	

*This is after the payment of the 3.75 cents per share fully franked interim dividend and 0.1 cents in tax during the month.

Top holdings

Code	Company	Market Value as % Gross Assets
CBAPA	CBA Perpetual Exc Resale Listed Sec - PERLS IV	3.8%
SGH	Slater & Gordon Limited	3.2%
AAD	Ardent Leisure Group	3.2%
DLX	DuluxGroup Limited	3.1%
AHE	Automotive Holdings Group Limited	2.7%
DNA	Donaco International Limited	2.4%
TNE	Technology One Limited	2.3%
CIW	Clime Investment Management Limited	2.2%
FXJ	Fairfax Media Limited	2.2%
NEA	Nearmap Limited	2.1%
ENE	Energy Developments Limited	2.1%
CSV	CSG Limited	2.0%
SFW	SFG Australia Limited	1.8%
ANZPB	ANZ Convertible Preference Share - CPS2	1.8%
VOC	Vocus Communications Limited	1.8%
RWH	Royal Wolf Holdings Limited	1.6%
TPM	TPG Telecom Limited	1.6%
SGN	STW Communications Group Limited	1.5%
CTD	Corporate Travel Management Limited	1.4%
SRX	Sirtex Medical Limited	1.1%

Sector allocation



- Consumer Discretionary: 20.4%
- Financials: 13.5%
- Information Technology: 7.1%
- Industrials: 4.4%
- Telecommunication Services: 4.2%
- Materials: 3.3%
- Health Care: 3.0%
- Utilities: 2.1%
- Consumer Staples: 0.9%
- Energy: 0.1%
- Cash and Fixed Interest: 41.0%

Investment Update & Net Tangible Assets Report

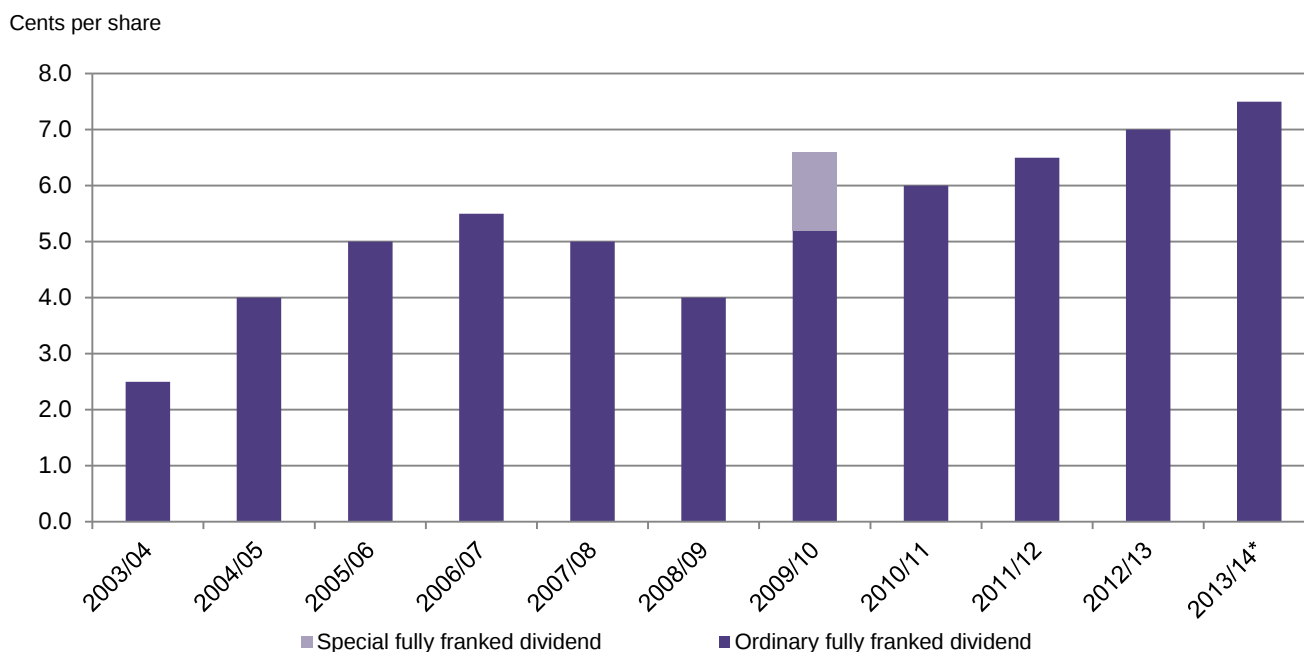
AS AT 30 APRIL 2014



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. Dividends are 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 30 April 2014, the Company paid a fully franked interim dividend of 3.75 cents per share. This was an increase of 7.1% on the previous corresponding period and represents an annualised fully franked dividend yield of 6.5%, based on the last closing price.

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 2014, 659,534 options had been exercised for a total consideration of \$791,441, with the remaining balance of outstanding options being 68,289,357.

Upcoming Investor Roadshow dates

Adelaide	22 May 2014
Brisbane	23 May 2014
Melbourne	27 May 2014
Sydney	28 May 2014

Full details are provided on our website. We look forward to seeing you there.