

Investment Update & Net Tangible Assets Report

AS AT 30 NOVEMBER 2014



Performance

Performance at 30 November 2014	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio*	1.1%	10.6%	11.1%	14.5%	23.9%	18.8%
S&P/ASX All Ordinaries Accumulation Index	-3.2%	-1.1%	0.3%	4.0%	13.0%	9.4%
Outperformance	+4.3%	+11.7%	+10.8%	+10.5%	+10.9%	+9.4%

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

Net Tangible Assets (NTA) figures

NTA before tax	109.37c
NTA after tax and before tax on unrealised gains	108.87c
NTA after tax	108.64c

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

Market overview

The S&P/ASX All Ordinaries Accumulation Index fell 3.2% during November, underperforming world markets. The oil price suffered sharp declines in November, down 18%, pushing the energy sector 13.1% lower. During the month, the ASX experienced its worst two-day decline since the GFC.

US equity markets continued to perform well in November, with the S&P/500 up 2.5% for the month, buoyed by a better than expected earnings season. In Europe, inflation fell to five-year lows renewing calls for the European Central Bank to expand its asset buying program.

We continue to be cautious in our short term view of Australia's equity market. The AGM season provided mixed news flow and recent GDP data has also suggested that Australia is in a technical income recession, with quarterly growth struggling to outpace core inflation. Our investment portfolio continues to be conservatively positioned through above average cash holdings. We are well positioned to ride through the fluctuations in the market as we have done in past cycles and take advantage of any market dislocation.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$161.0m
Market cap	\$160.8m
Share price	\$1.13
NTA before tax	\$1.09
Shares on issue	142,296,965
Options on issue	66,973,873
Fully franked dividends (FY2014)	7.5c
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

Melanie Shaw
Corporate Affairs

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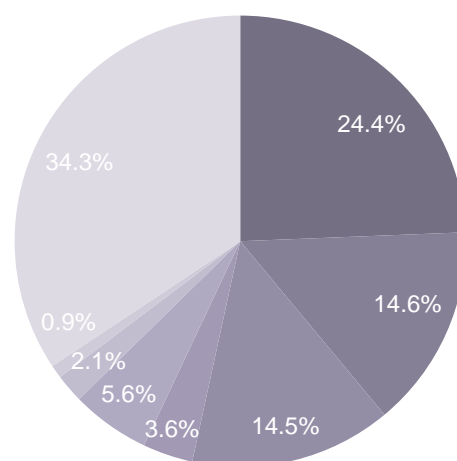
Diversified portfolio

Investment Type	October 2014		November 2014	
	\$m	%	\$m	%
Listed Equities	105.8	66.5	105.7	65.7
Fixed Interest & Cash	53.4	33.5	55.3	34.3
Gross Assets	\$159.2m	100.0%	\$161.0m	100.0%
Total shares on issue	142,293,632		142,296,965	
Total options on issue	66,977,206		66,973,873	

Top holdings

Code	Company	Market Value as % Gross Assets
SGH	Slater & Gordon Limited	3.7%
CSV	CSG Limited	3.2%
ALU	Altium Limited	2.7%
AHE	Automotive Holdings Group Limited	2.6%
IFM	Infomedia Limited	2.6%
ASB	Austral Limited	2.6%
MTR	Mantra Group Limited	2.5%
RFG	Retail Food Group Limited	2.5%
IPH	IPH Limited	2.4%
CTD	Corporate Travel Management Limited	2.4%
AHD	Amalgamated Holdings Limited	2.4%
SRX	Sirtex Medical Limited	2.1%
VED	Veda Group Limited	2.1%
ENE	Energy Developments Limited	2.1%
CCP	Credit Corp Group Limited	2.0%
NVT	Navitas Limited	1.9%
ISU	iSelect Limited	1.9%
ISD	iSentia Group Limited	1.8%
TNE	Technology One Limited	1.8%
SIQ	Smartgroup Corporation Limited	1.7%

Sector allocation



- Consumer Discretionary: 24.4%
- Information Technology: 14.6%
- Industrials: 14.5%
- Health Care: 3.6%
- Financials: 5.6%
- Utilities: 2.1%
- Consumer Staples: 0.9%
- Cash and Fixed Interest: 34.3%

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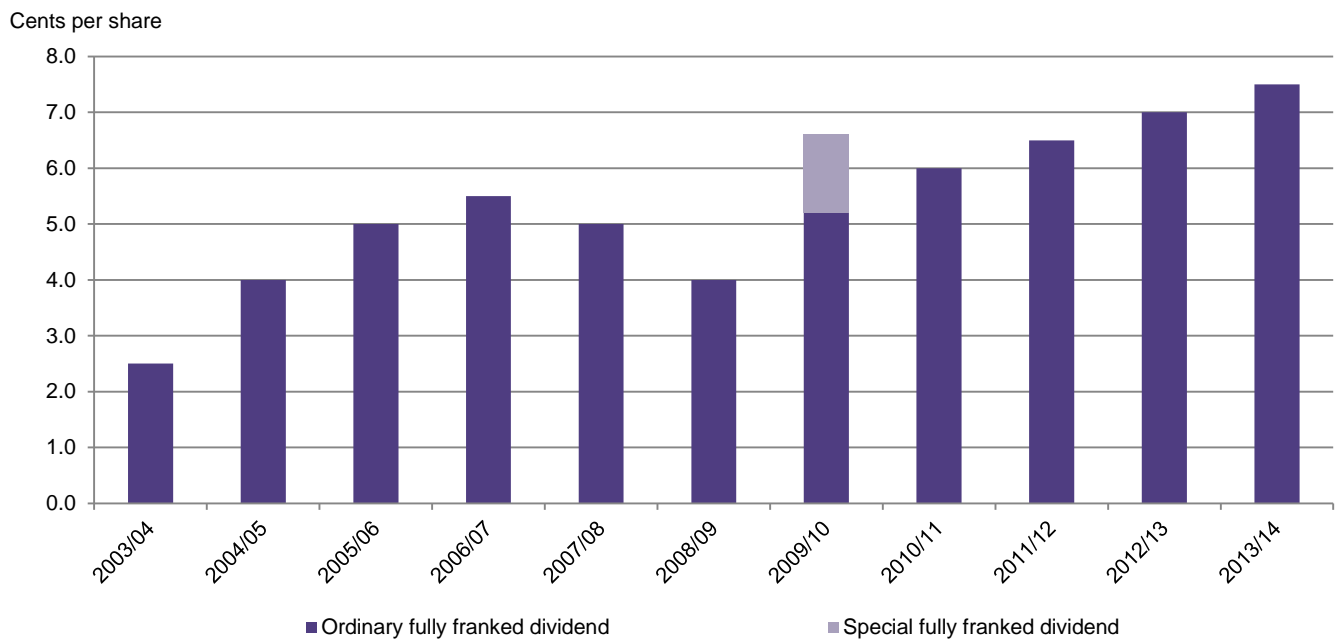
Dividend growth

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 paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

The estimated profit reserve as at 30 November 2014 is 24.1 cents per share and the franking account has a balance of \$2,559,192.

On 24 October 2014, the Company paid a fully franked final dividend of 3.75 cents per share. This brings the full year fully franked dividend to 7.5 cents per share, an increase of 7.1% on the previous corresponding period.

WAM Research dividends since inception



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 November 2014, 1,975,018 options had been exercised for a total consideration of \$2,370,022, with the remaining balance of outstanding options being 66,973,873.