

WAM RESEARCH LIMITED (WAX)
ABN 15 100 504 541
INVESTMENT UPDATE & NET TANGIBLE ASSETS REPORT
APRIL 2013

Company overview

WAM Research Limited (WAX) is a listed investment company that invests in undervalued growth companies, primarily small to medium sized industrial companies listed on the ASX.

Investment objective

The investment objectives are to provide a growing stream of fully franked dividends and to achieve a high real rate of return, comprising both income and capital growth within risk parameters acceptable to the Directors.

Performance

The performance of the WAX investment portfolio against the S&P/ASX All Ordinaries Accumulation Index is shown in the table below. The investment performance is before expenses, fees and taxes.

Performance as at 30 April 2013	1 Mth %	6 Mths %	Fin YTD %	1 Yr %	3 Yrs %pa	5 Yrs %pa
WAX Investment Portfolio	+1.2%	+19.9%	+33.5%	+31.3%	+14.8%	+9.3%
S&P/ASX All Ordinaries Accumulation Index	+3.8%	+16.3%	+29.6%	+21.0%	+6.8%	+2.6%
Outperformance	-2.6%	+3.6%	+3.9%	+10.3%	+8.0%	+6.7%

Net Tangible Asset (NTA) figures

The following NTA figures are after the payment of the 3.5 cent per share fully franked interim dividend on 19 April 2013.

NTA before tax	101.59c*
NTA after tax and before tax on unrealised gains	101.42c
NTA after tax	101.42c

* After the payment of 1.06 cents in tax during the month.

Market Outlook

The S&P/ASX All Ordinaries Accumulation Index finished up 3.8% in April. The insatiable appetite for yield continued with the four major banks and Telstra representing the majority of the market's performance in April. The Small Industrials Accumulation Index lagged in April, finishing up 0.81%. The Small Resources Accumulation Index continued its slide, closing down 20.4% for the month.

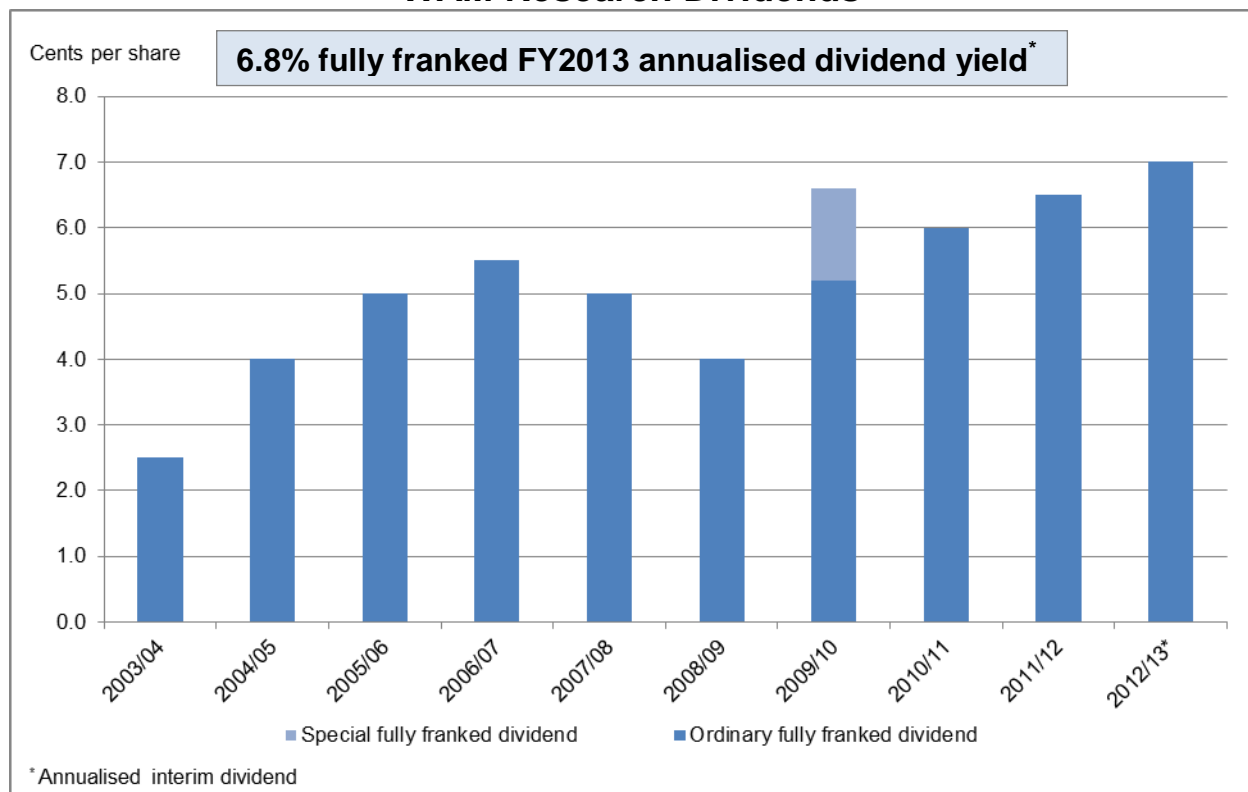
The RBA cut interest rates in early May by 0.25% which will continue to fuel the current chase for high dividend yield stocks. Resources were weak again, in particular gold stocks. Resources focused companies have had a torrid 12 months in general, with fears around global macroeconomic growth. However, with US growth slowly improving and the aggressive quantitative easing programme being undertaken by Japan, we may see an uptick in the demand for resources eventuate in late 2013. If global growth continues to improve, companies in the resources, materials and mining services sectors represent leveraged plays on a global recovery. We continue to monitor companies in these sectors for deep value opportunities.

Dividends – 3.5 cents per share fully franked interim

On 19 April 2013, the Company paid a fully franked interim dividend of 3.5 cents per share. This is a 7.7% increase on the previous year's interim dividend and represents an annualised fully franked dividend yield of 6.8% based on the last sale price. The interim dividend includes 1.1 cents of LIC capital gain which will enable some shareholders to claim a further tax deduction.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the Company has sufficient franking credits and it is within prudent business practices. It must also comply with Government legislation and the ATO's interpretation of a company's ability to pay franked dividends. Dividends are paid on a six-monthly basis. Dividend payments will also be made with consideration to cash flow and cash holdings.

WAM Research Dividends



*Based on the 13 May 2013 closing price.

Portfolio structure

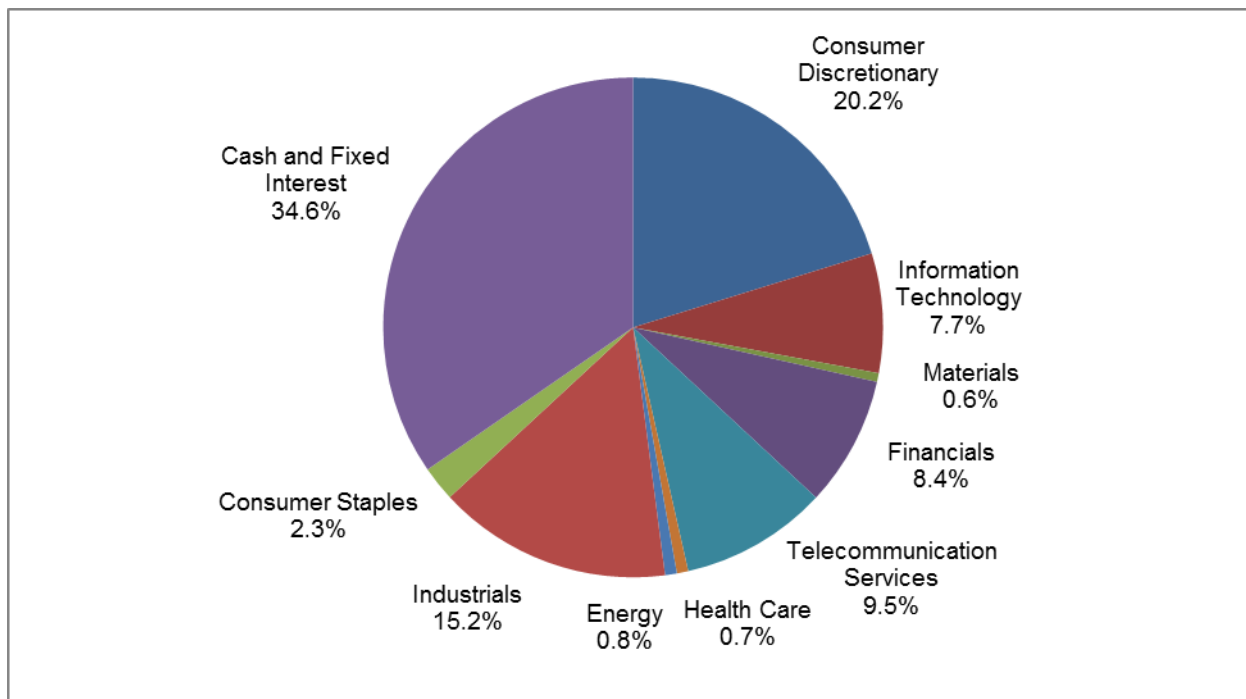
Investment Type	As at 31 March 2013		As at 30 April 2013	
	\$m	%	\$m	%
Listed Equities	82.7	64.0%	82.3	65.4%
Fixed Interest and Cash	46.4	36.0%	43.6	34.6%
Total Fund Size	\$129.1m	100.0%	\$125.9m*	100.0%
Total number ordinary shares on issue	121,634,257		122,599,235	

* This is after the payment of the \$3,314,062 fully franked interim dividend during the month.

At 30 April 2013 the major securities held in the portfolio were as follows:

Code	Company	Market Value \$	Market Value as % of Gross Assets
AHE	Automotive Holdings Group Limited	4,381,949	3.5%
SKE	Skilled Group Limited	4,365,633	3.5%
CCV	Cash Converters International	4,348,289	3.5%
MTU	M2 Telecommunications Group Limited	3,862,484	3.1%
AMM	Amcom Telecommunication Limited	3,182,092	2.5%
CIW	Clime Investment Management Limited	2,990,485	2.4%
SFW	SFG Australia Limited	2,964,476	2.4%
SGH	Slater & Gordon Limited	2,837,342	2.3%
GEM	G8 Education Limited	2,768,740	2.2%
CMG	Chandler Macleod Group Limited	2,747,765	2.2%
RCR	RCR Tomlinson Limited	2,746,131	2.2%
TPI	Transpacific Industries Group Limited	2,725,315	2.2%
TPM	TPG Telecom Limited	2,710,656	2.2%
SGN	STW Communications Group Limited	2,673,948	2.1%
CSV	CSG Limited	2,585,456	2.1%
VRL	Village Roadshow Limited	2,554,276	2.0%
RWH	Royal Wolf Holdings Limited	2,287,995	1.8%
APE	AP Eagers Limited	2,086,358	1.7%
REA	REA Group Limited	2,071,304	1.6%
AIX	Australian Infrastructure Fund	2,063,363	1.6%

Portfolio structure - sector allocation



Performance – yearly comparison

Set out below is the performance of WAX's investment portfolio since listing to 30 April 2013 on a financial year basis. The performance data is before all expenses, fees and taxes and is used as a guide to the performance of the investment portfolio against the S&P/ASX All Ordinaries Accumulation Index which is also a before tax and expenses measure.

Financial Year	WAX Investment Portfolio	S&P/ASX All Ordinaries Accumulation Index	Outperformance
2003/2004	+6.5%	+22.4%	-15.9%
2004/2005	+5.2%	+24.8%	-19.6%
2005/2006	+13.4%	+24.2%	-10.8%
2006/2007	+30.7%	+30.3%	+0.4%
2007/2008	-31.6%	-12.1%	-19.5%
2008/2009	-4.8%	-22.2%	+17.4%
2009/2010	+10.3%	+13.8%	-3.5%
2010/2011	+17.5%	+12.2%	+5.3%
2011/2012	+4.5%	-7.0%	+11.5%
YTD 2012/2013	+33.5%	+29.6%	+3.9%

For more information

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