



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

Outperformance against sharemarket

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 31 March 2013	1 Mth %	6 Mths %	Fin YTD %	1 Yr %	3 Yrs %pa	5 Yrs %pa
WAX Investment Portfolio	+1.7%	+21.4%	+31.9%	+30.0%	+14.4%	+9.1%
S&P/ASX All Ordinaries Accumulation Index	-2.2%	+15.4%	+24.8%	+17.8%	+5.0%	+2.8%
Outperformance	+3.9%	+6.0%	+7.1%	+12.2%	+9.4%	+6.3%

Net Tangible Asset (NTA) figures

The following NTA figures are before the payment of the 3.5 cent per share fully franked interim dividend which is due to be paid on 19 April 2013. The shares traded ex-dividend on 8 April 2013.

NTA before tax	104.53c
NTA after tax and before tax on unrealised gains	103.78c
NTA after tax	103.78c

Market Outlook

The S&P/ASX All Ordinaries Accumulation Index finished down 2.2% in March. This was the end of a 9 month rally that had seen the market rise every month since last May. A revival of concerns around the European sovereign debt crisis from the Cyprus bailout destabilised financial markets. We also had news from China which suggested the central bank and ministry of housing will seek to dampen Chinese house price growth. This news particularly affected the resources and mining services sector.

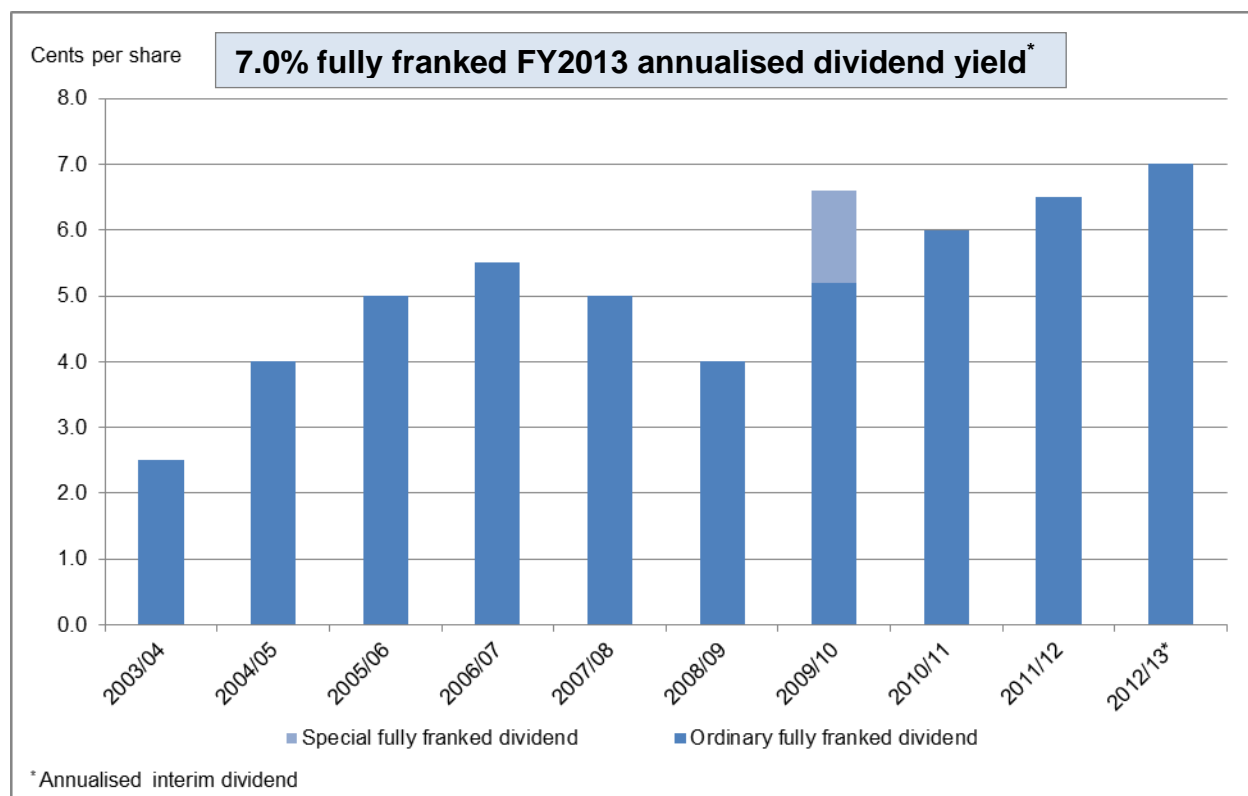
The RBA left rates on hold in both March and April and we believe that they will not cut rates any further this year. Improving house prices, retail sales and consumer confidence suggest that the rate cuts delivered over the last 18 months are finally starting to have an impact. The RBA will probably adopt a wait and see approach over this year in order to judge the effectiveness of previous rate cuts. Should this turnaround in consumer sentiment, retail sales and housing continue to strengthen, companies exposed to these sectors will be well positioned.

Dividends – 3.5 cents per share fully franked interim

On 25 February 2013, the Company announced 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 7.0% 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 10 April 2013 closing price.

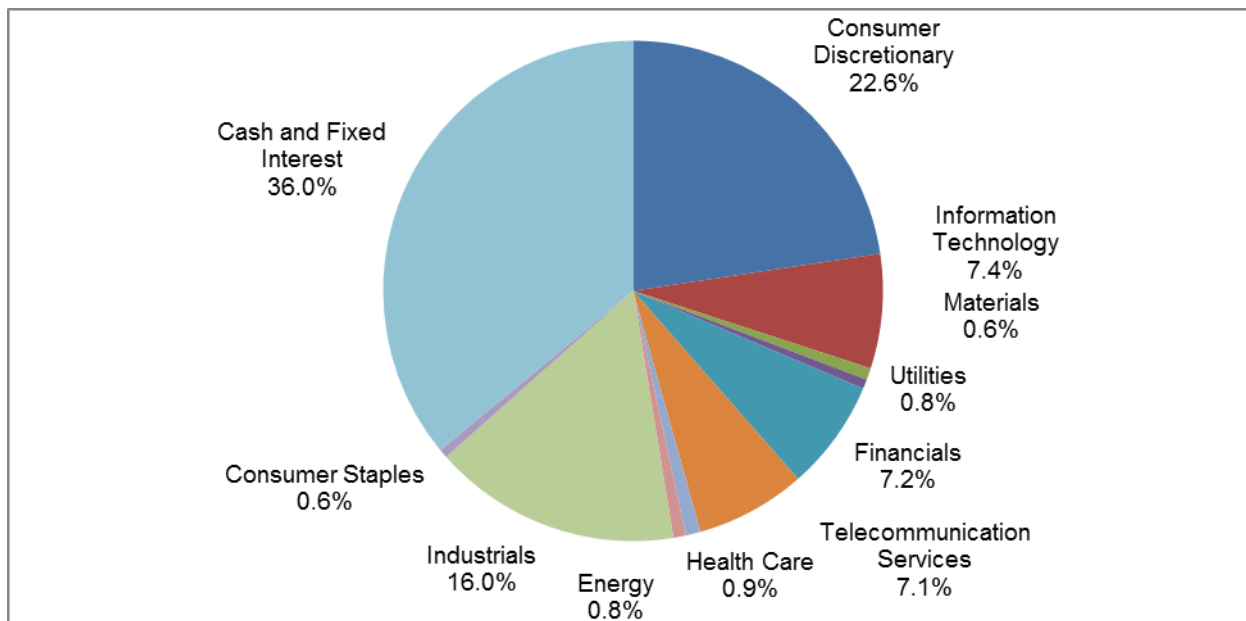
Portfolio structure

Investment Type	As at 28 February 2013		As at 31 March 2013	
	\$m	%	\$m	%
Listed Equities	77.5	61.1%	82.7	64.0%
Fixed Interest and Cash	49.4	38.9%	46.4	36.0%
Total Fund Size	\$126.9m	100.0%	\$129.1m	100.0%
Total number ordinary shares on issue	121,634,257		121,634,257	

At 31 March 2013 the major securities held in the portfolio were as follows:

Code	Company	Market Value \$	Market Value as % of Gross Assets
SKE	Skilled Group Limited	5,510,570	4.3%
CCV	Cash Converters International	4,506,166	3.5%
AHE	Automotive Holdings Group Limited	4,486,560	3.5%
AMM	Amcom Telecommunications Limited	3,494,794	2.7%
APE	AP Eagers Limited	3,452,147	2.7%
CMG	Chandler Macleod Group Limited	2,985,472	2.3%
TPI	Transpacific Industries Group Limited	2,975,929	2.3%
CIW	Clime Investment Management Limited	2,952,145	2.3%
MTU	M2 Telecommunications Group Limited	2,922,619	2.3%
REA	REA Group Limited	2,863,247	2.2%
GEM	G8 Education Limited	2,757,611	2.1%
SGH	Slater & Gordon Limited	2,731,865	2.1%
CSV	CSG Limited	2,603,165	2.0%
VRL	Village Roadshow Limited	2,582,795	2.0%
SGN	STW Communications Group Limited	2,567,130	2.0%
RCR	RCR Tomlinson Limited	2,524,078	2.0%
RWH	Royal Wolf Holdings Limited	2,206,808	1.7%
LCM	Logicamms Limited	2,106,762	1.6%
IPP	iProperty Group Limited	2,039,907	1.6%
FAN	Fantastic Holdings Limited	1,872,609	1.5%

Portfolio structure - sector allocation



Performance – yearly comparison

Set out below is the performance of WAX's investment portfolio since listing to 31 March 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	+31.9%	+24.8%	+7.1%

Investor Presentations

The team at Wilson Asset Management enjoys the opportunity to meet with you at the semi-annual investor presentations to be held on the following dates:

Melbourne: 30 April 2013
Adelaide: 1 May 2013
Sydney: 2 May 2013
Brisbane: 3 May 2013

We look forward to seeing you and please feel free to invite any other interested parties.

For more information

Please contact Geoff Wilson, Chris Stott or Kate Thorley.

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