

Investment Update & Net Tangible Assets Report

AS AT 30 SEPTEMBER 2013



Outperformance against sharemarket

Performance at 30 September 2013	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	5 Yrs %pa
WAX Investment Portfolio*	4.9%	13.6%	14.9%	37.9%	19.2%	14.4%
S&P/ASX All Ordinaries Accumulation Index	2.4%	7.1%	10.8%	23.5%	8.6%	7.0%
Outperformance	+2.5%	+6.5%	+4.1%	+14.4%	+10.6%	+7.4%

* The investment performance is before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

The following NTA figures are before the payment of the 3.5 cent per share fully franked final dividend which is due to be paid on 31 October 2013.

NTA before tax	111.71c
NTA after tax and before tax on unrealised gains	109.25c
NTA after tax	108.83c

Market overview

In September, the S&P/ASX All Ordinaries Accumulation Index ('Index') rose 2.39%, continuing the market's upward trajectory in recent months. The Index ended the September quarter up 10.8%, the strongest quarterly performance since the 2009 September quarter, with five out of the last six quarters closing in positive territory.

Although Republicans and Democrats remain deadlocked, prolonging the shutdown of the United States government, we expect Congress will resolve its fiscal issues in time restoring confidence to markets globally. The announcement by the White House that Dr Janet Yellen will be nominated by President Obama as the next Chair of the US Federal Reserve is another positive for markets. Dr Yellen is an advocate for using monetary policy to stimulate employment which increases the probability that the US government will continue to stimulate the economy through its current program of Quantitative Easing ('QE').

Corporate activity has continued to gather momentum in recent weeks with a number of companies readying to list their businesses including: Nine Entertainment (\$3 billion); Meridian Energy (NZ \$3 billion); Veda (\$1.5 billion); and Dick Smith (\$600 million). We anticipate that between now and Christmas the level of capital raisings will continue to increase due to various strong factors driving underlying institutional demand.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$138.7m
Market cap	\$141.0m
Share price	\$1.15
NTA before tax	\$1.12
Shares on issue	122,599,235
Fully franked dividends (FY2013)	7.0c
Dividend yield	6.1%

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

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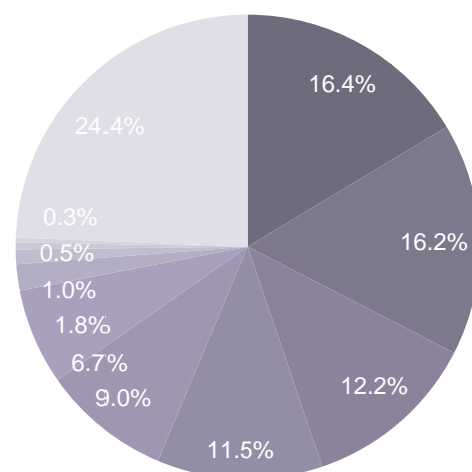
Portfolio structure

Investment Type	August 2013		September 2013	
	\$m	%	\$m	%
Listed Equities	93.2	70.5	104.9	75.6
Fixed Interest & Cash	39.0	29.5	33.8	24.4
Gross Assets	\$132.2m	100.0%	\$138.7m	100.0%
Total shares on issue	122,599,235		122,599,235	

Top holdings

Code	Company	Market Value as % Gross Assets
GNC	Graincorp Limited	5.3%
CLO	Clough Limited	4.2%
SGH	Slater & Gordon Limited	3.5%
RCR	RCR Tomlinson Limited	3.3%
AHE	Automotive Holdings Group Limited	2.8%
MTU	M2 Telecommunications Group Limited	2.8%
NXT	NEXTDC Limited	2.7%
TPM	TPG Telecom Limited	2.7%
CSV	CSG Limited	2.6%
SFW	SFG Australia Limited	2.6%
VOC	Vocus Communications Limited	2.3%
CIW	Clime Investment Management Limited	2.3%
NEA	Nearmap Ltd	2.2%
GWA	GWA Group Limited	2.1%
VRL	Village Roadshow Limited	2.0%
RWH	Royal Wolf Holdings Limited	2.0%
UGL	UGL Limited	2.0%
IPP	iProperty Group Limited	1.9%
AAD	Ardent Leisure Group	1.8%
EPW	ERM Power Limited	1.8%

Sector allocation



- Consumer Discretionary - 16.4%
- Industrials - 16.2%
- Information Technology - 12.2%
- Telecommunication Services - 11.5%
- Financials - 9.0%
- Consumer Staples - 6.7%
- Utilities - 1.8%
- Energy - 1.0%
- Health Care - 0.5%
- Materials - 0.3%
- Cash and Fixed Interest - 24.4%

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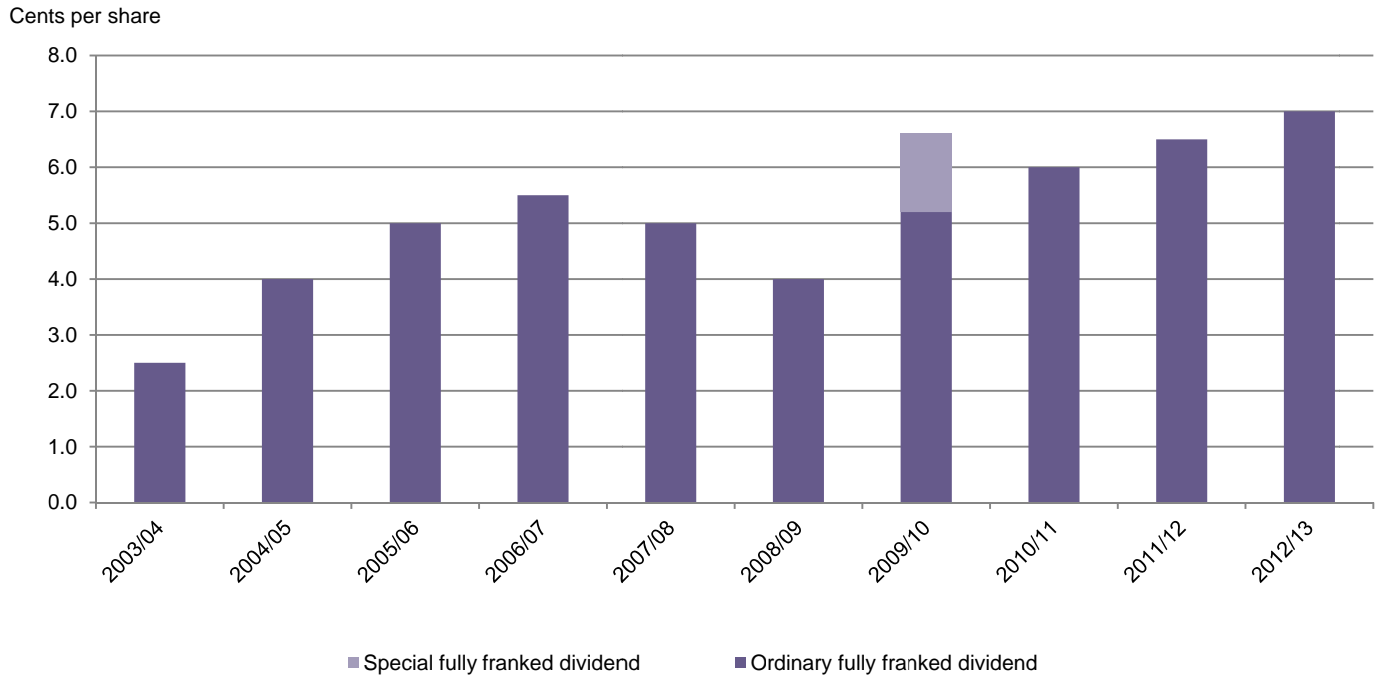
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Dividends

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



On 31 October 2013, the Company will pay shareholders a fully franked final dividend of 3.5 cents per share, an increase of 7.7% on the previous corresponding period. The final dividend includes 1.84 cents of Listed Investment Company ('LIC') capital gain which will enable some shareholders to claim a further tax deduction. The final dividend brings the total dividend for FY2013 to 7.0 cents per share and represents a fully franked annual dividend yield of 5.9%, based on the last closing price.

The dividend re-investment plan will be operating at a 2.5% discount. To participate in the dividend reinvestment plan, shareholders should send their election to the Company's share registrar (Boardroom) no later than 24 October 2013.

Key dividend dates

Ex date: 18 October 2013
Record date: 24 October 2013
Payment date: 31 October 2013