

Investment Update & Net Tangible Assets Report

AS AT 30 NOVEMBER 2013



Performance

Performance at 30 November 2013	1 Mth	6 Mths	Fin YTD	1 Yr	3 Yrs %pa	Since change in investment strategy (Jul-10) %pa
WAX Investment Portfolio	-0.8%	17.0%	16.9%	34.3%	19.2%	20.1%
S&P/ASX All Ordinaries Accumulation Index	-1.4%	10.5%	13.5%	22.6%	9.0%	11.0%
Outperformance	+0.6%	+6.5%	+3.4%	+11.7%	+10.2%	+9.1%

Investment performance and index returns are before expenses, fees and taxes.

Net Tangible Assets (NTA) figures

NTA before tax	110.39c
NTA after tax and before tax on unrealised gains	107.97c
NTA after tax	107.65c

Market overview

After a strong run in recent months, the markets drifted lower in November with the S&P/ASX All Ordinaries Accumulation Index ('Index') ending the month down 1.4%. The Annual General Meeting ('AGM') season was mixed with a number of companies providing profit downgrades indicating business conditions are not materially improving. Globally, equity markets hit or approached record highs stimulated by the continued supply of 'easy money' coupled with low interest rates.

In Australia and overseas, the Initial Public Offering ('IPO') market remained very strong throughout November with the highly successful float of Twitter in the United States and Freelancer (FLN) domestically. Into 2014, we expect the surge in company floats will be followed by an increase in Merger and Acquisition ('M&A') activity.

The Index is now up 18.6% for the calendar year to date and up 13.5% for the financial year to date. Following exceptionally strong performance recently, our medium term outlook for the Australian equities market is subdued. Price to earnings ratios have expanded in anticipation of profit growth although there have been few signs of an improvement in earnings despite a significant amount of new equity being issued.

WAM Research Limited

ASX Code	WAX
Listed	Aug 2003
Gross assets	\$153.3m
Market cap	\$151.7m
Share price	\$1.10
NTA before tax	\$1.10
Shares on issue	137,896,835
Fully franked dividends (FY2013)	7.0c
Dividend yield	6.4%

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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Diversified portfolio

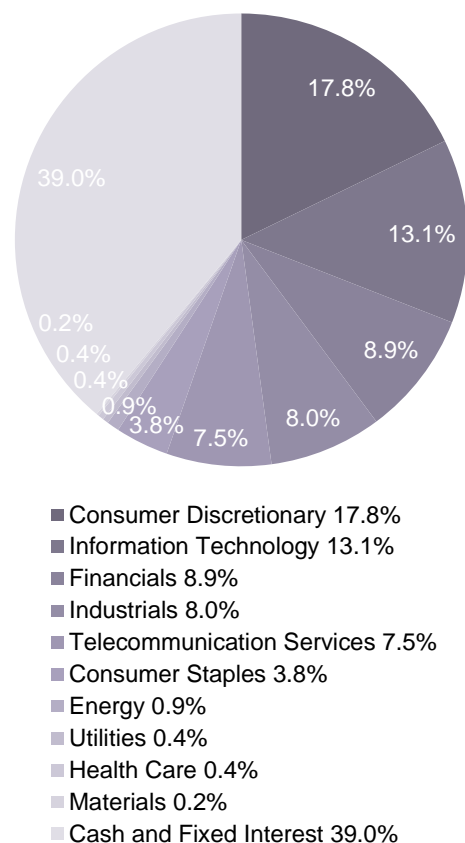
Investment Type	October 2013		November 2013	
	\$m	%	\$m	%
Listed Equities	104.6	75.6	93.6	61.0
Fixed Interest & Cash	33.8	24.4	59.7	39.0
Gross Assets	\$138.4m	100.0%	\$153.3m	100.0%
Total shares on issue	123,510,949		137,896,835	

* Includes DRP Shortfall Placement proceeds of \$16.5 million.

Top holdings

Code	Company	Market Value as % Gross Assets
SGH	Slater & Gordon Limited	3.8%
NEA	Nearmap Limited	3.1%
AHE	Automotive Holdings Group Limited	3.0%
GNC	Graincorp Limited	2.8%
VOC	Vocus Communications Limited	2.6%
SFW	SFG Australia Limited	2.5%
NXT	NEXTDC Limited	2.3%
GWA	GWA Group Limited	2.2%
SGN	STW Communications Group Limited	2.2%
TNE	Technology One Limited	2.2%
PGH	Pact Group Holdings Limited	2.1%
AAD	Ardent Leisure Group	2.1%
CSV	CSG Limited	2.0%
DNA	Donaco International Limited	2.0%
CIW	Clime Investment Management Limited	1.9%
RCR	RCR Tomlinson Limited	1.6%
RWH	Royal Wolf Holdings Limited	1.6%
IPP	iProperty Group Limited	1.5%
WEB	Webjet Limited	1.4%
OFX	Ozforex Group Limited	1.1%

Sector allocation



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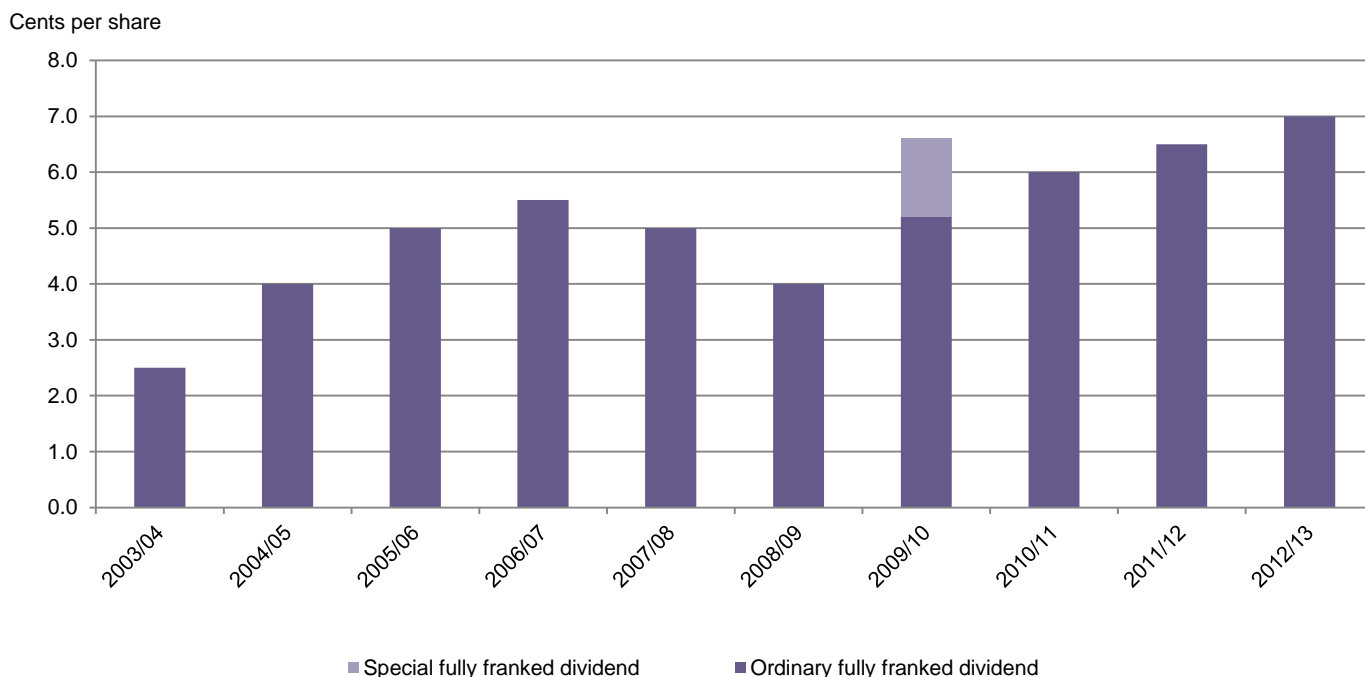
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Dividend growth

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. 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 paid 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 6.8%, 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. Shareholders were issued one option for every two shares held in the Company under the Bonus Option Issue. Options were issued at no cost to shareholders.

The options have an exercise price of \$1.20 per share and will expire on 17 June 2015. The options are currently trading on the Australian Securities Exchange ('ASX') under the code WAXO. A prospectus for the Bonus Option Issue was sent to shareholders of the Company on 9 December 2013. The record date to determine entitlements under the Bonus Option Issue was 4 December 2013.