

W | A | M *Leaders*

# Investment update

As at 30 November 2016



## Snapshot

Pre-tax net tangible assets

110.29c

Gross assets

\$397.8m

[wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

ABN: 33 611 053 751

## WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$397.8m
Market cap	\$404.6m
Share price	\$1.125
Option price	\$0.044
NTA before tax	\$1.103
Shares on issue	359,609,178
Options on issue	357,317,977
Number of stocks held	43

## Investment objectives

- Deliver investors a rising stream of fully franked dividends
- Provide capital growth
- Preserve capital

## Wilson Asset Management investment & management team

Geoff Wilson	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Martin Hickson	Senior Equity Analyst & Dealer
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Oscar Oberg	Senior Equity Analyst

## Company overview

WAM Leaders Limited (ASX: WLE) is a listed investment company managed by Wilson Asset Management. Listed in 2016, WAM Leaders provides investors with diversified exposure to a portfolio of undervalued growth companies within the S&P/ASX 200 Index and exposure to market mispricing opportunities in large-cap companies.

## Shareholder Presentations

Thank you to the more than 2,000 shareholders who joined us for our recent Shareholder Presentations. We enjoyed the opportunity to meet with you.

To access the presentation video and slides, visit [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au)

## Market overview

The S&P/ASX 200 Accumulation Index closed up 2.9% for the month. The best performing sector was the banks (up 4.2%) as investor concerns about the potential impacts of new capital adequacy requirements were assuaged. Other strong performing sectors were energy (up 3.7%) and resources (up 3.4%). In contrast, the healthcare and telco sectors weighed on the Index, falling 1.5% and 0.3% respectively.

Donald Trump's US presidential election victory was the most significant market event in November with investors globally caught off-guard by the poll result. After initially plummeting, equity markets staged strong recoveries as investors focused on the potentially stimulatory impact of Trump's proposed policies. The Australian share market recorded solid gains to end the month 7.1% higher than the intraday lows on 9 November when Trump was elected. On Melbourne Cup day the RBA left interest rates unchanged with rates likely to be on hold for the majority of 2017.

## Portfolio update

During the month, the composition of the investment portfolio changed considerably to reflect a number of factors impacting the Australian share market. The investment portfolio's exposure to mid-cap companies was reduced while exposure to larger companies was increased as opportunities presented themselves. We increased our positions in the major banks on account of rising yields, cost reductions and the potentially less restrictive regulatory requirements. Similarly, we increased the investment portfolio's weighting of insurance companies due to a rising yield environment with positions in both QBE Insurance (ASX: QBE) and Suncorp Group (ASX: SUN) higher than earlier in the month. The cash weighting was reduced from 36% to 20% as the share market presented more opportunities during the month.

## Net tangible asset (NTA) figures

NTA before tax	110.29c
NTA after tax and before tax on unrealised gains	111.40c
NTA after tax	110.39c

The above figures are not adjusted for the 357,317,977 options on issue with an exercise price of \$1.10.

## Performance

In November, the portfolio grew 2.4% while the S&P/ASX 200 Accumulation Index increased 2.9%.

## Diversified portfolio

Investment Type	October 2016		November 2016	
	\$m	%	\$m	%
Listed equities	262.8	67.6	326.8	82.1
Short portfolio	(14.1)	(3.6)	(8.9)	(2.2)
Fixed interest & cash	139.9	36.0	79.9	20.1
<b>Gross assets</b>	<b>388.6m</b>	<b>100.0</b>	<b>397.8m</b>	<b>100.0</b>
<b>Total shares on issue</b>	359,406,078		359,609,178*	

\* During the month, 203,100 Options were exercised.

## Top 10 holdings

Code	Company	Market value \$	Market value as % gross assets
NAB	National Australia Bank Limited	18,992,545	4.7%
ORA	Orora Limited	16,779,195	4.2%
ANZ	Australia and New Zealand Banking Group Limited	15,170,940	3.8%
WBC	Westpac Banking Corporation	14,118,405	3.5%
QBE	QBE Insurance Group Limited	12,904,120	3.2%
MQG	Macquarie Group Limited	12,376,592	3.1%
SUN	Suncorp Group Limited	12,151,713	3.1%
RWC	Reliance Worldwide Corporation (Aust) Limited	11,768,800	3.0%
IPL	Incitec Pivot Limited	11,755,800	3.0%
CBA	Commonwealth Bank of Australia	10,185,175	2.6%

## Equity portfolio composition by market capitalisation

