

W | A | M *Leaders*

# Investment update

As at 31 March 2017



## Snapshot

Pre-tax net tangible assets

\$1.17

Gross assets

\$452.4m

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

ABN: 33 611 053 751

## WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$452.4m
Market cap	\$435.6m
Share price	\$1.14
Option price	\$0.034
NTA before tax	\$1.173
Shares on issue	382,123,077
Options on issue	334,804,078
Number of stocks held	51
Maiden fully franked interim dividend	1.0c

## Investment objectives

- Deliver investors a 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	Head of Trading
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

Melbourne	15 May 2017
Sydney	16 May 2017
Adelaide	17 May 2017
Perth	18 May 2017
Brisbane	19 May 2017
Canberra	24 May 2017

For more information and to RSVP, visit [wilsonassetmanagement.com.au/RSVP](http://wilsonassetmanagement.com.au/RSVP)

## Exercise your options to receive the interim dividend

Option holders are able to receive the 1.0 cent per share fully franked interim dividend on options exercised **on or before Monday 10 April 2017**.

### Key dividend dates:

Ex date: 13 April 2017

Record date: 18 April 2017

Last election date for dividend reinvestment plan: 20 April 2017

Payment date: 28 April 2017

## Market overview

The S&P/ASX 200 Accumulation Index closed up 3.3% for the month, driven by strong performance in utilities, healthcare and consumer staples, up 6.3%, 5.5% and 5.4% respectively.

As widely anticipated, the Australian Prudential Regulation Authority (APRA) initiated additional supervisory measures to reinforce sound residential mortgage lending practices. APRA will impose additional requirements on authorised deposit-taking institutions when the proportion of new lending on interest-only terms exceeds 30% total new mortgage lending, while maintaining the 10% cap for growth in lending to investors. While designed to cool the housing market, these measures are unlikely to have any impact on bank profitability.

In the U.S., President Trump said he would provide significant tax relief and spend US \$1 trillion on infrastructure during his first speech to a joint sitting of congress. Despite rising uncertainty about the President's tax reforms, following the failed healthcare bill, markets continued to rise with the global growth outlook also improving.

## Portfolio update

Throughout the month we sought exposure to the rising market through the market-driven side of the portfolio by investing in top 50 companies and the major banks. Agricultural chemical company Nufarm (ASX: NUF) announced its FY2017 half year results, with revenue up 15% on the previous corresponding period and underlying earnings before interest, tax and amortisation (EBITDA) also up 15% to \$128.7 million. Despite difficult operating conditions, Nufarm benefitted from new product launches, market share gains, a reduced cost structure and improved cash generation that continues to generate improved returns for shareholders.

## Net tangible asset (NTA) figures

The following NTA figures are before the 1.0 cent per share fully franked interim dividend due to be paid on 28 April 2017. The shares will trade ex dividend on 13 April 2017.

<b>NTA before tax</b>	117.32c
<b>NTA after tax and before tax on unrealised gains</b>	117.51c
<b>NTA after tax</b>	115.46c

The above figures are not adjusted for the 334,804,078 options on issue with an exercise price of \$1.10.

## Performance

In March, the portfolio increased 3.0% while the S&P/ASX 200 Accumulation Index rose 3.3%.

## Maiden fully franked interim dividend

On 6 February 2017, the Company announced a maiden fully franked interim dividend of 1.0 cent per share. The interim dividend will be paid on 28 April 2017 and will trade ex on 13 April 2017. The board currently anticipates the final dividend will be higher than the interim dividend. The final dividend is expected to be announced in August 2017, provided the Company has sufficient profit reserves and franking credits.

The dividend reinvestment plan (DRP) will operate for the interim dividend. The last election date for the DRP will be 20 April 2017. Shareholders who exercise their options before 10 April 2017 will be eligible to receive the fully franked interim dividend. 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 is within prudent business practices.

## Diversified portfolio

Investment type	February 2017		March 2017	
	\$m	%	\$m	%
Listed equities	291.1	68.7	401.3	88.7
Short portfolio	(0.9)	(0.2)	(0.6)	(0.1)
Fixed interest & cash	133.6	31.5	51.7	11.4
<b>Gross assets</b>	<b>423.8m</b>	<b>100.0</b>	<b>452.4m</b>	<b>100.0</b>
<b>Total shares on issue</b>	369,303,431		<b>382,123,077*</b>	

\* During the month, 12,819,646 options were exercised and allotted. A further 2,541,945 options were exercised but remained unallotted at month end.

## Top 10 holdings

Code	Company	Market value \$	Market value as % gross assets
NAB	National Australia Bank Limited	21,839,367	4.8%
WBC	Westpac Banking Corporation	21,736,359	4.8%
ANZ	Australia and New Zealand Banking Group Limited	19,426,110	4.3%
BHP	BHP Billiton Limited	17,112,465	3.8%
MQG	Macquarie Group Limited	15,615,063	3.5%
QBE	QBE Insurance Group Limited	15,340,260	3.4%
CPU	Computershare Limited	15,296,268	3.4%
CBA	Commonwealth Bank of Australia	14,561,745	3.2%
CGF	Challenger Limited	13,908,701	3.1%
WOW	Woolworths Limited	13,060,605	2.9%

# Equity portfolio composition by market capitalisation

