

W | A | M *Leaders*

# Investment update

As at 31 August 2017



## Snapshot

Pre-tax net tangible assets

**\$1.16\***

\*Not diluted for options outstanding

Gross assets

**\$496.8m**

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

ABN: 33 611 053 751

## WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$496.8
Market cap	\$468.1m
Share price	\$1.11
Option price	\$0.007
NTA before tax	\$1.16
Shares on issue	421,736,821
Options on issue	295,375,822
Number of stocks held	59
Fully franked dividends (FY2017)	3.0c

## 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	Portfolio Manager
Oscar Oberg	Portfolio Manager
Tobias Yao	Senior Equity Analyst
John Ayoub	Senior Equity Analyst
Cooper Rogers	Assistant Dealer

## 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

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

SAVE THE DATE

## Exercise your options to receive the final dividend

On 17 July 2017, the Company announced a maiden fully franked final dividend of 2.0 cents per share, representing a 100% increase on the Company's inaugural interim dividend. This brings the fully franked full year dividend to 3.0 cents per share.

Option holders are able to receive the 2.0 cents per share fully franked final dividend on options exercised **on or before 17 November 2017**.

## Market overview

The S&P/ASX 200 Accumulation Index finished 0.7% higher for the month on the back of a mixed reporting season that saw many companies fall short of the market's elevated expectations. Despite this trend, earnings growth was the best in many years.

The best performing sectors during August included energy (+5.7%), consumer staples (+5.3%) and industrials (+4.6%). The largest detractor to the index was the telecommunications sector (-7.4%), following Telstra's (ASX: TLS) significant reduction in its dividend guidance for the year ahead. Financials were another poor performer (-3.1%), following a number of downgrades from insurance companies and allegations of money laundering against Commonwealth Bank (ASX: CBA) further weighing on the sector.

## Net tangible asset (NTA) figures

NTA before tax	116.11c
NTA after tax and before tax on unrealised	116.54c
NTA after tax	115.35c

The above figures are not adjusted for the 295,375,822 options on issue with an exercise price of \$1.10.

## Performance

Performance at 31 August 2017	1 Mth	Fin YTD	3 Mths	6 Mths	Since inception 1 Yr (May-16)	Since fully invested (Aug-16)	
WLE Investment Portfolio*	0.7%	1.1%	1.6%	5.1%	9.2%	9.4%	9.7%
S&P/ASX 200 Accumulation Index	0.7%	0.7%	0.9%	2.4%	9.8%	9.3%	8.1%
<b>Outperformance</b>	<b>+0.0%</b>	<b>+0.4%</b>	<b>+0.7%</b>	<b>+2.7%</b>	<b>-0.6%</b>	<b>+0.1%</b>	<b>+1.6%</b>

\*Investment performance and Index returns are before expenses, fees and taxes.

## Portfolio update

In August, the investment portfolio increased by 0.7%. Our equity exposure decreased from 92.8% to 86.7% over the course of the month as we capitalised on opportunities identified during reporting season. A number of new positions were added to the portfolio including Tabcorp Holdings (ASX: TAH), Westfield Corporation (ASX: WFD) and James Hardie Industries (ASX: JHX). Companies with exposure to the energy and materials sectors performed well and we increased our existing weightings in Origin Energy (ASX: ORG), Santos (ASX: STO) and BHP Billiton (ASX: BHP). BHP delivered a strong result and announced its decision to realise the value of its on-shore oil assets. Positive results from existing positions in the investment portfolio included Orora (ASX: ORA), Worley Parsons (ASX: WOR) and Reliance Worldwide (ASX: RWC). Our holdings in IAG Insurance (ASX: IAG) and BlueScope Steel (ASX: BSL) were the largest detractors for the month.

## Diversified portfolio

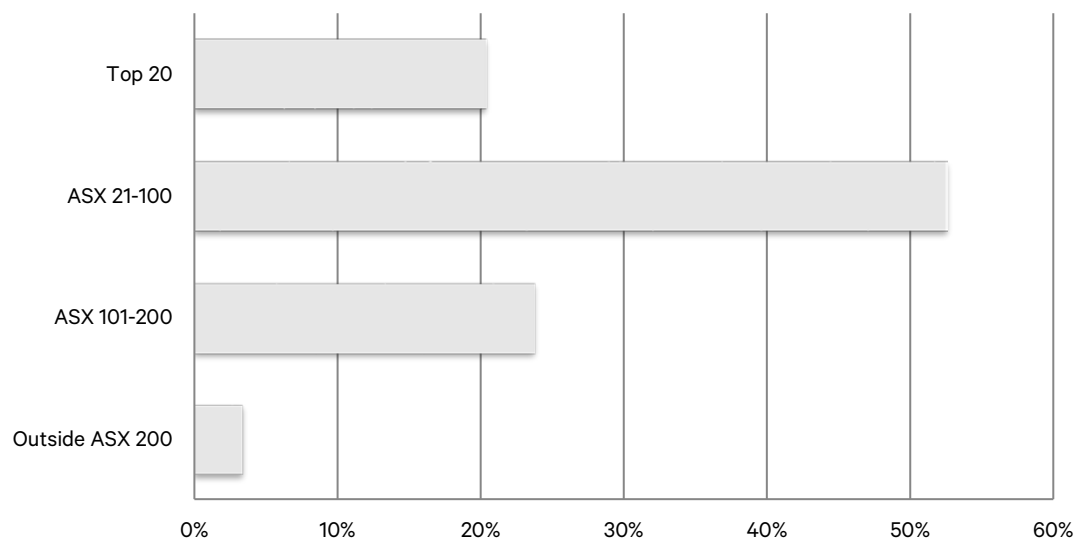
Investment type	July 2017		August 2017	
	\$m	%	\$m	%
<b>Listed equities</b>	458.6	94.2	430.7	86.7
<b>Short portfolio</b>	(6.7)	(1.4)	0.0	0.0
<b>Fixed interest &amp; cash</b>	35.0	7.2	66.1	13.3
<b>Gross assets</b>	<b>486.9m</b>	<b>100.0</b>	<b>496.8m</b>	<b>100.0</b>
<b>Total shares on issue</b>	415,335,434		421,736,821*	

\*During the month, 6,401,387 options were exercised and allotted.

## Top 10 holdings

Code	Company	Market value \$	Market value as % gross assets
NAB	National Australia Bank Limited	26,956,097	5.4%
WBC	Westpac Banking Corporation	26,067,766	5.2%
BHP	BHP Billiton Limited	22,624,450	4.6%
WOW	Woolworths Limited	20,522,398	4.1%
CGF	Challenger Limited	15,524,257	3.1%
ORG	Origin Energy Limited	15,472,867	3.1%
CPU	Computershare Limited	15,200,779	3.1%
RIO	Rio Tinto Limited	14,359,421	2.9%
STO	Santos Limited	11,619,366	2.3%
MQG	Macquarie Group Limited	11,186,263	2.3%

## Equity portfolio composition by market capitalisation



## Fully franked dividends

On 17 July 2017, the Company announced a maiden fully franked final dividend of 2.0 cents per share. This brings the fully franked full year dividend to 3.0 cents per share. The final dividend will be paid on 5 December 2017 and will trade ex on 23 November 2017.

### Key dividend dates

Dividend ex-date	23 November 2017
Record date	24 November 2017
Last election date for DRP	28 November 2017
Payment date	5 December 2017

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. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax.

## Investor conference call recording and slides

Thank you to those who dialled in to our investor conference call on 6 September 2017. If you would like to listen to the recording, along with the corresponding slides, please click [here](#).