

# WAM Leaders announces maiden interim fully franked dividend and half yearly results

ASX announcement  
and media release

## Highlights

**+\$24.2m**

Operating profit before tax

**+\$17.8m**

Operating profit after tax

**+7.1%**

Portfolio return  
since inception

**+1.0 cent**

Maiden fully franked  
interim dividend

WAM Leaders Limited (ASX: WLE) today announced its maiden interim results, reporting an operating profit before tax of \$24.2 million and an operating profit after tax of \$17.8 million for the period since commencement of operations on 23 May 2016 to 31 December 2016.

WAM Leaders Chairman Geoff Wilson said the Company was pleased to announce a maiden fully franked interim dividend of 1.0 cent per share.

“As we have deployed \$394.3 million of shareholders’ capital, our focus has remained firmly on our investment objectives – providing a stream of fully franked dividends to shareholders while preserving their capital and delivering capital growth,” Mr Wilson said.

“We are pleased to announce a 1.0 cent per share maiden fully franked interim dividend, and the board currently anticipates a larger final dividend given the capital growth delivered since listing the Company on 30 May 2016,” he said.

Wilson Asset Management Chief Investment Officer Chris Stott said the Company had delivered risk-adjusted returns for shareholders while investing the capital raised from the initial public offering (IPO) between May and August 2016.

“WAM Leaders’ investment portfolio has increased 7.1%<sup>†</sup> since inception, with our investments in Credit Corp Group (ASX: CCP), Mayne Pharma Group (ASX: MYX), QBE Insurance Group (ASX: QBE), National Australia Bank (ASX: NAB) and ALS Limited (ASX: ALQ) being our top contributors,” Mr Stott said.

## Maiden fully franked dividend and options

The maiden fully franked interim dividend of 1.0 cent 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 without a discount 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.

<sup>†</sup>Investment performance and Index returns are before expenses, fees and taxes.

## Investment portfolio performance

Wilson Asset Management Portfolio Manager Matthew Haupt said the Company performed well during a turbulent period in the equity market.

“Following the \$394.3 million capital raising in May 2016, we commenced deploying the capital under our research and market-driven investment processes, achieving full investment in August,” he said.

“Towards the end of 2016 we made significant changes to the portfolio, reducing our exposure to mid-cap holdings and consolidating our large-cap positions. Notably, we invested in the four major banks as we gained comfort with the short-term negative sectoral headwinds, particularly capital requirements and falling interest rates.

“Similarly, increasing global bond yields saw us focus on other diversified financial and insurance companies including QBE Insurance Group (ASX: QBE), Computershare (ASX: CPU) and Suncorp Group (ASX: SUN). These companies promptly rerated as the outlook for global yields significantly changed during the period.

“We also established positions in BHP Billiton (ASX: BHP) and Rio Tinto (ASX: RIO) as global economic growth, particularly in China, continues to make the resources sector attractive for investment,” Mr Haupt said.

## Equity market outlook

Mr Haupt said his outlook for the 2017 calendar year was mixed.

“We expect domestic monetary policy to remain accommodative and economic growth to remain stable. For the Australian equity market to continue to rise, we need to see stronger company earnings growth and the continuation of improvement in the global economic environment,” Mr Haupt said.

“On average, we expect moderate earnings growth from Australian listed companies during the upcoming reporting season. The domestic stock market is expensive compared to historical averages and we expect this to remain the case.

“We are in the mature stages of an eight-year bull market that is showing signs of fatigue.

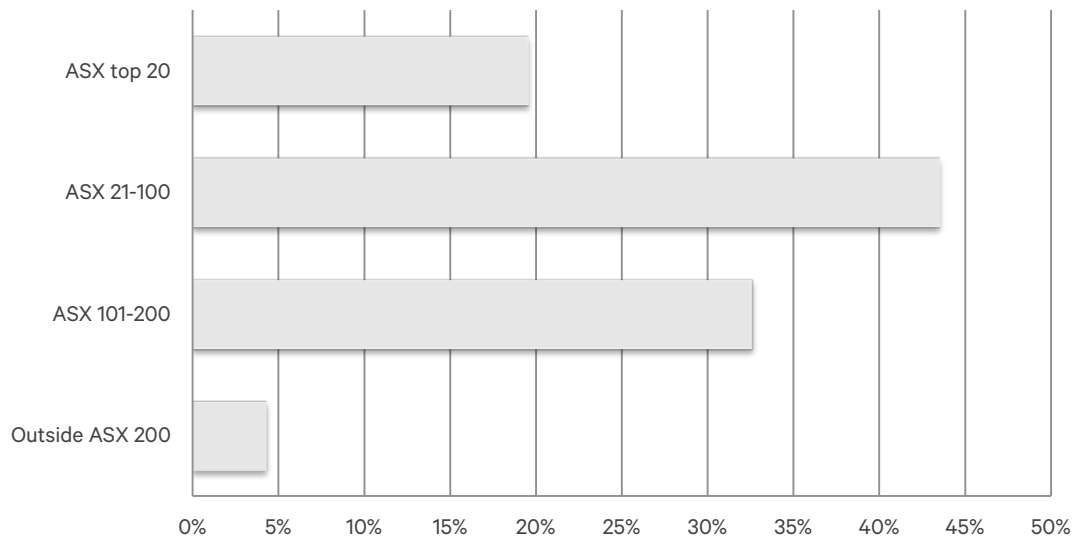
“Potential hazards for global growth in 2017 include the execution of the Trump administration’s policies, the French general and presidential elections, Italian elections and the triggering of Article 50 in the UK,” Mr Haupt said.

## Top holdings as at 31 December 2016

Code	Company	Market value \$	Market value as % gross assets
NAB	National Australia Bank Limited	20,134,855	4.9%
ANZ	Australia and New Zealand Banking Group Limited	18,373,680	4.4%
ORA	Orora Limited	17,595,316	4.3%
CBA	Commonwealth Bank of Australia	14,792,595	3.6%
WBC	Westpac Banking Corporation	14,718,900	3.6%
IPL	Incitec Pivot Limited	13,435,200	3.3%
SUN	Suncorp Group Limited	13,143,292	3.2%
MQG	Macquarie Group Limited	12,851,594	3.1%
STO	Santos Limited	12,527,128	3.0%
RWC	Reliance Worldwide Corporation (Aust) Limited	12,032,000	2.9%

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## Equity portfolio composition by market capitalisation as at 31 December 2016



### About WAM Leaders

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 market mispricing opportunities in large-cap companies.

For more information visit [www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au) or contact:

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