

W | A | M *Leaders*

Investment update

As at 31 December 2017



Snapshot

Pre-tax net tangible assets

\$1.20

Gross assets

\$852.3m

Fully franked
dividends

3.0c

Performance
(p.a. since May 2016)

14.3%

wilsonassetmanagement.com.au

ABN: 33 611 053 751

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$852.3m
Market cap	\$814.6m
Share price	\$1.16
NTA before tax	\$1.20
Shares on issue	702,250,762
Number of stocks held	65
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
John Ayoub	Senior Equity Analyst
Tobias Yao	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.

Market update

The investment portfolio increased 2.4% in December 2017, outperforming the S&P/ASX 200 Accumulation Index, which rose 1.8% to close the calendar year up 11.8%. The Index's best performing sectors during the month included resources, up 7.2% and energy, up 6.4%.

During the month, the Reserve Bank of Australia (RBA) left the cash rate unchanged, while reiterating its upbeat outlook for 3% gross domestic product (GDP) growth and rising inflation for the next few years. The Westpac-Melbourne Institute index of consumer sentiment increased to a four-year high, rising 3.6% in December and data from the Australian Bureau of Statistics reported continued and strong growth in Australia's population.

Globally, oil prices rose 5.2% for the month, continuing to benefit from supply cuts led by OPEC. Commodities rebounded, with coking coal rising 23.1%, with nickel and aluminium pushing base metals higher and iron ore rising 6.0%. The MSCI AC World Index (USD) rose 1.5% for the month to close the calendar year up 21.6%.

Net tangible asset (NTA) figures

NTA before tax	119.85c
NTA after tax and before tax on unrealised gains	119.43c
NTA after tax	117.09c

Performance

Performance at 31 December 2017	1 Mth	3 Mths	Fin YTD	1 Yr	Since inception %pa (May-16)
WLE Investment Portfolio*	2.4%	9.5%	11.9%	16.5%	14.3%
S&P/ASX 200 Accumulation Index	1.8%	7.6%	8.4%	11.8%	12.3%
Outperformance	+0.6%	+1.9%	+3.5%	+4.7%	+2.0%

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

Portfolio update

The investment portfolio's outperformance during December 2017 was driven by solid performance across the majority of holdings and catalysts materialising in research-driven investments. The largest contributors to the outperformance were Westfield Corporation (ASX: WFD), which had entered into a \$32 billion takeover agreement with French company Unibail-Rodamco, and Tabcorp Holdings (ASX: TAH) which completed a merger with Tatts Group. Other contributors to the outperformance included the portfolio's increased exposure to the resources sector, primarily through holdings in BHP Billiton (ASX: BHP), Rio Tinto (ASX: RIO), Iluka Resources (ASX: ILU) and OZ Minerals (ASX: OZL), following greater confidence about pricing conditions, together with an improvement in company balance sheets and capital management flexibility.

Diversified portfolio

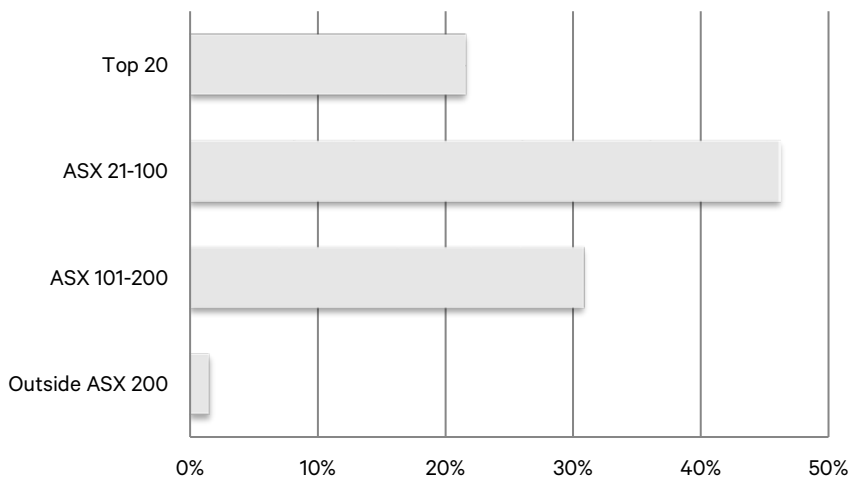
Investment type	November 2017		December 2017	
	\$m	%	\$m	%
Listed equities	578.8	69.6	756.9	88.8
Short portfolio	(5.0)	(0.6)	0.0	0.0
Fixed interest & cash	258.3	31.0	95.4	11.2
Gross assets	832.1m	100.0	852.3m	100.0
Total shares on issue	701,656,302		702,250,762*	

*During the month, 594,460 shares were issued from the Dividend Reinvestment Plan (DRP) for the final dividend.

Top 20 holdings

Code	Company	Code	Company
BHP	BHP Billiton Limited	TAH	Tabcorp Holdings Limited
WOW	Woolworths Limited	JHX	James Hardie Industries Plc
CBA	Commonwealth Bank of Australia	WPL	Woodside Petroleum Limited
WBC	Westpac Banking Corporation	BLD	Boral Limited
NAB	National Australia Bank Limited	PRY	Primary Health Care Limited
RIO	Rio Tinto Limited	JHG	Janus Henderson Group Plc
ORG	Origin Energy Limited	AGL	AGL Energy Limited
ANZ	Australia and New Zealand Banking Group Limited	SGR	Star Entertainment Group Limited
MQG	Macquarie Group Limited	STO	Santos Limited
CSL	CSL Limited	CPU	Computershare Limited

Equity portfolio composition by market capitalisation



Fully franked dividends

On 5 December 2017, the Company paid a maiden fully franked final dividend of 2.0 cents per share bringing the fully franked FY17 full year dividend to 3.0 cents per share.

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.