

W | A | M *Leaders*

Investment update

As at 31 March 2018



wilsonassetmanagement.com.au

ABN: 33 611 053 751

Snapshot

Pre-tax net tangible assets

\$1.16

Annualised fully franked
interim dividend

5.0C

Gross assets

\$820.1m

Performance
(p.a. since May 2016)

10.9%

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$820.1m
Market cap	\$807.6m
Share price	\$1.15
NTA before tax	\$1.16
Shares on issue	702,250,762
Number of stocks held	66
Annualised fully franked interim dividend (FY2018)	5.0c

Investment objectives

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

Wilson Asset Management investment & management team

Geoff Wilson AO	Chairman & Portfolio Manager
Kate Thorley	Chief Executive Officer
Chris Stott	Chief Investment Officer & Portfolio Manager
Matthew Haupt	Portfolio Manager
Catriona Burns	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.

Shareholder Presentations

Hobart & Launceston	11 May
Canberra	14 May
Sydney	15 May
Brisbane	16 May
Toowoomba	17 May
Perth	21 May
Adelaide	22 May
Melbourne	24 May

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Portfolio update

The WAM Leaders investment portfolio outperformed the S&P/ASX 200 Accumulation Index by 0.6% in March. In the past 12 months, the investment portfolio has increased 10.4%, outperforming the Index by 7.9% while holding on average 17.5% in cash.

In March, positive contributors to the portfolio included Evolution Mining (ASX: EVN), Graincorp (ASX: GNC), AUB Group (ASX: AUB) and Reliance Worldwide Corporation (ASX: RWC). We made limited changes to core holdings in the portfolio during the month. We remain confident in the portfolio, which is well positioned to withstand heightened levels of volatility. During the month, Senior Equity Analyst John Ayoub travelled to China to gain further understanding of the supply and demand dynamic for Australian commodities.

Market update

The Index fell 3.8% in March following global peers adverse reaction to geopolitical events throughout the month. The Index's best performing sector was real estate investment trusts (REITs), up only 0.1%. Sectors dragging on the Index included telecommunications, down 6.1% as incumbents face disruption with TPG preparing to enter the mobile market, and financials, down 5.8% following the continued pressure arising from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry.

Global news centred on protectionist policies from the US and China, which rattled equity markets, coupled with key departures from the White House. We believe the US and China are engaging in a public negotiation and the mooted tariff figures represent only a small fraction of global trade. Technology companies suffered a broad-based sell-off triggered by the Cambridge Analytica controversy into Facebook data collection. In domestic politics, the federal opposition outlined proposed changes to the dividend imputation system that would negatively impact self-fund retirees. Chairman Geoff Wilson spoke to [The Australian](#) and [The Australian Financial Review](#) about the policy.

Performance

Performance at 31 March 2018	1 mth	3 mths	6 mths	Fin YTD	1 yr (May-16)	Since inception %pa
WLE Investment Portfolio*	-3.2%	-2.3%	7.0%	9.4%	10.4%	10.9%
S&P/ASX 200 Accumulation Index	-3.8%	-3.9%	3.5%	4.2%	2.5%	8.3%
Outperformance	+0.6%	+1.6%	+3.5%	+5.2%	+7.9%	+2.6%

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

May 2018 Shareholder Presentations

Next month, we will be travelling across the country to meet with investors about our LICs, including WAM Global. We will also discuss investment themes, trends and opportunities we are seeing across Australian and global equity markets. Lunch will be served following the presentations, so we encourage you to stay and talk to the team. [Register now!](#)

Net tangible asset (NTA) figures

The following NTA figures are before the 2.5 cents per share fully franked interim dividend due to be paid on 27 April 2018. The shares traded ex dividend on Thursday, 12 April 2018.

NTA before tax	115.81c
NTA after tax and before tax on unrealised gains	116.36c
NTA after tax	115.01c

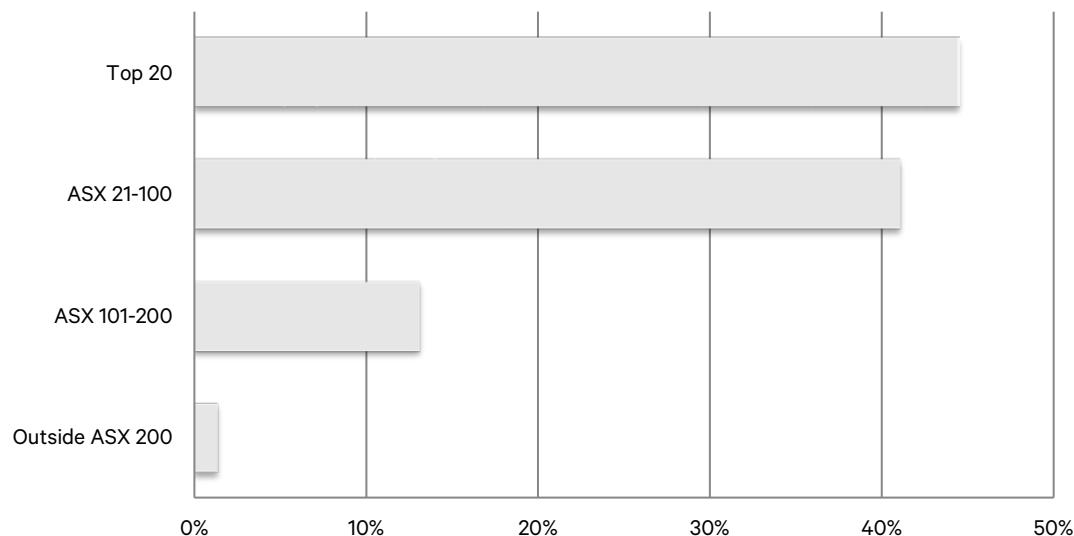
Diversified portfolio

Investment type	February 2018		March 2018	
	\$m	%	\$m	%
Listed equities	708.3	83.5	738.2	90.0
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	139.6	16.5	81.9	10.0
Gross assets	847.9m	100.0	820.1m	100.0
Total shares on issue	702,250,762		702,250,762	

Top 20 holdings

Code	Company	Code	Company
BHP	BHP Billiton Limited	NEC	Nine Entertainment Co. Holdings Limited
BLD	Boral Limited	ORG	Origin Energy Limited
CBA	Commonwealth Bank of Australia	QBE	QBE Insurance Group Limited
CPU	Computershare Limited	RIO	Rio Tinto Limited
CSL	CSL Limited	STO	Santos Limited
EVN	Evolution Mining Limited	TAH	Tabcorp Holdings Limited
JHX	James Hardie Industries Plc	SGR	The Star Entertainment Group Limited
MQG	Macquarie Group Limited	WBC	Westpac Banking Corporation
MTR	Mantra Group Limited	WPL	Woodside Petroleum Limited
NAB	National Australia Bank Limited	WOW	Woolworths Group Limited

Equity portfolio composition by market capitalisation



Fully franked dividends

On 5 February 2018, the Company announced a fully franked interim dividend of 2.5 cents per share, an increase from the 1.0 cent inaugural fully franked interim dividend in the prior year. The dividend will be paid on 27 April 2018 and traded ex dividend on Thursday, 12 April 2018. The dividend reinvestment plan (DRP) will operate for the interim dividend. The last election date for the DRP will be 17 April 2018.

Key dividend dates

Ex dividend date	12 April 2018
Record date	13 April 2018
Last election date for DRP	17 April 2018
Payment date	27 April 2018

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.