

W | A | M *Leaders*

Investment update

As at 30 April 2017



Snapshot

Pre-tax net tangible assets

\$1.17

Gross assets

\$480.4m

wilsonassetmanagement.com.au

ABN: 33 611 053 751

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$480.4m
Market cap	\$461.3m
Share price	\$1.125
Option price	\$0.025
NTA before tax	\$1.168
Shares on issue	410,073,356
Options on issue	307,039,287
Number of stocks held	53
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.

May 2017 Shareholder Presentations – last chance to RSVP

For more information and to RSVP, visit wilsonassetmanagement.com.au/RSVP

Market overview

The S&P/ASX 200 Accumulation Index closed up 1.0% for the month, driven by strong performance in industrials (+4.4%), healthcare (+3.2%) and utilities (+3.1%). The worst performing sector for the month was telecommunications, which fell 9.9%.

Equity markets had a soft first half of the month, weighed down by the easing in the reflation trade, soft US economic data, the French Presidential elections and rising geopolitical tensions. However, the market rallied at the end of the month, approaching the 6,000 level on the back of positive news about the outcome of the French elections and President Trump's proposed tax cut announcement.

Domestically, during its April board meeting, the Reserve Bank of Australia (RBA) left the cash rate unchanged at 1.5% as widely expected and downgraded its assessment of the Australian labour market following the release of weak February labour data. The Australian Prudential Regulatory Authority made further comments that it could increase bank capital requirements.

Portfolio update

During April and since month end, the most significant change to the investment portfolio was to reduce exposure to the banking sector, primarily due to elevated valuations and the potential for increased capital requirements. We decreased this exposure from over 20% of the portfolio at the start of the month to less than 5.0% before the Federal Budget was announced on 9 May 2017. During April we increased the investments in Woolworths (ASX: WOW) to 4.0%, Computershare (ASX: CPU) to 2.9% and Challenger (ASX: CGF) to 3.0%.

Net tangible asset (NTA) figures

NTA before tax	116.82c
NTA after tax and before tax on unrealised gains	116.64c
NTA after tax	114.80c

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

Performance

In April, the portfolio increased 0.9% while the S&P/ASX 200 Accumulation Index rose 1.0%.

Fully franked dividends

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. Dividends are usually paid on a six-monthly basis and the dividend reinvestment plan is available to shareholders for both the interim and final dividend.

On 28 April 2017, the Company paid a fully franked interim dividend of 1.0 cent per share. The dividend reinvestment price was \$1.1242.

Diversified portfolio

Investment type	March 2017		April 2017	
	\$m	%	\$m	%
Listed equities	401.3	88.7	343.9	71.6
Short portfolio	(0.6)	(0.1)	(0.1)	0.0
Fixed interest & cash	51.7	11.4	136.5	28.4
Gross assets	452.4m	100.0	480.4m	100.0
Total shares on issue	382,123,077		410,073,356*	

* 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
WOW	Woolworths Limited	18,556,689	3.9%
NAB	National Australia Bank Limited	15,981,700	3.3%
CGF	Challenger Limited	14,651,237	3.0%
CPU	Computershare Limited	14,031,094	2.9%
WBC	Westpac Banking Corporation	12,971,359	2.7%
BHP	BHP Billiton Limited	12,294,384	2.6%
IAG	Insurance Australia Group Limited	11,599,852	2.4%
AUB	AUB Group Limited	11,020,850	2.3%
IPL	Incitec Pivot Limited	10,145,201	2.1%
CSL	CSL Limited	9,954,770	2.1%

Equity portfolio composition by market capitalisation

