

W | A | M *Leaders*

Investment update

As at 28 February 2018



Snapshot

Pre-tax net tangible assets

\$1.20

Gross assets

\$847.9m

Annualised fully franked
interim dividend

5.0C

Performance
(p.a. since May 2016)

14.1%

wilsonassetmanagement.com.au

ABN: 33 611 053 751

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$847.9m
Market cap	\$821.6m
Share price	\$1.17
NTA before tax	\$1.20
Shares on issue	702,250,762
Number of stocks held	60
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.

Save the date: Shareholder Presentations

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

Portfolio update

In February, the WAM Leaders investment portfolio increased 1.3%, outperforming the S&P/ASX 200 Accumulation Index with a cash weighting of 16.5%. In the past 12 months, the investment portfolio has increased 17.5%, outperforming the Index by 7.4%, while holding on average 17.7% in cash. The portfolio outperformance since inception has been achieved with less volatility than the market as measured by standard deviation, 6.3% versus the Index's 8.0%.

The solid outperformance in February was driven by strong results from companies held in the portfolio during the reporting period. Highlights included results from CSL Limited (ASX: CSL), Nine Entertainment (ASX: NEC), Corporate Travel Management (ASX: CTD), James Hardie Industries (ASX: JHX) and Computershare (ASX: CPU). Despite a highly volatile month, changes to the portfolio were limited as we continue to hold conviction in our existing holdings and their respective catalysts remain in place. Selected positions were added, and some profits were taken on companies that reached our price targets. The portfolio is well positioned to withstand heightened levels of volatility and we remain confident in the underlying stocks in the portfolio.

Market update

The Index closed up 0.4% for the month of February, an almost flat close to a volatile month. The best performing sectors for the month were healthcare, up 7.0%, consumer staples, up 2.2% and financials, up 0.7%. The worst performers were telecommunications, down 6.0%, energy, down 3.7%, and real estate investment trusts, down 3.3%.

February was a turbulent month for global equity markets. Data released on US wage growth sparked expectations of higher inflation, which in turn saw bonds sell off on concerns about the pace of interest rate increases. Equity markets around the world followed suit, Australia included. A slightly positive domestic reporting season provided Australian investors with some reassurance. Across the ASX 200, results were broadly in line with expectations. While reported revenues were largely flat, margins contracted due to input price headwinds, energy interest costs and rising wages. We also saw the trend towards cost-out and buy-back initiatives continue and await further confidence to emerge to drive investment and capital expenditure.

Performance

Performance at 28 February 2018	1 mth	3 mths	6 mths	Fin YTD	1 yr	Since inception %pa (May-16)
WLE Investment Portfolio*	1.3%	3.4%	11.7%	13.0%	17.5%	14.1%
S&P/ASX 200 Accumulation Index	0.4%	1.7%	7.5%	8.3%	10.1%	11.6%
Outperformance	+0.9%	+1.7%	+4.2%	+4.7%	+7.4%	+2.5%

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

Net tangible asset (NTA) figures

NTA before tax	119.86c*
NTA after tax and before tax on unrealised gains	119.91c
NTA after tax	117.70c

*The NTA before tax figure is after the payment of \$4.8m (0.68 cents per share) in FY2018 tax during the month.

Diversified portfolio

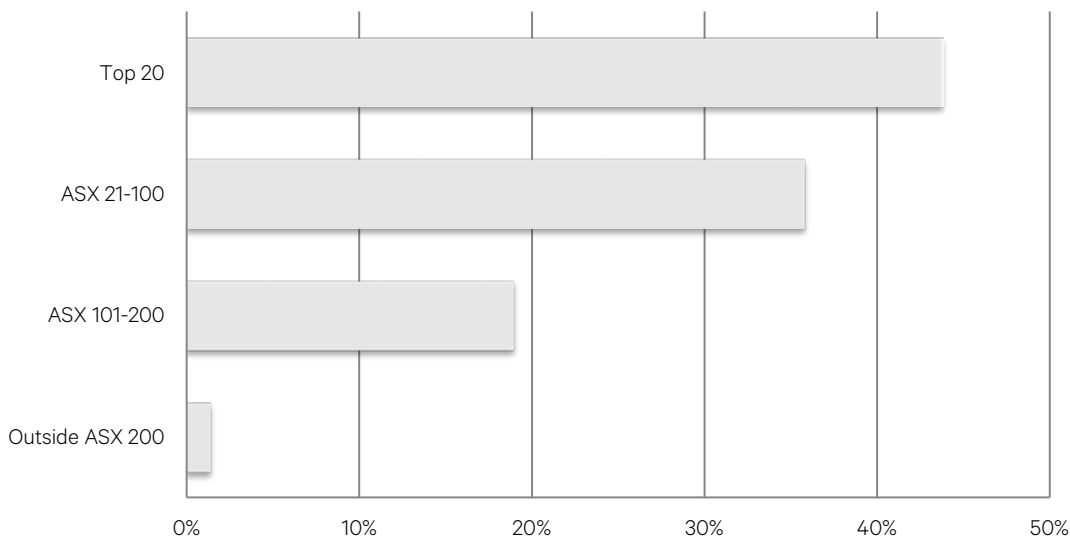
Investment type	January 2018		February 2018	
	\$m	%	\$m	%
Listed equities	754.7	89.0	708.3	83.5
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	93.4	11.0	139.6	16.5
Gross assets	848.1m	100.0	847.9m*	100.0
Total shares on issue	702,250,762		702,250,762	

*This figure is after the payment of \$10.5m in FY2017 and FY2018 tax during the month.

Top 20 holdings

Code	Company	Code	Company
BHP	BHP Billiton Limited	MQG	Macquarie Group Limited
NAB	National Australia Bank Limited	JHX	James Hardie Industries Plc
CBA	Commonwealth Bank of Australia	NEC	Nine Entertainment Co. Holdings Limited
CSL	CSL Limited	TAH	Tabcorp Holdings Limited
WBC	Westpac Banking Corporation	BLD	Boral Limited
ORG	Origin Energy Limited	PRY	Primary Health Care Limited
RIO	Rio Tinto Limited	SGR	The Star Entertainment Group Limited
WOW	Woolworths Group Limited	WPL	Woodside Petroleum Limited
QBE	QBE Insurance Group Limited	SGM	Sims Metal Management Limited
ANZ	Australia and New Zealand Banking Group Limited	CPU	Computershare 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 will trade ex on 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.