

W | A | M Leaders

Focus: large-cap Australian companies
(ASX: WLE)

Portfolio update

The WAM Leaders investment portfolio increased by 5.0% in February. Our holdings in the major banks contributed to the positive investment portfolio performance as the final report by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was widely considered soft by market participants. Commonwealth Bank of Australia (ASX: CBA), Australia and New Zealand Banking Group (ASX: ANZ), Westpac Banking Corporation (ASX: WBC) and the National Australia Bank (ASX: NAB), closed up 5.8%, 11.9%, 9.8% and 5.3% respectively for the month. We also own Macquarie Group (ASX: MQG) which increased 10.4% for the month of February.

Brambles (ASX: BXB) specialises in sustainable logistics, operating the world's largest pool of reusable pallets, crates and containers. BXB delivered solid share price performance of 10.5% during the month as it announced the sale of its IFCO reusable plastic containers business for US\$2.5 billion. This divesture will provide a significant cash return to shareholders and allow BXB to conduct an on-market buy-back and repay debt to maintain leverage in-line with the Board-approved credit policy. BXB will pay 29.0 cents per share in addition to its 14.5 cents interim dividend. BXB's half-year results were in line with our expectations, confirming our belief that the company had suffered from global economic uncertainty which has since improved. We continue to hold BXB as we believe the sale of IFCO is positive for BXB's capital management strategy and balance sheet.



Matthew Haupt
BCom GradDip App Fin CFA
Lead Portfolio Manager

Net tangible asset (NTA) figures

NTA before tax	120.17c*
NTA after tax and before tax on unrealised gains	119.47c
NTA after tax	118.19c

*The NTA before tax is after the payment of \$14k (0.002 cents per share) in tax during the month.

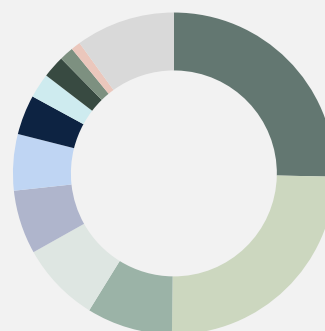
Based on the 28 February 2019 share price of \$113 per share.

Pre-tax net tangible assets	Gross assets	Annualised fully franked interim dividend	Performance (p.a. since May 2016)
\$1.20	\$848.7m	5.3c	11.4%

Performance at 28 February 2019	1 mth	6 mths	Fin YTD	1 yr	Since inception %p.a. (May-16)
WLE Investment Portfolio	5.0%	1.8%	2.4%	6.8%	11.4%
S&P/ASX 200 Accumulation Index	6.0%	-0.3%	2.6%	7.1%	9.9%
Outperformance	-1.0%	+2.1%	-0.2%	-0.3%	+1.5%

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

Portfolio composition by sector



Financials: 25.3%
Materials: 24.9%
Consumer Discretionary: 8.6%
Energy: 8.0%
Consumer Staples: 6.4%
Health Care: 5.7%
Industrials: 4.0%
Real Estate: 2.5%
Telecommunication Services: 2.2%
Utilities: 1.4%
Information Technology: 1.0%
Cash and Fixed Interest: 10.0%

Investment type	January 2019		February 2019	
	\$m	%	\$m	%
Listed equities	739.0	91.3	764.1	90.0
Short portfolio	0.0	0.0	0.0	0.0
Fixed interest & cash	70.7	8.7	84.6	10.0
Gross assets	\$809.7m	100.0	\$848.7m	100.0
Market capitalisation	\$767.5m		\$795.7m ¹	
Total shares on issue	704,135,905		704,135,905	

Top 20 holdings in alphabetical order

Amcor Limited	AMC
Aristocrat Leisure Limited	ALL
Australia and New Zealand Banking Group Limited	ANZ
BHP Group Limited	BHP
Commonwealth Bank of Australia	CBA
CSL Limited	CSL
Macquarie Group Limited	MQG
National Australia Bank Limited	NAB
Newcrest Mining Limited	NCM
OZ Minerals Limited	OZL
QBE Insurance Group Limited	QBE
Rio Tinto Limited	RIO
Santos Limited	STO
South32 Limited	S32
Telstra Corporation Limited	TLS
The Star Entertainment Group Limited	SGR
Treasury Wine Estates Limited	TWE
Westpac Banking Corporation	WBC
Woodside Petroleum Limited	WPL
Woolworths Group Limited	WOW