

W | A | M *Leaders*

Investment update

As at 31 July 2017



Snapshot

Pre-tax net tangible assets

\$1.15*

*Not diluted for options outstanding

Gross assets

\$486.9m

wilsonassetmanagement.com.au

ABN: 33 611 053 751

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$486.9m
Market cap	\$463.1m
Share price	\$1.115
Option price	\$0.013
NTA before tax	\$1.15
Shares on issue	415,335,434
Options on issue	301,777,209
Number of stocks held	63
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
Tobias Yao	Senior Equity Analyst
John Ayoub	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

Adelaide	20 November
Perth	21 November
Toowoomba	23 November
Brisbane	24 November
Hobart	27 November
Canberra	28 November
Sydney (AGM)	29 November
Melbourne	30 November

SAVE THE DATE

Exercise your options to receive the final dividend

In July, the Company announced its full year results for FY2017. It also announced a maiden fully franked final dividend of 2.0 cents per share, representing a 100.0% increase on the Company's inaugural interim dividend. This brings the fully franked full year dividend to 3.0 cents per share.

Option holders are able to receive the 2.0 cents per share fully franked final dividend on options exercised **on or before 17 November 2017**.

Key dividend dates

Dividend ex-date	23 November 2017
Record date	24 November 2017
Last election date for DRP	28 November 2017
Payment date	5 December 2017

Market overview

The S&P/ASX 200 Accumulation Index closed flat in July 2017. The best performing sectors during the month included materials (+3.6%), banks (+2.3%) and financials (+1.2%), while healthcare and utilities weighed on the Index with declines of 7.7% and 5.3% respectively.

As expected, the Reserve Bank of Australia (RBA) held the cash rate at 1.5% for the 12th consecutive month. The Australian Bureau of Statistics released its anticipated inflation numbers, which fell below expectations, lowering the probability of the RBA raising the cash rate in the near term. Consumer sentiment figures released by the Westpac-Melbourne Institute showed a decline of 2.5% over the last 12 months.

Globally, the Chinese economy increased 6.9% from a year earlier in the second quarter, exceeding market expectations. The US Federal Reserve held its interest rate at the level reached by an increase in June, reiterating its forecast of one further increase this calendar year. The European Central Bank also maintained its monetary policy setting – a deposit rate of -0.4% for banks and a base interest rate of 0.0%.

Net tangible asset (NTA) figures

NTA before tax	115.49c*
NTA after tax and before tax on unrealised gains	116.14c
NTA after tax	114.87c

The above figures are not adjusted for the 301,777,209 options on issue with an exercise price of \$1.10. *This is after the payment and provision for tax of \$5.8m (1.4 cents per share) for the 2017 financial year.

Performance

Performance at 31 July 2017	1 Mth	3 Mths	6 Mths	Since inception %pa (May-16)	Since fully invested (Aug-16)
WLE Investment Portfolio*	0.4%	0.4%	5.1%	9.5%	8.9%
S&P/ASX 200 Accumulation Index	0.0%	-2.6%	4.0%	9.4%	7.3%
Outperformance	+0.4%	+3.0%	+1.1%	+0.1%	+1.6%

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

Portfolio update

In July, the investment portfolio outperformed the Index by 0.4%. Our equity weighting increased from 77.4% to 92.8% over the course of the month as we took advantage of select mid-cap opportunities and increased our exposure to the banks prior to Australian Prudential Regulatory Association's (APRA) announcement on bank capital requirements. We believed the market was overly sceptical about the sector in advance of APRA's definition of "unquestionably strong" and increased our weighting in the banks to over 18%. The banks rallied on the announcement of a 10.5% capital requirement, which the banks should meet without the need for potentially dilutive equity capital raisings. We expect this momentum to continue through the August reporting season.

We selectively added 12 positions into the market-driven side of the portfolio across various sectors to capitalise on opportunities ahead of the upcoming reporting season. The portfolio is well positioned heading into this period with target weightings achieved across a majority of holdings.

Diversified portfolio

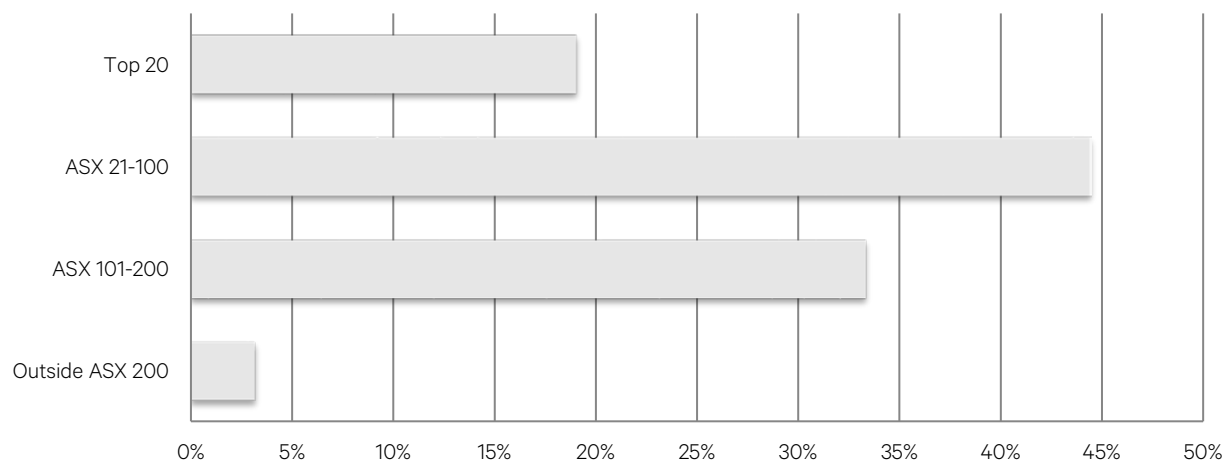
Investment type	June 2017		July 2017	
	\$m	%	\$m	%
Listed equities	371.5	77.4	458.6	94.2
Short portfolio	0.0	0.0	(6.7)	(1.4)
Fixed interest & cash	108.2	22.6	35.0	7.2
Gross assets	479.7m	100.0	486.9m	100.0
Total shares on issue	410,269,192		415,335,434*	

*During the month, 5,066,242 options were exercised and allotted.

Top 10 holdings

Code	Company	Market value \$	Market value as % gross assets
NAB	National Australia Bank Limited	26,681,706	5.5%
WBC	Westpac Banking Corporation	24,809,004	5.1%
WOW	Woolworths Limited	22,201,130	4.6%
BHP	BHP Billiton Limited	21,360,191	4.4%
ANZ	Australia and New Zealand Banking Group Limited	19,852,100	4.1%
CPU	Computershare Limited	18,739,917	3.8%
IAG	Insurance Australia Group Limited	17,755,080	3.6%
RIO	Rio Tinto Limited	15,941,641	3.3%
CBA	Commonwealth Bank of Australia	15,818,355	3.2%
CGF	Challenger Limited	14,786,611	3.0%

Equity portfolio composition by market capitalisation



Fully franked dividends

On 17 July 2017, the Company announced a maiden fully franked final dividend of 2.0 cents per share. This brings the fully franked full year dividend to 3.0 cents per share. The final dividend will be paid on 5 December 2017 and will trade ex on 23 November 2017.

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.

Investor conference call

Shareholders have the opportunity to take part in an investor conference call in which the investment team will provide an update on the WAM Leaders investment portfolio, insights from the current reporting season and our equity market outlook. The call will also cover WAM Capital, WAM Research, WAM Active, WAM Microcap and Century Australia.

Date: Wednesday 6 September 2017

Time: 4:30pm – 5:30pm (AEST)

To register, please visit <https://waminvestorcall.eventbrite.com.au>