

W | A | M *Leaders*

Investment update

As at 31 October 2017



Snapshot

Pre-tax net tangible assets

\$1.21*

*Not diluted for options outstanding

Gross assets

\$567.6m

wilsonassetmanagement.com.au

ABN: 33 611 053 751

WAM Leaders Limited

ASX code	WLE
Listed	May 2016
Gross assets	\$567.6m
Market cap	\$522.6m
Share price	\$1.135
Option price	\$0.025
NTA before tax	\$1.21
Shares on issue	460,442,195
Options on issue	256,670,448
Number of stocks held	59
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
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

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

RESERVE YOUR PLACE NOW

Your WAM Leaders options have value

WAM Leaders options can be exercised before they expire on 17 November 2017 or sold before they cease trading on 13 November 2017. Almost half of all options have already been exercised. If you do not take any action your options will expire and have no value. Optionholders who exercise their options will receive the 2.0 cents per share fully franked final dividend.

To exercise your options, contact your financial advisor or complete the options exercise form mailed to you and together with payment, return the form to our share registry. If you have any questions about your WAM Leaders options please call Alexandra Hopper on (02) 9247 6755 or email info@wilsonassetmanagement.com.au.

Net tangible asset (NTA) figures

The following NTA figures are **before** the 2.0 cents per share maiden fully franked final dividend due to be paid on 5 December 2017. The shares will trade ex dividend on 23 November 2017.

NTA before tax	121.49c
NTA after tax and before tax on unrealised gains	121.27c
NTA after tax	119.19c

The above figures are not adjusted for the 256,670,448 options on issue with an exercise price of \$1.10.

Performance

Performance at 31 October 2017	1 Mth	3 Mths	6 Mths	Fin YTD	1 Yr	Since inception %pa (May-16)	Since fully invested (Aug-16)
WLE Investment Portfolio*	4.6%	6.4%	6.8%	6.8%	18.4%	12.4%	15.9%
S&P/ASX 200 Accumulation Index	4.0%	4.7%	2.0%	4.7%	16.1%	11.1%	12.4%
Outperformance	+0.6%	+1.7%	+4.8%	+2.1%	+2.3%	+1.3%	+3.5%

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

Market update

The WAM Leaders investment portfolio increased 4.6% in October 2017, outperforming the S&P/ASX 200 Accumulation Index, which rose 4.0%. The Index reached its highest level since early May 2017 and posted its best calendar month return this year. The best performing sectors during the month included energy (+6.5%), consumer discretionary (+6.2%) and healthcare (+5.5%).

During the month the Australian Bureau of Statistics announced the September quarter consumer price index (CPI) was unchanged at 1.8%, falling well below market expectations and further supporting our view that the Reserve Bank of Australia will maintain the cash rate at 1.5% for the foreseeable future. The Westpac-Melbourne Institute index of consumer sentiment rose 3.6% in October, the highest level recorded in 12 months.

Globally, economic data releases continued to be strong and the revival of United States President Trump's tax plan drove the S&P 500 Index to yet another record high. The iron ore price fell following steel production cuts and winter shut downs in China, while base metals, including copper and nickel, rose substantially following optimism that a strong global economic backdrop would lift demand. Oil prices rallied following continued US inventory drawdowns and talks of extension to the OPEC cuts which are scheduled to finish in March of next year.

Portfolio update

The investment portfolio's outperformance in October 2017 was driven by a broad rally across all holdings. Highlights included Origin Energy (ASX: ORG) and Santos (ASX: STO), which benefitted from the rising oil price and solid operational updates. Fairfax Media Group (ASX: FXJ) was a standout following further clarity regarding the proposed spin-off of Domain. Another driver of performance was positive updates from both Woolworths (ASX: WOW), which provided a quarterly sales update and Macquarie Group (ASX: MQG), which upgraded its guidance and announced a buyback. We also increased exposure to the banks in anticipation of strong results in the reporting period. We exited our profitable position in Bank of Queensland (ASX: BOQ) post its result, which was ahead of the market's expectations and believe the remaining banks will all demonstrate solid results. During the month a number of new positions were added to the portfolio, which included Primary Healthcare Limited (ASX: PRY) following the release of positive data.

Diversified portfolio

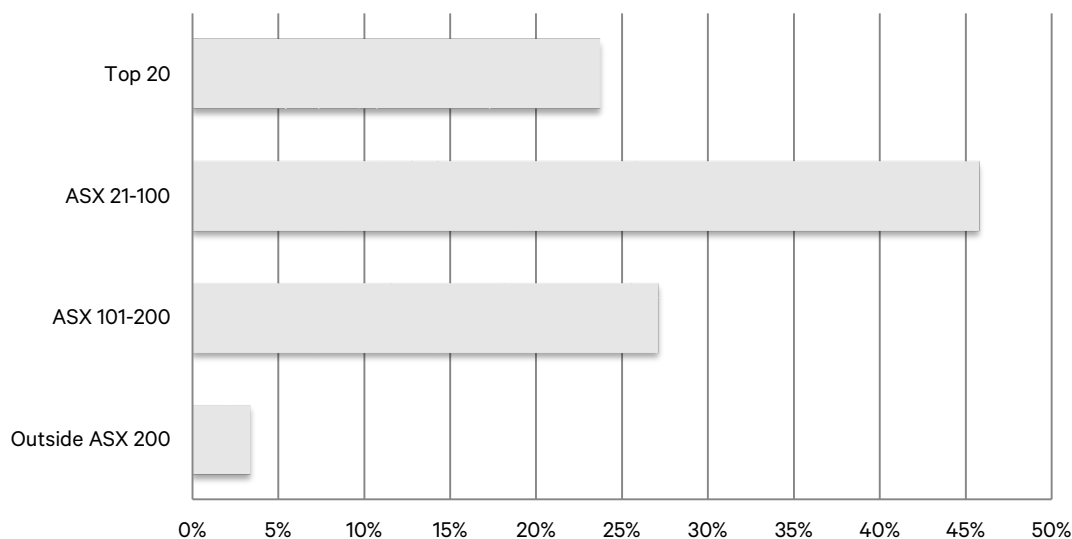
Investment type	September 2017		October 2017	
	\$m	%	\$m	%
Listed equities	425.1	84.1	509.8	89.8
Short portfolio	(2.4)	(0.5)	(4.9)	(0.9)
Fixed interest & cash	83.0	16.4	62.7	11.1
Gross assets	505.7m	100.0	567.6m	100.0
Total shares on issue	425,434,005		460,442,195*	

*During the month, 35,008,190 options were exercised and allotted.

Top 20 holdings

Code	Company	Code	Company
NAB	National Australia Bank Limited	SGR	Star Entertainment Group Limited
CBA	Commonwealth Bank of Australia	STO	Santos Limited
WBC	Westpac Banking Corporation	WPL	Woodside Petroleum Limited
WOW	Woolworths Limited	CPU	Computershare Limited
ORG	Origin Energy Limited	BLD	Boral Limited
BHP	BHP Billiton Limited	WFD	Westfield Corporation
CSL	CSL Limited	RIO	Rio Tinto Limited
TAH	Tabcorp Holdings Limited	IAG	Insurance Australia Group Limited
AMC	Arcor Limited	AGL	AGL Energy Limited
MQG	Macquarie Group Limited	NEC	Nine Entertainment Co Holdings Limited

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.

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

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.

November 2017 Shareholder Presentations

Don't forget to reserve your place at our November 2017 Shareholder Presentations. We will discuss our listed investment companies, investment themes and trends, investment case studies, market outlook and making a difference initiatives. To RSVP, click [here](#).