
Australian Leaders Fund Limited (ALF)

ASX Announcement / Media Release



August 31, 2020

ALF portfolio outperforms index by 8% and produces positive gross return in FY20

Highlights:

- Full year after-tax profit was \$1,431,683, up 111% on the prior year
- Fund performance off to a strong start in FY21, up 3% (gross) in the year to date.

Today, the Board of Australian Leaders Fund Limited (ALF, the 'Company') announced an after-tax profit of \$1,431,683 for the financial year ending June 30, 2020. Amidst challenging market conditions resulting from the COVID 19 pandemic, ALF's investment portfolio increased in value by 0.9% (before fees), outperforming the benchmark All Ordinaries Accumulation Index by 8.1%. The Company's after-tax net tangible asset backing (NTA) at the end of the period was \$1.12, with the Company having distributed dividends totalling 5 cents per share in FY20.

The Board's ongoing commitment to active capital management was on display again through the year, with over 48 million shares bought back by the Company through on and off-market share buy backs. These purchases were conducted at a discount to the Company's NTA, providing accretion benefits to remaining shareholders.

Commenting on the result, ALF's Chairman, Justin Braitling said: "while market conditions in FY20 have posed challenges for fundamental investors, ALF has an investment strategy that is well-suited to the challenging period ahead". The Company's portfolio was positioned net short coming into the dramatic share market sell-off seen in March, protecting against any material loss of value as the market fell by 36% from its February highs. "With risk assets on life support provided by governments and central banks, the risk of another major set-back remains very real. There are very few ways to avoid loss in such a scenario, however ALF is in a strong position to protect capital and even to flourish, should we see another major setback for the share market" Mr Braitling said.

The Board will announce further details in respect of dividends, along with the Annual Report and audited financial accounts in September.

--ENDS--

Authorised for release by the Board of Directors.

About ALF

Australian Leaders Fund Limited (ASX:ALF) is a Listed Investment Company managed by Watermark Funds Management Pty Limited. ALF provides investors with exposure to Watermark's experience as a long/short equity investor, with the objective of delivering attractive absolute returns while reducing the risk of capital loss when risks in share markets are elevated. ALF holds a mixture of Australian and International shares. For more information visit www.wfunds.com.au