

Aberdeen Leaders Limited

Monthly factsheet - performance data and analytics to 31 May 2014



Investment objective

Aberdeen Leaders Limited is a geared listed investment company, which invests primarily in companies within the S&P/ASX 200 Accumulation index.

Performance (%)

	1 Month	3 Months	1 Year	Per annum	
				3 Years	5 Years
Portfolio (net) ¹	0.03	0.87	6.88	5.54	7.50
Benchmark ²	0.68	2.76	16.45	10.26	12.41
NAV pre-tax (dividends reinvested)	-0.03	-0.09	8.65	5.63	7.76
NAV post-tax (dividends reinvested)	0.16	0.56	6.47	4.79	6.52
Share Price (dividends reinvested)	-0.40	-5.25	1.77	8.77	8.89

1. Calculated based on the change in the value of the total portfolio (excluding the loan and tax liabilities), after standard fees.

2. S&P/ASX 200 Accumulation Index. Prior to 1 April 2004 the portfolio had a composite index - 95% S&P/ASX 50 Leaders and 5% UBSA Bank Bill Index.

Past performance is not a reliable indicator of future results.

Performance review

The Portfolio returned 0.03% in May (net of fees), underperforming the benchmark by 0.65%.

Holdings which contributed to Fund performance include:

Coca Cola Amatil (CCL) – The company held its AGM in May, and was the first official presentation the new CEO Alison Watkins gave to investors and shareholders. She outlined the company's broader long-term strategy and initiatives being undertaken to improve the Australian business, and reiterated the challenging trading conditions. Alison comes very well regarded and we feel there is significant scope to make this business more efficient.

Holdings which detracted from Fund performance include:

Orica (ORI) – Reported weak 1H14 results, but in line with our internal expectations and guidance provided by the company for lower earnings. The weak result were driven by lower demand in both Mining Services & Chemicals. Concern exists over the longer term excess supply in the ammonium nitrate market from recent increases in capacity. Management are guiding for FY14 results to be in line or above FY13's results, which seems optimistic at this stage.

Market review

The unemployment rate released in May came in at a steady 5.8%, slightly ahead of market expectations of 5.9%. The participation rate was flat at 64.7%, with a net 14,200 jobs added in April (beating market expectations of 8,800 jobs added). Building approvals came in behind expectations, down 3.5% month-on-month (m/m) against market expectations of a 1.5% increase, but still up 20% year-on-year (y/y). Despite this, the RBA maintains its optimism about the recovery in the housing sector and notes that "a range of timely indicators point to a strong pick up in dwelling construction". The cash rate was also held constant at 2.5%, in line with market expectations.

Outlook

We remain cautiously optimistic investors. We're starting to see very early signs of a recovery in certain non-resource sectors (such as housing), and we are buoyed by the strength of our highly profitable and adequately capitalised banking sector (compared to both Europe and the US). The prospects for finding good value companies remains particularly encouraging in 2014, as many of our companies have been able to successfully deleverage their balance sheets, implement cost efficiency programs and consolidate market share. We remain firm in our belief that Australian investors will benefit in the long-term by sticking to well managed companies, which are underpinned by the strength of their balance sheets and strong cash flows.

Net tangible assets

NTA ³	\$73.8million
Shares on Issue	61.3 million
NTA per Share (pre tax)	1.20
NTA per Share (post tax)	1.14
Share Price	1.255
(Discount)/Premium to NTA (pre tax)	4.58%
(Discount)/Premium to NTA (post tax)	10.09%
Dividend Yield (100% franked) ⁴	7.57%

3. before provision for tax on unrealised gains.

4. based on dividends paid over previous 12 months and using share price at period end.

Top ten holdings (%)

	Fund	Index
BHP Billiton	11.0	8.8
ANZ	6.4	6.8
Commonwealth Bank	6.3	9.8
Rio Tinto	6.3	1.9
Woolworths	5.6	3.5
Westfield Group	5.5	1.5
SingTel	4.8	0.0
ASX	4.5	0.5
AMP	4.4	1.2
CSL	4.3	2.5
Total	59.1	36.5

Sector breakdown (%)

	Fund	Index
Financials ex Property	29.2	40.2
Materials	20.3	16.8
Consumer Staples	9.2	8.2
Utilities	7.5	1.7
Energy	6.5	6.1
Healthcare	5.7	4.7
Property	5.5	5.4
Teleco Services	4.8	5.4
Information Technology	2.9	0.8
Consumer Discretionary	1.5	3.8
Industrials	0.0	6.8
Cash	6.9	0.0
Total	100	100

Figures may not always sum to 100 due to rounding.

Key information

ASX Code	ALR
Benchmark	S&P / ASX 200 Accumulation Index
Date of Launch	July 1987

Aberdeen Leaders Limited

Monthly factsheet - performance data and analytics to 31 May 2014

Important information

This report has been prepared for information purposes only and should not be considered as an offer or solicitation, to deal in any of the investments mentioned. Aberdeen Asset Management Limited ABN 59 002 123 364 (Aberdeen) is the investment manager of Aberdeen Leaders Limited ABN 25 003 236 173. Neither Aberdeen, Aberdeen Leaders Limited nor any member of the Aberdeen Group, nor any of its officers, employees or agents guarantees the repayment of capital, the performance or any distribution by Aberdeen Leaders Limited. Information contained in this document is based on sources believed to be reliable, and all opinions expressed are honestly held. Information in this document is of a general nature only and is not intended to provide investment or financial product advice. This document has not been prepared taking into account the particular objectives, financial situation or needs of any investor, so it is important that before acting investors should consider their own circumstances and consult their Financial and/or Tax adviser. Aberdeen shall not be held liable for any loss or damage caused to any person in respect of any representation, except as required by law. Aberdeen Asset Management Limited holds an Australian Financial Services Licence, No. 240263.

ABDNFSALR_0514

Contact us

Telephone:
1800 636 888 or +61 2 9950 2853
if calling from outside Australia

Email:
client.service.aust@aberdeen-asset.com

Website:
aberdeenasset.com.au