

# Aberdeen Leaders Limited

Monthly factsheet - performance data and analytics to 30 June 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) <sup>1</sup>	-1.16	0.06	10.34	5.47	6.79
Benchmark <sup>2</sup>	-1.50	0.93	17.43	10.38	11.20
NAV pre-tax (dividends reinvested)	-1.69	0.37	13.63	5.69	6.70
NAV post-tax (dividends reinvested)	-1.29	0.94	9.81	4.74	5.79
Share Price (dividends reinvested)	-0.42	-2.37	6.43	8.99	8.40

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 -1.16% in June (net of fees), outperforming the benchmark by 0.34%.

Holdings which contributed to Fund performance include:

Westfield Group (WDC) – The shopping centre-focused property investor and developer performed strongly in June, after announcing they had shareholder approval for the proposed demerger of their Australian and New Zealand assets, and the subsequent merger of these assets with Westfield Retail Trust to form Scentre Group. The long-term prospects for Westfield remain attractive post this transaction, given the quality portfolio of assets, high occupancy levels, long-term rental agreements, diversification across geographies, and proven management team.

Tatts (TTS) – The provider of diversified gambling services was one of our top performers during the month, after securing a favourable court decision against the state of Victoria for the 2012 expiry of its gaming operator licence. Tatts was awarded \$451 million, as well as additional interest payments. They also made the positive announcement that they had secured an additional term on their Queensland wagering licence, as well as being granted retail exclusivity for a further 30 years. We remain attracted to the stock's strong management team, ability to generate cash and the defensive nature of its business underpinned by long-term lottery and wagering agreements.

Holdings which detracted from Fund performance include:

SP AusNet (SPN) – The Electricity distribution, transmission and gas distribution company was one of our worst performers during the month. There was no stock specific news that came out during the month and we remain attracted to the company's strong market position and the regulated nature of the majority of its revenue.

## Market review

The Reserve Bank of Australia left rates unchanged at 2.5% for the eighth consecutive month as the economy grew in-line with trend and inflation remains under control. The National Accounts released show that Australia's economy grew by a better-than-expected 1.1% in the first quarter of 2014. This was driven by strong export growth, mainly in the mining sector while domestic growth remains sluggish at 0.3%. In New Zealand, robust economic growth continues to fuel inflation pressures, particularly in the housing market. New Zealand subsequently revised rates up by 0.25% for the third time this year, with their official cash rate now at 3.25%.

## Outlook

Looking to the second half of 2014, after a somewhat contractionary budget, we remain cautiously optimistic despite weaker-than-expected retail sales and indications of weak consumer sentiment.

## Net tangible assets

NTA <sup>3</sup>	\$71.3 million
Shares on Issue	61.3 million
NTA per Share (pre tax)	1.16
NTA per Share (post tax)	1.11
Share Price	1.23
(Discount)/Premium to NTA (pre tax)	6.03%
(Discount)/Premium to NTA (post tax)	10.81%
Dividend Yield (100% franked) <sup>4</sup>	7.72%

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	8.6
Rio Tinto	6.4	1.9
Commonwealth Bank	6.4	9.8
ANZ	6.3	6.9
Woolworths	5.4	2.3
SingTel	4.8	3.3
ASX	4.6	0.0
AMP	4.3	0.5
CSL	4.1	1.2
Woodside Petroleum	3.9	2.4
<b>Total</b>	<b>57.2</b>	<b>36.9</b>

## Sector breakdown (%)

	Fund	Index
Financials ex Property	30.3	39.3
Materials	21.3	16.9
Consumer Staples	9.4	8.0
Utilities	7.9	1.7
Health Care	6.4	4.6
Property	6.1	6.4
Energy	6.0	6.3
Teleco Services	5.0	5.2
Information Technology	3.1	0.7
Consumer Discretionary	1.7	4.0
Industrials	0.0	6.8
Cash	2.9	0.0
<b>Total</b>	<b>100</b>	<b>100</b>

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

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Our more optimistic view comes as we are seeing 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 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.

#### Important information

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