

Aberdeen Leaders Limited

Monthly factsheet - performance data and analytics to 30 November 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	-2.83	-3.10	2.73	9.70	3.90
Benchmark ²	-3.25	-4.40	4.30	13.85	7.11
NAV pre-tax (dividends reinvested)	-3.93	-4.95	2.00	11.69	2.94
NAV post-tax (dividends reinvested)	-2.80	-3.10	1.82	8.98	2.97
Share Price (dividends reinvested)	-3.48	-8.22	-10.32	9.67	3.31

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 Fund returned -2.83% in November (net of fees), outperforming the benchmark by 0.42%.

Holdings which contributed to Fund performance include:

Singapore Telecommunications (SGT) – The integrated communications service provider was a top performer in November. SingTel posted an 11% year-on-year growth in second-quarter underlying profits, driven by contributions from its joint ventures and associates, as well as steady growth across its business segments. Notably, the turnaround at its Australian unit Optus appeared to be progressing well. We remain attracted to the defensive nature of SingTel's cash flows that are underpinned by very strong market positions across Singapore and Australia, along with significant exposure to emerging market growth trends through its associate companies.

Resmed (RMD) – The developer and manufacturer of medical equipment for sleep-disordered breathing conditions was one of our strongest performers during the month. There was no stock specific news out. Resmed is an attractive proposition given its leverage to a structurally growing market underpinned by increasing trends of global obesity. The business continues to innovate, has market-leading products, a strong balance sheet that has seen continued shareholder returns as well as a stable management team delivering growth.

Holdings which detracted from Fund performance include:

Woolworths (WOW) – The supermarket, specialty and discount store operator was one of our biggest detractors from performance during the month. Woolworths posted decent results, but the market reacted negatively as same-store sales appeared weak relative to Coles, while the threat of discount store operator Aldi continued to weigh on sentiment. Management said it would meet its profit growth targets for this year and dismissed fears the local market was facing a price war. We remain cautious given the backdrop of intensifying local competition and potential for margin compression over the medium term.

BHP Billiton (BHP) – The diversified material exploration, production and processing company was a significant detractor from performance during the month. BHP notified the market that its priority was shoring up its balance sheet before returning additional capital to shareholders. The attractions for us in BHP remain given low cost mines with significant mine lives, significant reserves, and diversification across metals, minerals, petroleum, potash and geographies. This should see the company continue to benefit from global urbanisation and development trends being driven by emerging markets.

Market review

Australian economic data remains mixed, with the unemployment rate flat at 6.2%. On a more positive note, full time job numbers continue to improve, up 33,000, and the participation rate also

Net tangible assets

NTA ³	\$71.4 million
Shares on Issue	61.6 million
NTA per Share (pre tax)	1.16
NTA per Share (post tax)	1.11
Share Price	1.11
(Discount)/Premium to NTA (pre tax)	-4.31%
(Discount)/Premium to NTA (post tax)	0.00%
Dividend Yield (100% franked) ⁴	5.63%

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	9.5	7.6
Commonwealth Bank	6.4	9.8
ANZ	6.0	6.7
SingTel	5.4	0.0
CSL	5.3	2.9
Rio Tinto	5.0	1.9
AMP	4.6	1.3
ASX	4.6	0.2
AusNet Services	4.6	0.5
Woolworths	4.5	3.0
Total	55.9	33.9

Sector breakdown (%)

	Fund	Index
Financials ex Property	29.4	39.6
Materials	17.7	15.4
Health Care	11.2	5.6
Utilities	8.4	1.8
Consumer Staples	7.7	7.6
Property	6.8	6.7
Energy	6.1	5.7
Teleco Services	5.6	5.8
Information Technology	2.0	0.7
Consumer Discretionary	1.7	4.0
Industrials	0.0	7.0
Cash	3.3	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 30 November 2014

trended higher to 64.6% against market expectations of 64.5%. Retail sales reversed their recent softness, jumping 1.2% in September – the strongest monthly gain since February 2013. The Reserve Bank of Australia kept interest rates flat at 2.5% and concluded "the most prudent course is likely to be a period of stability in interest rates."

Commodity prices remained weak in November, continuing to weigh on sentiment and helping to bring the overall market down. This was led by oil prices, which dropped following a meeting of the Organisation of Petroleum Exporting Countries (OPEC) on November 28 where members decided to retain the existing 30 million barrels per day (mbd) production target. Iron ore prices were also weak due to the ongoing supply glut and soft demand.

Outlook

We remain cautiously optimistic investors. With the recent corrections in stock markets we continue to view the economic environment as an opportunity to accumulate further on a portfolio of good-quality companies. We continue to see positive signs of a recovery in certain non-resource sectors (such as housing, health, tourism and education) and are buoyed by the strength of our highly profitable banking sector (compared to both Europe and the US). The prospects for finding value in this market remain particularly encouraging for the remainder of 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 that are underpinned by balance sheet strength and strong cash flows.

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_1114

Contact us

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

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

Website:
aberdeenasstet.com.au