

# Aberdeen Leaders Limited

Monthly factsheet - performance data and analytics to 31 December 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>	2.51	3.14	6.21	11.13	3.50
Benchmark <sup>2</sup>	2.06	3.11	5.61	15.14	6.76
NAV pre-tax (dividends reinvested)	2.00	3.40	7.39	13.81	2.42
NAV post-tax (dividends reinvested)	1.28	2.68	6.00	10.55	2.64
Share Price (dividends reinvested)	-1.35	-4.78	-14.81	9.35	2.22

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 2.51% in December (net of fees), outperforming the benchmark by 0.45%.

Holdings which contributed to Fund performance include:

Resmed (RMD) – The developer and manufacturer of medical equipment for sleep disordered breathing conditions was a top performer this 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, and its relationship to sleep disordered breathing conditions. The business continues to innovate, has market leading products, a strong balance sheet which has seen continued shareholder returns, as well as a stable management team delivering growth on growth.

Cochlear (COH) – The hearing implant specialist was one of our strongest performers during the month. There was no stock specific news out. The many strengths of Cochlear remain given a structurally growing market, significant IP, continued research and development, distribution networks and an embedded relationships with surgeons.

Holdings which detracted from Fund performance include:

BHP Billiton (BHP) – The diversified material exploration, production and processing company was a detractor from performance during the month. Market sentiment continued to weigh on BHP given the soft commodity price environment it is operating in, with significant exposure to oil and iron ore. Despite this volatility in commodity pricing the attractions for us in BHP remain given its reserves, low cost mines with significant mine lives, and diversification across metals, minerals, petroleum, potash and by geography. This should see it continue to benefit from global urbanisation and development trends being driven by emerging markets.

AMP Limited (AMP) – The diversified financial services company was a significant detractor to performance during the month. There was no stock specific news out. We remain attracted to AMP's vertically integrated platform, strong capital position and exposure to the long term growth expected in the superannuation industry.

## Market review

In Economic news, the Reserve Bank of Australia kept the key policy rate on hold at its December board meeting, rounding off an entire calendar year of policy inactivity. Australia's unemployment rate for November rose slightly to 6.3%, the highest rate for more than 12 years, and full-time job additions were weak. Economic growth was also weak, with third quarter GDP expanding 0.3% against markets expectations of a 0.7% increase. The Energy Sector remained particularly weak, with crude oil prices continuing to fall in December after the Organisation of Petroleum Exporting Countries (OPEC) reaffirmed its reluctance to cut oil production despite the apparent supply demand imbalance.

## Net tangible assets

NTA <sup>3</sup>	\$72.8 million
Shares on Issue	61.6 million
NTA per Share (pre tax)	1.18
NTA per Share (post tax)	1.12
Share Price	1.095
(Discount)/Premium to NTA (pre tax)	-7.20%
(Discount)/Premium to NTA (post tax)	-2.2%
Dividend Yield (100% franked) <sup>4</sup>	5.02%

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	9.2	7.0
Commonwealth Bank	6.7	10.3
ANZ	6.3	6.5
SingTel	5.5	0.0
CSL	5.3	3.1
Rio Tinto	4.8	1.9
ASX	4.8	0.5
Westfield Group	4.7	1.3
AusNet Services	4.6	0.2
AMP	4.5	1.2
<b>Total</b>	<b>56.4</b>	<b>32.0</b>

## Sector breakdown (%)

	Fund	Index
Financials ex Property	30.2	39.9
Materials	16.7	15.0
Health Care	10.9	5.9
Utilities	8.4	1.9
Property	7.7	7.0
Teleco Services	7.0	5.9
Energy	6.5	5.2
Consumer Staples	6.4	7.4
Information Technology	2.0	0.8
Consumer Discretionary	1.7	3.8
Industrials	0.0	7.3
Cash	2.6	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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### Outlook

We remain cautiously optimistic investors. With the recent corrections in stock markets we have and will continue to view the economic environment as good 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 and adequately capitalised banking sector (compared to both Europe and the US). The prospects for finding value in this market remains particularly encouraging in 2015, 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

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### Contact us

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

Email:  
[client.service.aust@aberdeen-asset.com](mailto:client.service.aust@aberdeen-asset.com)

Website:  
[aberdeenasstet.com.au](http://aberdeenasstet.com.au)