

INVESTMENT PORTFOLIO UPDATE & NTA REPORT

JUNE 2015

**WEALTH DEFENDER EQUITIES
AS AT 30 JUNE 2015**
Investment Objective

The Company aims to outperform the S&P/ASX 300 Accumulation Index by investing in a diversified portfolio of predominantly Australian shares while using protection strategies including derivatives and cash to dynamically protect the portfolio through market cycles, thereby cushioning the magnitude of negative returns when equity markets fall significantly.

ASX Codes:

WDE
WDEO (Loyalty options)

Listing Date:

21 May 2015

Shares on Issue

125.8 million

Share Price

\$0.98

Loyalty Options

Vesting date: 23 November 2015
Expiry date: 23 November 2016

Dividend Frequency

Half Yearly

Number of Stocks

35 to 100

Cash Limits

0 to 50%

Suggested Investment Timeframe

5+ years

INVESTMENT OVERVIEW & PERFORMANCE

The Company's investment portfolio has outperformed the benchmark since launch on 21 May by 0.95%.

The protection strategy has added 0.98% since inception.

Wealth Defender Equities Limited was admitted to the ASX on 20 May 2015 and its shares began trading on 21 May 2015. In line with the investment strategy outlined in the Prospectus the Manager did not look to market time in the establishment of the company's investment portfolio. As a result, the company's investment portfolio was effectively fully invested within the first few weeks of trading. The Manager has also implemented the protection strategies designed to cushion the portfolio in the event of significant market downturn.

NET TANGIBLE ASSETS (NTA)	AMOUNT
NTA before tax	\$0.9475
NTA after tax	\$0.9632*

The NTA does not include or adjust for Loyalty Options.

Loyalty Options will vest on the vesting date of 23 November 2016 if and only if, the applicant holds the same or a greater number of Shares as applied for in the IPO.

The NTA per share is at 30 June 2015. The before and after tax numbers relate to the provision for deferred tax on the unrealised gains in the Company's investment portfolio.

* Investors may note that the NTA after Tax for June is above the pre Tax NTA. This has resulted primarily from the add back of a Deferred Tax Asset Credit at year end being the positive impact of the capitalised IPO Costs coupled with a relatively short period since initial listing and therefore limited tax liabilities being incurred in the portfolio.

PERFORMANCE AS AT 30 JUNE 2015	MONTH %	QUARTER %	SINCE INCEPTION [^] % P.A.
WDE	-4.20*	N/A	-1.60
S&P/ASX 300 Accumulation Index	-5.32	N/A	-2.55

[^] Inception date 21 May 2015

* Performance before fees and tax

It has been an eventful first six weeks for the WDE investment portfolio, mainly driven by events in global markets. The WDE portfolio from inception on 21 May to 30 June 2015 delivered a return of -1.60%, some 0.95% ahead of the market which returned -2.55% for this period.

With the uncertainty in Europe and in China, WDE has ended the period with a higher than normal level of protection. The Manager has built on the level of protection given the current level of risk it sees in global markets.

INVESTOR CONTACTS

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PORTFOLIO UPDATE

Major markets all finished the month lower, with the S&P500 -2.1%, FTSE -6.6%, Nikkei -1.6% and the Shanghai Composite -7.3%. US economic data continues to be positive, supported by stronger labour market and manufacturing indicators as well as a continued improvement in homebuilder sentiment. In China, the People's Bank of China reduced its 2015 GDP growth forecasts marginally to 7.0% and cut the benchmark 1 year lending and deposit rates by 0.25% and the banks' reserve requirement ratio by 0.5% in attempt to stimulate growth.

In Australia, the domestic data flow was mixed. Even with strong Q1 nominal GDP growth of +2.3%, overall nominal growth was still only +1.2% year on year. Employment in May grew at the strongest rate since April 2011, causing the unemployment rate to fall to a better than expected 6.0%. Business confidence lifted following the popular investment measures announced in the federal budget. Consumer confidence, however, remains fragile and retail sales growth also was consequently weak. The housing market remained strong and the RBA left the cash rate steady at 2.0%, with the AUD closed the month flat at 77 US cents.

In a more defensive environment, the better performing sectors were the defensives, with Telco's (-1.3%) and REITs (-4.0%). Financials (-2.9%) also outperformed, with stronger relative performance from the major banks. The more cyclical sectors underperformed, with Consumer Discretionary (-10.9%) the worst performing sector, followed by Resources (-9.7%) and Industrials (-7.8%).

WDE Key Investments

TOP 10 HOLDINGS		
Stock name	Portfolio weight %	Index weight %
Westpac Banking Corp	7.8	7.1
National Aust. Bank	7.7	6.2
BHP Billiton Limited	6.9	6.1
Commonwealth Bank	6.6	9.8
Telstra Corporation	5.3	5.3
ANZ Banking Grp Ltd	5.0	6.3
Woodside Petroleum	2.9	1.7
QBE Insurance Group	2.7	1.3
AGL Energy Limited	2.6	0.7
Rio Tinto Limited	2.6	1.6

Source: Perennial

WDE Portfolio Profile

ASSET ALLOCATION		
Sector	Portfolio weight %	Index weight %
Energy	6.1	5.1
Materials	18.8	14.8
Industrials	5.6	7.2
Consumer Discretionary	9.8	4.3
Consumer Staples	5.4	6.5
Health Care	1.3	6.1
Financials-x-Real Estate	36.0	39.2
Real Estate	3.6	7.9
Information Technology	0.2	1.0
Telecommunication Services	5.3	5.9
Utilities	2.7	2.0
Cash & Derivatives	5.4	

Rounding accounts for small +/- from 100%.
Source: Perennial

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