

## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the 2017 Annual General Meeting (**AGM**) of Australian Leaders Fund Limited (ABN 64 106 845 970) (**Company**) will be held at **UBS, Level 16, Chifley Tower, 2 Chifley Square, Sydney, on Wednesday, 25 October 2017 at 10:00am (Sydney Time).**

### ORDINARY BUSINESS

1. To receive and consider the financial report, the directors' report and auditor's report for the year ended 30 June 2017.

2. **Resolution 1 – Re-election of Mr Geoffrey Wilson as a Director**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That Mr Geoffrey Wilson, retired by rotation and having offered himself for re-election in accordance with Rule 6.7 of the Constitution of the Company, be re-elected as a Director of the Company.”*

3. **Resolution 2 - Approval of Return of Capital to Shareholders**

To consider and, if thought fit, pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Part 2J.1 of the Corporations Act and for all other purposes, approval is given for the share capital of the Company to be reduced by \$10,900,956.96, without cancelling any Shares, by way of an equal capital reduction in accordance with section 256C of the Corporations Act (such reduction of share capital to be effected by the Company paying an amount of \$0.04 per Share to each Shareholder registered as at the Record Date, on the terms and conditions set out in the Explanatory Memorandum).”*

4. **Resolution 3 – Approval to allow the Board the discretion to conduct a possible Second Return of Capital to Shareholders**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Part 2J.1 of the Corporations Act and for all other purposes, approval is given, for the board to resolve to conduct a return of capital for the share capital of the Company to be reduced by up to a further \$10,900,956.96, without cancelling any Shares, by way of an equal capital reduction in accordance with section 256C of the Corporations Act. The proposed capital reduction may be effected, if the board so resolves, by the Company paying an amount of \$0.04 per Share to each Shareholder registered as at the Second Record Date, on the terms and conditions set out in the Explanatory Memorandum).”*

Please note that the proposed Second Return of Capital will only occur if the Board forms the view that it is appropriate to do so and subsequently resolves to conduct the Second Return of Capital.

5. **Resolution 4 – Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an **ordinary non-binding resolution**:

*“That the Remuneration Report, forming part of the Directors' Report laid before the meeting, be adopted.”*

**NOTE:** The vote on this resolution is advisory only and does not bind the Directors or the Company. In accordance with Section 250R(4) of the Corporations Act, the Company will disregard any votes cast on this resolution:

- (a) by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report and each closely related party of such members (each an **Excluded Key Manager**); or
- (b) as proxy by a person or entity that is an Excluded Key Manager except if an Excluded Key Manager is appointed as proxy in writing and:
  - (i) is directed in writing on how to vote on the resolution; or
  - (ii) in the case of the Chairman of the Meeting, is authorised to vote on the resolution.

## ENTITLEMENT TO VOTE

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the AGM all Shares will be taken to be held by the persons who held them as registered Shareholders at 7pm (Sydney Time) on **Monday 23 October 2017**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

## PROXIES

A member entitled to attend and vote at this meeting is entitled to appoint no more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

If the member appoints two proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded. If the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands.

Proxies must be:

- (a) Lodged at the Company's share registrar:
  - Hand Deliveries** Boardroom Pty Limited  
Level 12  
225 George Street  
Sydney NSW 2000
  - Postal address:** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001
- (b) Received at the fax number specified below:
  - Fax number:** +612 9290 9655
- (c) **Lodged online at** [www.votingonline.com.au/alfagm2017](http://www.votingonline.com.au/alfagm2017)

No later than 48 hours before the meeting i.e. 10.00am (Sydney Time) Monday, 23 October 2017.

By order of the Board



**Mark Licciardo**  
Company Secretary  
18 September 2017

## EXPLANATORY MEMORANDUM

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This Explanatory Memorandum has been prepared for the Shareholders of Australian Leaders Fund Limited to provide information about the items of business to be considered at the Annual General Meeting of Shareholders to be held on Wednesday 25 October 2017.

With the exception of Resolution 4, all other resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate, and if time permits, the Chairman will discuss significant issues raised by Shareholders prior to the meeting and will invite questions and comments from Shareholders on these key issues and any other matters that Shareholders would like to raise at the meeting.

In addition, a reasonable opportunity will be given to members present at the meeting to ask the Company's auditor, Pitcher Partners, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor. If you would like to submit a written question to Pitcher Partners before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Mark Licciardo, at [markl@mertons.com.au](mailto:markl@mertons.com.au) before 18 October 2017.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary, Mark Licciardo, at the above address.

### **How will the Chairman vote as proxy if the Shareholder has not directed the Chairman to vote?**

The Chairman intends to vote in favour of all resolutions. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a resolution then, if that Shareholder is entitled to vote on that resolution, the Chairman will vote in favour of all resolutions.

### **Resolution 1 – Re-election of Mr Geoffrey Wilson as a Director**

Pursuant to the Clause 6.7 of the Constitution and the ASX Listing Rules, Mr Wilson will retire by rotation and seeks re-election.

Mr Wilson has over 30 years' experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia.

Mr Wilson has been a Director of the Company since October 2003 and was Chairman from this time until February 2007.

The non-candidate directors recommends that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 1.

### **Resolution 2 and 3 - Approval of Return of Capital to Shareholders**

#### **1. Background**

The Company is different to a traditional long only share fund. In this strategy, the Manager employs hedging techniques to actively manage share market risks. As the degree of hedging increases, the Company becomes less exposed to the share market but more dependent on the manager's performance in creating capital profits to support the payment of dividends. Capital profits of this nature can be variable and unpredictable. The Board believes this trade-off is worthwhile if it protects investors from the impact of a falling share market.

Given the Manager's strong history in creating capital profits for shareholders, the Board is confident in the Manager's ability to generate sufficient profits to pay a full dividend to shareholders in future. While the payment of dividends may become less predictable on occasions when hedging is elevated, Shareholders benefit to the extent the net asset value of the Company is more fully protected from a falling share market.

Level 6, 139 Macquarie Street NSW Sydney 2000

**TEL:** (02) 9252 0225    **FAX:** (02) 9252 1220    **EML:** [info@wffunds.com.au](mailto:info@wffunds.com.au)    **WEB:** [www.wffunds.com.au](http://www.wffunds.com.au)

ABN 64 106 845 970

Recognising the importance some investors place on distributions and dividends in particular, the Board may look to pay a capital return to Shareholders on occasions when there are insufficient retained earnings to pay a full dividend ensuring a steady distribution to shareholders.

The Board previously announced that it would be seeking shareholder approval at this year's AGM to implement the First Return of Capital. Upon finalisation of the First Return of Capital, the Board also intends to formulate a distribution policy (**Policy**) for implementation prior to the release of the financial year ending 30 June 2018 (**FY18**) interim financial results to be announced by 28 February 2018. It is intended that the Policy will also be provided to the market on or before this date.

In consideration of the Company's underperformance for the financial year ending 30 June 2017 and dependent on performance for the first half of FY18, the Company is also seeking Shareholders' approval to allow it the discretion to resolve to conduct a further return of capital in the second half of FY18 in circumstances where the Company's retained earnings remain insufficient to allow for the payment of dividends to the Company.

The Second Return of Capital may or may not proceed. Resolution 3 approving the Second Return of Capital gives the Board the discretion to decide to conduct the Second Return of Capital. The Board has the discretion to decide not to conduct the Second Return of Capital.

## **2. Terms of the Return of Capital**

The Company proposes to make cash payment of \$0.04 per Share to Shareholders by way of an equal capital reduction for the First Return of Capital. This equates to a reduction in the Company's share capital by approximately \$10,900,956.96 assuming 272,523,924 Shares are on issue on the Record Date. The Record Date for determining entitlements to receive the First Return of Capital is 5.00pm (AEST) on 30 October 2017.

Similarly, the Company may make cash payment of up to \$0.04 per Share to Shareholders by way of an equal capital reduction for the Second Return of Capital. The Second Return of Capital may or may not occur. If the Board resolves to conduct the Second Return of Capital, it will notify Shareholders by making an ASX announcement.

If the First Return of Capital is approved by Shareholders, payments are expected to be made on or around 14 November 2017. If the Second Return of Capital is approved by Shareholders and the Directors subsequently resolves to conduct the Second Return of Capital, the record date for determining entitlements to receive the Second Return of Capital will be announced (**Second Record Date**).

Any fraction of a cent payable to any Shareholder in respect of the Shareholder's aggregate holding of Shares will be rounded to the nearest whole cent.

No fractional entitlements will arise from the First Return of Capital and Second Return of Capital (if it proceeds). All Shares issued by the Company are fully paid.

## **3. Corporations Act requirements**

For the purposes of section 256B(2) of the Corporations Act, the proposed Return of Capital, the subject of Resolutions 2 and 3, constitute "equal capital reductions" because:

- (a) they relate only to ordinary shares in the Company;
- (b) they apply to each holder of ordinary shares in the Company in proportion to the number of ordinary shares they hold in the Company on the respective Record Date and Second Record Date; and
- (c) their terms are the same for each holder of ordinary shares in the Company.

Under section 256B(1) of the Corporations Act, a company may effect a reduction of capital if the reduction satisfies three key requirements. Each of these requirements is considered below:

- (a) *It is fair and reasonable to Shareholders as a whole.*

The Directors consider that the proposed First Return of Capital is fair and reasonable to the Shareholders as a whole as it will apply to all Shareholders on the Record Date equally, in proportion to the number of Shares which they hold on the Record Date.

If at the time the Board resolves to conduct the Second Return of Capital, it will only do so if it has formed the view that the proposed Second Return of Capital is fair and reasonable to the Shareholders as a whole as it will apply to all Shareholders on the Second Record Date equally, in proportion to the number of Shares which they hold on the Second Record Date.

The First Return of Capital and the Second Return of Capital (if it proceeds) will not reduce or otherwise affect the voting or other rights attaching to each Share or rights on a winding-up of the Company. Following the First Return of Capital and Second Return of Capital (if it proceeds), each Shareholder will have the same proportionate interest in the Company.

- (b) *It does not materially prejudice the Company's ability to pay its creditors.*

The Directors have reviewed the anticipated financial position of the Company, including the Company's assets, liabilities, cash flows and capital requirements (**Financial Position**). The Directors consider that the First Return of Capital will not materially prejudice the Company's ability to pay its creditors.

The Directors have satisfied themselves that the Company is currently able to pay its debts as and when they become due and payable and consider that the First Return of Capital will not alter this position.

In the event that the Directors decide that it is appropriate to conduct a Second Return of Capital, the Directors will have to consider whether the Second Return of Capital will materially prejudice the Company's ability to pay its creditors.

Prior to resolving to conduct the Second Return of Capital, the Directors will have reviewed the Financial Position of the Company at the time and must satisfy themselves that the Company is currently able to pay its debts as and when they become due and payable. The Directors will also consider that the Second Return of Capital will not alter this position.

- (c) *It is approved by Shareholders under section 256C of the Corporations Act.*

Resolutions 2 and 3 seek Shareholder approval for the Return of Capital, for the purposes of section 256C of the Corporations Act. The Return of Capital must be approved as ordinary resolutions of Shareholders.

#### **4. Effect of the Return of Capital on the Company's Capital Structure**

For the purposes of ASX Listing Rule 7.20, the Company provides the following information to Shareholders:

- (a) As at the date of this Notice, the Company has 272,523,924 Shares on issue.
- (b) No Shares will be cancelled as part of the First Return of Capital and Second Return of Capital (if it proceeds) and the number of Shares on issue will not change as a result of the First Return of Capital and Second Return of Capital (if it proceeds). Accordingly, the First Return of Capital and Second Return of Capital (if it proceeds) will not affect the number of Shares held by each Shareholder, nor will they affect the control of the Company.
- (c) The Company's share capital will be reduced by \$0.04 per Share for the First Return of Capital, which as at the date of this Notice, amounts approximately to \$10,900,956.96.
- (d) If it proceeds, the Company's share capital will be reduced by up to \$0.04 per Share for the Second Return of Capital, which as at the date of this Notice, amounts approximately up to \$10,900,956.96.

- (e) No fractional entitlements to Shares will arise from the First Return of Capital and Second Return of Capital (if it proceeds). All Shares issued by the Company are fully paid and will remain fully paid after the First Return of Capital and Second Return of Capital (if it proceeds) are effected.
- (f) As at the date of this Notice, the Company does not have any convertible securities on issue.

## **5. Effect of the Return of Capital on the Company's Share Price**

The last traded price of the Company's Shares was \$1.145 on 14 September 2017. If the Return of Capital are implemented, the Shares may trade at a lower share price than they would have done had they not been implemented. This is due to the outflow of funds to Shareholders.

## **6. Tax implications for the Company**

No adverse tax consequences are expected to arise for the Company from the First Return of Capital and Second Return of Capital (if it proceeds).

## **7. Tax implications for the Shareholders**

The summary in this section is general in nature. In addition, particular taxation implications will depend on the circumstances of each Shareholder. Accordingly, Shareholders are encourage to seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders about the tax consequences for them from the proposed Return of Capital.

The Company considers that no part of the proposed Return of Capital will be treated as a dividend for Australian tax purposes for Australian resident shareholders who hold their Shares on capital account on the basis that the Company's net assets would be less than the issued capital as at the dates the First Return of Capital and Second Return of Capital (if it proceeds) are distributed. If the cost base (after any adjustment, as may be relevant) of a Share acquired after 19 September 1985 by an Australian resident is less than the Return of Capital (on a cents per share basis), then a capital gain will arise for the difference. Otherwise, the cost base for each share acquired after 19 September 1985 will be reduced by the Return of Capital amount (on a cents per Share basis) for the purpose of calculating any capital gain or loss on the ultimate dispose of that Share.

Shareholders who are not residents of Australia for tax purposes should seek specific advice in relation to the taxation consequences arising from the Return of Capital under the laws of their country of residence.

## **8. Advantages of the Return of Capital**

The First Return of Capital and Second Return of Capital (if it proceeds) have the following advantages:

- (a) they will treat all Shareholders equally – they will apply to all Shareholders on the same terms having regard to the number of Shares held by the Shareholders on the respective Record Date and Second Record Date;
- (b) the return of capital is a relatively quick and efficient way of returning funds to all Shareholders; and
- (c) Shareholders participating in the First Return of Capital and Second Return of Capital (if it proceeds) will be able to do so without incurring any costs.

## **9. Disadvantages of the Return of Capital**

The First Return of Capital and Second Return of Capital (if it proceeds) will reduce the Company's cash balance and should any circumstances arise whereby the Company would require such cash, the Company would need to seek that cash through alternative means.

## 10. Directors Interests

No Director will receive a payment or benefit of any kind as a result of the First Return of Capital and Second Return of Capital (if it proceeds), other than as Shareholders of the Company.

The following list details the Directors' shareholdings (direct and indirect) in the Company as at the date of this Notice:

Name	Number of Shares
Justin Boyd Braitling and associated entities	1,223,534
John Abernethy and associated entities	10,000
Geoffrey Wilson and associated entities	1,000,000

## 11. No other material information

Other than as set out in this Notice or as previously disclosed to Shareholders, there is no information known to Directors which might reasonably be expected to be material to the making of a decision by Shareholders whether or not to vote in favour of Resolutions 2 and 3. Shareholders may wish to review information contained in the following documents in deciding whether or not to vote in favour of or against the Resolution:

- (a) the Annual Report; and
- (b) information regarding the Company which is available on the ASX website, [www.asx.com.au](http://www.asx.com.au) and also available at its website, <http://wfunds.com.au/fund/australian-leaders-fund/>

## 12. Directors' Recommendation

Directors unanimously recommend that Shareholders vote in **FAVOUR** of the proposed reduction of capital, the subjects of Resolutions 2 and 3. Each Director intends to vote all Shares held or controlled by him or her in **FAVOUR** of Resolutions 2 and 3.

### Resolution 4 - Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2017.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report. The Annual Report is available online at <http://wfunds.com.au/fund/australian-leaders-fund/>.

The Resolution is advisory only and does not bind the Company or its Directors. However the Board will consider the outcome of the vote and comments made by Shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director / CEO) must stand for re-election. The Company encourages all Shareholders to cast their votes on Resolution 4 (Adoption of the Remuneration Report).

The Chairman intends to exercise all undirected proxies in **FAVOUR** of Resolution 4. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 4 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

## Definitions

In this Notice of Meeting and Explanatory Memorandum:

**\$** means Australian dollars.

**ASX** means ASX Limited (ACN 008 624 691).

**Board** means the board of Directors.

**Constitution** means the constitution of the Company as at the commencement of the Annual General Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**First Return of Capital** means the distribution of \$0.04 per Share (approximately \$10,900,956.96 in aggregate assuming 272,523,924 Shares on issue as at the Record Date) to Shareholders by way of an equal capital reduction as proposed under Resolution 2.

**Listing Rules** means the listing rules of ASX.

**Manager** means Watermark Funds Management Pty Limited (ACN 106 302 505).

**Record Date** means 30 October 2017.

**Return of Capital** means the First Return of Capital and the Second Return of Capital.

**Second Return of Capital** means the distribution of up to \$0.04 per Share (up to approximately \$10,900,956.96 in aggregate assuming 272,523,924 Shares on issue as at the Second Record Date) to Shareholders by way of an equal capital reduction as proposed under Resolution 3.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares.

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10.00am (Sydney time) on Monday 23 October 2017**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.votingonline.com.au/alfagm2017](http://www.votingonline.com.au/alfagm2017)

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10.00am (Sydney time) on Monday 23 October 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** [www.votingonline.com.au/alfagm2017](http://www.votingonline.com.au/alfagm2017)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**  
 This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Australian Leaders Fund Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the offices of **UBS, Level 16, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 on Wednesday 25 October 2017 at 10.00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this resolution even though Resolution 4 is connected with the remuneration of a member of key management personnel for the Company.

**The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 4).** If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**  
 \* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Re-election of Mr Geoffrey Wilson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Return of Capital to Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to allow the Board the discretion to conduct a possible Second Return of Capital to Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**  
 This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2017