



28 September 2020

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Off-Market Takeover Bid for Contango Income Generator Limited

In accordance with section 633(1) item 5 of the Corporations Act, please find attached a copy of WAM Capital Limited's (ASX: WAM) bidder's statement ("**Bidder's Statement**") in relation to the Takeover.

The Bidder's Statement was lodged with the Australian Securities and Investments Commission and sent to Contango Income Generator Limited (ASX: CIE) earlier today.

Yours faithfully,

Geoff Wilson AO
Chairman



This is an important document and requires your immediate attention.
If you are in any doubt as to how to deal with it, you should consult
your financial or other professional advisor.

W | A | M *Capital*

Bidder's Statement

Offer to acquire all the ordinary shares in
Contango Income Generator Limited (ASX: CIE)
(ACN 160 959 991)

By

WAM Capital Limited (ASX: WAM)
(ACN 086 587 395)

Offer of

1 WAM Share for every 3 of your CIE Shares

To accept the Offer please complete the enclosed Acceptance Form and use the enclosed reply-paid envelope to return the completed Acceptance Form to us or contact your Broker. The Offer is dated [*] and will expire at 7.00pm (Sydney time) on [*] (unless withdrawn or extended). ASIC takes no responsibility for this Bidder's Statement.

Important Information

Key dates

Event	Date
Date of Bidder's Statement	28 September 2020
Dispatch of Bidder's Statement and Offer opens (date of Offer)	[*]
Date of Offer Conditions notice	[*]
Close of Offer*	[*]

*This date is indicative only and may be changed as permitted by the Corporations Act.

Bidder's Statement and Offer

This is a Bidder's Statement dated 28 September 2020 given by WAM to CIE and each holder of CIE Shares under Part 6.5 of Chapter 6 of the Corporations Act. This Bidder's Statement was approved by a unanimous resolution of the Board of WAM. It includes an Offer for CIE Shares dated [*]. The Offer extends to CIE Shares on issue on [*] and any CIE Shares issued during the Offer Period.

ASIC and ASX

A copy of this Bidder's Statement was lodged with ASIC and the ASX on 28 September 2020. The ASX, ASIC and their officers take no responsibility for the contents of this Bidder's Statement.

Investment decision

This is an important document. This Bidder's Statement does not take into account the individual investment objectives, financial situation or any particular needs of each CIE Shareholder or any other person. CIE Shareholders should seek independent financial and taxation advice before deciding whether or not to accept the Offer.

Disclaimer

Except for historical information contained in this booklet, there may be matters discussed in this Bidder's Statement that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe WAM's future plans, strategies and expectations, are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'expect', 'intend', 'seek' or similar expressions. CIE Shareholders are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which WAM and CIE operate as well as general economic conditions and

prevailing exchange rates and interest rates. Actual events or results may differ materially.

All forward-looking statements attributable to WAM, or persons acting on behalf of WAM, are expressly qualified in their entirety by the cautionary statements in this Section. Except as expressly required by the Corporations Act, WAM makes no undertaking to publicly update or revise any forward-looking statements provided in this Bidder's Statement, whether as a result of new information, future events or otherwise, or the list of risks affecting this information.

None of WAM, WAM's Directors, any person named in this Bidder's Statement or any other person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

Distribution outside Australia

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Important notice to US shareholders

This Bidder's Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States (US). The securities described herein have not been, and will not be, registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This Bidder's Statement may not be forwarded, distributed or reproduced in whole or in part in any jurisdiction where it would be unlawful, including the United States.

The Offer is made for the shares of an Australian registered company. It is important that US shareholders understand that the Offer is subject to disclosure requirements in Australia that are materially different from those in the US. US shareholders should be aware that, subject to the Corporations Act, WAM may purchase CIE Shares otherwise than under the Offer, such as in open market during or after the Offer Period or privately negotiated purchases after the end of the Offer Period.

Notice to all other Foreign Shareholders outside the US

The Offer and this Bidder's Statement are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and the Offer do not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Defined terms

Defined terms are capitalised throughout this Bidder's Statement. Definitions of these terms are set out in Section 12. Unless the contrary intention appears, the context requires otherwise, or words are defined in Section 12, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Sources of information

Information included in this Bidder's Statement relating to CIE and its business has been derived solely from publicly available sources published by CIE, including its annual reports and CIE's announcements to the ASX and on its website.

Subject to the foregoing and to the maximum extent permitted by law, WAM, WAM's Directors, each person named in this Bidder's Statement and each other person involved in the preparation of this Bidder's Statement disclaim all liability for any information concerning CIE included in this Bidder's Statement. CIE Shareholders should form their own views concerning CIE from publicly available information.

Privacy statement

WAM has collected information from the register of CIE Shareholders. The Corporations Act permits information to be made available to certain persons, including WAM. Your information may also be disclosed on a confidential basis to WAM's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

Directory

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Chairman's letter



Dear Fellow Shareholders,

Contango Income Generator Limited (ASX: CIE) has delivered deeply disappointing results and failed to provide shareholder value. We present WAM Capital Limited's Offer to acquire up to 100% of CIE Shares on highly beneficial terms that provides a meaningful choice about the future of your investment: remain a WAM shareholder or utilise WAM's superior on-market liquidity to exit your position.

This Offer allows CIE Shareholders to exit their CIE Shares by acquiring 1 WAM Share for every 3 CIE Shares held. This represents a premium of 17.6% to CIE's Share price on 25 September 2020, 18.1% based on CIE's one-month volume-weighted average price (**VWAP**) and a premium to CIE's pre-tax net tangible assets (**NTA**) as at 31 August 2020. CIE Shareholders have suffered a persistent and deepening share price discount to NTA, poor investment portfolio performance, an illogical change in investment strategy and an increase in fees, dilution of shareholder value, poor corporate governance and the CIE Board's failure to present Wilson Asset Management's superior alternative proposal.

Acquiring WAM shares provides access to Wilson Asset Management's investment expertise and experience and commitment to shareholder engagement, and WAM's track record of investment portfolio outperformance, greater market capitalisation and on-market liquidity, and lower management expense ratio.

The case for change

A persistent and deepening share price discount to NTA, an illogical change in investment strategy and an increase in fees

CIE shares have traded at a persistent discount to their underlying pre-tax NTA throughout its history, with an average share price discount to CIE's pre-tax net tangible assets of 13.2% over the past 12 months. The CIE Board's proposal to substantially change the investment strategy of CIE to a global long short strategy and to appoint a US investment manager with a poor track record in managing an LIC was flawed and on unfavourable terms, serving only to prolong the pain of CIE Shareholders. Shares in the single listed investment company (**LIC**) managed by WCM Investment Management currently trade at a 10.8%¹ discount to their NTA backing, and yet the CIE Board's proposal to enter into the new CIE Investment Management Agreement has seen an increase in the management fees paid by CIE Shareholders, from 0.95% per annum (with no performance fee) to 1.4% plus a 20% performance fee, as well as an early termination fee of up to \$500,000.

¹ Based on the WCM Global Growth Limited (ASX: WQG) share price of \$1.31 as at 25 September 2020 and the 18 September 2020 reported pre-tax NTA of \$1.469 per share.

Dilution of value and poor corporate governance

On 12 August 2020, the CIE Board announced it had completed a Placement to professional and sophisticated investors at a 14.9% discount to CIE's 31 July 2020 pre-tax NTA. The CIE Board also announced that it intended to conduct a share purchase plan (**SPP**) for existing CIE Shareholders.

The CIE Board raised new capital that diluted 88% of CIE Shareholders, with only 269 out of a register of 2,295 participating in the recent SPP. The CIE Board has effectively taken over \$2 million of value from CIE Shareholders and given it to participants in the Placement and SPP.

The failure to present Wilson Asset Management's superior alternative proposal

Wilson Asset Management submitted a proposal to the CIE Board on 13 August 2020 to reposition CIE as an active investor in the highest quality Australian companies, delivering investors a stream of fully franked dividends while providing capital growth and preserving shareholder capital, managed by Wilson Asset Management (**Proposal**). The CIE Board refused to announce this Proposal to CIE Shareholders. The Proposal was subsequently announced to the WAM ASX announcements platform on 18 August 2020 but has still not been communicated to CIE Shareholders by the CIE Board.

The Proposal to welcome CIE Shareholders into the stable of Wilson Asset Management LICs would provide CIE Shareholders with access to a proven investment manager and LIC specialist with a 21-year track record, under more favourable terms than the WCM Investment Management proposal. We are disappointed that the CIE Board failed its shareholders by not putting the Wilson Asset Management Proposal to be voted on by CIE Shareholders at the recent CIE extraordinary general meeting (**EGM**) on 18 September 2020. Before the EGM, we requested the shareholder register of CIE from the CIE Board on 18 August 2020 in order to inform CIE shareholders of the Wilson Asset Management Proposal, following the CIE Board's failure to do so. The CIE Board breached the Corporations Act by failing to provide the shareholder register in the required timeframe. After we threatened to commence Court proceedings to compel CIE to comply with the request for the share register, the CIE Board only then sent us the requested register.

The CIE Board has actively denied CIE Shareholders the opportunity to vote on the Wilson Asset Management superior Proposal at the recent EGM. At the CIE EGM on 18 September, 47% of shareholders voted against the CIE Board's resolution to adopt a new investment strategy with WCM Investment Management.

On 11 September 2020, WAM and its associated entities (**WAM Entities**) lodged a notice under section 249D of the Corporations Act, requesting that CIE call and arrange an extraordinary general meeting of shareholders (**WAM EGM**) at which WAM would seek to put a resolution to members to remove Mark Kerr and Don Clarke as CIE Directors, and appoint myself and Glenn Burge in their place, with a view to subsequently appointing Wilson Asset Management as CIE's new investment manager. The CIE Board failed to advise CIE Shareholders of our section 249D notice in the required timeframe of the ASX Listing Rules and CIE has not yet called the WAM EGM. WAM is proceeding with this Offer regardless. See Section 7 for more detail on WAM's intentions in relation to CIE.

An exit opportunity with WAM Capital

In making this Offer, WAM is providing all CIE Shareholders with the opportunity to exit their positions in CIE at an 18.1% premium to CIE's one-month VWAP of \$0.632.²

We consider that the recent actions by the CIE Board represent a pattern of poor decision-making on behalf of CIE Shareholders. The CIE Board have been unable to close the persistent CIE Share price discount to NTA and employed inconsistent and ineffective capital management initiatives to date.

If this Offer is successful, WAM will provide CIE Shareholders with a choice, either:

- a) remain a WAM Shareholder; or
- b) utilise WAM's superior on-market liquidity to exit their position.

For further information see pages 11 to 14 of this Bidder's Statement.

If you accept the Offer and are issued WAM Shares under the Offer before the WAM Dividend record date on 20 November 2020, and you continue to hold your WAM Shares on that date, you will also receive the fully franked WAM dividend of 7.75 cents per WAM Share announced on 8 July 2020 and payable on 27 November 2020 (**WAM Dividend**).

If the Offer is extended, and does not become unconditional, you may not receive your WAM Shares in time to receive the WAM Dividend. If the Offer does not become unconditional and is extended for less than one month, you will not be able to withdraw your acceptance of the Offer, and you will not receive the WAM Dividend.

In order to receive the WAM Dividend, it is important that you accept the Offer as early as possible and in any event on or before [*] to receive your WAM Shares by 20 November 2020.

CIE Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares.

² The premium calculations are based on an implied WAM Share price of \$2.24 as at 25 September 2020 and the underlying VWAP information has been sourced for CIE Shares using IRESS.

Conditions of the Offer

The Offer is subject only to the following Defeating Conditions as summarised below – refer to Schedule 1 clause 8 for more detail:

- a) before the end of the Offer Period, WAM has a Relevant Interest in at least 50.1% (by number) of CIE Shares;
- b) between the date of this Bidder's Statement and the end of the Offer Period the Investment Management Agreement is not varied or assigned and no new investment management agreement is entered into (or CIE enters into an agreement in relation to any of the foregoing) other than assignment to, or entry into an agreement with, Wilson Asset Management;
- c) between the date of this Bidder's Statement and the end of the Offer Period no Prescribed Occurrence occurs;
- d) the pre-tax NTA of CIE does not decline by 7.5% or more below the pre-tax net NTA of CIE of \$0.746 per share, announced to the ASX in the Monthly NTA Statement 31 August 2020 on 4 September 2020;
- e) the Dow Jones Industrial Average, in AUD terms, does not close at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least two consecutive trading days;
- f) between the date of this Bidder's Statement and the end of the Offer Period there is no material adverse change to the assets, liabilities, financial position, performance, profitability or prospects of CIE and/or its Subsidiaries;
- g) between the date of this Bidder's Statement and the end of the Offer Period CIE and/or its Subsidiaries do not undertake certain actions such as making or proposing to make any variations to its constitution, giving or agreeing to give any encumbrance over any of its assets, or appointing any additional Director to its Board of Directors; and
- h) between the date of this Bidder's Statement and the end of the Offer Period there is no regulatory action which materially affects the Offer.

Please see Schedule 1 of this Bidder's Statement for further details of the Conditions to the Offer. The Offer is scheduled to close at 7:00pm (AEST) on [*].

I encourage you to read this Bidder's Statement for more details about the Offer and about WAM. If you have any questions, please call me on 02 9247 6755 or our Chief Financial Officer Jesse Hamilton on 0401 944 807. For inquiries related to your personal financial situation please contact your legal, financial or other professional adviser.

Yours faithfully,



Geoff Wilson AO
Chairman

Summary of the Offer

The information set out below is only a summary of the Offer. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

The Offer	WAM is offering to acquire all of your CIE Shares. See Section 2 for information relating to WAM.
Offer Consideration	You are being offered 1 WAM Share for every 3 CIE Shares you own.
Closing date	The Offer is scheduled to close at 7:00pm (Sydney time) on [*] (but it may be extended).
Offer Conditions	The Offer is subject to the conditions (Defeating Conditions) detailed at clause 8.1 of Schedule 1 of this Bidder's Statement, and also summarised in the Chairman's letter included in this Bidder's Statement, and Section 1.7.
Settlement terms	If you accept this Offer, WAM will, in the usual course, issue the WAM Shares to which you are entitled on or before the earlier of: a) the day one month after you accept this Offer or, if the Offer is subject to Conditions when accepted, one month after the contract resulting from your acceptance becomes unconditional; and b) the day 21 days after the end of the Offer Period. Full details of when you will be issued the consideration are set out in Schedule 1. It is WAM's intention, however, to issue the Offer Consideration within seven days of the end of the Offer Period (provided that the Offer is then unconditional).
How to accept the Offer	CHESS Holdings If your CIE Shares are held in a CHESS Holding, to accept the Offer you must either: a) instruct your controlling participant (usually your Broker) to accept the Offer on your behalf; or b) complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it. Issuer Sponsored Holdings If your CIE Shares are held through an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return Acceptance Form in accordance with the instructions contained within it. Signed Acceptance Forms must be received before the end of the Offer Period at: By mail: Contango Income Generator Limited Takeover C/- Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Hand delivered: Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 A reply-paid envelope is enclosed. If you wish to sell your CIE Shares on-market, please contact your Broker.

No stamp duty	You will not pay any stamp duty on accepting the Offer.
No brokerage	If you have an Issuer Sponsored Holding on acceptance of the Offer you will exchange your CIE Shares for WAM Shares without incurring brokerage fees. If your CIE Shares are registered in a CHESS Holding, you will generally not incur any brokerage fees in accepting the Offer (although you should ask your Controlling Participant, normally your broker, to confirm). If you sell your CIE Shares on the ASX instead of accepting the Offer, you may incur brokerage fees (and potentially GST on those fees).
What to do next?	You should read this Bidder's Statement in its entirety before deciding whether or not you will accept the Offer for your CIE Shares. If you wish to accept the Offer, please see Schedule 1 of this Bidder's Statement.
Further information	For questions about your CIE Shares, the Offer, or how to accept the Offer please refer to the remainder of this Bidder's Statement. If you have any questions please call Chairman Geoff Wilson AO on 02 9247 6755 or Chief Financial Officer Jesse Hamilton on 0401 944 807.
Offers to Foreign Shareholders	If you are a Foreign Shareholder, unless WAM otherwise determines that: - it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with WAM Shares on acceptance of the Offer; and - it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia and its external territories, you will not be entitled to receive WAM Shares as consideration for your CIE Shares. If you are a Foreign Shareholder and you accept the Offer, or your CIE Shares are compulsorily acquired, you will not receive WAM Shares. Instead you will receive the cash amount calculated under clause 7.3 of Schedule 1 as part of the Nominee sale process explained in Section 11.12. Further information about the entitlement of a Foreign Shareholder is set out in Section 11.12.

The above information is a summary only of key elements of this Bidder's Statement. CIE Shareholders should read this Bidder's Statement in its entirety before making any decision in relation to the Offer.

The Offer provides two significant benefits to all CIE Shareholders

1. A highly attractive premium³

The Offer Consideration is 1 WAM Share for every 3 CIE Shares you own. This represents a highly attractive premium over the historical market price of CIE Shares.

The Offer is equivalent to \$0.747 per CIE Share, a 17.6% premium to the closing price of CIE Shares the trading day before the date of this Bidder's Statement of \$0.635 and represents:

- a 18.1% premium to the VWAP of CIE Shares for one month before the date of this Bidder's Statement;
- a 17.6% premium to the VWAP of CIE Shares for three months before the date of this Bidder's Statement; and
- a 23.6% premium to the VWAP of CIE Shares for six months before the date of this Bidder's Statement.

CIE Shares are currently trading at a 16.2% discount to CIE's pre-tax NTA as at 31 August 2020 and were at:

- a 12.1% CIE Share price discount to the pre-tax NTA as at 31 July 2020;
- a 20.2% CIE Share price discount to the pre-tax NTA as at 31 May 2020; and
- a 12.7% CIE Share price discount to the pre-tax NTA as at 31 March 2020.

While there are many factors that may influence the market price of CIE Shares, there is a risk that CIE Shares may fall after the close of the Offer.

In contrast with CIE Shares, at the Announcement Date WAM Shares are trading at a 29.1% premium to WAM's pre-tax NTA and were at:

- a 19.9% WAM Share price premium to the pre-tax NTA as at 31 July 2020;
- a 22.8% WAM Share price premium to the pre-tax NTA as at 31 May 2020; and
- a 23.4% WAM Share price premium to the pre-tax NTA as at 31 March 2020.

2. A choice about their future as a shareholder

Subject to the Offer being successful WAM is providing CIE Shareholders who accept the Offer with a choice, either:

- a) remain a WAM Shareholder; or
- b) utilise WAM's superior on-market liquidity to exit their position.

³ The premium calculations are based on an implied WAM Share price of \$2.24 as at 25 September 2020 and the underlying VWAP information has been sourced for CIE Shares using IRESS.

a) Remain a WAM shareholder

The benefits of taking up the Offer and remaining a WAM Shareholder include gaining access to:

- Wilson Asset Management's investment expertise and experience;
- Wilson Asset Management's commitment to shareholder engagement;
- WAM's track record of investment portfolio outperformance;
- WAM's greater market capitalisation and on-market liquidity; and
- WAM's lower management expense ratio.

Wilson Asset Management's investment expertise and experience

Established in 1997 by Geoff Wilson AO, the investment manager of WAM, Wilson Asset Management is an independently owned investment manager and LIC specialist based in Sydney, Australia, responsible for investing more than \$3.5 billion in Australian and international companies on behalf of 88,000 retail investors across seven LICs. The investment team comprises 14 highly experienced professionals with more than 190 years' combined investment experience and a total focus on managing money. Wilson Asset Management has a strong track record of delivering risk-adjusted returns for shareholders and making a difference for investors and the community for more than 20 years.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement and provides all team members with \$10,000 each year to donate to charities of their choice. This philanthropic investment is made by Wilson Asset Management.

For further information about WAM see Section 2.

Wilson Asset Management's commitment to shareholder engagement

Shareholders are the owners of a LIC. Wilson Asset Management believes shareholder engagement is crucial to the success of a LIC and provides:

- Updates from our Lead Portfolio Managers;
- Investment team insights at WAM Vault: wilsonassetmanagement.com.au/vault;
- Regular roundtables with our shareholders and planners, advisers and their clients;
- NTA reports and investment updates;
- Shareholder Q&A calls;
- Presentations and lunches across Australia; and
- Annual and interim results announcements.

WAM's track record of investment portfolio outperformance

WAM's investment portfolio has returned 16.1% per annum over more than 20 years, outperforming the S&P/ASX All Ordinaries Accumulation Index by 8.1%.

Performance at 31 August 2020	FYTD	1 yr	3 yrs %pa	5 yrs %pa	10 yrs %pa	Since inception % pa (Aug-99)
WAM Capital Investment Portfolio	11.7%	4.4%	7.7%	10.8%	13.1%	16.1%
S&P/ASX All Ordinaries Accumulation Index	4.7%	-3.5%	6.7%	7.9%	7.9%	8.0%
Outperformance	+7.0%	+7.9%	+1.0%	+2.9%	+5.2%	+8.1%

Investment performance and Index returns are before expenses, fees and taxes.

WAM's greater market capitalisation and on-market liquidity

WAM believes that shares in larger LICs are more likely to trade at a premium to their pre-tax NTA than the shares of smaller LICs. WAM has a market capitalisation of \$1,625.0 million as at 25 September 2020. Assuming the Offer is successful and WAM acquires 90% of CIE Shares and proceeds to compulsory acquisition, the combination of CIE and WAM will be significantly larger than CIE on a standalone basis. Based on the pre-tax NTA of WAM and CIE as at 31 August 2020, the Enlarged Group would have a combined pre-tax NTA of approximately \$1,339.2 million, which would make it one of the largest ASX listed investment companies (LICs) in terms of pre-tax NTA. For further information about the Enlarged Group see Section 6.

The estimated combined pre-tax NTA of the Enlarged Group does not include the impacts of the following:

- 4,752,220 new CIE Shares issued on 16 September 2020 under the SPP to existing CIE Shareholders at \$0.625 per CIE Share, raising \$3.0m; and
- acquisition of Concentrated Leaders Fund Limited by WAM through an off-market takeover offer scheduled to close on 19 October 2020 unless extended or withdrawn. As at 31 August 2020, CLF's pre-tax NTA was approximately \$65.5m.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer (**CLF Offer**). The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

WAM's lower management expense ratio

Apart from general corporate expenses, the main expenses that each of WAM and CIE incur as LICs are investment management expenses. These expenses, paid to WAM's and CIE's respective investment managers (excluding GST), are set out below:

- WAM management fee 1.0%; and
- CIE management fee 1.4%.

The CIE management fee is 40% higher than that of WAM. The historical management expense ratios⁴ for 2019 and 2020 of each WAM and CIE, are set out below:

- 2019: WAM 1.1%% vs CIE 1.8%
- 2020: WAM 1.1% vs CIE 1.9%

As a result of the new CIE Investment Management Agreement, CIE Shareholders will be subject to a higher management fee and it is expected that CIE Shareholders will incur a management expense ratio of approximately 2.2% going forward, compared to WAM's management expense ratio of 1.1%.

b) Utilise WAM's greater on-market liquidity to exit their position

WAM has greater on-market liquidity than CIE. The Enlarged Group will also have a substantially greater market capitalisation than CIE. This may provide further increased levels of liquidity in contrast to the liquidity of CIE Shares.

As a result, CIE Shareholders who do not wish to become long-term WAM Shareholders can accept the Offer and utilise WAM's liquidity to exit their position at a premium to both the CIE Share price and the CIE pre-tax NTA.⁵

⁴ The management expense ratios are calculated by comparing company related expenses, together with the management fee, to the average net assets over the period. The calculation excludes portfolio related expenses such as finance costs, dividends on borrowed stock and brokerage.

⁵ CIE Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration, and any premium as a result, will fluctuate depending on the value of WAM Shares, the value of CIE Shares and the value of CIE's underlying pre-tax NTA.

I. Key Questions

This Section answers some key questions that you may have about the Offer and should only be read in conjunction with the entire Bidder's Statement.

1.1. What is the Bidder's Statement?

This Bidder's Statement sets out the terms of WAM's Offer and information relating to the Offer and the consideration you will receive.

1.2. What is the Offer?

WAM is offering to acquire all of the CIE Shares in which WAM does not already have a Relevant Interest, by way of an off-market takeover offer.

The Offer extends to CIE Shares on issue at 7.00pm (Sydney time) on [*] (**Register Date**) and any CIE Shares issued during the Offer Period.

The Offer consideration is 1 WAM Share for every 3 CIE Shares you hold. The terms of the Offer are set out in Schedule 1 of this Bidder's Statement.

1.3. What is the Value of the Offer?

Based on the closing price of WAM Shares on the ASX on 25 September 2020 (the last trading day before the date of this Bidder's Statement) of \$2.24, the implied Offer value is approximately \$0.747 per CIE Share, a premium of 17.6% to the closing price of CIE Shares.

1.4. How do I accept the Offer?

CHESS Holdings

If your CIE Shares are in a CHESS Holding, to accept the Offer you must either:

- a) instruct your Controlling Participant (usually your Broker) to accept the Offer on your behalf; or
- b) complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it.

Issuer Sponsored Holdings

If your CIE Shares are held in an Issuer Sponsored Holding, to accept the Offer you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it.

Participants

If you are a Participant (as defined in the ASX Settlement Rules – typically a Broker who is a participating organisation of ASX Settlement), the above does not apply. To accept the Offer you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

1.5. Can I accept the Offer for part of my holding?

No, you can only accept for your entire holding. Your acceptance will be treated as being for all your CIE Shares plus any additional CIE Shares registered as held by you at the date your acceptance is processed.

1.6. If I accept the Offer will I receive the WAM Dividend?

Yes, if you accept the Offer and are issued WAM Shares under the Offer before the WAM Dividend record date on 20 November 2020, and you continue to hold your WAM Shares on that date, you will also receive the WAM Dividend. For further information about when you will be issued WAM Shares see section 1.10.

If you accept the Offer and are issued WAM Shares under the Offer before the WAM Dividend record date on 20 November 2020, and you continue to hold your WAM Shares on that date, you will also receive the fully franked WAM Dividend of 7.75 cents per WAM Share announced on 8 July 2020 and payable on 27 November 2020 (**WAM Dividend**).

If the Offer is extended, and does not become unconditional, you may not receive your WAM Shares in time to receive the WAM Dividend. If the Offer does not become unconditional and is extended for less than one month, you will not be able to withdraw your acceptance of the Offer, and you will not receive the WAM Dividend. In order to receive the WAM Dividend, it is important that you accept the Offer as early as possible and in any event on or before [*] to receive your WAM Shares by 20 November 2020.

CIE Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares.

For further information about when you will be issued WAM shares see section 1.10.

1.7. Are there any conditions to the Offer?

Yes, the Offer is subject to the conditions detailed at clause 8.1 of Schedule 1 of this Bidder's Statement, and summarised below – refer to Schedule 1 clause 8 for more detail:

- a) before the end of the Offer Period, WAM has a Relevant Interest in at least 50.1% (by number) of CIE Shares;
- b) between the date of this Bidder's Statement and the end of the Offer Period the Investment Management Agreement is not varied or assigned and no new investment management agreement is entered into (or CIE enters into an agreement in relation to any of the foregoing) other than assignment to, or entry into an agreement with, Wilson Asset Management;
- c) between the date of this Bidder's Statement and the end of the Offer Period no Prescribed Occurrence occurs;
- d) the pre-tax NTA of CIE does not decline by 7.5% or more below the pre-tax net NTA of CIE of \$0.746 per share, announced to the ASX in the Monthly NTA Statement 31 August 2020 on 4 September 2020;
- e) the Dow Jones Industrial Average, in AUD terms, does not close at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least two consecutive trading days;

- f) between the date of this Bidder's Statement and the end of the Offer Period there is no material adverse change to the assets, liabilities, financial position, performance, profitability or prospects of CIE and/or its Subsidiaries;
- g) between the date of this Bidder's Statement and the end of the Offer Period CIE and/or its Subsidiaries do not undertake certain actions such as making or proposing to make any variations to its constitution, giving or agreeing to give any encumbrance over any of its assets, or appointing any additional Director to its Board of Directors; and
- h) between the date of this Bidder's Statement and the end of the Offer Period there is no regulatory action which materially affects the Offer.

Please see Schedule 1 for further details of the Conditions to the Offer. If the Conditions are not satisfied before the Offer closes or waived by WAM the Offer will lapse. WAM will make an announcement to the ASX if the Conditions are satisfied or waived during the Offer Period.

1.8. What happens if I accept the Offer?

Once you accept the Offer in respect of all of your CIE Shares, you will not be able to sell those CIE Shares or otherwise deal with the Rights attaching to those CIE Shares subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

If you accept the Offer and are issued WAM Shares under the Offer before the WAM Dividend record date on 20 November 2020, and you continue to hold your WAM Shares on that date, you will also receive the fully franked WAM Dividend of 7.75 cents per WAM Share announced on 8 July 2020 and payable on 27 November 2020 (**WAM Dividend**).

If the Offer is extended, and does not become unconditional, you may not receive your WAM Shares in time to receive the WAM Dividend. If the Offer does not become unconditional and is extended for less than one month, you will not be able to withdraw your acceptance of the Offer, and you will not receive the WAM Dividend. In order to receive the WAM Dividend, it is important that you accept the Offer as early as possible and in any event on or before [*] to receive your WAM Shares by 20 November 2020.

CIE Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares.

1.9. What happens if I do not accept the Offer?

Subject to what is stated below, you will remain the holder of your CIE Shares if you do not accept the Offer.

If WAM obtains a Relevant Interest in at least 90% of the CIE Shares (by number) on issue at any time during the Offer Period and the Defeating Conditions are satisfied or waived, WAM presently intends to proceed to compulsorily acquire your CIE Shares if you have not accepted the Offer (see Section 7.3). At the conclusion of the compulsory acquisition process, you will receive 1 WAM Share for every 3 CIE Shares which are compulsorily acquired. You will receive consideration for your CIE Shares sooner if you accept the Offer.

If WAM obtains a Relevant Interest in less than 90% of CIE Shares, WAM will not be able to proceed to compulsorily acquire your CIE Shares. WAM's intentions if it has a Relevant Interest in less than 90% of CIE Shares are described in Section 7.

If you do not accept the Offer, you will not receive the fully franked WAM Dividend of 7.75 cents per WAM Share announced on 8 July 2020 and payable on 27 November 2020 (WAM Dividend).

1.10. If I accept the Offer, when will I receive my WAM Shares?

If you accept this Offer, WAM will, in the usual course, issue the WAM Shares to which you are entitled on or before the earlier of:

- the day one month after you accept this Offer or, if this Offer is subject to Conditions when accepted, one month after the contract resulting from your acceptance becomes unconditional; and
- the day 21 days after the end of the Offer Period.

Full details of when you will be issued the consideration are set out in Schedule 1. It is WAM's intention however to issue the Offer Consideration within seven days of the end of the Offer Period (provided that the Offer is then unconditional).

1.11. Am I entitled to receive any CIE dividend declared?

If a dividend is declared or paid by CIE after the Announcement Date, and you receive the dividend, or are issued CIE shares under the CIE DRP, the consideration issued to you will be reduced. See clauses 7.6 and 7.7 of Schedule 1.

1.12. Can I withdraw my acceptance?

Under the terms of the Offer, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you accept the Offer, WAM varies the Offer in a way that postpones for more than one month from the time when WAM has to meet its obligations under the Offer.

In the event that the Offer is extended for any reason, but for less than one month, you may not receive your WAM Shares in time to receive the WAM Dividend and you will not be able to withdraw from the Offer.

1.13. When does the Offer close?

The Offer is currently scheduled to close at 7:00 pm (Sydney time) on [*], unless extended or withdrawn.

1.14. Can WAM extend the Offer Period?

Yes, the Offer can be extended by WAM or otherwise in accordance with the Corporations Act. You will be sent written notice of any extension, as required by the Corporations Act.

1.15. What rights will my WAM Shares have?

The WAM Shares issued under the Offer will be fully paid and will rank equally for dividends with existing WAM Shares and have the same rights (including voting rights) as existing WAM Shares.

A detailed explanation of the rights and liabilities attaching to WAM shares is set out in Section 11.3.

1.16. Will my WAM Shares be listed on the ASX?

An application will be made within seven days after the date of this Bidder's Statement to the ASX for Official Quotation of the WAM Shares issued under the Offer. Quotation of the WAM Shares to be issued under the Offer will not be automatic but will depend on the ASX exercising its discretion to admit them to the Official List.

WAM is already admitted to the Official List of ASX and shares in WAM in the same class or on the same terms as those to be issued under the Offer are already quoted.

1.17. What happens if I accept the Offer?

If you accept the Offer and it becomes or is declared unconditional, you will be issued WAM Shares within the specified timeframe.

Once you accept the Offer (even while it remains subject to Defeating Conditions) you will not be able to sell your CIE Shares on market or otherwise deal with the Rights attaching to your CIE Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

1.18. What happens if I do not accept the Offer?

If you do not accept the Offer, you will remain a CIE Shareholder and will not be issued WAM Shares.

However, if WAM becomes entitled to compulsorily acquire your CIE Shares, it intends to do so. If this occurs, you will still receive the Offer Consideration for your CIE Shares but at a later date than you would have received it if you had accepted the Offer. If you receive your WAM Shares as Offer Consideration under a compulsory acquisition, this will occur after 20 November 2020 and you will not receive the WAM Dividend.

1.19. What are the tax implications of accepting the Offer?

A general description of the taxation treatment for certain Australian resident CIE Shareholders accepting the Offer is set out in Section 10.

You should consult your taxation adviser for detailed taxation advice before deciding whether or not to accept the Offer for your CIE Shares.

CIE Shareholders should be aware that if WAM does not acquire ownership of at least 80% of CIE Shares, then rollover relief will not be available to CIE Shareholders in respect of any capital gain that is made on the receipt of WAM Shares as consideration.

1.20. What are the significant risks of the Offer?

You should carefully consider the risk factors that could affect the performance of WAM and the Enlarged Group before deciding whether to accept the Offer. Many of these risks are outside the control of WAM and its Board of Directors, and cannot be mitigated. A summary of the key risks is set out in Section 8.

1.21. Will I need to pay brokerage?

On acceptance of this Offer, if you have an Issuer Sponsored Holding you will exchange your CIE Shares for WAM Shares without incurring brokerage fees.

If your CIE Shares are held in a CHESS Holding or you hold your CIE Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your Broker or the bank, custodian or other nominee) whether it will charge you any transaction fees or service charges connected with you accepting the Offer.

If you are a Foreign Shareholder, the cash proceeds that you will be sent (following the sale of WAM Shares that you would otherwise have been entitled to receive under the Offer) will be net of transaction costs and will be paid by cheque in Australian dollars.

If you choose not to accept the Offer, should you wish to exchange your CIE Shares for WAM Shares, you may be required to sell your shares on market, and use the proceeds to purchase WAM Shares. You may ordinarily be required to pay brokerage fees on both the sale and the purchase of shares.

1.22. Will I need to pay stamp duty?

There should be no stamp duty payable by CIE Shareholders upon the issue to them of WAM Shares. Should any stamp duty be payable on the transfer of CIE Shares to WAM pursuant to the Offer due to a change in the relevant legislation during the Offer Period, these costs will be paid by WAM.

1.23. What happens if CIE holds the requisitioned WAM EGM?

On 11 September 2020, the WAM Entities lodged a notice under section 249D of the Corporations Act, requesting that CIE call and arrange the WAM EGM at which WAM would seek to put a resolution to members to remove Mark Kerr and Don Clarke as CIE Directors, and appoint Geoff Wilson AO and Glenn Burge in their place, with a view to subsequently appointing Wilson Asset Management as CIE's new investment manager. Wilson Asset Management is also the manager of WAM.

CIE has not yet called the WAM EGM and has until 2 October 2020 to do so. Depending on the date CIE sets for the WAM EGM, the Offer may have already closed by the time the WAM EGM is held. See Section 7 for details of WAM's intentions.

If the WAM EGM occurs during the Offer Period, CIE Shareholders will have the opportunity to vote on resolutions to appoint Geoff Wilson AO and Glenn Burge to the CIE Board before the Offer closes.

2. About WAM Capital Limited

2.1. Corporate

WAM Capital Limited (ASX: WAM), one of Australia's leading LICs, is managed by Wilson Asset Management. Listed in August 1999, WAM provides investors with exposure to an actively managed, diversified portfolio of undervalued growth companies listed on the ASX, with a focus on small-to-medium sized businesses. WAM's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

2.2. WAM Directors

The WAM Board is:

- a) Geoff Wilson AO (Chairman);
- b) Kate Thorley;
- c) Dr Philippa Ryan;
- d) James Chirnside;
- e) Lindsay Mann; and
- f) Matthew Pancino.

2.3. Overview of WAM's historical financial performance

A summary of WAM's historical financial performance, financial position and cash flows for the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018 is set out below:

Statement of Financial Performance	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Net realised and unrealised gains/(losses) on financial assets	(56,631,902)	(18,324,114)	144,556,373
Other revenue from operating activities	28,967,203	44,114,382	43,640,946
Management fees	(13,118,338)	(13,682,297)	(13,507,291)
Performance fees	-	-	(339,457)
Directors fees	(140,710)	(150,000)	(150,109)
Brokerage expense on share purchases	(4,811,676)	(4,251,736)	(5,174,373)
Expenses paid on borrowed stock	(138,909)	(93,367)	(930,945)
Custody fees	(107,464)	(101,841)	(98,734)
ASX listing and chess fees	(228,690)	(224,441)	(213,988)
Share registry fees	(291,044)	(315,925)	(216,965)
Disbursements, mailing and printing	(280,782)	(272,441)	(211,018)
Legal and professional fees	(41,307)	(170,203)	(112,069)
ASIC industry funding levy	(54,042)	(112,582)	-
Other expenses from ordinary activities	(371,378)	(427,834)	(375,581)
Profit/(loss) before income tax	(47,249,039)	5,987,601	166,866,789
Income tax expense/(benefit)	20,542,072	8,545,621	(41,469,154)
Profit/(loss) after income tax attributable to members of the Company	(26,706,967)	14,533,222	125,397,635
Other comprehensive income/(loss)			
Other comprehensive income/(loss) for the year, net of tax	-	-	-
Total comprehensive income/(loss) for the year	(26,706,967)	14,533,222	125,397,635
Basic and diluted earnings/(loss) per share	(3.70 cents)	2.08 cents	19.30 cents

Statement of Financial Position	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Current assets			
Cash and cash equivalents	203,400,924	325,988,043	389,675,066
Trade and other receivables	20,984,982	37,858,074	33,758,932
Financial assets	963,612,288	1,000,725,212	973,929,383
Current tax assets	22,676,280	-	-
Total current assets	1,210,674,474	1,364,571,329	1,397,363,381
Non-current assets			
Deferred tax assets	68,540,392	23,613,806	2,598,344
Total non-current assets	68,540,392	23,613,806	2,598,344
Total assets	1,279,214,866	1,388,185,135	1,399,961,725
Current liabilities			
Trade and other payables	32,857,926	31,424,411	31,383,915
Financial liabilities	897,913	10,049,817	9,851,683
Current tax liabilities	-	2,293,796	20,094,479
Total current liabilities	33,755,839	43,768,024	61,330,077
Non-current liabilities			
Deferred tax liabilities	23,778,042	-	14,798,434
Total non-current liabilities	23,778,042	-	14,798,434
Total liabilities	57,533,881	43,768,024	76,128,511
Net assets	1,221,680,985	1,344,417,111	1,323,833,214
Equity			
Issued capital	1,352,964,191	1,337,451,236	1,221,306,473
Profits reserve	44,600,021	54,582,036	130,146,739
Accumulated losses	(175,883,227)	(47,616,161)	(27,619,998)
Total equity	1,221,680,985	1,344,417,111	1,323,833,214

Statement of Cash Flows

30 June 2020 30 June 2019 30 June 2018

	\$	\$	\$
Cash flows from operating activities			
Proceeds from sale of investments	3,724,169,098	3,100,686,678	3,206,321,323
Payments for purchase of investments	(3,736,901,301)	(3,052,055,397)	(3,209,713,092)
Dividends received	23,775,239	32,001,949	27,955,581
Interest received	3,175,482	7,329,164	7,468,206
Other investment income received	3,540,505	5,330,021	7,391,017
Management fee (GST inclusive)	(14,233,258)	(14,713,922)	(14,386,876)
Performance fee (GST inclusive)	-	(364,295)	-
Brokerage expense on share purchases (GST inclusive)	(5,155,458)	(4,556,885)	(5,552,654)
Payments for administration expenses (GST inclusive)	(1,821,994)	(1,853,707)	(2,538,859)
Income tax paid	(24,471,376)	(42,959,890)	(32,021,890)
GST on brokerage expense on share sales	(364,037)	(309,398)	(369,914)
Net GST received from ATO	1,729,140	1,734,661	1,794,165
Net cash provided by/(used in) operating activities	(26,557,960)	30,268,979	(13,652,993)
Cash flows from financing activities			
Proceeds from issue of shares	-	-	66,155,750
Dividends paid – net of reinvestment	(96,029,159)	(93,856,468)	(82,072,950)
Share issue costs	-	(99,534)	(779,542)
Net cash provided by/(used in) financing activities	(96,029,159)	(93,956,002)	(16,696,742)
Net increase/(decrease) in cash and cash equivalents held	(122,587,119)	(63,687,023)	(30,349,735)
Cash and cash equivalents at beginning of financial year	325,988,043	389,675,066	420,024,801
Cash and cash equivalents at end of financial year	203,400,924	325,988,043	389,675,066
Non-cash transactions:			
Shares issued via dividend reinvestment plan	15,512,955	16,237,620	16,210,218
Shares issued via scrip consideration for acquisition	-	99,976,817	-

Source: The above information has been drawn from the audited financial statements for WAM and associated disclosures included in WAM's Annual Financial Reports for the years ended 30 June 2020, 30 June 2019 and 30 June 2018.

2.4. Public announcements by WAM

WAM is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require WAM to:

- a) prepare and lodge with the ASIC both annual and half-yearly financial statements accompanied by a Directors' statement and report and an audit or review report; and
- b) immediately notify the ASX of any information concerning WAM of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in WAM, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to WAM may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to WAM may be obtained from the ASX's website (www.asx.com.au). In addition, you may request a copy of any such document by contacting WAM and we will provide a copy of that document free of charge.

2.5. Investment manager

About Wilson Asset Management

Established in 1997 by Geoff Wilson AO, the investment manager of WAM, Wilson Asset Management, is an independently owned investment manager and LIC specialist based in Sydney, Australia. Wilson Asset Management has a strong track record of delivering risk-adjusted returns for shareholders and making a difference for investors and the community for more than 20 years. Established in 1997 by Geoff Wilson AO, Wilson Asset Management is responsible for investing more than \$3.5 billion in Australian and international companies on behalf of 88,000 retail investors across six LICs: WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited, WAM Active Limited and WAM Alternative Assets Limited.

Wilson Asset Management created and is the lead supporter of the first LICs to deliver both investment and social returns: Future Generation Australia (ASX: FGX) and Future Generation Global (ASX: FGG). Wilson Asset Management advocates and acts for retail investors, is a member of the global philanthropic Pledge 1% movement and provides all team members with \$10,000 each year to donate to charities of their choice. This philanthropic investment is made by Wilson Asset Management.

WAM Capital has an investment management agreement with Wilson Asset Management, providing shareholders with the following benefits:

Risk-adjusted returns. Wilson Asset Management is focused on delivering strong returns while taking the least risk possible to protect shareholders' capital.

Diversification. LICs managed by Wilson Asset Management hold small positions in many companies, providing shareholders with access to highly diversified portfolios.

Experience. Wilson Asset Management's investment team is comprised of 14 professionals with a total focus on protecting and growing shareholder capital and is informed by more than 190 years' combined equity market experience.

Market access. Wilson Asset Management's investment team hold more than 2,500 company meetings each year, that coupled with their extensive network in the market, provides insight, intelligence and opportunities.

Transparency. Wilson Asset Management values shareholder engagement and its LICs adhere to strict corporate governance requirements.

Shareholder advocacy. Wilson Asset Management regularly and actively engages in public debate on behalf of self-managed superannuation funds and retail investors.

A positive impact. Wilson Asset Management is passionate about making a difference to the broader community.

Objectives and investment process

The investment objectives of WAM are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth; and
- preserve capital.

The above is not intended to be a forecast. It is merely the Investment objectives of WAM. WAM may not be successful in meeting these objectives.

WAM provides investors with access to Wilson Asset Management's two distinctive investment processes:

- a research-driven process focused on identifying undervalued growth companies; and
- a market-driven process that takes advantage of market mispricing opportunities.

Research-driven investing

The research-driven investment process identifies undervalued growth companies through diligent and deep research that focuses on free cash flow, return on equity and the quality of a company. Each company is carefully rated with respect to management, earnings growth potential, valuation and industry position. Under this proprietary process, the investment team will only ever invest in a security once it can identify a catalyst or event that it expects will change the market's valuation of the company.



Market-driven investing

This investment process takes advantage of short-term mispricing opportunities in the Australian equity market. Opportunities are derived from initial public offerings, placements, block trades, rights issues, corporate transactions (such as takeovers, mergers, schemes of arrangement, corporate spinoffs and restructures), arbitrage opportunities, LIC discount arbitrages, short selling and trading market themes and trends.

3. Information about WAM Shares

3.1. Issued Securities

As at the date of this Bidder's Statement, there are 725,465,456 WAM Shares on issue and no other WAM securities.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer. The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

3.2. Substantial holders

As at the date of this Bidder's Statement there are no holders in WAM who have filed substantial holder notices on the ASX.

3.3. WAM Share Price

The closing price of WAM Shares on the ASX on 25 September 2020 (being the last trading day that WAM Shares traded prior to the date of this Bidder's Statement) was \$2.24.

The VWAP of WAM Shares on the ASX for the one month before the date of this Bidder's Statement was \$2.13.

The VWAP of WAM Shares on the ASX for the five trading days before the date of this Bidder's Statement was \$2.18.

The highest recorded sale price of WAM Shares on the ASX in the four months before the date this Bidder's Statement lodged with ASIC was \$2.24 on 25 September 2020.

The lowest recorded sale price of WAM Shares on the ASX in the four months before this Bidder's Statement lodged with ASIC was \$1.77 on 29 June 2020.

3.4. Rights and liabilities attached to WAM Shares offered

The WAM Shares issued as consideration under the Offer will be fully paid and rank equally with existing WAM Shares from the date of their issue.

WAM Shares are quoted on the ASX under the code 'WAM'.

An application will be made within seven days of the date of this Bidder's Statement to the ASX for Official Quotation of the WAM Shares issued under the Offer. Quotation is not guaranteed or automatic on such an application to the ASX. Nothing in this Bidder's Statement will be taken to state or imply that the WAM Shares issued under this Offer will be quoted on the ASX, but quotation is expected in the ordinary course as WAM is already admitted to the Official List of the ASX.

The rights and restrictions attaching to the WAM Shares that will be issued as the consideration, or part of the consideration, under the Offer are primarily set out in the WAM Constitution and in the Corporations Act and are subject to statutory, common law and ASX Listing Rule requirements.

4. About Contango Income Generator Limited

4.1. Disclaimer

The following description of CIE and the financial information concerning CIE contained in this Section has been prepared by WAM using publicly available information. To the extent permitted by law, WAM does not make any representation or warranty, express or implied, as to the currency, accuracy or completeness of such information.

The primary sources of information about CIE used by WAM are as follows:

- a) annual and interim financial reports issued to CIE Shareholders;
- b) announcements issued by CIE through the ASX; and
- c) CIE's website.

4.2. Overview of CIE and its principal business activities

CIE is an income focused listed investment company which invests primarily in companies within the S&P/ASX 300 Accumulation Index excluding the top 20 listed companies. CIE's Investment Manager focuses on selecting those companies that provide a consistent and growing source of dividends.

CIE was incorporated in 2012 and listed on the ASX in 2015. CIE's Investment Manager, Contango Asset Management Limited, was a wholly owned subsidiary of a listed investment company Contango MicroCap Limited (ASX: CTN) (now called NAOS Small Cap Opportunities Company Limited (ASX: NSC)). Key personnel of the CIE's Investment Manager were George Boubouras, who was the Managing Director and Chief Investment Officer of CTN and Mark Kerr, Chairman and Director of CIE and CTN.

Ownership of Contango Asset Management Limited was sold to employees of CTN and other third party investors in 2016. In 2017, George Boubouras resigned from his position as a Director of CIE following his resignation as Managing Director and Chief Investment Officer of Contango Asset Management Limited. Martin Switzer took over as the Chief Executive Officer and Managing Director of Contango Asset Management Limited. Martin Switzer has been a Director of Contango Asset Management Limited since 25 August 2016 and a Director of WCM Investment Management, LLC (WCM Investment Management) since 9 February 2017 and a Director of CIE since 21 February 2019. WCM Investment Management, LLC (WCM) is a California-based asset management firm.

In 2019, the Board of CIE provided the CIE Manager with greater flexibility to invest in growth stocks and widened the sector in which the company could invest in to beyond the S&P/ASX 300 Accumulation Index.

On 12 August 2020, CIE announced that subject to shareholder approval, CIE would adopt a new investment strategy, moving to a global long short investment strategy managed by WCM Investment Management. It is intended that the Company will access the WCM Quality Global Growth Long Short Strategy by investing in WCM Focused Global Growth Long-Short Fund.

Under the new CIE Investment Management Agreement, CIE will:

- increase its management fee payable to the CIE Manager and WCM Investment Management to 1.4% per annum (plus GST), in aggregate, of the portfolio value of CIE's; and
- introduce a performance fee of 20% (plus GST) of the portfolios outperformance relative to the 'Total Hurdle Amount', being the initial portfolio value adjusted for the benchmark (being the MSCI All Country World Index with gross dividends reinvested reported in Australian dollars and unhedged) return, plus management fees over each financial year.

If the new CIE Investment Management Agreement is terminated by the Company after the initial term of five years, by giving the CIE Manager six month's written notice, a termination fee of up to \$500,000 is payable by CIE to the CIE Manager on a sliding scale decreasing to nil if the new CIE Investment Management Agreement is terminated greater than 5 years after the Initial Term. This termination fee is in addition to any accrued but unpaid management and performance fees payable by CIE to the CIE Manager.

On 18 September 2020, 47% of shareholders who submitted their proxies voted against the proposed change in investment strategy and investment manager. The new CIE Investment Management Agreement was signed on 21 September 2020.

4.3. Directors

As at the date of this Bidder's Statement, there are three Directors of CIE, being:

- a) Mark Kerr (Chairman);
- b) Don Clarke; and
- c) Martin Switzer.

4.4. CIE substantial holders

Based on the substantial shareholder announcements by CIE released to the ASX, CIE currently has the following substantial holders:

Rank	Name	Shares	% of Shares
1	Wilson Asset Management Group	14,787,279	14.13
2	Lanyon Asset Management Pty Limited	10,701,396	8.86

4.5. CIE's performance track record

Performance at 31 July 2020	1 yr %	3 yrs %pa	Since inception %pa (Aug-2015)
Income Return ¹	4.12%	6.08%	5.53%
NTA Return ²	-23.59%	-10.52%	-6.03%
Contango Income Generator Limited³	-19.47%	-4.44%	-0.50%

¹ Income Return is the dividends attributed to the period divided by the pre-tax NTA per share at the beginning of the period. NTA is the underlying portfolio value after all fees and expenses are deducted.

² NTA Return is the movement in pre-tax NTA during the period.

³ Contango Income Generator Limited return is the Income Return plus NTA Return.

Source: CIE's Investment Update and NTA Statement 31 July 2020, as announced to the ASX.

Over the 12 months to 31 July 2020, the S&P/ASX 200 Accumulation Index returned -9.9%. The CIE investment portfolio returned -19.47% for CIE Shareholders and underperformed the S&P/ASX 200 Accumulation Index by 9.6% over this period.

CIE has not released a further investment update for shareholders outside of its stated NTA per share as at 31 August 2020.

4.6. Overview of CIE's historical financial performance

A summary of CIE's historical financial performance, financial position and cash flows for the financial years ended 30 June 2020, 30 June 2019 and 30 June 2018 is set out below:

Statement of Financial Performance	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Revenue and other income			
Interest income	16,000	58,000	137,000
Dividend income	5,160,000	5,220,000	4,522,000
Fair value loss on financial assets at fair value through profit or loss	(19,231,000)	(615,000)	(80,000)
	(14,055,000)	4,663,000	4,579,000
Expenses			
Investment management fees	844,000	930,000	914,000
Business administration expenses	250,000	250,000	250,000
Transaction costs	372,000	205,000	291,000
Other expenses	204,000	229,000	154,000
Listing, custody and registry costs	157,000	179,000	267,000
Legal, accounting and professional costs	141,000	93,000	48,000
Directors' remuneration expense	73,000	97,000	136,000
	2,041,000	1,983,000	2,060,000
Profit / (loss) before income tax	(16,096,000)	2,680,000	2,519,000
Income tax benefit	1,942,000	660,000	313,000
Profit / (loss) after income tax attributable to members of the Company	(14,154,000)	3,340,000	2,832,000
Other comprehensive income / (loss)			
Other comprehensive income / (loss)	-	-	-
Total comprehensive income / (loss) for the year	(14,154,000)	3,340,000	2,832,000
Basic and diluted earnings / (loss) per share	(13.52 cents)	3.21 cents	2.85 cents

Statement of Financial Position	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Current assets			
Cash and cash equivalents	4,052,000	5,467,000	11,999,000
Trade and other receivables	515,000	449,000	366,000
Investments at fair value through profit or loss	73,360,000	91,907,000	88,459,000
Deferred tax assets	1,467,000	-	368,000
Total assets	79,394,000	97,823,000	101,192,000
Current liabilities			
Trade and other payables	251,000	366,000	326,000
Deferred tax liabilities	-	460,000	1,512,000
Total current liabilities	251,000	826,000	1,838,000
Net assets	79,143,000	96,997,000	99,354,000
Equity			
Issued capital	102,671,000	102,228,000	101,727,000
Reserves	(23,641,000)	(5,357,000)	(5,357,000)
Retained earnings	113,000	126,000	2,984,000
Total equity	79,143,000	96,997,000	99,354,000

Statement of Cash Flows	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$
Cash flows from operating activities			
Payments for purchase of investments	(62,967,000)	(34,458,000)	(57,004,000)
Proceeds from sale of investments	61,807,000	30,188,000	41,134,000
Dividends received	5,071,000	4,848,000	4,481,000
Interest received	21,000	53,000	137,000
Income tax paid	-	(39,000)	(141,000)
Other payments to suppliers and employees	(1,647,000)	(1,427,000)	(2,030,000)
Net cash provided by/(used in) operating activities	2,285,000	(835,000)	(13,423,000)
Cash flows from financing activities			
Proceeds from issue of new shares	-	-	21,914,000
Dividends paid net of amounts reinvested	(3,700,000)	(5,697,000)	(7,696,000)
Net cash provided by/(used in) financing activities	(3,700,000)	(5,697,000)	14,218,000
Net increase/(decrease) in cash and cash equivalents held	(1,415,000)	(6,532,000)	795,000
Cash and cash equivalents at beginning of financial year	5,467,000	11,999,000	11,204,000
Cash and cash equivalents at end of financial year	4,052,000	5,467,000	11,999,000

Source: The above information has been drawn from the audited financial statements for CIE and associated disclosures included in CIE's Annual Financial Reports for the years ended 30 June 2020, 30 June 2019 and 30 June 2018.

4.7. Post balance date activities

On 12 August 2020, CIE announced its intentions to call a general meeting of members to approve the new CIE Investment Management Agreement, under which CIE adopts a new investment strategy involving the investment of the Company's portfolio into the WCM Quality Global Growth Long Short Strategy.

CIE also announced that it would raise further capital to invest in this new strategy, under a Placement to professional and sophisticated investors and a SPP for existing CIE Shareholders, resulting in:

- 15,753,534 new CIE Shares being issued on 19 August 2020 under the Placement to professional and sophisticated investors at \$0.625 per CIE Share, raising \$9.8m; and
- 4,752,220 new CIE Shares being issued on 16 September 2020 under the SPP to existing CIE Shareholders at \$0.625 per CIE Share, raising \$3.0m.

Both the Placement and the SPP were conducted at substantial discounts to CIE's pre-tax NTA, diluting existing CIE Shareholders.

4.8. ASX announcements

CIE is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Broadly, these obligations require CIE to:

- a) prepare and lodge with ASIC both annual and half-year financial statements accompanied by a Directors' statement and report and an audit or review report; and
- b) immediately notify the ASX of any information concerning CIE of which it is, or becomes, aware and which a reasonable person would expect to have a material effect on the price or value of securities in CIE, subject to certain limited exceptions related mainly to confidential information.

Copies of documents lodged at ASIC in relation to CIE may be obtained from or inspected at an office of ASIC. Copies of documents lodged with the ASX in relation to CIE may be obtained from the ASX's website (www.asx.com.au), or inspected at the offices of the ASX.

Since 30 June 2020, CIE has issued the following announcements to the ASX:

Date	Announcement
21/09/2020	New Investment Management Agreement
18/09/2020	Change of Director's Interest Notice
18/09/2020	Change of Director's Interest Notice
18/09/2020	Change of Director's Interest Notice
18/09/2020	Results of Meeting
18/09/2020	Chairman's Address to Shareholders
16/09/2020	Receipt of shareholder notice
16/09/2020	Appendix 2A
15/09/2020	Completion of Share Purchase Plan - 15 September 2020
11/09/2020	Change in substantial holding
10/09/2020	Shareholder Update - 10 September 2020
4/09/2020	Monthly NTA Statement 31 August 2020
3/09/2020	Share Purchase Plan - Extension of Closing Date
24/08/2020	Appendix 4E - Full Year Financial Statements 30 June 2020
20/08/2020	Receipt of shareholder notice
20/08/2020	Change in substantial holding
20/08/2020	Cleansing Notice - Placement
20/08/2020	Notice of Meeting
19/08/2020	Appendix 2A
17/08/2020	SPP - Offer Booklet Dispatch
17/08/2020	Share Purchase Plan - Cleansing Notice
14/08/2020	Receipt of shareholder notice
12/08/2020	Appendix 3B - SPP
12/08/2020	Proposed issue of Securities - CIE
12/08/2020	Share Purchase Plan
12/08/2020	Proposed New Investment Strategy
10/08/2020	Trading Halt
10/08/2020	Investment update and NTA statement 31 July 2020
8/07/2020	Investment update and NTA statement 30 June 2020

5. Information about CIE Shares

5.1. CIE capital structure

As at the date of this Bidder's Statement and according to the last ASIC 484 Form of CIE, there are 125,529,319 CIE Shares on issue.

5.2. Substantial holders

As at the date of this Bidder's Statement, according to the most recent substantial holder notices filed on the ASX, the substantial holders in CIE are:

Rank	Name	Shares	% of Shares
1	Wilson Asset Management Group	14,787,279	14.13
2	Lanyon Asset Management Pty Limited	10,701,396	8.86

5.3. CIE Share Price

The closing price of CIE Shares on the ASX on 25 September 2020 (being the last trading day that CIE Shares traded prior to the date of this Bidder's Statement) was \$0.635.

The VWAP of CIE Shares on the ASX for the one month before the date of this Bidder's Statement was \$0.632.

The VWAP of CIE Shares on the ASX for the five trading days before the date of this Bidder's Statement was \$0.625.

The highest recorded sale price of CIE Shares on the ASX in the four months before the date this Bidder's Statement was lodged with ASIC was \$0.685 on 9 June 2020.

The lowest recorded sale price of CIE Shares on the ASX in the four months before this Bidder's Statement was lodged with ASIC was \$0.575 on 27 May 2020.

During the four months prior to the date of the Offer, WAM has acquired CIE Shares under CIE's Placement to professional and sophisticated investors announced to the market on 12 August 2020 and through on-market purchases in September 2020. Under the Placement, WAM received 1,911,025 CIE Shares at the subscription price of \$0.625 per CIE Share, which were issued on 19 August 2020. WAM purchased 137,619 CIE Shares on-market during September 2020 at the price of \$0.625 per CIE Share.

5.4. WAM and its Associates' interests in CIE

As at the date of this Bidder's Statement, WAM had a Relevant Interest in 12.3% CIE Shares and its Associates held 1.5%, therefore WAM and its Associates had Voting Power of 13.8% in CIE.

6. Profile of the Enlarged Group

6.1. Introduction

The profile of the Enlarged Group will vary depending on the outcome of this Offer, and also the outcome of the CLF Offer that is currently open. The description of the Enlarged Group in this Section (unless otherwise specified) assumes that CIE will become a wholly-owned Subsidiary of WAM.

There is no guarantee of either or both of these outcomes occurring. If WAM does not acquire the 90% or more of CIE Shares required to entitle it to compulsorily acquire CIE Shares during the Offer Period, some of the benefits that would otherwise accrue to WAM if CIE were to become a wholly-owned Subsidiary of WAM may not be fully realised.

6.2. Overview of the Enlarged Group

The Enlarged Group would be publicly listed on the ASX. The Enlarged Group's investments will be managed by Wilson Asset Management, however CIE's investments will continue to be managed by the CIE Manager under the CIE Investment Management Agreement.

Assuming that WAM acquires 100% of CIE as part of the Offer, the Enlarged Group would have a combined pre-tax NTA of approximately \$1,339.2m as at 31 August 2020.

The estimated combined pre-tax NTA of the Enlarged Group does not include the impacts of the following:

- 4,752,220 new CIE Shares issued on 16 September 2020 under the SPP to existing CIE Shareholders at \$0.625 per CIE Share, raising \$3.0m; and
- acquisition of Concentrated Leaders Fund Limited by WAM through an off-market takeover offer scheduled to close on 19 October 2020 unless extended or withdrawn. As at 31 August 2020, CLF's pre-tax NTA was approximately \$65.5m.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer. The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

As at 31 August 2020	Pre-tax NTA \$'m	Adjustments \$'m	Total \$'m
WAM Capital Limited	1,258.7	(9.6)	1,249.1
Contango Income Generator Limited	90.1	-	90.1
Total Enlarged Group	1,348.8	(9.6)	1,339.2

Source:

1. WAM's pre-tax NTA is based on the announced August 2020 Investment Update.
2. CIE's pre-tax NTA is based on the Monthly NTA Statement 31 August 2020, as announced to the ASX and not adjusted for the Share Purchase Plan CIE Shares issued on 16 September 2020.
3. Adjustments to WAM's pre-tax NTA have been made to account for the existing ownership interest of WAM in CIE as at 31 August 2020. The existing interest in CIE, measured at its ASX last sale price as at 31 August 2020, has been eliminated and the CIE pre-tax NTA has been recognised in the Enlarged Group, assuming WAM acquires 100% of CIE.

6.3. Unaudited pro forma statements of financial position assuming WAM acquires 100% of CIE

Set out below is the unaudited pro forma statement of financial position of WAM, assuming that WAM acquires 100% of CIE as part of the Offer. The pro forma financial information is to be read in conjunction with the accompanying notes to and forming part of the pro forma statement of financial position as set out in this section. All amounts disclosed are presented in Australian dollars and are rounded to the nearest thousand dollars.

The pro forma financial information and adjustments of the Enlarged Group have been prepared on the basis that all CIE Shareholders accept the Offer and as if the proposed transaction had taken place on 30 June 2020:

Unaudited Pro Forma Statement of Financial Position as at 30 June 2020	Note	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Current assets				
Cash and cash equivalents		203,400,924	-	203,400,924
Trade and other receivables		20,984,982	-	20,984,982
Financial assets	1	963,612,288	(8,705,059)	954,907,229
Financial assets - investment in controlled entity at FVTPL (CIE)	2	-	77,676,000	77,676,000
Current tax assets		22,676,280	-	22,676,280
Total current assets		1,210,674,474	68,970,941	1,279,645,415
Non-current assets				
Deferred tax assets		68,540,392	-	68,540,392
Total non-current assets		68,540,392	-	68,540,392
Total assets		1,279,214,866	68,970,941	1,348,185,807
Current liabilities				
Trade and other payables		32,857,926	-	32,857,926
Financial liabilities		897,913	-	897,913
Current tax liabilities		-	-	-
Total current liabilities		33,755,839	-	33,755,839
Non-current liabilities				
Deferred tax liabilities	3	23,778,042	4,014,410	27,792,452
Total non-current liabilities		23,778,042	4,014,410	27,792,452
Total liabilities		57,533,881	4,014,410	61,548,291
Net assets		1,221,680,985	64,956,531	1,286,637,516
Equity				
Issued capital	4	1,352,964,191	55,589,574	1,408,553,765
Profits reserve	5	44,600,021	9,366,957	53,966,978
Accumulated losses		(175,883,227)	-	(175,883,227)
Total equity		1,221,680,985	64,956,531	1,286,637,516

The pro forma financial information of the Enlarged Group has not been adjusted for the following transactions and events for both WAM and CIE since 30 June 2020:

- 15,753,534 new CIE Shares issued on 19 August 2020 under the Placement to professional and sophisticated investors at \$0.625 per CIE Share, raising \$9.8m; and
- 4,752,220 new CIE Shares issued on 16 September 2020 under the SPP to existing CIE Shareholders at \$0.625 per CIE Share, raising \$3.0m; and
- acquisition of Concentrated Leaders Fund Limited by WAM through an off-market takeover offer scheduled to close on 19 October 2020 unless extended or withdrawn. As at 30 June 2020, for the purposes of the pro forma financial information of the Enlarged Group, CLF's pre-tax NTA was approximately \$71.5m.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer. The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

Note 1: Financial assets

As at 30 June 2020	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Financial assets	963,612,288	(8,705,059)	954,907,229

Forming part of the pro forma adjustments to the 30 June 2020 statement of financial position for WAM is the elimination of the existing interest in CIE held at balance date in the financial assets of WAM. The existing interest in CIE as at 30 June 2020 is set out below:

WAM Capital's existing interest in CIE

As at 30 June 2020

No. of shares held in CIE - as at 30 June 2020	13,392,399
ASX last sale price – as at 30 June 2020	\$0.65 / share
Total value of existing interest in CIE	8,705,059

Note 2: Financial assets – investment in controlled entity at FVTPL (CIE)

As at 30 June 2020	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Financial assets – investment in controlled entity at FVTPL (CIE)	-	77,676,000	77,676,000

Forming part of the pro forma adjustments to the 30 June 2020 statement of financial position for WAM is the recognition of the investment in CIE, assuming WAM acquires 100% of CIE as part of the Offer. The value of CIE has been recognised utilising the audited pre-tax NTA of CIE as at 30 June 2020 (from the Annual Financial Report) for the purposes of the pro forma financial information, set out below:

Value of investment in controlled entity at FVTPL

CIE 30 June 2020 Net Assets	79,143,000
Less: Deferred tax assets	(1,467,000)
Add: Deferred tax liabilities	-
CIE pre-tax NTA	77,676,000

Source: CIE's audited 2020 Annual Financial Report.

Note 3: Deferred tax liabilities

As at 30 June 2020	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Deferred tax liabilities	23,778,042	4,014,410	27,792,452

In reference to the fair value gain on acquisition of a controlled entity as part of the pro forma adjustments (see Note 5 for further information), the tax effect of the transaction is recognised for the Enlarged Group as part of the recognition of the investment in CIE, assuming that WAM acquires 100% of CIE as part of the Offer.

Adjustments in relation to the tax effect of CIE joining WAM's tax consolidated group upon completion the Offer, assuming WAM acquires 100% of CIE, are not able to be determined at this time and have not been considered as part of the pro forma adjustments.

Note 4: Issued capital

As at 30 June 2020	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Issued capital	1,352,964,191	55,589,574	1,408,553,765

Forming part of the pro forma adjustments to the 30 June 2020 statement of financial position for WAM is the issue of WAM scrip to CIE shareholders in accordance with the terms of the Offer, as set out below:

Transaction details

As at 30 June 2020

<i>Offer: 1 WAM Share for every 3 CIE Shares</i>		<i>1 for 3</i>
No. of CIE Shares on issue – as at 30 June 2020		105,023,565
No. of CIE Shares held by WAM – as at 30 June 2020		13,392,399
Remaining CIE Shares		91,631,166
No. of WAM Shares to be issued as Offer consideration		30,543,722
Scrip value (WAM Shares) - as at 30 June 2020		\$1.82 / share
Total Offer consideration value		55,589,574

Note 5: Profits reserve

As at 30 June 2020	WAM Capital \$	Pro Forma Adjustments \$	Enlarged Group \$
Profits reserve	44,600,021	9,366,957	53,966,978

In recognising the acquisition of 100% of CIE in the Enlarged Group, the existing interest in CIE (measured at the ASX last sale price) is eliminated and the identifiable pre-tax NTA of CIE is recognised in consideration for the issue of WAM Shares as part of the Offer to CIE Shareholders.

The difference between the value of the WAM Shares issued and the existing interest in CIE, when compared to the identifiable pre-tax NTA of CIE is recognised through the statement of financial performance and resulting equity reserves.

Assuming the completion of the Offer as at 30 June 2020, the breakdown of the accounting recognition is set out below:

Transaction details
As at 30 June 2020

Value of WAM Shares (see Note 4) – as at 30 June 2020	55,589,574
Existing Relevant Interest in CIE, measured at the last sale price (see Note 1)	8,705,059
Total consideration	64,294,633
Identifiable pre-tax NTA of CIE (see Note 2) - as at 30 June 2020	77,676,000
Total fair value gain on acquisition of a controlled entity	13,381,367
Less: taxation expense, at 30%	4,014,410
Total fair value gain, after tax	9,366,957

6.4. Summary of information

The information included in this Section 6 is unaudited pro forma financial information for the Enlarged Group comprising of WAM and CIE as at 30 June 2020 on the basis that WAM acquires 100% of CIE, assuming completion of the Offer as at 30 June 2020. The pro forma financial information of the Enlarged Group has not been adjusted for the following transactions and events for both WAM and CIE since 30 June 2020:

- 15,753,534 new CIE Shares issued on 19 August 2020 under the Placement to professional and sophisticated investors at \$0.625 per CIE Share, raising \$9.8m; and
- 4,752,220 new CIE Shares issued on 16 September 2020 under the SPP to existing CIE Shareholders at \$0.625 per CIE Share, raising \$3.0m; and
- acquisition of Concentrated Leaders Fund Limited by WAM through an off-market takeover offer scheduled to close on 19 October 2020 unless extended or withdrawn. As at 30 June 2020, for the purposes of the pro forma financial information of the Enlarged Group, CLF's pre-tax NTA was approximately \$71.5m.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer. The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

The unaudited pro forma combined statements of financial position of the Enlarged Group as at 30 June 2020 (Pro Forma Statement of Financial Position) presented above has been produced with reference to the audited financial report for WAM as at 30 June 2020 and the audited financial report for CIE as at that date. The financial information reflects the latest publicly available information for CIE that is capable of being compared.

The WAM Board has assessed the requirements of AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities and have applied the criteria set out in that standard to the operations of WAM. WAM is therefore considered to be an investment entity and as a result, the investment in CIE (being a wholly owned entity of the WAM) would not be consolidated into the financial statements, but rather is accounted for as a financial asset at FVTPL. After acquisition, subsequent movements in the fair value of the identifiable net assets of the controlled entity are recoded as fair value gains or losses through the statement of financial performance.

The pro forma financial information does not represent what the Enlarged Group would look like on a combined basis, since it is not possible to produce this information from publicly available information and due to the accounting policies of WAM. No adjustments for potential synergy benefits have been included as the exact timing and amount of those benefits cannot be reliably estimated. However, the Pro Forma Statement of Financial Position does reflect the issue of new WAM Shares to CIE Shareholders, and other adjustments required as a result of this Offer.

The Pro Forma Statement of Financial Position is for illustrative purposes only and is based on numerous assumptions that may or may not reflect the actual financial position of the Enlarged Group after completion of the Offer. In addition, the Pro Forma Statement of Financial Position is presented in a summary format and therefore does not contain all the disclosures required under the Corporations Act.

Financial information relating to CIE has been sourced from its publicly available information. WAM has relied on the information in the monthly investment portfolio update and NTA reports of CIE as well as audited financial reports issued by CIE to prepare the financial information contained in this document.

WAM does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. WAM has not been able to independently verify any of the financial information relating to CIE used in this document, for providing pro forma financial information.

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in Section 8, other information contained in this Bidder's Statement, and the accounting policies of WAM and CIE as disclosed in their most recent audited financial reports.

The accounting policies of WAM and CIE are not considered materially different. The significant accounting policies adopted in the preparation of the historical financial information are disclosed in WAM's audited Annual Report for the year ended 30 June 2020.

6.5. No forward looking financial statements

This document does not provide revenue or profit projections for the Enlarged Group. WAM does not believe that it has reasonable grounds to include revenue or profit forecasts in this Bidder's Statement. WAM believes that the inclusion of revenue or profit forecasts would be unduly speculative and potentially misleading for CIE Shareholders.

6.6. Prospective financial information of the Enlarged Group

WAM has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Enlarged Group. The WAM Board has concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

The Enlarged Group will continue to pursue investment activities – primarily investing in equities listed on the ASX – to achieve its stated objectives.

The future performance of the Enlarged Group is dependent on the performance of its investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments. As such, the WAM Board do not believe it is possible or appropriate to accurately predict the future performance of the Enlarged Group's investments and, therefore, its performance.

7. WAM's intentions

7.1. General

This Section 7 sets out WAM's intentions in relation to:

- a) the continuation of CIE's business;
- b) any significant changes to be made to CIE's business, including any redeployment of CIE's fixed assets;
- c) the future employment of CIE's employees (where applicable); and
- d) potential outcomes from the WAM EGM.

WAM's intentions are based on the information known, and the circumstances that exist, at the date of this Bidder's Statement.

WAM has reviewed information in the public domain concerning CIE, its business and the general business environment in which it operates. Based on its review of that material, and on its current assessment of CIE's operations, WAM's intentions in relation to CIE are summarised below. Statements set out in this Section are statements of current intention only which may change as new information becomes available or circumstances change.

7.2. Strategic Review

As WAM does not currently have access to all material information, facts and circumstances which it considers necessary to assess the operational, commercial, taxation and financial implications of its current intentions, final decisions on these matters have not been made. Upon successful completion of the Offer, and in the event that WAM controls more than 50% of CIE's Shares, WAM proposes to conduct a review of the strategy, operations, activities, assets and employees (based on publicly available information CIE has no fixed assets or employees) of CIE in light of the information which then becomes available to it (**Strategic Review**).

This Strategic Review will:

- a) confirm whether WAM should proceed with a realisation of CIE's investments and conduct a return of capital;
- b) explore other investment strategies for CIE's remaining cash; and
- c) seek to make appropriate provisions for any of CIE's ongoing liabilities.

Final decisions will only be reached in light of all material facts and circumstances. Accordingly, the statements set out in this Section 7 are statements of current intention only which may change as new information becomes available or circumstances change.

7.3. WAM's intentions upon controlling 90% or more of CIE Shares

This Section sets out WAM's intentions if it controls 90% or more of CIE Shares and becomes entitled to proceed to compulsory acquisition of CIE Shares under the Corporations Act.

- a) WAM intends to undertake the Strategic Review;
- b) WAM currently intends to proceed to compulsory acquisition of the remaining CIE Shares if it becomes entitled to do so under the Corporations Act;
- c) WAM will seek to remove CIE from the Official List of the ASX;
- d) WAM intends to replace all CIE Directors with its nominees;
- e) WAM intends to work constructively with the CIE Manager;
- f) Based on publicly available information, it appears that CIE has no employees. If at the relevant time CIE does employ any person, then, subject to the Strategic Review, it may be necessary to redeploy or make some of CIE's employees redundant. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

7.4. WAM's intentions upon controlling more than 50.1% but less than 90% of CIE Shares

If WAM, by virtue of acceptance of the Offer, acquires a Relevant Interest in CIE of more than 50.1% but less than 90%, its current intentions are as set out below.

- a) CIE will become a controlled entity of WAM;
- b) WAM intends to undertake the Strategic Review;
- c) Subject to the Corporations Act and the Strategic Review, WAM proposes to seek the appointment of a majority of WAM nominees to CIE's Board. WAM has, in its EGM requisition, proposed Geoff Wilson AO and Glenn Burge as candidates for CIE's Board although it has not made any other decisions as to who would be nominated for appointment. WAM may also seek to add to, replace or reorganise the roles of a proportion of the members of the CIE Board to reflect the proportionate ownership interest of WAM and other CIE Shareholders;
- d) WAM intends to work constructively with the CIE Manager;
- e) WAM may seek to remove CIE from the Official List of the ASX;
- f) WAM may, at some later time, acquire further CIE Shares in a manner consistent with the Corporations Act;
- g) If WAM becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, it may exercise those rights; and
- h) WAM may consider acquiring additional CIE Shares under the "creep" provisions of Item 9 in section 611 of the Corporations Act (which allows for WAM and its Associates to acquire up to 3% of CIE Shares every 6 months);
- i) WAM intends to undertake the activities referred to in this Section 7.4 to the extent permitted by its control of CIE.

7.5. WAM's intentions upon controlling less than 50.1% of CIE Shares

WAM reserves its right to declare the Offer free from the 50.1% minimum acceptance Condition (or any other Condition) to the Offer. However, WAM has not decided whether it will free the Offer of the Conditions.

In that circumstance:

- a) WAM has a Relevant Interest in less than 50.1%, to the extent possible through its non-controlling holding of CIE Shares, WAM will endeavour to give effect to the intentions set out in Section 7.4. However, WAM considers that its ability to affect the intentions set out in Section 7.4 will be significantly limited if WAM is unable to achieve the level of shareholding.
- b) WAM may consider acquiring additional CIE Shares under the “creep” provisions of Item 9 in section 611 of the Corporations Act (which allows for WAM and its Associates to acquire up to 3% of CIE Shares every 6 months) until it achieves a majority Voting Power. WAM has not yet decided whether it will acquire further CIE Shares in the event it controls less than 50.1%.

7.6. Limitations on intentions

The intentions and statements of future conduct set out in this Section 7 must be read as being subject to:

- a) the outcome of the Strategic Review;
- b) the law (including the Corporations Act) and the Listing Rules, including in particular the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and “related party” transactions given that, if WAM gains control of CIE but does not acquire all of the CIE Shares, it will be treated as a related party of CIE for these purposes; and
- c) the legal obligations of the CIE Directors at the time, including any nominees of WAM, to act in good faith and in the best interests of CIE and for proper purposes and to have regard to the interest of all CIE Shareholders (in which regard the role of independent Directors of CIE will also be important).

7.7. WAM EGM outcomes

On 11 September 2020, the WAM Entities lodged a notice under section 249D of the Corporations Act, requesting that CIE call and arrange the WAM EGM at which WAM would seek to put a resolution to members to remove Mark Kerr and Don Clarke as CIE Directors, and appoint Geoff Wilson AO and Glenn Burge in their place, with a view to subsequently appointing Wilson Asset Management as CIE's new investment manager. Wilson Asset Management is also the manager of WAM.

CIE has not yet called the WAM EGM and has until 2 October 2020 to do so. Depending on the date CIE sets for the WAM EGM, the Offer may have already closed, in which case WAM may have already moved to the actions described above in this Section 7.

If the WAM EGM occurs during the Offer Period, CIE Shareholders will have the opportunity to vote on resolutions to appoint Geoff Wilson AO and Glenn Burge to the CIE Board before the Offer closes.

8. Risk factors

8.1. Introduction

The future investment performance of WAM and the future performance of the WAM Shares may be influenced by a range of factors, many of which are outside the control of WAM. WAM is subject to risks that are both of a general nature and risks which are specific to its business activities.

This Section describes what WAM considers to be some of the key risks associated with WAM's business, the industry in which it operates, and the risks associated with an investment in WAM.

The risks listed in this Section should not be considered to be an exhaustive list of every possible risk associated with accepting the Offer, the industry in which WAM operates, or the risks associated with an investment in WAM now or in the future. The types of risks to which WAM is exposed can change over time and vary with changes in economic, technological, environmental and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of the control of WAM.

The selection of risks is based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. They are not listed in order of likelihood of occurrence or impact. The assessment is based on the knowledge of WAM's Directors and management as at the date of this Bidder's Statement, but there is no guarantee or assurance that the importance of these or other risks will not change or that no other new risks will emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the operations, performance and position of WAM. There can be no guarantee that WAM will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

Before accepting the Offer, you should read the entire Bidder's Statement carefully and satisfy yourself that you have a sufficient understanding of the risks described in this Section 8, together with the other information set out in this Bidder's Statement. You should also consider whether accepting the Offer is suitable for you in light of your investment objectives, financial situation, taxation position and particular needs. If you do not understand any part of this Bidder's Statement or have any questions about whether to accept the Offer, you should consult your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to accept the Offer.

8.2. Risks specific to the Offer

The following risk factors may arise as a result of the Offer and the acquisition of CIE Shares by WAM.

Conditions to the Offer

As described in Schedule 1 of this Bidder's Statement, the Offer is subject to a number of conditions.

Subject to any statutory withdrawal rights that may be available, CIE Shareholders who accept the Offer while it still remains conditional will no longer be able to trade their CIE Shares on the ASX or withdraw their acceptance of the Offer. CIE Shareholders should be aware that the market price of CIE Shares may exceed the implied price under the Offer during the Offer Period.

For those CIE Shareholders who accept the Offer and the conditions remain unsatisfied at the end of the Offer Period, and are not otherwise waived by WAM, there is no obligation on WAM to issue WAM Shares to you as consideration for your CIE Shares. In those circumstances, any acceptances of the Offer will be void and you would then be free to deal with your CIE Shares.

Limited withdrawal rights

CIE Shareholders may only withdraw their acceptance of the Offer in limited circumstances. Otherwise, CIE Shareholders will be unable to withdraw their acceptances, even if the value of the WAM Shares to be issued to CIE Shareholders as consideration varies from the date of their acceptance.

If the Offer is extended, and does not become unconditional, you may not receive your WAM Shares in time to receive the WAM Dividend. If the Offer does not become unconditional and is extended for less than one month, you will not be able to withdraw your acceptance of the Offer, and you will not receive the WAM Dividend.

Issue of WAM Shares as the Offer Consideration

CIE Shareholders are being offered consideration under the Offer that comprises a specified number of WAM Shares, rather than a number of WAM Shares with a specified market value. As a result, the value of the consideration will fluctuate depending on the value of WAM Shares. Furthermore, if current WAM Shareholders or current CIE Shareholders who accept the Offer do not wish to hold shares in the Enlarged Group and seek to sell their shares, this may have material adverse effect on the Enlarged Group and the market price of WAM Shares.

Accordingly, the market value of WAM Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer. This may result in the value of the consideration to CIE Shareholders increasing as well as decreasing.

Less than 100% ownership

It is possible that WAM may not acquire all CIE Shares under the Offer. The impact upon WAM of acquiring less than 100% will depend upon the final level of ownership acquired. However, the existence of minority shareholders in CIE could have an impact on WAM's intentions regarding CIE (refer to Section 7).

CIE information

In preparing the information on CIE included in this Bidder's Statement, WAM has relied on publicly available information of CIE only. WAM has not had direct access to CIE Directors or its auditors. In addition, it is possible that additional risks may exist in relation to CIE's operations that are unknown to WAM.

There is also a risk that the publicly available financial information of CIE and utilised by WAM in formulating the Offer and preparing this Bidder's Statement is not materially correct.

Reporting risks

WAM has assumed that CIE has met all of its reporting obligations and that disclosures made by it are true and are not misleading in any material respects.

Dilution risks

As the consideration payable for the Offer consists of WAM Shares, the interests of existing WAM Shareholders (which may include CIE Shareholders following completion of the Offer) will be diluted to some degree, with respect to the percentage ownership of the Company.

Taxation risks

Tax liabilities are the responsibility of each individual investor, and WAM is not responsible either for taxation or penalties incurred by CIE Shareholders. CIE Shareholders should consult their own taxation advisers to ascertain the tax implications of their investment.

Taxation considerations

The effects of taxation can be complex and may change over time. A summary of the current Australian income tax implications associated with acceptance of the Offer is outlined in Section 10. However, this summary is general in nature and, as the circumstances for each CIE Shareholder may vary, CIE Shareholders should seek professional taxation advice in relation to their own position.

This list is not exhaustive and CIE Shareholders should read this Bidder's Statement in full. If CIE Shareholders require further information on these risks, they should seek professional advice.

Potential impact on subsequent bids

WAM's shareholding may become of such a size that a third party would not be able to successfully make a takeover bid for CIE without the support of WAM.

8.3. Risks specific to WAM

Manager risk

The risk that WAM's investment objectives will not be achieved and/or it may underperform the S&P/ASX All Ordinaries Accumulation Index (WAM's benchmark) or may underperform other listed investment companies in the same asset class. The achievement of WAM's objectives (including the ability to pay dividends) depends on a range of factors, including its portfolio selection, the skills of the WAM's investment team and the actual performance of investments.

Risks on WAM's investments

WAM may invest in entities with a limited trading history or small capital base. These investments may pose greater risk than investments in larger capitalised entities or entities in other market sectors. While the development of sound risk management procedures and sound due diligence can minimise the risks of investment in such companies, the risks are material and significant.

Listed Investment Company risk

A listed investment company's share price may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including, but not limited to:

- domestic and international economic growth;
- performance of domestic and international financial markets;
- domestic and international political events; and
- relevant regulation in Australia and overseas.

Business risk

The profitability and success of WAM is highly dependent on the ability of its Directors and the investment manager to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of WAM or the earnings and capital appreciation of its investments.

8.4. Risks specific to CIE

Manager risk

The risk that CIE's investment objective will not be achieved and/or it may underperform CIE's benchmark or may underperform other listed investment companies in the same asset class. The achievement of CIE's objective (including the ability to pay dividends) depends on a range of factors, including its portfolio selection, the skills of the CIE's investment manager's employees, the timing of implementation of protection strategies, and actual performance of investments.

Risks on CIE's investments

The change to CIE's investment strategy exposes CIE to risk associated with the WCM Quality Global Long Short Strategy, through an investment in the WCM Focused Global Growth Long-Short Fund Limited – CIE has not provided information to CIE Shareholders in relation

to the risks associated with this strategy. WCM Focused Global Growth Long-Short Fund Limited is managed by WCM Investment Management.

Through an investment in the WCM Focused Global Growth Long-Short Fund Limited, CIE's underlying investments may include, but are not limited to, publicly traded or privately issued or negotiated common stocks, preferred stocks, stock warrants and rights, corporate and U.S. government debt, bonds, notes or other debentures or debt participations, ETFs, currency hedges, convertible securities, fixed income securities, swaps (including total return swaps), and options (purchased or written).

CIE's investment strategy may expose CIE Shareholders to global entities with a limited trading history or small capital base, as well as exposing CIE's portfolio to risks associated with taking short equity positions and the financial instruments used.

A global investment strategy also introduces foreign exchange risk to CIE's portfolio. These investments may pose greater risk than investments in domestic entities. While the development of sound risk management procedures and sound due diligence can minimise the risks of investment in such companies, the risks are material and significant.

Any derivative financial instruments implemented under the new investment strategy will be linked to the underlying value of physical assets and are used by WCM Investment Management as an alternative to investing in physical assets because of their cost and liquidity efficiency or, to protect the value of the underlying physical assets from adverse price movements over time. Gains or losses can result from investments in derivatives. Investments in derivatives may increase the losses that would otherwise have been experienced had the derivatives not been used.

There is a risk that the use of derivatives can have a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain. The use of derivatives potentially exposes CIE to counterparty, legal and documentation risks. In addition to any risk associated with the underlying asset for which a derivative is valued, derivative prices are affected by other factors including market liquidity, interest rates, and counterparty risk.

Listed Investment Company risk

A listed investment company's share price may trade at a premium or discount to net tangible asset backing per share. The operations and financial performance of listed investment companies are driven by a number of factors, including, but not limited to:

- domestic and international economic growth;
- performance of domestic and international financial markets;
- domestic and international political events; and
- relevant regulation in Australia and overseas.

Business risk

The profitability and success of CIE is highly dependent on the ability of its Directors and investment manager to assess business risks and make appropriate investment decisions. No guarantee can be given in respect of the future earnings of CIE or the earnings and capital appreciation of its investments.

8.5. General risks

Regulation and Publicity

Changes to the regulatory environment for listed investment companies, the Corporations Act, ASIC policy, Listing Rules and their commercial application and/or publicity may have an impact on CIE and WAM's investments and may affect the value of CIE Shares and WAM Shares.

Changes in Accounting Policy

WAM and CIE must report and prepare financial statements in accordance with prevailing accounting standards and policies. There may be changes in these accounting standards and policies in the future which may have an adverse impact on WAM and CIE (as applicable) reported financial performance and financial position.

Economic conditions

The price at which WAM Shares and CIE Shares trade on the ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks.

Sharemarket conditions

The market for WAM Shares and CIE Shares may also be affected by a wide variety of events and factors including COVID-19, variations in WAM and CIE's respective operating results, recommendations by securities analysts, and the operating and trading price performance of other listed entities that investors consider to be comparable to WAM or CIE (as applicable). Some of these factors could affect WAM or CIE's share price regardless of underlying operating performance.

Currency Risk

Shareholders who reside outside of Australia, or who rely on funding denominated in a currency other than the Australian dollar, should be aware of the impact that fluctuations in exchange rates may have on the value of their investments in, and returns.

Forward looking statements

Certain information in this Bidder's Statement constitutes forward looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure and achievement of milestones and other outcomes of the combined group to be different from the expectations expressed or implied in this Bidder's Statement.

8.6. Risks relating to the Enlarged Group

Implementation Risks

Irrespective of the outcome of the Offer, the Investment Management Agreement between CIE and CIE Manager is for a fixed term. While WAM intends to work constructively with CIE Manager there is no guarantee that CIE Manager will carry out WAM's intentions or instructions in relation to the management of CIE's portfolio of investments.

Diversification

As holders of WAM Shares, following implementation of the Offer, CIE Shareholders will be exposed to a more diversified portfolio of investments than CIE. That diversification may continue in the future. A more diverse portfolio of investments may mean CIE Shareholders are exposed to a more diverse range of risks.

WAM Shares

Under the Offer, CIE Shareholders are issued with WAM Shares in consideration for the transfer of CIE Shares. The share price performance of a listed company, such as WAM is subject to general fluctuations in the share market. These fluctuations can result from a wide variety of factors, some of which are beyond the control of WAM such as:

- general economic conditions, including changes in inflation rates, interest rates and exchange rates;
- variations in the domestic and international markets for listed stocks;
- changes in government policy, legislation or regulation; and
- inclusion or removal from market indices.

In particular, the share prices in any companies may reflect a diverse range of issues which are not specific to the company concerned, such as acts of terrorism and the general state of the economy. These market fluctuations may adversely affect the price of WAM Shares. An investment in WAM Shares therefore carries risks that the share price may fall and no guarantee can be made about the declaration of dividends or returns of capital.

9. Sources of Consideration

9.1. Offer Consideration

The consideration for the acquisition of CIE Shares under the Offer is to be satisfied by the issue of WAM Shares. The Offer Consideration is 1 WAM Share for every 3 CIE Shares.

The total number of WAM Shares to be issued will depend on the number of CIE Shares that WAM acquires under the Offer.

The calculations in this section on the maximum consideration to be paid by WAM assume that, as a result of the Offer, WAM acquires all CIE Shares on issue at the date of this Bidder's Statement that WAM does not already own.

9.2. Maximum number of WAM Shares

The maximum number of WAM Shares which are required to be issued under the Offer if acceptances are received for all the CIE Shares on issue at the date of this Bidder's Statement that WAM does not already own is approximately 36,696,092 (excluding rounding adjustments).

WAM Shares issued under the Offer are exempt from ASX Listing Rule 7.1 (which prohibits issues exceeding 15% of a company's share capital in any 12-month period). Accordingly, WAM has the capacity to issue the maximum number of WAM Shares that may be required under the Offer.

10. Tax considerations

10.1. Introduction

The following is a summary of the potential Australian income tax and capital gains tax (**CGT**) consequences generally applicable to CIE Shareholders who dispose of CIE Shares under the Offer. All CIE Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident CIE Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their CIE Shares. The information in this section is based upon the Australian law and administrative practice in effect at the date of this Bidder's Statement, but is general in nature and is not intended to be an authoritative or complete statement of the laws applicable to the particular circumstances of a CIE Shareholder.

In particular this summary is only applicable to CIE Shareholders that are Australian residents for income tax purposes and hold their CIE Shares on capital account for investment purposes and only considers the Australian tax position.

This summary does not apply to CIE Shareholders:

- who hold their CIE Shares for the purpose of speculation or a business of dealing in securities (e.g. as trading stock or as revenue assets);
- who acquired their CIE Shares pursuant to an employee share scheme operated by CIE;
- who are subject to taxation of financial arrangement rules in Division 230 of the Income Tax Assessment Act 1997 in relation to gains or losses on their CIE Shares;
- that may be subject to special tax rules, such as financial institutions, insurance companies, partnerships (except where expressly stated), tax exempt organisations, trusts (except where expressly stated), superannuation funds (except where expressly stated) or temporary residents; or
- are non-residents of Australia who hold their CIE Shares in carrying on a business through a permanent establishment in Australia.

CIE Shareholders who are tax residents of a country other than Australia (whether or not they are also residents, or are temporary residents, of Australia for tax purposes) should take into account the tax consequences of the Offer under the laws of their country of residence, as well as under Australian law.

10.2. CGT consequences on the disposal of CIE Shares

A CIE Shareholder that accepts the Offer and whose CIE Shares are subsequently transferred to WAM, is taken to have disposed of their CIE Shares for Australian CGT purposes. Shareholders make a capital gain on the disposal of their CIE Shares to the extent that the market value of the Offer consideration exceeds the tax cost base of the CIE Shareholders' CIE Shares (prior to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain).

The capital proceeds received for the disposal of the CIE Shares should be calculated by reference to the market value of WAM Shares that each CIE Shareholder will receive.

The sum of all capital gains derived by a CIE Shareholder in the year in which the transaction occurs, reduced by any capital loss incurred during that year, or carried forward from prior years (known as the net capital gain), should be included in the assessable income of the CIE Shareholder.

Alternatively, a CIE Shareholder will make a capital loss on the transfer of their shares to WAM, equal to the amount by which the reduced cost base of their CIE Shares is more than the capital proceeds (i.e. value of shares in WAM) they receive under the Offer. A capital loss may be used to offset against a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year (subject to the satisfaction of certain loss recoupment tests which apply if the CIE Shareholder is a company or trust).

10.3. Cost base of CIE Shares generally

If a CIE Shareholder does not dispose of their CIE Shares under the Offer and their CIE Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, those CIE Shareholders will also be treated as having disposed of their CIE Shares for CGT purposes.

In this case, the date of the CGT event will be the date when the CIE Shareholder ceases to be the owner of the CIE Shares.

10.4. CGT rollover

Where WAM acquires 80% or more of the Shares in CIE, a CIE Shareholder may be eligible to choose for scrip for scrip CGT rollover relief under Subdivision 124-M of the Income Tax Assessment Act 1997 (Cth) in respect of the disposal of CIE Shares, so that any CGT payable on the disposal of their CIE Shares is deferred.

If a CIE Shareholder elects for CGT rollover relief to apply, any capital gain that they would otherwise make on the disposal of their CIE Shares will be disregarded, as the only consideration that CIE Shareholders will receive in respect of their CIE Shares are replacement shares in WAM.

The benefit of choosing scrip for scrip rollover relief will depend on the individual circumstances of each CIE Shareholder and therefore CIE Shareholders should discuss this with their tax advisers.

Where rollover relief is chosen, the tax cost base of the WAM Shares received by the CIE Shareholders should equal the tax cost base of the CIE Shares disposed of. This tax cost base will be allocated on a proportionate basis across the WAM Shares received. This cost base will be relevant in determining any future CGT liability on the subsequent disposal of the WAM Shares.

For the purposes of determining whether the CGT discount applies on any subsequent disposal of the WAM Shares, the date on which the CIE Shareholders will be deemed to have acquired the WAM Shares will be the day they acquired their original CIE Shares.

Generally, where CIE Shareholders prepare their income tax return on the basis that scrip for scrip rollover has been applied, this will be sufficient evidence of making the choice to obtain rollover relief.

In certain circumstances, it may be necessary for WAM to make a joint election with CIE Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the CIE Shareholder and provided the CIE Shareholder has informed WAM in writing of the cost base of their CIE Shares, WAM may make the joint election. WAM confirms that it will not make any choice or election under the CGT rollover provisions that would prevent CIE Shareholders from obtaining CGT rollover relief where available.

However, if the WAM Offer becomes unconditional and WAM does not increase its holding to at least 80% of the CIE Shares on issue as a result of the Offer, CGT rollover relief will not be available for any CIE Shareholders.

10.5. CGT discount

Any CIE Shareholder who is an individual, the trustee of a trust or a complying superannuation entity that does not choose CGT rollover relief may be entitled to a 'CGT discount' in calculating the net capital gain to be included in their assessable income.

- CIE Shareholders will be eligible for CGT discount provided that:
- the CIE Shares were acquired at least 12 months before disposal to WAM;
- the CIE Shareholder did not choose to index the cost base of their CIE Shares; and
- the CGT discount is applied to the capital gain after any available capital losses are first applied to reduce the capital gain.

The CGT discount allows a CIE Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50%, including only the remaining 50% of the capital gain in the taxable income of that individual or trust.

A CIE Shareholder that is a complying superannuation entity may discount the capital gain by 33.3% and include 66.6% of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to a CIE Shareholder that is a company.

10.6. Stamp duty and GST

Neither the sale of CIE Shares, nor the issue of WAM Shares should give rise to any stamp duty liability for existing CIE Shareholders.

10.7. Goods and Services Tax (GST)

The sale of CIE Shares by existing shareholders as contemplated will not attract GST. Similarly, no GST will be payable on the acquisition of WAM Shares.

Where shareholders are registered or required to be registered for GST, any GST incurred on expenses that relate to the sale of existing shares or acquisition of new shares may not be recoverable if the individual shareholder exceeds the financial acquisitions threshold as set out in the relevant GST legislation. However, a reduced input tax credit equal to 75% of the GST incurred may still be available if the acquisition constitutes a reduced credit acquisition.

Where CIE Shareholders are not registered, or required to be registered for GST, no GST implications should arise in relation to the Offer.

10.8. Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, WAM does not accept any responsibility for tax implications for individual CIE Shareholders.

WAM is not a registered tax agent under the Tax Agent Services Act 2009 (Cth) and cannot provide tax advice to specific CIE Shareholders. CIE Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

II. Additional information

11.1. WAM is a disclosing entity

As WAM is offering WAM Shares as consideration for the acquisition of CIE Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of WAM Shares under sections 710 to 713 of the Corporations Act. WAM does not need to issue a separate prospectus for the Offer of the WAM Shares as the offer occurs under a takeover bid.

WAM is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, WAM is required to continuously disclose to the market any information it has, which a reasonable person would expect to have a material effect on the price or the value of WAM's Shares.

WAM Shares have been quoted on the ASX during the 12 months before the date of this Bidder's Statement. For this reason, WAM is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where WAM's shares are continuously quoted securities, the prospectus is only required to contain information on the effect of the Offer on WAM and the rights and liabilities attaching to the WAM Shares. It is not necessary to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company unless that information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of those matters and the rights and liabilities attaching to the WAM Shares.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. WAM, as a disclosing entity under the Corporations Act, states that:

- a) it is subject to regular reporting and disclosure obligations;
- b) copies of documents lodged with ASIC by WAM (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - i) the financial statements of WAM for the 12 months ended 30 June 2020 (being the annual report most recently lodged by WAM with ASIC);
 - ii) the half-year financial report lodged for the six months ended 31 December 2019 lodged with ASIC by WAM; and

- iii) all continuous disclosure notices given by WAM after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

If you would like to receive a copy of any of these documents or publications, please call Chairman Geoff Wilson AO on 02 9247 6755 or our Chief Financial Officer Jesse Hamilton on 0401 944 807.

Copies of all documents lodged with ASIC in relation to WAM can be inspected at the registered office of WAM during normal office hours. A list of announcements made by WAM on the ASX between 30 June 2020 and the date of this Bidder's Statement as it appears in Schedule 2.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that a CIE Shareholder or a professional adviser to a CIE Shareholder would reasonably require for the purposes of making an informed assessment of:

- a) the assets and liabilities, financial position and performance, profits and prospects of WAM; or
- b) the rights and liabilities attaching to WAM Shares.

None of the information referred to in this Section 11.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

11.2. Capital Structure of WAM

The total number of WAM Shares on issue is 725,465,456 listed shares. There are no other WAM securities on issue.

On 3 September 2020, WAM lodged a bidder's statement and announced its intention to acquire all of the issued shares of Concentrated Leaders Fund Limited (ASX: CLF) by way of a conditional off-market takeover offer. The CLF Offer is currently open and will close on 19 October 2020 (unless extended or withdrawn). If the CLF Offer is successful, CLF will also become a wholly owned subsidiary of WAM and will form part of the Enlarged Group. See www.asx.com.au for details of the CLF Offer. The CLF Offer is not considered to be a material transaction for the purposes of this Bidder's Statement.

Under the CLF Offer, the maximum number of WAM Shares which would be issued as consideration is 28,290,524.

11.3. Rights and liabilities attaching to WAM Shares

The rights and liabilities attaching to ownership of the WAM Shares arise from a combination of WAM's constitution, statute, the Listing Rules and general law.

A summary of the significant rights and liabilities attaching to WAM's Shares is set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of WAM Shareholders.

Voting at a general meeting

Subject to any shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of WAM or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid WAM Share held. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the share.

Meeting of members

Each WAM Shareholder is entitled to receive notice of, attend and vote at meetings of WAM and to receive all notices, accounts and other documents required to be sent to WAM Shareholders under WAM's constitution, the Corporations Act and the Listing Rules.

Dividends

The WAM Directors may authorise the payment of dividends to members as and when permitted by the Corporations Act. Dividends are payable on all WAM Shares in proportion to the amount of the total issue price paid or credited as paid for the WAM Shares. This is subject to any special or preferential rights attached to any class of shares created after the issue of the WAM Shares. If a fully paid share is on issue for only part of the period in respect of which a dividend is payable, the dividend for that share will be apportioned and paid according to the proportion that the part of that period for which the share is on issue and is fully paid is of the total period for which the dividend is payable.

Transfer of WAM Shares

WAM Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the WAM Directors.

The Directors may only decline to register a transfer of WAM Shares (other than a proper transfer under the ASX Settlement Operating Rules) where permitted or required to do so under the Listing Rules. If the Directors refuse to register a transfer, WAM must, within five Business Days after the transfer is lodged with WAM, give the party lodging the transfer written notice of the refusal and the reason for refusal. The WAM Directors must decline to register a transfer of WAM Shares when required by the Corporations Act or the Listing Rules.

Issue of further WAM Shares

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in WAM on terms as they see fit. However, the WAM Directors must act in accordance with the restrictions imposed by WAM's constitution, the Corporations Act, the Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If WAM is wound up, the liquidator may, with the sanction of a special resolution, divide among the WAM Shareholders the whole or any part of the property of WAM and may for that purpose set such value as the liquidator considers fair upon any property to be so divided and may determine how the divisions is to be carried out as between the WAM Shareholders or different classes of WAM Shareholders.

Share buy-back

Subject to the provisions of the Corporations Act and the Listing Rules, WAM may buy back WAM Shares on terms and at times determined by the WAM Directors.

Variation of class rights

Unless otherwise provided by WAM's constitution or by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or abrogated:

- a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- b) with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

In either case, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or abrogated, may apply to a court of competent jurisdiction to exercise its discretion to set aside that variation or abrogation.

Dividend reinvestment plan

WAM's constitution authorises the WAM Directors to establish and maintain dividend reinvestment plans (whereby any member may elect that dividends payable by WAM be reinvested by way of subscription for shares in WAM).

Indemnities

To the extent permitted by law, WAM indemnifies every officer and former officer of WAM against a liability incurred by the person acting in that capacity. In addition, every officer is indemnified out of the assets of WAM against any liability incurred in defending any civil or criminal proceedings in which judgment is given in favour of the officer, or in which the officer is acquitted.

Alteration of WAM's constitution

WAM's constitution can only be amended by special resolution passed by at least 75% of WAM Shareholders present and voting at a general meeting of WAM. WAM must give at least 28 days written notice of its intention to propose a resolution as a special resolution.

11.4. Capital structure of CIE

- a) WAM's Offer is to acquire all of the issued CIE Shares that it does not already control.
- b) At the date of this Bidder's Statement, there are 125,529,319 CIE Shares on issue.

11.5.Details of WAM's Relevant Interests in CIE Shares

At the date of this Bidder's Statement, the number of CIE Shares in which WAM had a Relevant Interest is set out below:

Class of securities	Total number in class	% of Shares on issue
CIE Ordinary Shares	15,441,043	12.3

As at the date of this Bidder's Statement WAM and its Associates have Voting Power of 13.8% in CIE.

WAM reserves the right to purchase CIE Shares outside the Offer at any time during the Offer Period, subject to the Corporations Act.

11.6.Details of WAM's Directors Relevant Interests in CIE Shares

At the date of this Bidder's Statement, no WAM Director has any Relevant Interests in CIE Shares.

11.7.Valuation of CIE Shares for the purpose of the minimum bid price rule

WAM may rely on the provisions of ASIC Corporations (Minimum Bid Price) Instrument 2015/1068. That Instrument provides relief from the requirement in section 621(4) of the Corporations Act and allows a bidder up to five Business Days before the date of the Offer to value quoted Securities that it is offering as part of its bid consideration, for the purpose of determining whether the value of WAM's bid consideration at least equals the maximum value of consideration paid by WAM for CIE Shares in the four months prior to the date of this Bidder's Statement (described in Section 5.3).

Relying on that relief, WAM may value WAM Shares to be provided under the Offer at any date nominated by WAM (Valuation Date) up to five Business Days before the date of the Offer. The valuation is determined by calculating the VWAP of WAM Shares in the ordinary course of trading on the ASX during two full trading days before the Valuation Date.

Under section 621(4A) (as inserted in the Corporations Act by ASIC Corporations (Minimum Bid Price) Instrument 2015/1068) the following information is provided:

- a) valuation of WAM Shares under section 621(4A): \$[*] per WAM Share
- b) Valuation Date: [*]
- c) trading days on which valuation is based: [*] and [*]

The value of the Offer Consideration per CIE Share for the purposes of section 621 of the Corporations Act using this valuation is therefore A\$[*].

The value exceeds the maximum value of consideration paid by WAM for CIE Shares in the four months prior to the date of the Offer (as described in Section 5.3). This value exceeds the maximum value of the consideration per CIE Share paid by WAM in the four months prior to the date of the bid, as set out in below and in Section 5.3.

During the four months prior to the date of the Offer, WAM has acquired CIE Shares under CIE's Placement to professional and sophisticated investors announced to the market on 12 August 2020 and through on-market purchases in September 2020. Under the Placement, WAM received 1,911,025 CIE Shares at the subscription price of \$0.625 per CIE Share, which were issued on 19 August 2020. WAM purchased 137,619 CIE Shares on-market during September 2020 at the price of \$0.625 per CIE Share.

WAM Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that WAM Shares will continue to be worth equal to or above \$[*]. The highest and lowest closing prices of WAM Shares on the ASX in the four months before the Valuation Date were \$[*] and \$[*] respectively.

11.8.No collateral benefits

Neither WAM nor any of its Associates has, during the period of four months ending on the day immediately before the date of the Offer, given, or offered or agreed to give, a benefit to another person likely to induce the other person, or an Associate, to:

- a) accept the Offer; or
- b) dispose of CIE Shares,

which benefit was not offered to all CIE Shareholders under the Offer.

11.9.No escalation agreements

Neither WAM nor any Associate of WAM has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

11.10. Regulatory approvals

There are no regulatory approvals that WAM needs to obtain before acquiring CIE Shares before or under the Offer.

11.11. ASIC modifications and exemptions

ASIC has published various class orders and instruments providing for modifications and exemptions that apply generally to all persons, including WAM, about the operation of Chapter 6 of the Corporations Act. WAM may rely on this relief.

WAM has relied on the modification to section 636(3) of the Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 'Takeover Bids' to include references to certain statements in documents lodged with ASIC and ASX without obtaining the consent of the persons to whom those statements are attributed.

WAM will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to CIE Shareholders who request them before the end of the Offer Period.

To obtain a copy of these documents (or the relevant extracts) CIE Shareholders should contact WAM by calling Chairman Geoff Wilson AO on 02 9247 6755 or Chief Financial Officer Jesse Hamilton on 0401 944 807.

11.12. Foreign Shareholders

If you are a Foreign Shareholder, unless WAM otherwise determines that:

- a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with WAM Shares on acceptance of the Offer; and
- b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its or external territories,

you will not be entitled to receive WAM Shares as consideration for your CIE Shares.

Instead, WAM will:

- a) arrange for the issue to the Nominee of the number of WAM Shares to which you and all other Foreign Shareholders would have been entitled but for clause 3.1 of Schedule 1; and
- b) cause the Nominee to offer for sale those WAM Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- c) pay to you the amount ascertained under the formula in clause 7.3 of Schedule 1.

Notwithstanding anything else contained in this Bidder's Statement, WAM is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive WAM Shares.

11.13. Consents

PwC Australia has given (and before lodgement of this Bidder's Statement has not withdrawn) its written consent to be named as the Original Australian legal adviser to the Offer in the form and context in which it is named.

Mills Oakley has given (and before lodgement of this Bidder's Statement has not withdrawn) its written consent to be named as the Principal Australian legal adviser to the Offer in the form and context in which it is named.

Boardroom Pty Limited (ACN 003 209 836) (Boardroom) has given and before lodgement of this Bidder's Statement has not withdrawn its written consent to be named as registry for the Offer in the form and context in which it is named.

Each of PwC Australia, Mills Oakley and Boardroom:

- a) has not authorised or caused the issue of this Bidder's Statement;
- b) does not make, or purport to make, any statement in this Bidder's Statement other than as specified in this Section; and

- c) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Bidder's Statement other than the reference to its name and the statements (if any) included in this Bidder's Statement with the consent of that party as specified in this Section.

11.14. Date for determining holders of CIE Shares

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is [*].

11.15. Fees and benefits payable to Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- a) WAM Director or proposed WAM Director;
- b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- c) promoter of WAM,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- a) the formation or promotion of WAM;
- b) any property acquired or proposed to be acquired by WAM in connection with its formation or promotion or in connection with the issue of WAM Shares under the Offer; or
- c) the offer of WAM Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed Director of WAM as an inducement to become, or to qualify as, a Director of WAM or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of WAM or the offer of WAM Shares under this Bidder's Statement.

The WAM Directors have the following Relevant Interests in WAM Shares (either held directly, held by entities controlled by them or held by entities of which they are WAM Directors or held by family members) at the date of this Bidder's Statement:

Director	Balance at 30 June 2020	Balance as at date of this Bidder's Statement
Geoff Wilson AO	412,884	412,884
Dr Philippa Ryan	-	-
James Chirnside	35,815	35,815
Lindsay Mann	63,880	63,880
Kate Thorley	57,491	57,491
Matthew Pancino	-	-
TOTAL	570,070	570,070

Insurance and indemnity arrangements are in place for WAM Directors and officers of WAM. To the extent permitted by law, WAM indemnifies every person who is or has been an officer against:

- a) any liability to any person (other than WAM, related entities or a major shareholder) incurred while acting in that capacity and good faith; and
- b) costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

For this purpose 'officer' means any WAM Director or secretary of WAM or any Subsidiary of WAM. Under the terms of the indemnity, WAM must maintain indemnity insurance coverage for a period of seven years after the officer held their position in WAM and allow the officer access to certain records after ceasing to hold office in WAM for a period of seven years.

PwC Australia and Mills Oakley have acted as Australian legal advisers to WAM in relation to the Offer. WAM estimates that it will pay amounts totalling \$85,000 in respect of this work.

11.16. Expiry date

No WAM Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

11.17. Other material information

There is no other information material to the making of a decision about whether or not to accept the Offer (being information that is known to WAM and has not previously been disclosed to the holders of CIE Shares) other than as disclosed in this Bidder's Statement.

11.18. Costs and expenses

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer will be paid by WAM.

12. Definitions and interpretations

12.1. Definitions

The following defined terms are used throughout this Bidder's Statement unless the context otherwise requires:

\$ or c	Australian dollars or cents.
Acceptance Form	The acceptance form for the Offer accompanying this Bidder's Statement.
Announcement Date	Means 28 September 2020, the date on which this Bidder's Statement was lodged with ASIC.
ASIC	Australian Securities and Investments Commission.
Associate	Has the same meaning given to that term in section 9 of the Corporations Act.
ASX	ASX Limited (ACN 008 624 691) on the market it administers being Australian Securities Exchange (as the context requires).
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
Bidder's Statement	This document, being the statement made by WAM under Part 6.5 Division 2 of the Corporations Act.
Board	Means the board of directors of CIE.
Broker	A person who is a stockbroker and participant in CHESS.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that the ASX declares is not a business day.
CGT	Capital gains tax.
CHESS	The Clearing House Electronic Subregister System which provides for the electronic transfer, settlement and registration of securities in Australia.
CHESS Holding	A holding of CIE Shares on the CHESS subregister of CIE.
CIE	Contango Income Generator Limited (ACN 160 959 991)
CIE DRP	Means the CIE dividend reinvestment plan.
CIE Manager	Contango Asset Management Limited (ACN 080 277 998).
CIE Share	A fully paid ordinary share in the capital of CIE.
CIE Shareholder	A registered holder of CIE Shares.
Condition	Each condition set out in Schedule 1.
Controlling Participant	Has the meaning given in the ASX Settlement Operating Rules.
Corporations Act	The Corporations Act 2001 (Cth).
Defeating Condition	Each condition set out in clause 8.1 of Schedule 1.
Director	Means a director of CIE.

Enlarged Group	WAM with CIE as a wholly owned Subsidiary.
Foreign Shareholder	Any CIE Shareholder whose address in CIE's register of members is a place outside Australia and its external territories, to whom it is unlawful for WAM to make the Offer or for whom it is unlawful to accept the Offer.
FVTPL	Fair value through profit and loss.
Governmental Agency	Any government, semi-government, administrative, fiscal, judicial or regulatory body, department, commission, authority, tribunal, agency or entity.
GST	Goods and services tax.
Investment Management Agreement	Investment Management Agreement between CIE and the CIE Manager dated on or around 21 September 2020.
Issuer Sponsored Holding	A holding of CIE Shares on CIE's issuer sponsored sub-register.
Listing Rules	The listing rules of the ASX.
Nominee	Means the nominee to be appointed by WAM for the purposes detailed in Section 11.12.
NTA	Net tangible assets.
Offer	The offer as set out in Schedule 1 of this Bidder's Statement itself and includes a reference to that offer as varied in accordance with the Corporations Act.
Offer Consideration	Consideration offered by WAM for CIE Shares as set out in Section 9.
Offer Period	The period for which the Offer remains open.
Offers	The Offer and each of the other offers made in the same terms for CIE Shares and includes a reference to those offers as varied in accordance with the Corporations Act.
Official List	The official list of entities that the ASX has admitted and not removed.
Official Quotation	Official quotation of a Security on a market operated by the ASX.
Placement	Means CIE's placement to professional and sophisticated investors, announced to the market on 12 August 2020.
Prescribed Occurrence	Each event referred to in Sections 652C(1) and (2) of the Corporations Act which is set out in section 8.1(c) of Schedule 1 in this Bidder's Statement.
Register Date	[*].
Relevant Interest	Has the meaning given in sections 608 and 609 of the Corporations Act.
Rights	All accretions, rights or benefits of whatever kind attaching to or arising from CIE Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or issued by CIE or any of its Subsidiaries.
Security	Has the meaning as given in section 92 of the Corporations Act.

Security Interest	Any: a) “security interest” as defined in the Personal Properties Securities Act Law; b) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or title retention arrangement, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements); c) a thing or preferential interest or arrangement of any kind giving a person priority or preference over claims of other persons or creditors with respect to any property or asset, and includes any agreement to create any of them or allow them to exist.
SPP	Means CIE’s share purchase plan, announced to the market on 12 August 2020.
Strategic Review	Means the detailed strategic review proposed by WAM detailed in Section 7.2 of this Bidder’s Statement.
Subsidiary	Has the meaning given in the Corporations Act.
Takeovers Panel	The Australian Government Takeovers Panel.
Voting Power	Has the same meaning given to that term in section 610 of the Corporations Act.
VWAP	Volume-weighted average price.
WAM	WAM Capital Limited (ACN 086 587 395).
WAM Board	The board of directors of WAM.
WAM Director	A director of WAM.
WAM Dividend	A 7.75 cents per WAM Share fully franked dividend announced by WAM on 8 July 2020.
WAM Share	A fully paid ordinary share in the capital of WAM.
WCM Investment Management	WCM Investment Management, LLC.
Wilson Asset Management	Wilson Asset Management (International) Pty Limited (ACN 081 047 118).

12.2. Interpretation

In this Bidder's Statement, unless the context requires otherwise:

- c) a reference to a word includes the singular and the plural of the word and vice versa;
- d) a reference to a person in this Bidder's Statement or any other document or agreement includes its successors and permitted assigns;
- e) a reference to a gender includes any gender;
- f) a reference to an item in a Section, Schedule, Annexure or Appendix is a reference to an item in the section of or schedule, annexure or appendix to this Bidder's Statement and references to this Bidder's Statement include its schedules and any annexures;
- g) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- h) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a Governmental Agency;
- i) headings are included for convenience only and do not affect interpretation;
- j) a reference to a document or agreement including this Bidder's Statement, includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- k) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- l) the terms included, including and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- m) a reference to a statute or statutory provision includes but is not limited to:
 - i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- n) reference to \$, A\$, Australian Dollars or dollars, c or cents is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- o) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

13. Approval of Bidder's Statement

This Bidder's Statement has been approved by a unanimous resolution of the WAM Directors of WAM.

Dated 28 September 2020

Signed for and on behalf of WAM Capital Limited.



Geoff Wilson AO
Chairman

Schedule 1 – Terms of the Offer

1. Offer

- 1.1 WAM offers, to each holder of CIE Shares at 7.00pm (AEST) on the Register Date, to acquire all of their CIE Shares together with all the Rights attaching to them on the terms set out in this Schedule 1. This Offer extends to any person who is able during the Offer Period to give good title to CIE Shares and has not already accepted an Offer for those CIE Shares.
- 1.2 This Offer extends to all CIE Shares that WAM does not have a Relevant Interest in that:
- (a) exist at the Register Date; and
 - (b) are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, any securities which confer on the holder the right to have CIE Shares issued to them.
- 1.3 By accepting this Offer, you undertake to transfer to WAM not only the CIE Shares to which the Offer relates but also all the Rights attached to the CIE Shares.
- 1.4 WAM Shares issued under this Offer will rank equally in all respects with WAM Shares on issue at the Register Date.
- 1.5 This Offer is dated [*].

2. Offer Consideration

- 2.1 Subject to clause 3.1 of this Schedule 1, the price under the Offer Consideration is 1 WAM Share for every 3 CIE Shares you own.

3. Foreign Shareholders

- 3.1 If at the time this Offer is made to you, you are a Foreign Shareholder and WAM does not make a determination under Section 11.12, you will not be entitled to receive WAM Shares as consideration for your CIE Shares. Instead, you will receive a cash amount calculated under clause 7.3 of this Schedule 1.

4. Fractional entitlements

- 4.1 If you accept the Offer and are entitled to receive a fraction of a WAM Share, the number of WAM Shares you are entitled to under this Offer is rounded up to the next whole number of WAM Shares if it is 0.5 or more, and rounded down to the nearest whole number if it is less than 0.5. If you are entitled to a fraction of a cent, that fraction is rounded to the nearest cent on the same basis. If WAM reasonably believes that you have manipulated your holding of CIE Shares to take advantage of

rounding up, then any fractional entitlement is aggregated or rounded down to the next whole number of WAM Shares.

5. Offer Period

- 5.1 The Offer will remain open for acceptance during the period commencing on [*], and ending at 7.00pm Sydney time on [*], unless it is withdrawn or extended under the Corporations Act.

6. How to accept this Offer

[All of your holding](#)

- 6.1 This Offer is for all of your CIE Shares.

[Acceptance procedure for CIE Shareholders](#)

- 6.2 The acceptance procedure will depend on whether your CIE Shares are in a CHESS Holding or an Issuer Sponsored Holding.

[If you hold your CIE Shares in a CHESS Holding](#)

- 6.3 You must comply with the ASX Settlement Operating Rules.
- 6.4 If you are a sponsored CHESS holder of CIE Shares, to accept the Offer you must:
- (a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
 - (b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise WAM to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

[If you hold your CIE Shares in an Issuer Sponsored Holding](#)

- 6.5 If your CIE Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions contained within it and deliver it or send it by post so that it is received by WAM's share registry of the Offer before the end of the Offer Period.

[If you are a Broker or a non-Broker participant](#)

- 6.6 If you are a Broker or non-Broker participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

- 6.7 The mailing and delivery address for completed Acceptance Forms and any associated documents are as follows:

By mail:

Contango Income Generator Limited Takeover
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Hand delivered:

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

- 6.8 A reply-paid envelope (not able to be used by CIE Shareholders outside Australia) is enclosed for your convenience.

Acceptance Form

- 6.9 The Acceptance Form which accompanies this Offer forms part of this Offer. The requirements on the Acceptance Form must be observed in accepting this Offer for your CIE Shares.

Power of attorney, deceased estate

- 6.10 When accepting this Offer, you must also forward for inspection:
- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
 - (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased CIE Shareholder, the relevant grant of probate or letters of administration.

When acceptance is complete

- 6.11 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in clause 6.7 of Schedule 1 and the requirements of this clause have been met, provided that:
- (a) WAM may in its sole discretion waive any or all of those requirements at any time; and
 - (b) where those requirements have been complied with for some but not all of your CIE Shares, WAM may, in its sole discretion, deem your acceptance of

this Offer complete in respect of those CIE Shares for which the requirements have been complied with but not in respect of the remainder.

- 6.12 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

7. Provision of consideration

When consideration is provided

- 7.1 Subject to clauses 7.3 and 7.4 of this Schedule 1, you will receive the consideration you are entitled to within one month of the later of:

- (a) the date you accept the Offer; and
- (b) the date the Offer becomes unconditional.

- 7.2 In any event, you will receive the consideration you are entitled to within 21 days after the end of the Offer Period (assuming all Defeating Conditions are satisfied or waived).

Payments to Foreign Shareholders

- 7.3 If you accept the Offer and you are a Foreign Shareholder and WAM does not make a determination under Section 11.12 of this Bidder's Statement:

- (a) WAM will arrange for the issue to the Nominee of the number of WAM Shares to which you and all other Foreign Shareholders would have been entitled under the Offer but for clause 3.1 of this Schedule 1;
- (b) WAM will cause the Nominee to offer for sale the WAM Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;
- (c) WAM will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your WAM Shares}}{\text{Total Nominee WAM Shares}}$$

where:

- (i) Net Proceeds of Sale means the amount which is received by the Nominee upon the sale of all WAM Shares under this clause 7.3 less brokerage and other sale expenses;
- (ii) Your WAM Shares means the number of WAM Shares which would, but for clause 3.1 of this Schedule 1, have been allotted to you under the Offer;

- (iii) Total Nominee WAM Shares means the total number of WAM Shares allotted to the Nominee under this clause 7.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail to the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

7.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, WAM will provide the consideration in accordance with clause 7.1 of this Schedule 1;
- (b) after acceptance and before the end of the Offer Period and the Offer is subject to a Defeating Condition at the time that WAM is given the documents, WAM will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;
- (c) after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that WAM is given the documents, WAM will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after WAM is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) after the end of the Offer Period, WAM will provide the consideration within 21 days after the documents are given, but if at the time WAM is given the documents, the contract resulting from your acceptance of the Offer is still

subject to one or more of the Defeating Conditions, WAM will provide the consideration within 21 days after that contract becomes unconditional.

- 7.5 If you do not give WAM the required additional documents within one month after the end of the Offer Period, WAM may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

Where WAM is entitled to any Rights

- 7.6 If WAM becomes entitled to any Rights as a result of your acceptance of the Offer, it may require you to give WAM all documents necessary to vest those Rights in WAM or otherwise give the benefit or value of those Rights. If you do not give those documents to WAM, or if you have received the benefit of those Rights, then WAM may reduce the number of WAM Shares to which you are otherwise entitled under this Offer by the amount equal to the value, (as reasonably assessed by WAM), of those Rights in accordance with clause 7.7 of this Offer.

- 7.7 If:

- (a) you have (or any previous holder of your CIE Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your CIE Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous holder of your CIE Shares is) the registered holder of the CIE Share at the specified time for determining those entitled to the dividend; or
- (c) your CIE Shares were issued (or otherwise came into existence) on or after the record date in respect of any Rights to CIE Shareholders,

then WAM may reduce the number of WAM Shares to be issued to you under this Offer by the value (as reasonably assessed by WAM) of such Rights. If WAM does not or cannot, make such a reduction, you must pay such value or amount to WAM.

Payment to be mailed by cheque

- 7.8 Payment of any cash amount to which you are entitled (by virtue of you being a Foreign Shareholder) will be mailed by cheque (or otherwise as agreed by WAM) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 7.9 If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether

under the Banking (Foreign Exchange) Regulations 1959 (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

8. Conditions of the Offer

Conditions

- 8.1 This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the following Defeating Conditions:
- (a) **(Minimum acceptance)** Before the end of the Offer Period, WAM has a Relevant Interest in at least 50.1% (by number) of CIE Shares;
 - (b) **(No proposal to change or re-assign the Investment Management Agreement to a party other than Wilson Asset Management)** Between the date of this Bidder's Statement and the end of the Offer Period, the Investment Management Agreement is not varied or assigned and no new investment management agreement is entered into (or CIE enters into an agreement in relation to any of the foregoing) other than an assignment to, or entry into an agreement with, Wilson Asset Management;
 - (c) **(No Prescribed Occurrences)** Between the date of this Bidder's Statement and the end of the Offer Period, none of the following occur (each, a **Prescribed Occurrence**):
 - (i) CIE converts all or any of its shares into a larger or smaller number of shares;
 - (ii) CIE or a Subsidiary of CIE resolves to reduce its share capital in any way;
 - (iii) CIE or a Subsidiary:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
 - (iv) CIE or a Subsidiary of CIE issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) CIE or a Subsidiary of CIE issues or agrees to issue convertible notes;
 - (vi) CIE or a Subsidiary of CIE disposes or agrees to dispose, of the whole, or a substantial part of its business or property;
 - (vii) CIE or a Subsidiary of CIE grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) CIE or a Subsidiary of CIE resolves to be wound up;

- (ix) a liquidator or provisional liquidator of CIE or a Subsidiary of CIE is appointed;
 - (x) a court makes an order for the winding up of CIE or a Subsidiary of CIE;
 - (xi) an administrator of CIE or a Subsidiary of CIE is appointed under section 436A, 436B or 436C of the Corporations Act;
 - (xii) CIE or a Subsidiary of CIE executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of CIE or a Subsidiary of CIE.
- (d) **(No fall in NTA)** the pre-tax NTA of CIE not declining by 7.5% or more below the pre-tax net NTA of CIE of \$0.746 per share, announced to the ASX in the Monthly NTA Statement 31 August 2020 on 4 September 2020;
- (e) **(No market fall)** the Dow Jones Industrial Average, in AUD terms, not closing at a level that is 5% or more below the level of that index at 5.00pm (Sydney time) on the trading day immediately prior to the Announcement Date and remaining at or below that level for at least two consecutive trading days;
- (f) **(No material adverse change)** Between the date of this Bidder's Statement and the end of the Offer Period, there is no occurrence of any change which has or could reasonably be expected to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of CIE and/or its Subsidiaries;
- (g) **(No material change to the business of CIE and/or its Subsidiaries)** Between the date of this Bidder's Statement and the end of the Offer Period, none of the following occur, without the written consent of WAM:
- (i) CIE or a Subsidiary of CIE, adopts a new constitution or makes any change to its constitution or passes any special resolution or proposes to do so;
 - (ii) CIE or a Subsidiary of CIE, gives or agrees to give any encumbrance (including a Security Interest or mortgage) over any of its assets otherwise than in the ordinary course of business; or
 - (iii) CIE or a Subsidiary of CIE, appoints any additional Director to its Board of Directors whether to fill a casual vacancy or otherwise.
- (h) **(No regulatory action)** Between the date of this Bidder's Statement and the end of the Offer Period:
- (i) no preliminary or final decision, order or decree is made or issued;

(ii) no action, proceeding or investigation is announced, commenced or threatened; and

(iii) no application is made (other than by WAM or its Associates),

by or to any regulatory organisation or Governmental Agency which is likely to or threatens to restrain, prohibit, impede or otherwise materially adversely affect the making of the Offer, the acquisition of the CIE Shares by WAM, the rights of WAM in respect of CIE and the CIE Shares or the continued operation of the businesses of CIE or its Subsidiaries (other than any action or decision by or application to ASIC or the Takeovers Panel in exercise of the powers or discretions conferred by the Corporations Act).

Nature of conditions

8.2 Each of the Defeating Conditions:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and
- (c) until the expiration of the Offer Period will be for the benefit of WAM alone and may be relied upon only by WAM.

Conditions apply to multiple events

8.3 Where an event occurs that would mean at the time the event occurs a Defeating Condition would not be satisfied, each Defeating Condition affected by that event becomes two separate conditions on identical terms except that:

- (a) one of them relates solely to that event; and
- (b) the other specifically excludes that event.

8.4 WAM may declare the Offer free, under clause 8.5, from either of those conditions without declaring it free from the other and may do so at different times. This clause may apply any number of times to a Defeating Condition (including a condition arising from a previous operation of this clause).

Effect of breach or non-fulfilment

8.5 The breach or non-fulfilment of any of the Defeating Conditions does not prevent a contract arising to acquire your CIE Shares resulting from your acceptance of this Offer. If at the end of the Offer Period, in respect of any Defeating Condition:

- (a) WAM has not declared the Offers (and they have not become) free from that Defeating Condition; or
- (b) that Defeating Condition has not been satisfied,

all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts are void. In that case, WAM will return the

Acceptance Form together with all documents to the address shown in the Acceptance Form.

WAM may decide the Offer is free from all or any of the Defeating Conditions

- 8.6 WAM may at any time at its sole discretion but in compliance with section 650F and section 630(1) of the Corporations Act, declare the Offer free from all or any of the Defeating Conditions by written notice to CIE not later than [*].

Date for giving notice on status of Defeating Conditions

- 8.7 The date for giving a notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) of the Corporations Act if the Offer Period is extended.

Effect of acceptance

- 8.8 Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:
- (a) by the end of the Offer Period, the Defeating Conditions have not all been satisfied or waived in which case, this Offer will automatically terminate; and
 - (b) the circumstances set out in section 650E of the Corporations Act apply.
- 8.9 By signing and returning the Acceptance Form, you will be deemed to have:
- (a) irrevocably accepted this Offer (and each variation of this Offer) in respect of all your CIE Shares despite any difference between that number and the number of CIE Shares shown in the Acceptance Form;
 - (b) irrevocably authorised WAM to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your CIE Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your CIE Shares to WAM;

- (c) represented and warranted to WAM, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to WAM:
 - (i) you have paid to CIE all amounts which are due for payment for your CIE Shares;
 - (ii) all of your CIE Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those CIE Shares;
- (d) granted to WAM and each of its Directors power of attorney to sign any document or do anything on your behalf necessary to cause CIE to issue a replacement share certificate for those CIE Shares;
- (e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by WAM or any of its Directors under the power of attorney granted by clause 8.9(d) of this Schedule 1; and
 - (ii) indemnify WAM and each of its Directors in respect of that act;
- (f) from the time of acceptance until the Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period, irrevocably appointed WAM or any nominee of WAM as your attorney to exercise all your powers and rights attaching to your CIE Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of CIE or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Offer being successful and to do so in a way which would prevent that effect arising;
- (g) on this Offer or any takeover contract becoming unconditional, agreed not to attend or vote in person at any general meeting of CIE, and irrevocably appointed WAM or any nominee of WAM as your attorney to exercise all your powers and rights attaching to your CIE Shares including (without limitation):
 - (i) to requisition, convene, attend and vote at all general meetings of CIE or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your CIE Shares, and generally to exercise all powers and rights which you may have as a CIE

Shareholder and perform actions as may be appropriate to vest good title in your CIE Shares in WAM;

- (h) agreed that in exercising the powers conferred by the power of attorney in clause 8.9(f) of this Schedule 1, WAM is entitled to act in the interests of WAM;
- (i) agreed not to exercise or purport to exercise any of the powers conferred on WAM or its nominee in clause 8.9(f) of this Schedule 1;
- (j) agreed to accept the WAM Shares, to which you have become entitled by acceptance of this Offer, subject to the constitution of WAM and have authorised WAM to place your name on the register of members for those WAM Shares; and
- (k) if your CIE Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised WAM:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Offer for your CIE Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your CIE Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

- 8.10 WAM may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

- 8.11 WAM may vary this Offer in accordance with the Corporations Act.

9. Acceptances by transferees and nominees

Who may accept the Offer

- 9.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of CIE Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to that person; and
- (b) any person who holds one or more parcels of CIE Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (iii) each of those parcels; and

- (iv) any parcel they hold in their own right.

Holding shares

- 9.2 A person is taken to hold CIE Shares if the person is, or is entitled to be registered as, the holder of those CIE Shares.

Holding shares on trust or as a nominee

- 9.3 A person is taken to hold CIE Shares on trust for, as nominee for, or on account of, another person if that person:
- (a) is entitled to be registered as the holder of CIE Shares; and
 - (b) holds the interest in the CIE Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 9.4 An acceptance of an Offer under clause 9.1(b) of this Schedule 1 is ineffective unless:
- (a) the person who holds on account of another person, gives that other person written notice stating that the CIE Shares consist of a separate parcel; and
 - (b) the acceptance specifies the number of CIE Shares in that parcel.

Notice of acceptance

- 9.5 A notice under clause (a) of this Schedule 1 must be made in writing.
- 9.6 A person may, at the one time, accept for two or more parcels under clause 9.1(b) of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

10. Other matters

Notices and other communications

- 10.1 Subject to the Corporations Act, a notice or other communication given by WAM to you in connection with this Offer is deemed to be duly given if it is in writing and:
- (i) is delivered at your address as recorded on the register of members of CIE or the address provided in the Acceptance Form; and
 - (ii) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

- 10.2 If:
- (iii) this Offer is withdrawn after your Acceptance Form has been sent to WAM, but before it has been received; or

- (iv) for any other reason WAM does not acquire the CIE Shares to which your Acceptance Form relates,

WAM will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

11. Costs and expenses

- 11.1 All costs and expenses of the preparation, despatch and circulation of the Offers will be paid by WAM. There should be no stamp duty payable by CIE Shareholders upon the issue to them of WAM Shares. Should any stamp duty be payable on the transfer of CIE Shares to WAM pursuant to the Offer due to a change in the relevant legislation during the Offer period, these costs will be paid by WAM.
- 11.2 If your CIE Shares are held in a CHESS Holding or you hold your CIE Shares through a bank, custodian or other nominee, you should ask your Controlling Participant (usually your Broker or the bank, custodian or other nominee) whether it will charge any transaction fees or service charges connected with you accepting the Offer. These costs will not be paid by WAM.
- 11.3 If you are a Foreign Shareholder, the cash proceeds that you will be sent (following the sale of WAM Shares that you would otherwise have been entitled to receive under the Offer) net of transaction costs, will be paid by cheque in Australian dollars.

12. Official Quotation of WAM Shares

- 12.1 Subject to clause 1 of this Schedule 1, the WAM Shares offered by WAM as consideration under the Offer will rank equally with WAM Shares on issue at the Register Date.
- 12.2 WAM has been admitted to the Official List of ASX and shares of the same class as those to be issued as consideration under the Offer have been granted Official Quotation by ASX.
- 12.3 An application will be made within seven days after the start of the bid period (that is, within seven days after the date of this Bidder's Statement) to the ASX for Official Quotation of the WAM Shares issued pursuant to the Offer. However, Official Quotation is not granted automatically on application.
- 12.4 Under section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the WAM Shares issued under the Offer is made within seven days after the start of the bid period and permission for admission to quotation will be granted no later than seven days after the end of the bid period. This condition may not be waived.

Schedule 2 – WAM Announcements since 30 June 2020

Date	Announcement
23/09/2020	CLF: Target's Statement
22/09/2020	Change in substantial holding for KBC
21/09/2020	Proposed issue of Securities - WAM
21/09/2020	Change in substantial holding for CLF
18/09/2020	Bidder's Statement for CLF T/O Bid - offer now open
18/09/2020	Change in substantial holding for MEL - Correction
18/09/2020	Change in substantial holding for MEL
16/09/2020	Change in substantial holding for WCG
16/09/2020	Ceasing to be a substantial holder for CGL
11/09/2020	August 2020 Investment Update
8/09/2020	Appendix 3X Initial Director's Interest Notice - M Pancino
4/09/2020	WAM Capital, WAM Research, WAM Active Investor Q&A
4/09/2020	WAM Capital bids for Concentrated Leaders Fund
4/09/2020	CLF: Off Market Takeover Bid-Take No Action
3/09/2020	Off-Market Takeover Bid for Concentrated Leaders Fund (CLF)
01/09/2020	WAM Capital appoints Director Matthew Pancino
28/08/2020	Change in substantial holding for VVA
28/08/2020	Change in substantial holding for KBC
25/08/2020	Change in substantial holding for ADH
25/08/2020	2020 Full Year Results
25/08/2020	Appendix 4E and Annual Report
25/08/2020	Corporate Governance Statement
25/08/2020	Appendix 4G
21/08/2020	Change in substantial holding for TRS
18/08/2020	CIE proposal for new manager and investment mandate
17/08/2020	Ceasing to be a substantial holder for BWX
14/08/2020	July 2020 Investment Update
13/08/2020	Becoming a substantial holder for WCG
13/08/2020	Change in substantial holding for YOW
4/08/2020	Change in substantial holding for KBC
3/08/2020	Change in substantial holding for ADH

Date	Announcement
3/08/2020	Becoming a substantial holder for TRS
29/07/2020	Change in substantial holding for KBC
24/07/2020	Change in substantial holding for KBC
14/07/2020	June 2020 Investment Update
8/07/2020	Change in substantial holding for BWX
8/07/2020	Investment portfolio outperformance, 15.5cps ff full yr div
8/07/2020	Dividend/Distribution - WAM