

## WAM Capital's takeover offer is now unconditional

13 October 2020  
ASX announcement

WAM Capital Limited (ASX: WAM) refers to the takeover bid for Concentrated Leaders Fund Limited (ASX: CLF) on the terms set out in its bidder's statement dated 3 September 2020 and supplemented on 7 October 2020 (Offer).

**WAM advises that the Offer is now unconditional. If you accept the Offer you will receive the WAM fully franked final dividend of 7.75 cents per WAM Share<sup>1</sup> on 27 November 2020.**

In accordance with section 650F of the Corporations Act, attached is WAM Capital's notice freeing the takeover offer from the defeating condition set out in clause 8 in Schedule 1 of the Bidder's Statement.

The Offer is currently scheduled to close at 7.00pm (Sydney time) on 26 October 2020 (unless otherwise extended or withdrawn).

**The Offer from WAM values CLF Shares at \$1.24 per share<sup>2</sup>, representing:**

- a **25.6% premium** to CLF's Share price before the announcement of the Offer; and
- a **18.4% premium** to CLF's 30 September 2020 pre-tax net tangible assets (NTA).

When you accept the Offer you will receive 2 new WAM Shares for every 3.7 CLF Shares. This represents a highly attractive premium over the historical market price of CLF Shares.

The ASX-listed price of WAM Shares and CLF Shares is the only tangible and realisable value of those shares.

Outside of WAM's Offer, the CLF Share price is the sole value that shareholders can currently exit (or enter) their investment at, notwithstanding CLF's NTA.

**The Offer provides you with a choice:**

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

CLF Shareholders who do not wish to become long-term WAM Shareholders can accept the Offer and utilise WAM's superior on-market liquidity to exit their position at a significant premium to both the CLF Share price and the CLF NTA.

While there are many factors that may influence the market price of CLF Shares, the recent improvement in the CLF Share price is a direct result of WAM's Offer; it does not reflect the substantial discount to CLF's NTA before the announcement of the Offer.

There is a real risk that CLF Shares may fall to at or below the pre offer CLF share price after the close of the Offer from WAM if you do not accept.

**To ACCEPT the Offer, complete the form previously mailed to you or call 1300 737 760 to request a replacement. The Offer is currently scheduled to CLOSE on 26 October 2020.**

<sup>1</sup> This assumes you accept the Offer and WAM Shares are issued to you by 20 November 2020. The WAM fully franked final dividend of 7.75 cents is payable on 27 November 2020.

<sup>2</sup> Based on the WAM share price of \$2.30 as at 13 October 2020, the CLF 30 September 2020 reported pre-tax NTA of \$1.05 per share and the CLF Share price of \$0.99 as at 2 September 2020, being the date before the announcement of the WAM Offer.

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## 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 history of paying fully franked dividends;
- WAM's track record of investment portfolio outperformance; and
- WAM's greater market capitalisation and on-market liquidity.

## An exit opportunity with WAM Capital

The Offer Consideration is 2 WAM Shares for every 3.7 CLF Shares you own. The Offer is equivalent to \$1.24 per CLF Share, a 25.6% premium to the closing price of CLF Shares the trading day before the date of the Bidder's Statement of \$0.99 and represents:

- a 21.1% premium to the VWAP of CLF Shares for one month before the date of the Bidder's Statement;
- a 24.2% premium to the VWAP of CLF Shares for three months before the date of the Bidder's Statement; and
- a 27.6% premium to the VWAP of CLF Shares for six months before the date of the Bidder's Statement.

CLF Shareholders that accept the Offer will obtain access to WAM's on market liquidity which is far superior to that of CLF. Importantly, this will enable them to exit their position should they choose to do so.

The on-market liquidity of WAM Shares versus CLF Shares provides accepting CLF Shareholders with tangible, realisable value for their CLF Shares and is set out below:

To 30 September 2020	WAM Value	CLF Value
1 month	\$30.5m	\$1.3m
3 months	\$86.9m	\$2.9m
6 months	\$188.6m	\$3.5m
12 months	\$461.7m	\$5.8m

Source: IRESS.

Despite the persistent share price discount to pre-tax NTA of CLF, the CLF Board of Directors has employed inconsistent and ineffective capital management initiatives and have not provided shareholders with the opportunity to exit their positions at or above the announced pre-tax NTA.

The CLF Board have failed to communicate any strategy to close the CLF Share price discount to NTA for CLF Shareholders.

Without the Offer from WAM, CLF Shareholders have no alternative mechanism to exit their investment at a premium.

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## Further information

Further information about the Offer is contained in the **Bidder's Statement**. If you have any questions regarding this proposed transaction, please call Chairman Geoff Wilson AO on 0412 242 712 or Chief Financial Officer Jesse Hamilton on 0401 944 807.

This announcement has been authorised by the Board of WAM Capital Limited.

Capitalised terms in this announcement have the same meaning as the defined terms contained within the Bidder's Statement.

## About WAM Capital

WAM Capital Limited (ASX: WAM) is a listed investment company (LIC) managed by Wilson Asset Management. Listed in August 1999, WAM Capital 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. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital.

## About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 88,000 retail investors. Wilson Asset Management is the creator and lead supporter of Future Generation Australia and Future Generation Global, a passionate advocate for retail investors and a member of the global philanthropic Pledge 1% movement.



For further information, visit [wilsonassetmanagement.com.au](http://wilsonassetmanagement.com.au) or contact:

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Chairman &  
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### Kate Thorley

Chief Executive Officer  
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13 October 2020

WAM Capital Limited  
ACN 086 587 395

Notice under section 650F of the Corporations Act 2001 (Cth)

Notice of freeing of defeating conditions

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To: Concentrated Leaders Fund Limited (CLF)  
ASX Limited

WAM Capital Limited (ACN 086 587 395) (**WAM**) gives notice pursuant to section 650F of the *Corporations Act 2001* (Cth) (**Corporations Act**) that:

- (a) WAM's offer under its off-market takeover bid for all of the ordinary shares in CLF (**Offer**) contained in its bidder's statement dated 3 September 2020 (**Bidder's Statement**) (as supplemented on 7 October 2020) are free from all Defeating Conditions contained in clause 8 in Schedule 1 of the Bidder's Statement. Accordingly, the Offer is now unconditional; and
- (b) as at the date of this notice, WAM's voting power in CLF is 16.45%.

Signed for and on behalf of WAM Capital Limited by:

Geoff Wilson AO  
Chairman