



31 December 2020

The Manager
Market Announcement Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

**INDEPENDENT BOARD COMMITTEE RECOMMENDS ALL SHAREHOLDERS
ACCEPT THE IMPROVED TAKEOVER OFFER BY WAM CAPITAL**

On 3 September 2020, WAM Capital Limited announced an unsolicited conditional off-market takeover offer (**Offer**) for all CLF Shares it did not own. Under the Offer, WAM Capital offered 2 WAM Capital Shares in exchange for every 3.7 CLF Shares owned by CLF shareholders. CLF formed an Independent Board Committee (**IBC**) consisting of Brian Sherman AM, Barry Sechos and John Martin, to evaluate the Offer and make a recommendation to shareholders.

The Offer opened on 18 September 2020 and WAM Capital freed the Offer from all defeating conditions on 13 October 2020. WAM Capital now has voting power of 37.39% in CLF. Prior to the Offer, WAM Capital's voting power in CLF was 13.3%, meaning that its voting power has increased by 24.09% as a result of acceptances under the Offer thus far.

Following discussions between the IBC and WAM Capital, WAM Capital has agreed to vary its Offer by:

- improving the Offer consideration, so that all shareholders will receive **2 new WAM Capital Shares** in exchange for every **3.5 CLF Shares** (instead of every 3.7 CLF Shares) they own; and
- extending the Offer Period so that it will expire at 7pm (Sydney time) on 26 February 2021.

All CLF shareholders who have already accepted the Offer will also receive the improved Offer consideration from WAM Capital.

WAM Capital has also agreed to withdraw its requisition for a general meeting of CLF to vote on changes to the Board. Accordingly, the EGM scheduled for 18 January 2021 will no longer occur.

In light of the revised and improved Offer, the IBC unanimously recommends that all CLF shareholders **ACCEPT** the Offer before the Offer Period expires. Furthermore, each member of the IBC intends to procure that all CLF Shares he controls are accepted into the Offer. This includes Mr Brian Sherman, who controls 20.73% of the CLF Shares on issue.

The reasons the IBC is now recommending that CLF shareholders **ACCEPT** the Offer are as follows:

- **Increased offer price:** The Offer has been increased from 2 WAM shares for every 3.7 CLF shares held to 2 WAM shares for every 3.5 CLF shares held. This represents an additional 6.9 cents per CLF share based on share price;*
- **Ongoing uncertainty impacting ability to manage CLF:** The IBC believes it is likely that WAM Capital will continue extending the offer through to September 2021. This will result in ongoing uncertainty for CLF and its manager Carrara Investment Management and limits its ability to properly manage the fund for the benefit of all CLF shareholders;
- **WAM Capital has effective control of CLF:** WAM Capital now controls 37.39% of CLF and is seeking control of the CLF Board. This could have unwanted consequences for CLF shareholders who have not accepted WAM's takeover offer; and
- The IBC considers that the prospect of a superior proposal emerging for your CLF Shares is negligible.

*Based on CLF's 29 December 2020 closing price and 30 Nov 2020 pre-tax NTA per share.

CLF shareholders who held their CLF shares on 18 December 2020 will also receive CLF's December quarterly dividend of 1.5 cents per CLF share, payable on Friday 8 January 2021.

Supplementary bidder's and target's statements reflecting the variation to the Offer and the change in the IBC's recommendation will be issued by WAM Capital and CLF respectively in due course.

To **ACCEPT** the Offer, complete the form previously mailed to you by WAM Capital or call 1300 737 760 to request a replacement form.

Release of this market announcement has been authorised by the IBC.

Barry Sechos
Company Secretary
Concentrated Leaders Fund Limited

About Concentrated Leaders Fund Limited

Concentrated Leaders Fund Limited (ABN 25 003 236 173) is a listed investment company and its shares are listed on the ASX Limited (ASX: CLF). The Company invests primarily in Australian companies within the S&P/ASX200 Index with the objective of delivering regular income and long term capital growth to its shareholders. The Company compares its performance with the S&P/ASX200 Total Return Index. The Company's capital structure comprises ordinary shares only. The Company also has bank borrowings of \$30 million.