



1. Introduction

This document is a supplementary target's statement (**Supplementary Target's Statement**) under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

It is issued by Concentrated Leaders Fund Limited (ASX: CLF) (ABN 25 003 236 173) (**CLF**) in relation to the off-market takeover offer made by WAM Capital Limited (ASX: WAM) (ACN 086 587 395) (**WAM Capital**) for all the CLF ordinary shares on issue (**Offer**).

This Supplementary Target's Statement is dated and was lodged with ASIC on 8 January 2021 and supplements, and should be read together with, CLF's target's statement dated 23 September 2020 (**Original Target's Statement**).

Unless the context otherwise requires, terms defined in this Supplementary Target's Statement have the same meaning given to them in the Original Target's Statement.

2. Improved Offer

WAM Capital has varied its Offer so that the Offer Consideration is increased from 2 WAM Capital Shares for every 3.7 CLF Shares to **2 WAM Capital Shares for every 3.5 CLF Shares**.

The increased Offer Consideration will apply to all CLF shareholders who accept the Offer, including those CLF shareholders who have accepted the Offer prior to the increase to the Offer Consideration.

According to WAM Capital's most recent substantial holder notice, it controls 58.15% of CLF as at 31 December 2020.

3. Recommendation to ACCEPT

In light of the revised and improved Offer, the CLF's independent board committee (**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 AM who controlled 20.71% of the CLF shares on issue and has accepted the Offer and received the Offer Consideration in respect of those CLF shares he controlled.

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

- **Increased offer price:** The Offer Consideration has been increased from 2 new WAM Capital shares for every 3.7 CLF shares held to 2 new WAM Capital 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 over 50% of CLF shares and is expected to seek majority representation on the CLF Board. This could have unwanted consequences for CLF shareholders who have not accepted WAM Capital's Offer; and
- **No prospect of superior proposal:** 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.

4. Extension of Offer Period

WAM Capital has extended the Offer Period. The Offer is now scheduled to close at 7.00pm (Sydney time) on 26 February 2021.

The IBC encourages all remaining CLF shareholders to **ACCEPT** the Offer before the Offer Period expires. As the Offer is unconditional, CLF shareholders who validly accept the Offer will receive the Offer Consideration for their CLF shares within 1 week of their acceptance being processed by WAM Capital.

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

5. Withdrawal of requisition and cancellation of EGM

WAM Capital has withdrawn its requisition requiring CLF to hold a general meeting of CLF to consider and vote on resolutions to remove existing directors and appoint new directors. The extraordinary general meeting that had been called by CLF in response to the requisition, and which was scheduled for 18 January 2021, is **CANCELLED**.

8. Lodgement

Pursuant to section 647(3) of the Corporations Act, a copy of this Supplementary Target's Statement has been lodged with ASIC and ASX.

Neither ASIC nor any of its officers take any responsibility for the contents of this Supplementary Target's Statement.

9. Approval

The Supplementary Target's Statement has been approved by a resolution passed by the Directors of CLF.

Dated: 8 January 2021

Signed for and on behalf of Concentrated Leaders Fund Limited by:



Brian Sherman AM
Chairman