



**CONCENTRATED**  
LEADERS FUND

CONCENTRATED LEADERS FUND LIMITED  
ABN 25 003 236 173

2 Paddington St, Paddington NSW 2021  
<https://www.clfund.com.au/>

Friday, 29 January 2021

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

**CONCENTRATED LEADERS FUND LIMITED  
LETTER TO SHAREHOLDERS**

The attached correspondence has been sent to all shareholders of Concentrated Leaders Fund Limited.

**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.

**Authorisation**

This announcement was authorised by the Independent Board Committee of Concentrated Leaders Fund Limited.



28 January 2021

Dear Shareholder

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

As shareholders are aware, on 3 September 2020, WAM Capital Limited announced an 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. This Offer became unconditional on 13 October 2020.

CLF formed an Independent Board Committee consisting of myself (Brian Sherman), Barry Sechos and John Martin, to evaluate the Offer and make a recommendation to shareholders.

On 31 December, and following discussions between the Independent Board Committee and WAM Capital, WAM Capital agreed to vary its Offer by:

- improving the Offer consideration, so that all CLF 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.

WAM Capital now has voting power of 71.7% in CLF.

In light of the revised and improved Offer, each member of the Independent Board Committee (including myself) recommends that all CLF shareholders **ACCEPT** the Offer before the Offer Period expires.

At the time that the takeover offer was made by WAM Capital, I controlled 20.73% of the CLF Shares on issue. On 4 January 2021 I accepted the revised Offer and transferred my 20.73% shareholding in CLF to WAM Capital in exchange for shares in WAM Capital. While I continue as Chairman of CLF at present, I no longer hold any shares in CLF.

The IBC recommends that CLF shareholders **ACCEPT** the Offer for the following reasons:

- **Increased offer price:** The Offer has been increased from 2 WAM Capital Shares for every 3.7 CLF Shares held to 2 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 71.7% of CLF and is in a position of control; and
- **No realistic prospect of a 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.

On 18 January 2021 WAM Capital announced the payment of a 7.75 cent dividend to all WAM shareholders who hold their shares as at 1 June 2021. This dividend is payable to WAM shareholders on 7 June 2021.

I strongly recommend CLF shareholders accept the revised Offer from WAM Capital prior to the currently scheduled expiry date of the Offer of 26 February 2021.

To **ACCEPT** the Offer, complete the enclosed Acceptance Form or call 1300 737 760 to request a replacement Form.

Yours sincerely



**Brian Sherman AM**  
**Chairman**  
**Concentrated Leaders Fund Limited**

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