

## Annual General Meeting Chairman's Address

21 November 2024  
ASX announcement

### Introduction and welcome

Good morning and welcome to the eighth WAM Leaders Limited (ASX: WLE) Annual General Meeting (AGM). My name is Geoff Wilson, Chairman of the Board of Directors.

This is a hybrid meeting, held both online and in person here at the Museum of Sydney. The hybrid meeting format allows those that cannot join us in person to ask questions and actively participate. This is very important to us at Wilson Asset Management.

I acknowledge the Gadigal people of the Eora nation and pay my respects to Elders past and present.

Thank you for joining us and for your continued support of WAM Leaders. I am joined today by my fellow Board members, Kate Thorley, Alexa Henderson, Lindsay Mann and Dr Ian Langford. Richard King, a representative from WAM Leaders' auditor, Pitcher Partners, will be available to address any questions relating to the Company's financial statements.

We are also joined by Wilson Asset Management Head of Finance Ophelia Lam, who will moderate today's meeting, and assist in addressing any questions received online or in person during the meeting.

### FY2024 in review

#### Financial results

In the financial year to 30 June 2024, the WAM Leaders investment team took a contrarian view and positioned the investment portfolio defensively to preserve capital, with select investments detracting from the investment portfolio performance. The investment portfolio underperformed the broader market, with some key factors including setbacks in certain holdings and strategic underweights in momentum driven sectors such as Australian banks and discretionary retailers.

The WAM Leaders investment portfolio increased 2.8% in the 12 months to 30 June 2024, while the S&P/ASX 200 Accumulation Index rose 12.1%. Since inception in May 2016, the WAM Leaders investment portfolio has increased 12.5% per annum, outperforming the S&P/ASX 200 Accumulation Index by 3.6% per annum.

The investment portfolio performance since inception and the profits reserve available through the listed investment company (LIC) structure allowed the Board to increase the FY2024 fully franked full year dividend to 9.2 cents per share, in a year when investment portfolio performance has not met expectations.

WAM Leaders reported an operating profit before tax of \$20.2 million for the year (FY2023: \$169.0 million) and an operating profit after tax of \$22.3 million (FY2023: \$130.1 million).

### FY2025 update and outlook

#### Company update

In the four months to 31 October 2024, the WAM Leaders investment portfolio increased 3.7%. The investment team remain confident in a significant improvement in WAM Leaders' investment portfolio performance, driven by turnarounds in key holdings and an unwinding in sectors that experienced an unjustified rally such as the Australian banks. In particular, Commonwealth Bank (ASX: CBA) which is the most overvalued of the banks and is a company that the investment portfolio has been underweight in.

At 31 October 2024, the Company had 34.2 cents per share available in its profits reserve, before the FY2024 fully franked final dividend of 4.6 cents per share, payable on 28 November 2024. This equates to a fully franked dividend yield for shareholders of 6.7% on the Company's 31 October 2024 share price of \$1.37 per share and a grossed-up dividend yield of 9.6%\*.

### Market outlook

With a new President-elect in the US, ongoing China stimulus measures and an upcoming Australian federal election, the WAM Leaders investment team expect policy rumours and facts could be a key driver of risk and return for equity markets over the coming 12 months. They believe the yield curve will shift higher following the US election result, with rising deficits likely to see increased debt issuances. As buyers of this debt shift from sovereigns (governments) to more interest rate sensitive corporates, a higher term premium will be demanded.

The investment portfolio is positioned for this through sectors benefiting from the current interest rates, such as insurance, while avoiding the sectors and stocks with inflated company valuations that may be most susceptible to higher discount rates.

Recent stimulus announcements from China initially sparked a commodity rally but this has been followed by disappointment as the market moved ahead of reality. Stimulus will be incremental, providing many investing opportunities over the next few years as sentiment swings around news flow. This will manifest through our exposures to aluminium, alumina, thermal coal and copper industries, while at least for now, the steel and iron ore industries appear more challenged.

The global economy, including Australia, remains in the slowdown phase of the business cycle. This is most evident through the softening labour market. The portfolio is underweight cyclicals, namely the banks sector, with a preference towards defensives and growth. The investment team are looking forward to the year ahead and the portfolio is well positioned to capitalise on macroeconomic changes.

### Shareholder advocacy

Shareholder advocacy on behalf of retail investors remains a priority for Wilson Asset Management. We continue to consult shareholders on important issues in an attempt to allow Australian investors to be treated equitably. Current issues include the 'sophisticated investor test', the government's proposal to tax unrealised gains on super balances over \$3 million and the Australian Prudential Regulation Authority's proposal to phase out Bank Hybrids.

### For more information

Further information on WAM Leaders can be found in the FY2024 [Annual Report](#) and on our [website](#).

### Thank you

On behalf of the Board of Directors, I would like to thank, you, our shareholders for your ongoing support.

\*Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30%.

## About WAM Leaders

Listed in May 2016, WAM Leaders Limited is a listed investment company (LIC) managed by Wilson Asset Management. The WAM Leaders investment process combines a top-down macroeconomic analysis with Wilson Asset Management's proven fundamental research and market positioning investment processes.

All major platforms provide access to WAM Leaders, including Asgard eWRAP Investment, BT Panorama, BT Wrap, Colonial First State FirstWrap, Hub24, IOOF Pursuit Select Investment Service, Macquarie Investment Manager / Consolidator, MLC Wrap IDPS and SMS, Netwealth Wrap and North Investment.

Listed  
May 2016



WAM Leaders receives coverage from the following independent investment research providers:



**ORD MINNETT**

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

## About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for 25 years and is the Investment Manager for eight LICs – WAM Capital (ASX: WAM), WAM Leaders (ASX: WLE), WAM Global (ASX: WGB), WAM Microcap (ASX: WMI), WAM Alternative Assets (ASX: WMA), WAM Strategic Value (ASX: WAR), WAM Research (ASX: WAX) and WAM Active (ASX: WAA) – and the Wilson Asset Management Leaders Fund. Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

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 is a significant funder of many Australian charities, providing all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.



**>\$5 billion**  
in funds under management

**>200 years**  
combined investment experience

**>25 years**  
making a difference for shareholders

**10**  
investment products

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

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