

Annual General Meeting Chairman's Address

23 November 2021

Introduction and welcome

Good afternoon and welcome to the fifth WAM Leaders Limited Annual General Meeting (AGM). We are focused on the health and wellbeing of our shareholders, therefore this meeting is being held virtually to protect you all from the risk of the current coronavirus pandemic. We recognise the limitations of holding AGMs in this format, and we look forward to seeing everyone again in person as soon as it is safe to do so.

I would like to begin by acknowledging the Traditional Owners of the land on which I am speaking to you from today, the Gubbi Gubbi people and pay my respects to Elders past and present. As we are unable to meet together, I also acknowledge the traditional custodians of the lands from which our shareholders and fellow directors are currently viewing and listening to today's AGM.

Wunya Ngulum. Welcome to all our shareholders – thank you for joining us and for your continued support of WAM Leaders.

I am Geoff Wilson, Chairman of the Board of Directors. I am joined today by my fellow Board members, Kate Thorley, Melinda Snowden, Lindsay Mann and Ross Finley. Scott Whiddett, a representative from WAM Leaders' auditor, Pitcher Partners, will be available to address any questions relating to the Company's financial statements.

FY2021 in review

Financial results

WAM Leaders reported a record operating profit before tax of \$318.1 million (FY2020: operating loss before tax of \$1.2 million) and a record operating profit after tax of \$228.9 million (FY2020: \$5.3 million), reflective of the strong performance of the investment portfolio over the year.

The WAM Leaders investment portfolio increased a record 37.0% over the year, outperforming the S&P/ASX 200 Accumulation Index by 9.2%. This outperformance was achieved with an average cash weighting of 3.9%. WAM Leaders' pre-tax NTA increased 29.2% in the 12 months to 30 June 2021, including the 6.75 cents per share of fully franked dividends paid to shareholders during the year.

Total shareholder return and share price premium to NTA

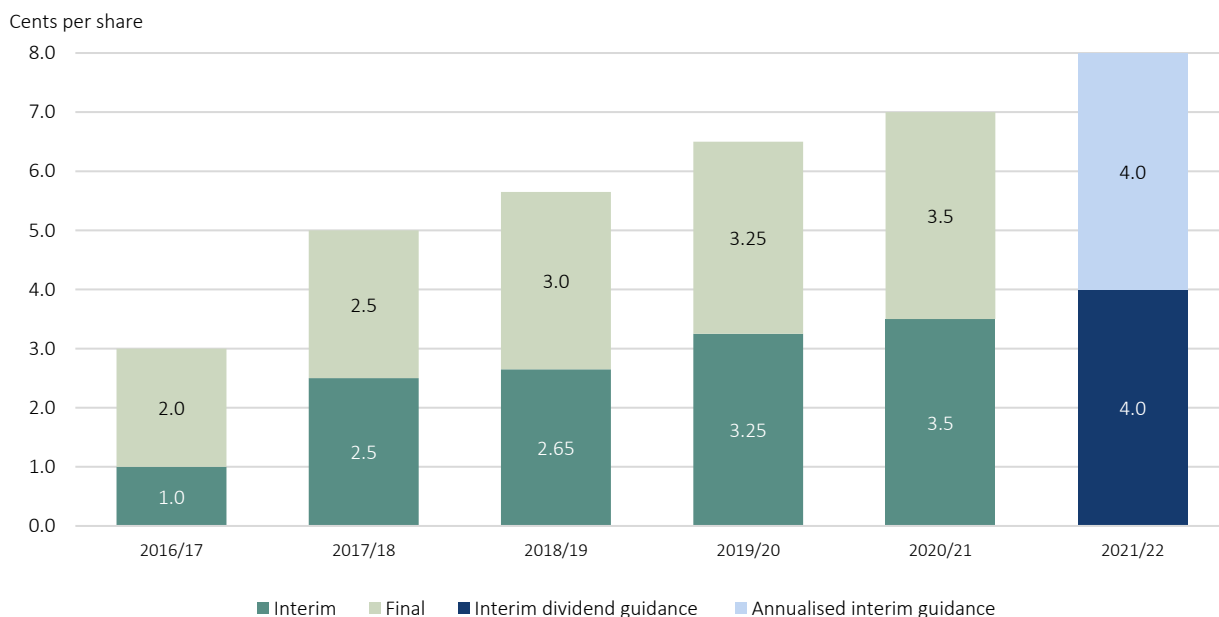
Total shareholder return measures the value shareholders gain from share price growth and dividends paid over the period, before the value of any franking credits distributed to shareholders through fully franked dividends. The strong investment portfolio outperformance drove a growth in assets which, combined with the increased fully franked dividends paid during the period and the share price moving from a discount to a premium to NTA, resulted in a record 58.6% total shareholder return for shareholders during the 12-month period to 30 June 2021. As at 30 June 2021, the share price premium to NTA was 10.4% after commencing the year at a 10.3% discount to NTA.

On 22 November 2021, the share price premium to NTA was 3.0%. Throughout its 5-year history, the Company's share price has traded at both premiums and discounts to its NTA.

Fully franked dividends since inception

The Board declared a fully franked full year dividend of 7.0 cents per share, which represented an increase of 7.7% on the previous year. Since inception in May 2016, the Company has paid 27.15 cents per share in fully franked dividends to shareholders.

On 29 July 2021, the Board announced its intention to deliver a FY2022 fully franked interim dividend of 4.0 cents per share (subject to no material adverse change in market conditions), a 14.3% increase on the FY2021 fully franked interim dividend. As at 31 October 2021, the Company had 29.8 cents per share available in its profits reserve, after the payment of the fully franked final dividend of 3.5 cents per share on 29 October 2021.



Making a difference

Wilson Asset Management, WAM Leaders' Investment Manager, is passionate about making a positive difference to our shareholders and the community. In the 2021 financial year, the team continued to make a difference through various philanthropic initiatives, advocacy and shareholder engagement.

Advocacy

Our advocacy work on behalf of retail investors in the Australian equity market is a priority. We **firmly believe** all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market. On 11 December 2020, we lodged a submission to the Senate Select Committee, in an effort to level the playing field and stop retail investors being locked out of discounted capital raisings, which are only open to wholesale or "sophisticated" investors.

We also participated in the public debate and formal consultation on permanently removing the requirement for AGMs to be conducted in person. We are firmly opposed to this change as it undermines AGM transparency and board accountability, primarily impacting retail shareholders. I would like to thank all shareholders for their support in advocating for retail shareholders' rights and for your emails, letters and phone calls sharing your personal experiences.

Shareholders are the owners of the company, and every director is accountable to its shareholders. We remain passionate about the rights of retail shareholder and the ability to ask questions without being censored. The new AGM provisions allow companies to permanently hold AGMs virtually if the constitution allows. While Federal Treasurer Josh Frydenberg has extended the relief on companies holding virtual AGMs until next March, we still believe the hybrid model for AGMs, ensuring the requirement for AGMs to be conducted in person and virtually is by far the most equitable outcome. We look forward to holding our AGMs in person as soon as it is safe to do so.

At Wilson Asset Management, we firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market. In a recent **Australian Financial Review** article, I discussed the limitations of the sophisticated investor test. The Australian Financial Review also highlighted our case for a **financial literacy test** to replace the sophisticated investor test.

Shareholder engagement

Shareholders are the owners of WAM Leaders; Wilson Asset Management's responsibility is to manage the Company on your behalf and be available to report to you on a regular basis. This year, we were once again unable to take to

the road and meet with all our shareholders across the country and we have missed catching up with you all, over a cup of tea, at our Shareholder Presentations. We have enjoyed our regular email and telephone correspondence, regular Investor Q&A webinars and providing you with a virtual alternative in WAM Vault. Our fourth instalment will be released on 25 November 2021. We encourage you to visit wilsonassetmanagement.com.au/vault to watch, read and listen to the engaging and insightful conversations of our team.

Please visit our website, subscribe to receive our regular updates and call or email us with any questions or suggestions you have regarding WAM Leaders or Wilson Asset Management. Our calendar of engagement includes initiatives such as presentations, investment insights, portfolio and market updates, regular webinars with the investment team and shareholder advocacy.

FY2022 update and outlook

Company update

WAM Leaders has achieved a solid start to FY2022. Through our continued focus on identifying large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst, the investment portfolio increased 6.4% in the financial year to 31 October 2021, outperforming the S&P/ASX 200 Accumulation Index by 4.8%. As at 31 October 2021, the Company had 29.8 cents per share available in its profits reserve, after the payment of its fully franked FY2021 final dividend of 3.5 cents per share on 29 October 2021. We are pleased to be able to increase the fully franked dividend for WAM Leaders during a time when companies have reduced dividends.

In August 2021, the WAM Leaders Board of Directors announced a pro-rata 1 for 5 non-renounceable Entitlement Offer and additional placement for shareholders, which raised more than \$277.2 million, taking the Company's gross assets to more than \$1.5 billion, and making WAM Leaders one of the largest listed investment companies on the ASX. The Board is committed to effectively and efficiently growing the Company to the benefit of all shareholders. We greatly appreciate the trust, loyalty and support we have received from WAM Leaders shareholders.

Outlook

In FY2021, we positioned the portfolio with high conviction for a rotation from companies trading on extreme valuations to those poised to benefit from a surge in economic growth. We selected companies in sectors such as financials, insurance, energy and consumer discretionary that had suffered the greatest fallout due to economic shock and market moves, with the potential to emerge with stronger profitability as conditions began normalising. We focused our attention on quality, cashflow-generative companies and we continued this trajectory into FY2022.

We believe significant opportunities lie ahead as economies recover and monetary policy moves away from emergency settings. We remain committed to our proven active investment process focused on identifying large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst. WAM Leaders' gross assets were \$1,526.9 million at 31 October 2021 and the company currently has 22,150 shareholders. The investment portfolio was comprised of 65 equity positions as at 31 October 2021.

For more information

Further information on WAM Leaders can be found in the [FY2021 annual report](#) and [website](#), including more detail on the three key listed investment company performance measures, Lead Portfolio Manager update from Matthew Haupt and the Investment Manager Update from Wilson Asset Management Chief Executive Officer and WAM Leaders Director Kate Thorley.

Thank you

Thank you for your support in what has been a challenging period. Pleasingly, WAM Leaders has again delivered strong investment portfolio performance and record total shareholder returns during the year. I would like to thank all shareholders who have entrusted us with their capital. I would also like to thank the Wilson Asset Management team, who have worked tirelessly to the benefit of our shareholders, as well as my fellow Board members, whose guidance and expertise make an invaluable contribution.