

Outperformance drives increased fully franked interim dividend and profit

5 February 2021
ASX announcement

- 165.2% increase in operating profit before tax to \$149.2 million*
- 7.7% increase FY2021 fully franked interim dividend, to 3.5 cents per share
- 12.7%[^] investment portfolio performance in CY2020, outperforming the Index by 11.3%[^]

WAM Leaders achieved a 165.2% increase in operating profit before tax to \$149.2 million and a 147.2% increase in operating profit after tax to \$107.1 million in its FY2021 half year results[†].

The WAM Leaders Board of Directors has declared a fully franked interim dividend of 3.5 cents per share, which represents a 7.7% increase on the FY2020 fully franked interim dividend. The fully franked dividend has been achieved through the strong performance of the investment portfolio since inception and the profits reserve available and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

The fully franked interim dividend provides shareholders with an annualised fully franked dividend yield of 5.0% and an annualised grossed up yield^{**} of 7.2% on the 4 February 2021 share price of \$1.395 per share.

The strong investment portfolio performance drove significant growth in assets, which resulted in the increase in the WAM Leaders' share price relative to NTA. As at 31 December 2020, the share price premium to NTA was 4.5%, after commencing the period at a 10.3% discount to NTA. These factors combined with an increase in the fully franked FY2020 final dividend led to a significant total shareholder return of 32.0% during the six-month period to 31 December 2020. WAM Leaders' investment portfolio increased 17.1%[^] outperforming the S&P/ASX 200 Accumulation Index by 3.9%[^] during the half year to 31 December 2020. The WAM Leaders investment portfolio increased 12.7%[^] in the 2020 calendar year, outperforming the Index by 11.3%[^] with an average cash holding of 6.9%.

WAM Leaders' active investment approach, which focuses on large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst to drive the share price higher, has led to strong investment portfolio outperformance in all periods throughout the Company's history. Since inception in May 2016, the WAM Leaders investment portfolio has increased 12.8%[^] per annum, outperforming the Index by 4.1%[^] per annum.

The Company has a profits reserve of 24.3 cents per share as at 31 December 2020, representing 3.5 years of dividend coverage, and forms part of the net tangible assets (NTA) of the Company. Since inception in May 2016, WAM Leaders has paid 20.15 cents per share in fully franked dividends to shareholders. The Company's ability to generate franking credits is dependent upon the receipt of franked dividends from investments and the payment of tax on profits.

The WAM Leaders fully franked interim dividend will be paid on Monday 26 April 2021. The record date is Thursday 15 April 2021 and the shares will trade ex dividend on Wednesday 14 April 2021. The last election date for the Dividend Reinvestment Plan (DRP) is Monday 19 April 2021.

Investment portfolio outperformance since inception

as at 31 December 2020

	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (May-16)
WLE Investment Portfolio[^]	17.1%	12.7%	12.0%	12.8%
S&P/ASX 200 Accumulation Index	13.2%	1.4%	6.7%	8.7%
Outperformance	+3.9%	+11.3%	+5.3%	+4.1%

[†]The HY2021 profit figures are unaudited. Audited half-year results will be announced to the market in February 2021.

[^]Investment portfolio performance and Index returns are before expenses, fees and taxes.

^{**}Grossed up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%

WAM Leaders FY2021 Interim Results Webinar

[Register](#) to join Chairman and Chief Investment Officer Geoff Wilson AO, Lead Portfolio Manager Matthew Haupt, Portfolio Manager John Ayoub and Equity Analyst Anna Milne at 11:30am (Sydney time) today for the FY2021 interim results webinar. The WAM Leaders team will discuss their views on equity markets in FY2021 and where they see potential opportunities for the year ahead.

Top 25 holdings in alphabetical order

as at 31 December 2020

Code	Company
ANZ	Australia and New Zealand Banking Group Limited
BHP	BHP Group Limited
CBA	Commonwealth Bank of Australia
CSL	CSL Limited
FMG	Fortescue Metals Group Limited
GMG	Goodman Group
IAG	Insurance Australia Group Limited
IGO	IGO Limited
NAB	National Australia Bank Limited
OZL	OZ Minerals Limited
QAN	Qantas Airways Limited
QBE	QBE Insurance Group Limited
RHC	Ramsay Health Care Limited

Code	Company
RIO	Rio Tinto Limited
S32	South32 Limited
SCG	Scentre Group
SGR	The Star Entertainment Group Limited
SHL	Sonic Healthcare Limited
STO	Santos Limited
TCL	Transurban Group
TLS	Telstra Corporation Limited
WBC	Westpac Banking Corporation
WES	Wesfarmers Limited
WOW	Woolworths Group Limited
WPL	Woodside Petroleum Limited

About WAM Leaders

WAM Leaders Limited is a LIC managed by Wilson Asset Management. Listed in May 2016, WAM Leaders provides investors with exposure to an active investment process focused on identifying large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst.

All major platforms provide access to WAM Leaders, including AMP North, BT Panorama, Colonial First State FirstWrap, Netwealth, Macquarie Wrap and Hub24. WAM Leaders receives coverage from the following independent investment research providers:



About Wilson Asset Management

Wilson Asset Management has a track record of making a difference for shareholders and the community for more than 20 years. As the investment manager for seven leading LICs: WAM Capital, WAM Leaders, WAM Global, WAM Microcap, WAM Alternative Assets, WAM Research and WAM Active, Wilson Asset Management invests over \$3.5 billion on behalf of more than 90,000 retail investors.

Wilson Asset Management created and is the lead supporter of the first listed investment companies 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, is a significant funder of many Australian Charities and provides all team members with \$10,000 each year to donate to charities of their choice. All philanthropic investments are made by the Investment Manager.

For more information visit www.wilsonassetmanagement.com.au or contact:



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