

Increased fully franked interim dividend and fully franked final dividend guidance

26 February 2024
ASX announcement
and media release

Highlights

+13.3%

Investment portfolio performance per annum since inception (May-16)¹

6.6%

Annualised fully franked dividend yield²

4.6 cps ↑

Fully franked interim dividend FY2024

9.2 cps

Fully franked full year dividend guidance FY2024[#]

Pre-tax NTA
as at 31 December 2023

\$1.38 per share

Profits reserve as at
31 December 2023, before
the payment of the 4.6 cps
fully franked interim dividend

31.5 cps

Dividend coverage

3.4 years

Q&A webinar

Tuesday 19 March
2024 at 3:00pm
(Sydney time)

Register to join WAM Leaders Lead Portfolio Manager Matthew Haupt and Portfolio Manager John Ayoub for an update on the WAM Leaders investment portfolio.

[Register now](#)

The WAM Leaders Limited (ASX: WLE) Board of Directors has declared an increased fully franked interim dividend of 4.6 cents per share. The fully franked interim dividend represents an annualised fully franked dividend yield of 6.6%² and a grossed-up dividend yield of 9.4%^{**} including franking credits.

The Board of Directors intends to deliver a FY2024 fully franked full year dividend of 9.2 cents per share[#]. The fully franked interim dividend and the fully franked final dividend guidance of 4.6 cents per share[#] have been made possible through the strong performance of the investment portfolio since inception and the profits reserve available. The increased fully franked interim dividend is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends.

Chairman Geoff Wilson AO said, "The increased fully franked interim dividend of 4.6 cents per share has been achieved by the strong, long-term investment portfolio performance by the WAM Leaders investment team.

"The Board's decision to announce dividend guidance for the FY2024 fully franked final dividend of 4.6 cents per share is underpinned by the performance of the investment team since inception and the profits reserve available. Since inception in May 2016, WAM Leaders has delivered 44.15 cents per share in fully franked dividends to shareholders," Mr Wilson said.

The Company has 3.4 years of dividend coverage, supported by the profits reserve of 31.5 cents per share as at 31 December 2023, before the payment of the fully franked interim dividend. WAM Leaders reported an operating profit before tax of \$16.9 million and an operating profit after tax of \$16.8 million for the six months to 31 December 2023.

The investment portfolio has outperformed the S&P/ASX 200 Accumulation Index by 6.0% per annum over a five year time period and by 4.9% per annum over a three year time period. Since inception, the investment portfolio has outperformed its benchmark by 4.4% per annum, with an average cash holding of 11.3%. The WAM Leaders investment portfolio increased 2.0%¹ during the six month period while the S&P/ASX 200 Accumulation Index increased 7.6%.

Lead Portfolio Manager Matthew Haupt said, "The WAM Leaders investment process, which focuses on a detailed fundamental analysis, a comprehensive macroeconomic analysis and positioning analysis, has delivered strong outperformance for shareholders since inception. As the WAM Leaders investment team takes a contrarian view to the market, we have experienced temporary short-term underperformance, but remain confident in our investment process and portfolio positioning.

"We have defensively positioned the investment portfolio into non-discretionary sectors like gold, real-estate and utilities amid the high inflationary environment. As we enter the 2024 calendar year, we anticipate an interest rate cutting environment which will begin to ease some of the pressures on the consumer. Our nimble investment approach and reliance on data-driven signals will allow us to navigate the complexities that may unfold and take advantage of a rebound in markets in the year ahead," Mr Haupt said.

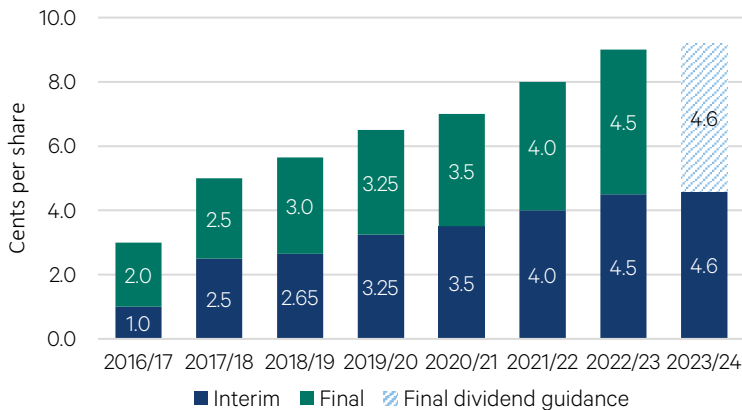
In January, WAM Leaders **announced** its intention to make an off-market takeover bid for QV Equities Limited (ASX: QVE), subject to certain conditions. The WAM Leaders Board of Directors believe the off-market takeover bid will provide WAM Leaders shareholders with access to greater on-market liquidity through a larger market capitalisation of almost \$2.0 billion (based on the WAM Leaders share price on 30 January 2024) with approximately 30,000 shareholders.

¹Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.
²Based on the 23 February 2024 share price of \$1.39 per share.

[#]Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

^{**}Subject to no material or adverse changes in market conditions. The Company's ability to pay fully franked dividends is dependent on the receipt of franking credits and the payment of tax on profits.

Fully franked dividends since inception



Key dividend dates

Ex dividend date	20 May 2024
Dividend record date (7:00pm Sydney time)	21 May 2024
Last election date for DRP	23 May 2024
Payment date	31 May 2024

The Dividend Reinvestment Plan (DRP) is in operation and the recommended fully franked interim dividend of 4.6 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be calculated as the volume weighted average market price (VWAP) of shares sold on the ASX over the four trading days commencing on the ex dividend date for the relevant dividend. The DRP will operate without a discount for the fully franked interim dividend.

Investment portfolio performance since inception

Performance as at 31 December 2023

	Fin YTD	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (May-16)
WAM Leaders Investment Portfolio	2.0%	6.4%	14.1%	16.3%	13.3%
S&P/ASX 200 Accumulation Index	7.6%	12.4%	9.2%	10.3%	8.9%
Outperformance	-5.6%	-6.0%	+4.9%	+6.0%	+4.4%

Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant index which is before expenses, fees and taxes.

Active sector weights as at 31 December 2023 (%)

Sector	Portfolio %*	Benchmark %	Active %
Materials	30.2%	24.4%	5.8%
Real estate	9.3%	6.5%	2.8%
Consumer staples	6.7%	4.2%	2.5%
Health care	10.5%	9.2%	1.3%
Energy	6.2%	5.2%	1.0%
Consumer discretionary	7.2%	7.0%	0.2%
Information technology	2.4%	2.4%	-
Utilities	0.9%	1.4%	-0.5%
Industrials	5.2%	6.9%	-1.7%
Communication services	1.4%	3.8%	-2.4%
Financials	16.8%	29.0%	-12.2%

*Investment portfolio held 3.2% cash.

Top 20 holdings at 31 December 2023 in alphabetical order

Code	Company name	Code	Company name
ALL	Aristocrat Leisure Limited	ORA	Orora Limited
ANZ	ANZ Group Holdings Limited	RHC	Ramsay Health Care Limited
BHP	BHP Group Limited	RIO	Rio Tinto Limited
BXB	Brambles Limited	S32	South32 Limited
CGF	Challenger Limited	SGR	The Star Entertainment Group Limited
CSL	CSL Limited	STO	Santos Limited
LLC	Lendlease Group	TCL	Transurban Group
MGR	Mirvac Group	TWE	Treasury Wine Estates Limited
MQG	Macquarie Group Limited	WDS	Woodside Energy Group Limited
NAB	National Australia Bank Limited	WOW	Woolworths Group Limited

About WAM Leaders

WAM Leaders Limited is a listed investment company (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 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:



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, 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.



\$5 billion
in funds under management

>200 Years
combined investment experience

+25 Years
making a difference for shareholders

10
investment products

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