

WAM LEADERS LIMITED

ABN 33 611 053 751

Appendix 4E Preliminary Final Report for the year ended 30 June 2023

Results for Announcement to the Market

All comparisons to the year ended 30 June 2022

	\$	up/down	% mvmt
Revenue from ordinary activities	195,452,707	up	44.9%
Profit from ordinary activities before income tax expense	168,988,746	up	146.4%
Net profit from ordinary activities after income tax expense	130,082,684	up	97.8%

Dividend information	Cents per share	Franked amount per share	Tax rate for franking
2023 Final dividend cents per share	4.5c	4.5c	30%
2023 Interim dividend cents per share	4.5c	4.5c	30%

Final dividend dates

Ex dividend date	17 October 2023
Record date	18 October 2023
Last election date for the DRP	20 October 2023
Payment date	31 October 2023

Dividend Reinvestment Plan

The Dividend Reinvestment Plan ('DRP') is in operation and the recommended final fully franked dividend of 4.5 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 VWAP (volume weighted average market price) 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 final dividend.

	30 Jun 23	30 Jun 22
Net tangible asset backing (before tax) per share	\$1.43	\$1.39
Net tangible asset backing (after tax) per share	\$1.41	\$1.37

This report is based on the Annual Report which has been audited by Pitcher Partners. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

W | A | M Leaders

ABN 33 611 053 751

2023

Annual Report

Wilson
Asset Management
Making a difference



WAM Leaders Limited

WAM Leaders Limited (WAM Leaders or the Company) is a listed investment company and is a reporting entity. It is primarily an investor in equities listed on the Australian Securities Exchange.

WAM Leaders

Directors

Geoff Wilson AO (Chairman)
Kate Thorley
Alexa Henderson
Lindsay Mann
Dr Ian Langford

Joint Company Secretaries

Jesse Hamilton
Linda Kiriczenko

Investment Manager

MAM Pty Limited
Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
(part of the Wilson Asset
Management Group)

Country of Incorporation

Australia

Registered Office

Level 26, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Contact Details

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Sydney NSW 2001

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Share Registry

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

T 1300 420 372 (in Australia)
+61 2 8023 5472 (International)

F (02) 9279 0664

For enquiries relating to
shareholdings, dividends
(including participation in the
dividend reinvestment plan) and
related matters, please contact
the share registry.

Australian Securities Exchange

WAM Leaders Limited
Ordinary Shares (WLE)

Auditor

Pitcher Partners

Regional Shareholder Presentations

The Wilson Asset Management
and Future Generation teams
look forward to meeting with
our shareholders across the
country.

Newcastle Monday 9 October

Toowoomba Monday 30 October

Gold Coast Tuesday 31 October

Noosa Wednesday 1 November

Launceston Thursday 9 November



Join our hybrid Annual General Meeting

Wednesday, 25 October 2023

Museum of Sydney (Warrane Theatre)
Cnr Bridge St and Phillip St
Sydney NSW 2000

Further details to be provided.

FY2023 highlights

+14.0%

investment portfolio performance
since inception per annum (May-16)

+12.5%

full year fully franked dividend
increase

9.0 cps

full year fully franked dividend

6.2%

fully franked dividend yield

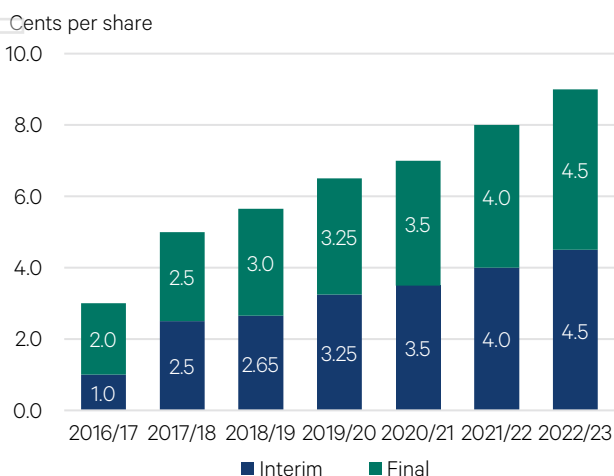
30 June 2023 snapshot

Listing date	May 2016
Gross assets	\$1,801.4m
Market capitalisation	\$1,829.4m
Shares on issue	1,257,331,124
Share price	\$1.455
Net tangible assets (pre-tax)	\$1.43
Net tangible assets (post-tax)	\$1.41
FY2023 fully franked dividends	9.0 cents
FY2023 fully franked dividend yield*	6.2%
FY2023 fully franked grossed-up dividend yield^	8.9%

*Based on the 30 June 2023 share price of \$1.455 per share.

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

Fully franked dividends since inception



FY2023 results

WAM Leaders reported an operating profit before tax of \$169.0 million for the year (FY2022: \$68.6 million) and an operating profit after tax of \$130.1 million (FY2022: \$65.8 million), as a result of the solid performance of the investment portfolio over the year.

The investment portfolio increased 13.5% in the 12 months to 30 June 2023, while the S&P/ASX 200 Accumulation Index rose 14.8%. Since inception, WAM Leaders has achieved an investment portfolio return of 14.0% per annum, outperforming the S&P/ASX 200 Accumulation Index by 5.6% per annum.

The Board declared a full year fully franked dividend of 9.0 cents per share, with the final fully franked dividend being 4.5 cents per share. The full year fully franked dividend represents an increase of 12.5% on the previous year. Since inception in May 2016, WAM Leaders has paid 39.65 cents per share in fully franked dividends to shareholders. As at 30 June 2023, the Company had 33.8 cents per share available in its profits reserve, before the payment of the final fully franked dividend of 4.5 cents per share.

In October 2022, WAM Leaders acquired 100% of the shares in Absolute Equity Performance Fund (AEG) through a Scheme of Arrangement, issuing 62.1 million shares to AEG shareholders. In May 2023, WAM Leaders successfully completed a Placement and Share Purchase Plan, raising over \$230 million.

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Letter from the Chairman *Geoff Wilson AO*



Dear Fellow Shareholders,

I would like to thank all shareholders for their support of WAM Leaders as it has grown to become the third largest listed investment company by assets in Australia. I would also like to welcome each of the 3,245 new shareholders who joined us during the year. Since listing in 2016, WAM Leaders has delivered strong returns to shareholders, outperforming the S&P/ASX 200 Accumulation Index with now over \$1.8 billion in assets. Since inception, WAM Leaders has achieved investment portfolio performance of 14.0% per annum, outperforming the S&P/ASX 200 Accumulation Index by 5.6% per annum. In the 2023 financial year, a more defensive positioning of the WAM Leaders investment portfolio during a volatile equity market resulted in investment portfolio performance of 13.5%, while the S&P/ASX 200 Accumulation Index rose 14.8%.

The Board of Directors declared a full year fully franked dividend of 9.0 cents per share, with the final fully franked dividend being 4.5 cents per share, a 12.5% increase on the previous year. The full year fully franked dividend provides shareholders with a fully franked dividend yield of 6.2% and a grossed-up yield of 8.9%, based on the 30 June 2023 share price of \$1.455 per share. The increased fully franked dividend has been achieved through the performance of the investment portfolio during the 12-month period and the profits reserve available, and is consistent with the Company's investment objective of delivering investors a stream of fully franked dividends. The Company's profits reserve as at 30 June 2023 was 33.8 cents per share, before the payment of the final fully franked dividend of 4.5 cents per share, representing 3.8 years of dividend coverage. Since inception, WAM Leaders has paid 39.65 cents per share in fully franked dividends to shareholders.

In May 2023, WAM Leaders completed a Share Purchase Plan (SPP) and Placement, successfully raising over \$230 million. The SPP provided an equitable opportunity for shareholders to increase their exposure to the WAM Leaders investment portfolio at \$1.458 per share, a 2.5% discount to the 5-day volume weighted average price at the issue date.

The proceeds of the additional capital have been invested in accordance with the disciplined and proven WAM Leaders investment process. WAM Leaders' larger capital base has improved access to management of the largest listed companies in Australia which operate globally and has given additional early engagement in capital raisings, in particular those of the top 20 companies within the S&P/ASX 200 Index. It has also increased the liquidity of WAM Leaders shares and its relevance in the market by improving the prospect of broker and research coverage, increasing interest from financial planners and gaining additional access to market opportunities. The increased size will reduce the fixed expense ratio of the Company and shareholders gained further exposure to a Company with a track record of strong investment returns and a stream of fully franked dividends.

+14.0%

investment
portfolio performance
since inception per
annum (May-16)

9.0 cps

FY2023 full year fully
franked dividend

6.2%

fully franked dividend
yield on the 30 June
2023 share price

8.9%

fully franked grossed-
up dividend yield on
the 30 June 2023
share price

As a fellow WAM Leaders shareholder, I would like to thank the WAM Leaders investment team and the broader Wilson Asset Management team for growing the Company to the benefit of all shareholders. We greatly appreciate the trust, loyalty and support we have received from WAM Leaders shareholders.

Company performance

Over four decades of investing, I have found three key measures crucial to the evaluation of a listed investment company's (LIC) performance: investment portfolio performance, net tangible asset growth and total shareholder return.

1) Investment portfolio performance

Investment portfolio performance measures the growth of the underlying portfolio of equities and cash before expenses, fees, taxes and capital management initiatives. A key objective of WAM Leaders is long-term outperformance against the S&P/ASX 200 Accumulation Index, which is achieved by growing the investment portfolio at a greater rate. The S&P/ASX 200 Accumulation Index is measured before expenses, fees and taxes and is a like-for-like measure and reflects the portfolio manager's ability to manage the portfolio, regardless of capital management decisions made by the Board.

Performance at 30 June 2023	1 yr	3 yrs %pa	5 yrs %pa	Since inception %pa (May-16)
WAM Leaders Investment Portfolio	13.5%	19.5%	14.2%	14.0%
S&P/ASX 200 Accumulation Index	14.8%	11.1%	7.2%	8.4%
Outperformance	-1.3%	+8.4%	+7.0%	+5.6%

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.

WAM Leaders investment portfolio increased 13.5% in the 12 months to 30 June 2023, while holding on average 4.4% of the investment portfolio in cash. Since inception, WAM Leaders has achieved an investment portfolio return of 14.0% per annum, outperforming the S&P/ASX 200 Accumulation Index by 5.6% per annum.

Set out below is the performance of WAM Leaders since listing, on a financial year basis. The performance data excludes all expenses, fees, taxes and capital management initiatives, and is used as a guide to show how the Company's investment portfolio has performed against the S&P/ASX 200 Accumulation Index over the same period.

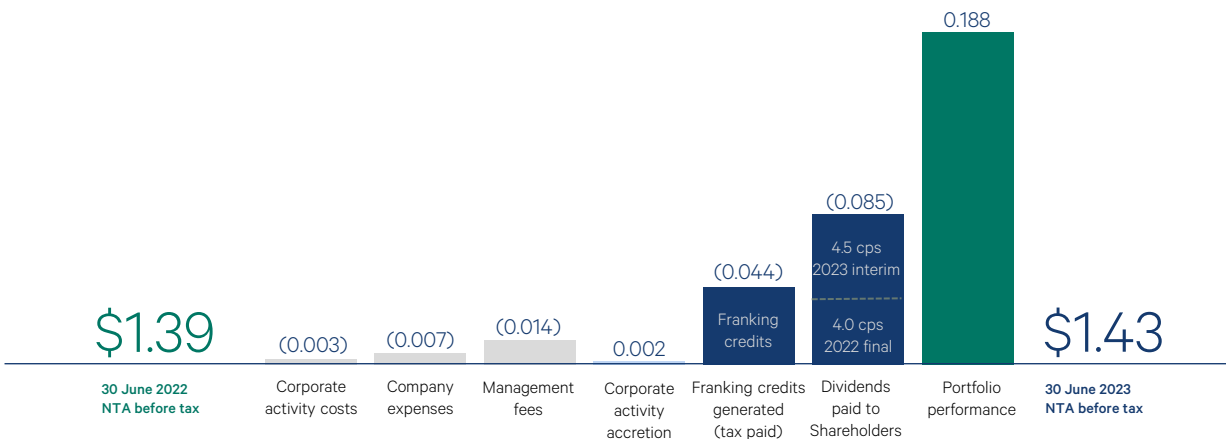
Financial year	WAM Leaders Investment Portfolio	S&P/ASX 200 Accumulation Index	Outperformance
2016/2017	11.5%	11.9%	-0.4%
2017/2018	17.8%	13.0%	+4.8%
2018/2019	10.9%	11.5%	-0.6%
2019/2020	2.7%	-7.7%	+10.4%
2020/2021	37.0%	27.8%	+9.2%
2021/2022	9.7%	-6.5%	+16.2%
2022/2023	13.5%	14.8%	-1.3%

2) Net tangible asset (NTA) growth

NTA growth is the change in value of the Company's assets, less liabilities and costs (including tax, management and performance fees). The NTA represents the realisable value of the Company and is provided to shareholders and announced to the ASX each month.

WAM Leaders' pre-tax NTA increased 8.7% in the 12 months to 30 June 2023, including the 8.5 cents per share of fully franked dividends paid to shareholders during the year. This increase is after corporate tax paid of 4.4 cents per share or 3.2% of the Company's pre-tax NTA during the year. Corporate tax payments made throughout the period were the major items of difference between the investment portfolio performance of 13.5% and the NTA performance of 8.7%. The franking credits attached to corporate tax payments are available for distribution to shareholders through fully franked dividends. Other items contributing to the change in the value of the assets during the year were management fees of 1.0%, other company related expenses of 0.5% and corporate activity costs of 0.2%, being partially offset by corporate activity and capital management accretion of 0.1%.

WAM Leaders pre-tax NTA performance



3) Total shareholder return (TSR)

TSR measures the tangible 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.

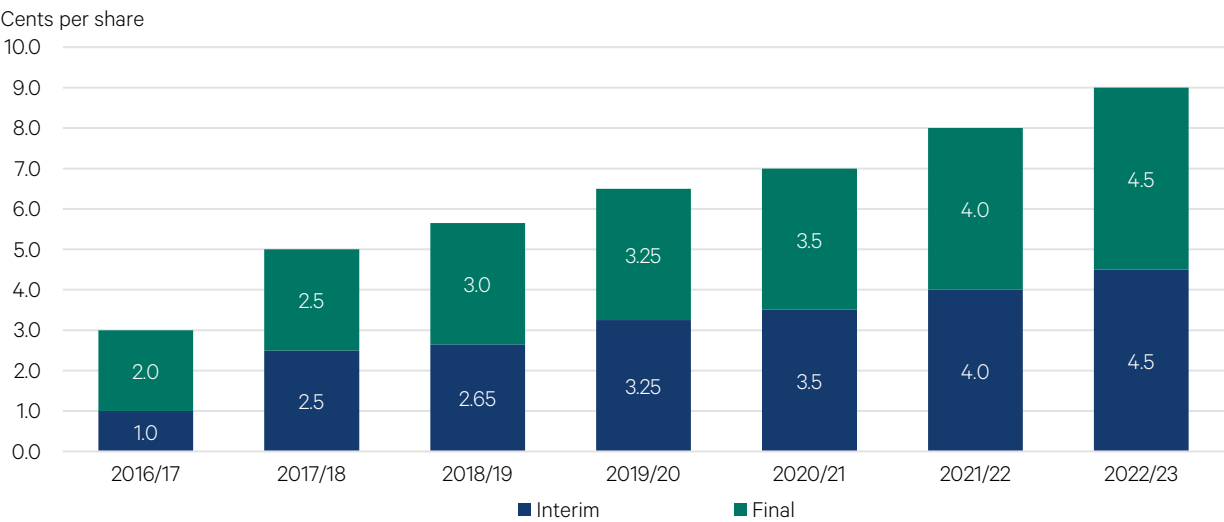
The TSR for WAM Leaders was 5.5% during the 12 months to 30 June 2023 and was driven by the investment portfolio performance during the period, being offset by the decrease in the share price premium to NTA. As at 30 June 2023, the share price premium to NTA was 1.9% (June 2022: 4.9%). This measure does not value the potential benefit of franking credits distributed to shareholders through fully franked dividends.

Dividends

The Board declared a full year fully franked dividend of 9.0 cents per share, with the final fully franked dividend being 4.5 cents per share. The full year fully franked dividend represents an increase of 12.5% on the previous year. Since inception in May 2016, the Company has paid 39.65 cents per share in fully franked dividends to shareholders.

The Board is committed to paying a stream of fully franked dividends to shareholders, provided the Company has sufficient profits reserves and franking credits, and it is within prudent business practices. The Company's ability to generate franking credits is dependent upon the payment of tax on profits and the quantum of fully franked dividends received from investee companies. The dividend reinvestment plan will operate without a discount for the final dividend.

WAM Leaders fully franked dividends since inception



Key dividend dates

Ex-dividend date	17 October 2023
Dividend record date (7:00pm Sydney time)	18 October 2023
Last election date for DRP	20 October 2023
Dividend payment date	31 October 2023

The Dividend Reinvestment Plan (DRP) is in operation and the recommended final fully franked dividend of 4.5 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 final dividend.

Capital management

The Board is committed to effectively and efficiently growing the Company to the benefit of all shareholders. When the Company's size increases, on market liquidity for the shares is expected to increase, as well as the Company's relevance in the market, improving the prospect of broker and research coverage and interest from financial planners. The increased size of the Company is also expected to reduce the fixed expense ratio to the benefit of all shareholders.

In June 2022, WAM Leaders and Absolute Equity Performance Fund (AEG) announced that WAM Leaders would acquire 100% of the shares in AEG through a Scheme of Arrangement (Scheme). Under the Scheme, AEG shareholders received new WAM Leaders shares as consideration for their AEG shares. Following approval from AEG shareholders on 15 September 2022, and from the Federal Court of Australia on 21 September 2022, the Scheme was implemented on 4 October 2022. As a result, WAM Leaders issued 62.1 million shares to AEG shareholders. WAM Leaders has a relevant interest in 100% of the shares in AEG, which was delisted from the ASX on 5 October 2022.

On 14 April 2023, WAM Leaders announced the successful completion of a Placement to existing wholesale and sophisticated investors at an issue price of \$1.48 per share, a premium to the pre-tax net tangible asset (NTA) backing as at 31 March 2023, raising \$131.0 million.

WAM Leaders also announced a Share Purchase Plan (SPP) to existing shareholders in April 2023. The SPP provided the opportunity to acquire up to \$30,000 of fully paid ordinary shares in WAM Leaders without incurring any brokerage fees. The SPP was issued at \$1.458 per share, a 2.5% discount to the 5-day volume weighted average price at the issue date of 12 May 2023, raising \$99.0 million.

The Placement and SPP raised over \$230 million, issuing 156.5 million shares.

The Company's larger capital base increases the liquidity of the shares and its relevance in the market by improving the prospect of broker and research coverage, increasing interest from financial planners and gaining additional access to market opportunities. The increased size will also reduce the fixed expense ratio of the Company to the benefit of all shareholders. The additional capital has been invested in accordance with the Company's disciplined and proven investment process.

We encourage you to visit our website, subscribe to receive our updates and to call or email us with any questions or suggestions you have regarding WAM Leaders or Wilson Asset Management. Please contact myself or the team, on (02) 9247 6755 or email us at info@wilsonassetmanagement.com.au.

Thank you for your continued support and keep safe.



Geoff Wilson AO
Chairman

Update from the Lead Portfolio Manager *Matthew Haupt CFA*



Dear Fellow Shareholders,

The economy has been remarkably resilient confronted with the fastest rate hiking cycle in history. Retail spending and employment remain close to record highs, while inflation is beginning to fall. However, there is a dislocation between the blue skies of rear-view data and the dark clouds on the horizon. Yield curves are inverted, manufacturing surveys are contractionary and consumer and business optimism surveys are depressed. While the current economic environment is holding up well, the outlook is more challenged.

The interest rate hiking cycle globally is nearing its peak, but it is premature to expect rates to fall in the near term. In lieu of easing financial conditions, the outlook for equities will be driven by the economy. We don't expect markets to deliver the broad based returns of recent years, but rather seek opportunities within sectors of the market, including mining, energy and health care.

Cyclical stocks have rebounded as the equity market has been eager to call the worst over, despite economic data remaining relatively resilient, nor the rate hiking cycle concluding. We are still in the early phase of a global slowdown, and never in history has the global economy skipped a deeper slowdown and bounced back to growth. Australia will fortunately be sheltered from the full severity of this through the growth of our largest trading partner, China, as well as significant net migration. China's growth will support Australia's iron ore exports, while net migration will support domestic spending.

This market positioning presents an opportunity to buy out-of-favour defensive names as well as those with strong asset backings, thereby strengthening our portfolio for both earnings growth and sentiment swings. We anticipate a broader slowdown before deploying capital to the riskier areas of the market, and are watching leading indicators such as purchasing managers indexes and inflation expectation data closely.

With a focus on capital preservation, the investment portfolio was positioned defensively during a volatile equity market in 2023. The WAM Leaders investment portfolio increased 13.5% in the 12 months to 30 June 2023, while the S&P/ASX 200 Accumulation Index rose 14.8%. Over a three year time horizon, the WAM Leaders investment portfolio has outperformed the Index by 8.4% per annum, while over five years the investment portfolio has outperformed by 7.0% per annum.

2023 proved to be a much more positive year than we predicted with strong equity market returns and a more resilient economy. As we head into 2024, we believe tighter policy and a softening economy will require careful portfolio construction and the tactical approach WAM Leaders employs will allow us to capitalise on important inflection points we have identified.

Thank you for your support.

A handwritten signature in black ink, appearing to read 'M Haupt', written over a light blue background.

Matthew Haupt CFA
Lead Portfolio Manager

WAM Leaders top 20 holdings

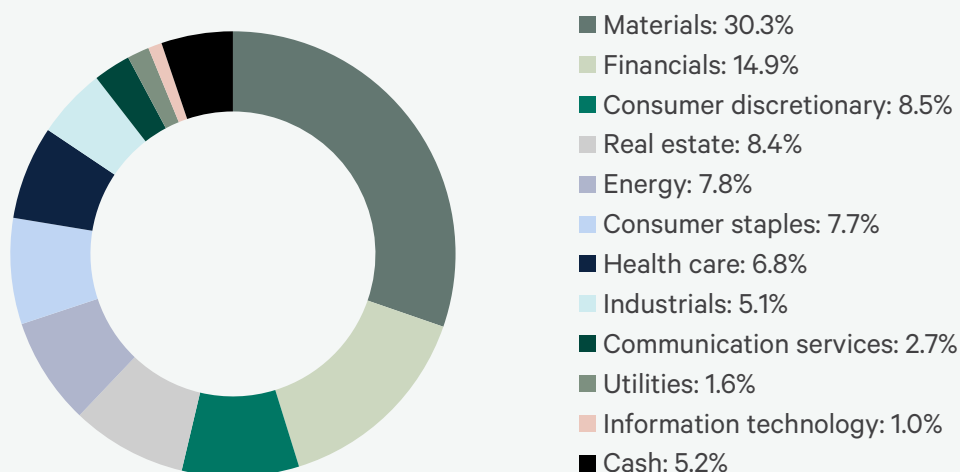
as at 30 June 2023

Code	Company name	Portfolio weightings
BHP	BHP Group Limited	8.9%
STO	Santos Limited	7.0%
RIO	Rio Tinto Limited	5.9%
CSL	CSL Limited	5.5%
DXS	Dexus	5.2%
SGR	The Star Entertainment Group Limited	5.2%
TWE	Treasury Wine Estates Limited	4.2%
NAB	National Australia Bank Limited	4.2%
ILU	Iluka Resources Limited	2.7%
S32	South32 Limited	2.5%
FMG	Fortescue Metals Group Limited	2.0%
WBC	Westpac Banking Corporation	2.0%
ANZ	ANZ Group Holdings Limited	1.8%
ORA	Orora Limited	1.5%
IPL	Incitec Pivot Limited	1.5%
CBA	Commonwealth Bank of Australia	1.5%
EDV	Endeavour Group Limited	1.5%
ALL	Aristocrat Leisure Limited	1.5%
CGF	Challenger Limited	1.3%
RMD	ResMed Inc	1.2%

The fair values of individual investments held at the end of the reporting period are disclosed on pages 59 to 60 of the Annual Report.

Diversified investment portfolio by sector

as at 30 June 2023



About Wilson Asset Management

Wilson Asset Management is passionate about making a difference for shareholders and the community for more than 25 years. As an investment manager, Wilson Asset Management invests over \$5 billion on behalf of more than 130,000 retail investors.

Wilson Asset Management is proud to be the Investment Manager for 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).

Philanthropy

Geoff Wilson founded Future Generation Australia (ASX: FGX) in 2014 and Future Generation Global (ASX: FGG) in 2015. The Future Generation companies are Australia's first listed investment companies to provide both investment and social returns: the companies provide shareholders with exposure to leading Australian and global fund managers who deliver a stream of fully franked dividends and capital growth to investors. This group of leading fund managers manages more than \$1 billion in assets on a pro bono basis, waiving their performance and management fees. Their generosity allows the Future Generation companies to invest 1% of net tangible assets each year in not-for-profit organisations. Shareholders are able to decide which not-for-profits will receive the donation, whether it's supporting children and youth at risk (FGX) or investing in the promotion of wellbeing and preventing mental ill-health in young Australians (FGG). By 2030, Future Generation aims to have donated over \$100 million, with \$65.2 million donated since inception so far. The team at Wilson Asset Management continue to support both companies.

Wilson Asset Management 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. During the year, Wilson Asset Management and Future Generation team members were proud to support over 90 charities across several cause areas such as cancer research, homelessness and mental health. All philanthropic investments are made by the Investment Manager.

We are honoured to provide continued support to Olympic athletes, through managing over \$8 million for the Australian Olympic Committee (AOC) on a pro bono basis. The AOC provides crucial financial and institutional support to Australian athletes to compete at an Olympic level. All fees are foregone by the Investment Manager.

We also support a number of organisations through sponsorships and partnerships across a range of initiatives including; the 2022 Wollongong UCI Road World Cycling Championship, The Australian Shareholder's Association, Sporting Chance Cancer Foundation, Women in Super and many more. All sponsorships and partnerships are made by the Investment Manager.

Advocacy and Education

As part of our focus on making a difference to shareholders and the community, our advocacy work for fair and equitable treatment of retail shareholders continues to be a priority. We firmly believe all shareholders, both retail and wholesale, should be treated equitably when investing in the Australian equity market.

Together we have been publicly fighting for the preservation of Paul Keating's franking system since the Labor party first proposed changes in 2018, a proposal that was going to deny cash refunds of franking credits to certain investors. In September 2021, the Australian Government announced proposed legislation changes to the Australian franking system, this time limiting the ability of Australian companies to pay fully franked dividends to their shareholders. Of the two pieces of legislation proposed, the one that concerns us the most relates to the Government's plan to stop companies paying fully franked dividends that in Treasury's view are directly or indirectly funded by capital raisings. This legislation will stop small growth companies from raising capital and paying fully franked dividends and encourage large companies to focus

on minimising tax paid in Australia. The second piece of legislation regarding the off-market buy-backs will restrict a company's ability to equitably manage its capital.

Following a public consultation period and our extensive engagement with Federal MPs and Senators, a Senate Inquiry was held to take a deeper look into the details of the proposed changes. This has now taken place and the committee acknowledged Schedule 5: Franked distributions funded by capital raisings needs clarification, an important victory for us all including industry and taxation experts, lawyers and academics who agree that this legislation is flawed. Unfortunately, they did not grasp that Schedule 4: Off-market share buy-backs also has significant unintended consequences and needs redrafting.

The Australian franking system has been part of the reason Australia has seen more than three decades of economic stability and growth. It has encouraged Australian companies and shareholders to invest in Australia, employ Australians, pay tax in Australia and in turn create more local jobs and ownership of Australian companies by Australians. We will continue to engage with Federal members of parliament, raising awareness about the long term unintended consequences of the proposed legislation.

We also remain committed to education initiatives which advocate for change and progress in corporate Australia. We support the University of New South Wales' School of Mathematics and Statistics' Do The Maths program, which aims to inspire girls in high school to consider tertiary studies and careers in mathematics and statistics. We believe in the importance of gender diversity in the financial services industry, in particular funds management, which provides rewarding career paths. We regularly host Women's Investor Events which give likeminded women a platform to network and enhance financial literacy, while our Young Investor Events aim to inspire the next generation to begin their investment journey early.

Shareholder engagement and communication

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. We encourage all shareholders to communicate with us and share their feedback. We have a variety of options to keep you informed, including:

- ✓ Email updates from our Lead Portfolio Managers
- ✓ Shareholder Presentations and events
- ✓ Investment team insights including 'Buy Hold Sell' videos
- ✓ Shareholder Q&A webinars
- ✓ Monthly net tangible asset reports and investment updates
- ✓ Roundtables with planners, advisers and their clients
- ✓ Social media engagement
- ✓ Investor education material
- ✓ Annual and interim results announcements

As always, please contact us by phone on (02) 9247 6755 or by email at info@wilsonassetmanagement.com.au if you ever have any questions or feedback.

Objectives and investment process

WAM Leaders' active investment approach focuses on large-cap companies with compelling fundamentals, a robust macroeconomic thematic and a catalyst.

Investment objectives

The investment objectives of WAM Leaders are to:

- deliver investors a stream of fully franked dividends;
- provide capital growth; and
- preserve capital of the Company.

Investment process

The investment process combines a top-down macroeconomic analysis with Wilson Asset Management's proven fundamental research-driven and market-driven investment processes.



Macroeconomic Analysis

The top-down approach seeks to identify and monitor leading and lagging macroeconomic indicators in order to construct a benchmark agonistic Australian large-cap investment portfolio.

When assessing and analysing the Australian large-cap universe, Wilson Asset Management believes that macroeconomic factors are an important driver of equity valuations and company earnings in making an investment decision. The investment team continuously monitors the macroeconomic environment to identify trends and possible inflection points, positioning the portfolio in anticipation accordingly. Inflection points are events that result in a significant change in the trajectory of a company, industry or economy. The top-down macroeconomic analysis includes, but is not limited to:

- monitoring of global asset classes such as fixed interest, commodity and currency data;
- studying monetary, business and fiscal cycles;
- analysing key economic and macroeconomic data releases; and
- regular dialogue with our global network of independent macroeconomic research houses and industry contacts.



Research-driven and market-driven investment process

Wilson Asset Management's fundamental research process involves diligent and deep analysis in order to identify longer-term core holdings within the investment portfolio. The investment process is also centred on meeting with senior executives of the potential investee companies. Each potential investee company is carefully analysed with respect to industry position, quality of management, earnings growth potential and valuation.

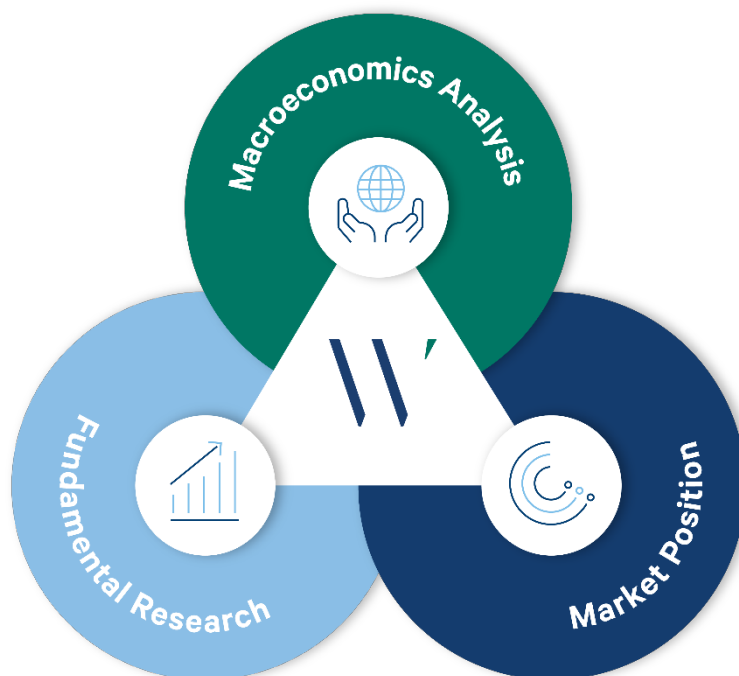
The market positioning analysis seeks to identify active trading opportunities around the longer-term core holding positions in the investment portfolio and takes advantage of short-term relative arbitrages and mispricing opportunities in the Australian equity market. Once an investment opportunity has been identified, the investment team undertakes a detailed assessment in order to validate the perceived mispricing in the relevant securities. The investment team will then analyse risk and return potential in conjunction with liquidity analysis. The market positioning analysis includes, but is not limited to:

- daily global positioning matrix. This involves observing global flows between stocks, bonds, commodities and currencies, between countries, and sectors within the equity market;
- engagement with quantitative research analysts; and
- factor, seasonality, and sensitivity analysis.

Market-driven opportunities may also be derived from participation in corporate transactions, including but not limited to; placements, block trades, corporate spin-offs and restructuring, and short selling securities. It is not expected that exposure to corporate transactions or short selling needs will form a material part of the investment portfolio.

Within the investment process, the investment team will consider the macroeconomic factors, the detailed fundamental research-driven analysis and market-driven positioning analysis, investing in a security once they can identify a catalyst that they believe will alter the market's valuation of the company.

Potential catalysts include earnings surprises, management changes, acquisitions or strategy updates, and liquidity events such as a share issue or sell down by an existing holder.



Directors' Report to shareholders for the year ended 30 June 2023

The Directors present their report together with the financial report of WAM Leaders for the financial year ended 30 June 2023.

Principal activity

The principal activity of the Company is making investments in listed companies. The Company's investment objectives are to deliver a stream of fully franked dividends, provide capital growth and preserve capital. No change in this activity took place during the year or is likely to in the future.

Operating and financial review

Investment operations over the year resulted in an operating profit before tax of \$168,988,746 (2022: \$68,574,248) and an operating profit after tax of \$130,082,684 (2022: \$65,760,443). The operating profit for 2023 is reflective of the performance of the investment portfolio. The investment portfolio increased 13.5% in the 12 months to 30 June 2023, while the S&P/ASX 200 Accumulation Index rose 14.8%.

The operating profit for the year includes unrealised gains or losses arising from changes in the fair value of the investments held in the portfolio during the year. This movement in the fair value of investments can add to or reduce the realised gains and losses on the investment portfolio and other revenue from operating activities (such as dividend and interest income) in each year. This treatment under the Accounting Standards, can cause large variations in reported operating profits between years.

The operating profit or loss for each financial year is reflective of the underlying investment portfolio performance and is important to understand with context to the overall performance of equity markets in any given year. As a result, we believe the more appropriate measures of the financial results for the year are the investment portfolio performance, the change in net tangible assets (NTA) and the fully franked dividends, together with total shareholder return.

Further information on the three key listed investment company performance measures and the operating and financial review of the Company is contained in the Chairman's letter.

Financial position

The net asset value of the Company as at 30 June 2023 was \$1,777,338,087 (2022: \$1,422,922,260). Further information on the financial position of the Company is contained in the Chairman's letter.

Significant changes in state of affairs

There was no significant change in the state of affairs of the Company during the year ended 30 June 2023.

Dividends paid or recommended

Dividends paid or declared during the year are as follows:

	\$
Final fully franked FY2022 dividend of 4.0 cents per share paid on 30 November 2022	43,844,731
Interim fully franked FY2023 dividend of 4.5 cents per share paid on 31 May 2023	56,467,120

Since the end of the year, the Directors declared a final fully franked dividend of 4.5 cents per share to be paid on 31 October 2023.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

- Geoff Wilson AO
- Kate Thorley
- Alexa Henderson (appointed 1 June 2023)
- Lindsay Mann
- Dr Ian Langford (appointed 6 April 2023)
- Melinda Snowden (resigned 1 June 2023)
- Ross Finley (resigned 6 April 2023)

Information on Directors

Geoff Wilson AO (Chairman – non-independent)

Experience and expertise

Geoff Wilson has over 43 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997 and created Australia's first listed philanthropic wealth creation vehicles, Future Generation Australia Limited and Future Generation Global Limited. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australia and the Australian Institute of Company Directors (AICD).

Geoff Wilson has been Chairman of the Company since March 2016.

Other current listed company directorships

Geoff Wilson is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and WAM Strategic Value Limited (appointed March 2021). He is the founder and a Director of Future Generation Australia Limited (appointed July 2014) and Future Generation Global Limited (appointed May 2015) and a Director of WAM Alternative Assets Limited (appointed September 2020), Global Value Fund Limited (appointed April 2014) and Hearts and Minds Investments Limited (appointed September 2018).

Geoff Wilson AO (Chairman – non-independent) (cont'd)

Former listed company directorships in the last 3 years

Geoff Wilson resigned as a director of 8IP Emerging Companies Limited in September 2020 and Australian Leaders Fund Limited in March 2021.

Special responsibilities

Chairman of the Board.

Interests in shares of the Company

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

Kate Thorley (Director – non-independent)

Experience and expertise

Kate Thorley has over 18 years' experience in the funds management industry and more than 24 years of financial accounting and corporate governance experience. Kate is the Chief Executive Officer of Wilson Asset Management (International) Pty Limited, Director of WAM Capital Limited, WAM Active Limited, WAM Research Limited, WAM Microcap Limited, WAM Global Limited, WAM Strategic Value Limited, Future Generation Australia Limited and Future Generation Global Limited. She holds a Bachelor of Commerce, a Graduate Diploma in Applied Finance and Investment, Graduate Diploma of Applied Corporate Governance and is a fully qualified CA. She is a Graduate member of the AICD (GAICD).

Kate Thorley has been a Director of the Company since March 2016.

Other current listed company directorships

Kate Thorley is a Director of WAM Active Limited (appointed July 2014), WAM Research Limited (appointed August 2014), Future Generation Australia Limited (appointed April 2015), WAM Capital Limited (appointed August 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018), Future Generation Global Limited (appointed March 2021) and WAM Strategic Value Limited (appointed March 2021).

Former listed company directorships in the last 3 years

Kate Thorley has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Kate Thorley's interests in shares of the Company are included later in this report.

Interests in contracts

Kate Thorley has no interests in contracts of the Company.

Alexa Henderson (Director – independent) (appointed 1 June 2023)

Experience and expertise

Alexa Henderson has over 30 years' global experience in finance, accounting and audit having previously held roles with KPMG, Arthur Andersen and Deutsche Bank (WM Company). Alexa is currently a non-executive director of abrdn UK Smaller Companies Growth Trust PLC, James Walker (Leith) Limited and Chairman of JPMorgan Japan Small Cap Growth & Income PLC. Alexa holds a Bachelor of Science in Economics and Accounting from Edinburgh University and is a Chartered Accountant.

Alexa Henderson has been a Director of the Company since June 2023.

Other current listed company directorships

Alexa Henderson is currently Chairman of JPMorgan Japan Small Cap Growth & Income PLC (appointed April 2016) and non-executive director of James Walker (Leith) Limited (appointed December 2013) and abrdn UK Smaller Companies Growth Trust PLC (appointed October 2018).

Former listed company directorships in the last 3 years

Alexa Henderson resigned as a director of Bravura Solutions Limited in February 2023 and CT Property Trust Limited in August 2023.

Special responsibilities

Chair of the Audit and Risk Committee.

Interests in shares of the Company

Details of Alexa Henderson's interests in shares of the Company are included later in this report.

Interests in contracts

Alexa Henderson has no interests in contracts of the Company.

Lindsay Mann (Director – independent)

Experience and expertise

Lindsay Mann has more than 49 years' financial services experience. He was formerly Chairman of Premium Investors Pty Limited (formerly Premium Investors Limited). Prior to that, Lindsay was CEO (Singapore) and Regional Head Asia for First State Investments, the Asian business of Colonial First State Global Asset Management. Prior to this, Lindsay was CEO of AXA Investment Managers in Hong Kong. He is a Fellow of the Institute of Actuaries of Australia and a Graduate member of the AICD (GAICD).

Lindsay Mann has been a Director of the Company since March 2016.

Other current listed company directorships

Lindsay Mann is an independent non-executive director and Chair of Uniting Ethical Investors Limited (appointed September 2014) and an independent Director of WAM Capital Limited (appointed December 2012).

Former listed company directorships in the last 3 years

Lindsay Mann has not resigned as a Director from any other listed companies within the last three years.

Lindsay Mann (Director – independent) (cont'd)

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Details of Lindsay Mann's interests in shares of the Company are included later in this report.

Interests in contracts

Lindsay Mann has no interests in contracts of the Company.

Dr Ian Langford (Director – independent) (appointed 6 April 2023)

Experience and expertise

Dr Ian Langford holds a Bachelor's degree in Management, a Master of Arts, a Master of Defence Studies, a Master of Strategic Studies and a Doctor of Philosophy from Deakin University. With 30 years of experience and as a senior officer in the Australian Defence Force, Ian has led large and small teams in complex and ambiguous environments. Ian has held a range of appointments in the Army and Special Forces throughout his career. Ian commanded the 2nd Commando Regiment, as well as multiple Special Operations Task Groups in Afghanistan, Iraq, and on domestic counter-terrorism duties. Ian has also led at the strategic level, responsible for the Army's future strategic investments, future concepts and capabilities, major capital acquisitions and critical sustainment systems as the Head of Land Capability on two separate occasions in both 2019/20 and again in 2022. Ian has been awarded several Australian commendations, and the Distinguished Service Cross on three occasions. In 2019, he was appointed as an Honorary Aide de Camp to the Governor-General of the Commonwealth of Australia.

Dr Ian Langford has been a Director of the Company since April 2023.

Other current listed company directorships

Dr Ian Langford has no other directorships.

Former listed company directorships in the last 3 years

Dr Ian Langford has not resigned as a Director from any other listed companies within the last three years.

Special responsibilities

Member of the Audit and Risk Committee.

Interests in shares of the Company

Dr Ian Langford has no interests in shares of the Company.

Interests in contracts

Dr Ian Langford has no interests in contracts of the Company.

Joint Company Secretaries

The following persons held the position of Joint Company Secretary at the end of the financial year:

Jesse Hamilton

Jesse Hamilton is a Chartered Accountant with more than 15 years' experience working in advisory and assurance services, specialising in funds management. As the Chief Financial Officer, Jesse oversees all finance and accounting of Wilson Asset Management (International) Pty Limited. He is Company Secretary for WAM Alternative Assets Limited and WAM Strategic Value Limited, and Joint Company Secretary for WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited, in addition to Future Generation Australia Limited and Future Generation Global Limited. Prior to joining Wilson Asset Management, Jesse worked as Chief Financial Officer of an ASX listed company and also worked as an advisor specialising in assurance services, valuations, mergers and acquisitions, financial due diligence and capital raising activities for listed investment companies.

Jesse Hamilton was appointed Company Secretary of WAM Leaders in November 2020.

Linda Kiriczenko

Linda Kiriczenko has over 19 years' experience in financial accounting including more than 15 years in the funds management industry. As the Finance Manager of Wilson Asset Management (International) Pty Limited, Linda oversees finance and accounting and is also Joint Company Secretary for six listed investment companies, WAM Capital Limited, WAM Leaders Limited, WAM Global Limited, WAM Microcap Limited, WAM Research Limited and WAM Active Limited. Linda holds a Bachelor of Commerce and is a fully qualified CPA. She is a certified member of the Governance Institute of Australia.

Linda Kiriczenko was appointed Company Secretary of WAM Leaders in May 2016.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each Director of WAM Leaders.

a) Remuneration of Directors

All Directors of WAM Leaders are non-executive Directors. The Board from time to time determines remuneration of Directors within the maximum amount approved by the shareholders at the Annual General Meeting. Directors are not entitled to any other remuneration.

Fees and payments to Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

The maximum total remuneration of the Directors of the Company has been set at \$132,500 per annum. Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

Remuneration Report (Audited) (cont'd)

a) Remuneration of Directors (cont'd)

Directors' remuneration received for the year ended 30 June 2023:

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson*	Chairman	8,947	950	9,897
Kate Thorley*	Director	8,947	950	9,897
Alexa Henderson (appointed 1 June 2023)	Director	2,789	293	3,082
Lindsay Mann	Director	33,937	3,563	37,500
Dr Ian Langford (appointed 6 April 2023)	Director	7,996	840	8,836
Melinda Snowden (resigned 1 June 2023)	Director	31,240	3,280	34,520
Ross Finley (resigned 6 April 2023)	Director	26,034	2,734	28,768
		119,890	12,610	132,500

*Directors fees has been set at \$132,500 per annum. When Dr Ian Langford and Alexa Henderson joined the Board of Directors in April and June 2023 respectively, Geoff Wilson and Kate Thorley agreed to forgo a portion of their director fees in order to allow Dr Ian Langford and Alexa Henderson to receive their fees as independent directors of the Company for the period.

Directors receive a superannuation guarantee contribution required by the government, which was 10.5% of individuals' benefits for FY2023 (FY2022: 10%) and do not receive any other retirement benefits. Directors may also elect to salary sacrifice their fees into superannuation.

Directors' remuneration received for the year ended 30 June 2022:

Director	Position	Short-term employee benefits Directors' Fees \$	Post-employment benefits Superannuation \$	Total \$
Geoff Wilson	Chairman	9,091	909	10,000
Kate Thorley	Director	9,091	909	10,000
Melinda Snowden	Director	31,818	3,182	35,000
Lindsay Mann	Director	31,818	3,182	35,000
Ross Finley	Director	31,818	3,182	35,000
		113,636	11,364	125,000

Remuneration Report (Audited) (cont'd)

a) Remuneration of Directors (cont'd)

The following table reflects the Company's performance and Directors' remuneration over five years:

	2023	2022	2021	2020	2019
Operating profit after tax (\$)	\$130,082,684	\$65,760,443	\$228,934,611	\$5,333,301	\$71,510,433
Dividends (cents per share)	9.0	8.0	7.0	6.5	5.65
Share price (\$ per share)	\$1.455	\$1.46	\$1.59	\$1.055	\$1.105
NTA after tax (\$ per share)	\$1.41	\$1.37	\$1.37	\$1.17	\$1.22
Total Directors' remuneration (\$)	\$132,500	\$125,000	\$125,000	\$125,000	\$90,000
Shareholder's equity (\$)	\$1,777,338,087	\$1,422,922,260	\$1,152,101,079	\$919,607,878	\$960,266,825

b) Director related entities remuneration

All transactions with related entities during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with MAM Pty Limited (the Investment Manager or the Manager), part of the Wilson Asset Management Group. Geoff Wilson is the Director of MAM Pty Limited, the entity appointed to manage the investment portfolio of WAM Leaders. Entities associated with Geoff Wilson hold 100% of the issued shares of MAM Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, MAM Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio amounting to \$17,966,979 inclusive of GST (2022: \$16,796,186). As at 30 June 2023, the balance payable to the Manager was \$1,650,504 inclusive of GST (2022: \$1,362,708).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the amount by which the value of the portfolio exceeds the return of the S&P/ASX 200 Accumulation Index over that period. If the value of the portfolio is less than the return of the S&P/ASX 200 Accumulation Index, no performance fee will be payable in respect of that period and the negative amount is to be carried forward to the following calculation period(s) until it has been recouped in full against future positive performance. No performance fees will be payable until the full recoupment of prior underperformance.

For the year ended 30 June 2023, no performance fee was payable to MAM Pty Limited (2022: \$45,950,159). The current period underperformance fee of \$7,820,174 inclusive of GST has been carried forward to the following calculation period(s) until it has been recouped in full against future performance fees.

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Leaders to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$46,200 inclusive of GST (2022: \$46,200) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2022: \$16,500). Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited.

Remuneration Report (Audited) (cont'd)

b) Director related entities remuneration (cont'd)

These amounts are in addition to the above Directors' remuneration. Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

c) Remuneration of executives

There are no executives that are paid by the Company. MAM Pty Limited, the Investment Manager of the Company, provides the day-to-day management of the Company and is remunerated for these services as outlined above.

d) Equity instruments disclosures of Directors and related parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2022/ on appointment	Acquisitions	Disposals	Balance at 30 June 2023	Balance at the date of this report
Geoff Wilson	12,561,332	426,489	(54,740)	12,933,081	12,933,081
Kate Thorley	298,292	21,288	-	319,580	319,580
Lindsay Mann	242,000	20,576	-	262,576	262,576
Alexa Henderson (appointed 1 June 2023)	-	-	-	-	25,000*
Dr Ian Langford (appointed 6 April 2023)	-	-	-	-	-
	13,101,624	468,353	(54,740)	13,515,237	13,540,237

*Alexa Henderson acquired 25,000 ordinary shares post 30 June 2023, as announced on 25 July 2023.

Directors and Director related entities disposed of and acquired ordinary shares and options in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

- End of Remuneration Report -

Directors' meetings

Director	No. eligible to attend	Attended
Geoff Wilson	5	5
Kate Thorley	5	5
Lindsay Mann	5	5
Dr Ian Langford (appointed 6 April 2023)	1	1
Alexa Henderson (appointed 1 June 2023)	-	-
Ross Finley (resigned 6 April 2023)	4	4
Melinda Snowden (resigned 1 June 2023)	5	5

Audit and Risk Committee meetings

The main responsibilities of the Audit and Risk Committee are set out in the Company's 2023 Corporate Governance Statement.

Audit and Risk Committee member	No. eligible to attend	Attended
Kate Thorley	4	3
Lindsay Mann	4	4
Dr Ian Langford (appointed 6 April 2023)	1	1
Alexa Henderson (appointed 1 August 2023)	-	-
Ross Finley (resigned 6 April 2023)	3	3
Melinda Snowden (resigned 1 June 2023)	4	4

After balance date events

Since the end of the year, the Directors declared a final fully franked dividend of 4.5 cents per share to be paid on 31 October 2023.

No other matters or circumstances have arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future developments

The Company will continue to pursue investment activities – primarily investing in equities listed on the Australian Securities Exchange – to achieve the Company's stated objectives.

The Company's future performance is dependent on the performance of the Company's investments. In turn, the performance of these investments is impacted by investee company-specific factors and prevailing industry conditions. In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macroeconomic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to accurately predict the future performance of the Company's investments and, therefore, the Company's performance.

Environmental regulation

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnification and insurance of Officers or Auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

During the year Pitcher Partners, the Company's auditor, performed taxation and other services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit and Risk Committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with the APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report have been rounded to the nearest dollar, unless otherwise indicated.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2023 is provided on the Company's website at wilsonassetmanagement.com.au.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 27 of the Annual Report.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated this 17th day of August 2023

Pitcher Partners Sydney Partnership

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e. sydneypartners@pitcher.com.au

**Auditor's Independence Declaration
To the Directors of WAM Leaders Limited
ABN 33 611 053 751**

In relation to the independent audit of WAM Leaders Limited for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

17 August 2023

Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Net realised and unrealised gains on financial assets		121,285,137	52,965,289
Other revenue from operating activities	2	74,167,570	81,892,593
Performance fees		-	(42,817,182)
Management fees		(16,741,958)	(15,650,988)
Directors fees		(132,500)	(125,000)
Brokerage expense on share purchases		(8,116,725)	(6,422,508)
Expenses paid on borrowed stock		-	(38,886)
Custody fees		(144,104)	(132,120)
ASX listing and CHES fees		(216,471)	(193,067)
Share registry fees		(219,975)	(189,455)
Disbursements, mailing and printing		(158,621)	(138,941)
Legal fees		(160,914)	(96,890)
ASIC industry funding levy		(52,086)	(51,212)
Other expenses from ordinary activities		(520,607)	(427,385)
Profit before income tax		168,988,746	68,574,248
Income tax expense	3(a)	(38,906,062)	(2,813,805)
Profit after income tax attributable to members of the Company		130,082,684	65,760,443
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		130,082,684	65,760,443
Basic and diluted earnings per share	14	11.71 cents	6.52 cents

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	12	59,332,306	39,899,696
Trade and other receivables	6	61,754,347	82,419,488
Financial assets	7	1,709,017,832	1,449,580,195
Total current assets		1,830,104,485	1,571,899,379
Non-current assets			
Deferred tax assets	3(b)	3,338,075	10,956,753
Total non-current assets		3,338,075	10,956,753
Total assets		1,833,442,560	1,582,856,132
Current liabilities			
Trade and other payables	8	30,764,937	129,205,902
Current tax liabilities	3(c)	25,339,536	30,727,970
Total current liabilities		56,104,473	159,933,872
Total liabilities		56,104,473	159,933,872
Net assets		1,777,338,087	1,422,922,260
Equity			
Issued capital	9	1,529,049,510	1,204,404,516
Profits reserve	10	425,363,639	375,802,671
Accumulated losses	11	(177,075,062)	(157,284,927)
Total equity		1,777,338,087	1,422,922,260
The accompanying notes form part of these financial statements.			

Statement of changes in equity for the year ended 30 June 2023

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 1 July 2021		922,014,705	(65,513,864)	295,600,238	1,152,101,079
Profit for the year		-	65,760,443	-	65,760,443
Transfer to profits reserve		-	(157,531,506)	157,531,506	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Shares issued via Entitlement Offer and Top-Up Facility	9(b)	193,656,489	-	-	193,656,489
Shares issued via Shortfall Facility and additional placement	9(b)	83,555,957	-	-	83,555,957
Shares issued via dividend reinvestment plan	9(b)	6,047,955	-	-	6,047,955
Share issue costs (net of tax)	9(b)	(870,590)	-	-	(870,590)
Dividends paid	4(a)	-	-	(77,329,073)	(77,329,073)
Balance at 30 June 2022		1,204,404,516	(157,284,927)	375,802,671	1,422,922,260
Profit for the year		-	130,082,684	-	130,082,684
Transfer to profits reserve		-	(149,872,819)	149,872,819	-
Other comprehensive income for the year		-	-	-	-
Transaction with owners:					
Shares issued via Scheme of Arrangement with Absolute Equity Performance Fund	9(b)	89,696,066	-	-	89,696,066
Shares issued via Placement	9(b)	131,049,097	-	-	131,049,097
Shares issued via Share Purchase Plan	9(b)	99,030,677	-	-	99,030,677
Shares issued via dividend reinvestment plan	9(b)	7,017,509	-	-	7,017,509
Share issue costs (net of tax)	9(b)	(2,148,355)	-	-	(2,148,355)
Dividends paid	4(a)	-	-	(100,311,851)	(100,311,851)
Balance at 30 June 2023		1,529,049,510	(177,075,062)	425,363,639	1,777,338,087

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Proceeds from sale of investments		9,312,357,853	7,037,523,562
Payments for purchase of investments		(9,391,556,252)	(7,233,810,705)
Dividends received		60,019,940	78,239,822
Trust distributions received		7,145,257	2,012,042
Interest received		1,872,343	161,179
Other investment income received		785,795	2,890
Management fee (GST inclusive)		(17,679,183)	(16,555,743)
Performance fee (GST inclusive)		(45,950,159)	(16,056,505)
Brokerage expense on share purchases (GST inclusive)		(8,710,456)	(6,891,974)
Payments for administration expenses (GST inclusive)		(1,760,689)	(1,351,696)
Income tax paid		(35,755,094)	(39,054,542)
GST on brokerage expense on share sales		(607,999)	(476,978)
Net GST received from ATO		5,554,901	3,138,678
Net cash used in operating activities	13	(114,283,743)	(193,119,970)
Cash flows from financing activities			
Proceeds from issue of shares		230,079,774	277,212,446
Dividends paid – net of reinvestment		(93,294,342)	(71,281,118)
Share issue costs		(3,069,079)	(1,243,700)
Net cash provided by financing activities		133,716,353	204,687,628
Net increase in cash and cash equivalents held		19,432,610	11,567,658
Cash and cash equivalents at beginning of the year		39,899,696	28,332,038
Cash and cash equivalents at the end of the year	12	59,332,306	39,899,696
Non-cash transactions:			
Shares issued via scheme of arrangement	9(b)	89,696,066	-
Shares issued via dividend reinvestment plan	9(b)	7,017,509	6,047,955

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2023

1. Significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

WAM Leaders is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report was authorised for issue on 17 August 2023 by the Board of Directors.

WAM Leaders is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out the accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the Company's financial statements and notes also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Significant accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, with the exception of certain financial assets and liabilities which have been measured at fair value. All amounts are presented in Australian dollars.

In accordance with ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Financial Report have been rounded to the nearest dollar, unless otherwise indicated.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. There was no material impact to the financial statements.

a) Financial assets and liabilities

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. For financial assets, trade date accounting is adopted, which is equivalent to the date that the Company commits itself to purchase or sell the assets.

Financial instruments are initially measured at fair value. Transaction costs related to financial instruments are expensed to the Statement of comprehensive income immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Current market prices for all quoted investments are used to determine fair value. For all listed or unlisted securities that are not traded in an active market, valuation techniques are applied to determine fair value, including recent arm's length transactions and reference to similar instruments.

1. Significant accounting policies (cont'd)

a) Financial assets and liabilities (cont'd)

Classification and subsequent measurement (cont'd)

The Company classifies its financial instruments into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets are classified 'at fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

(ii) Financial liabilities at fair value through profit or loss

Financial liabilities such as borrowed stock are classified 'at fair value through profit or loss'. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of comprehensive income in the period in which they arise.

(iii) Investment entity

WAM Leaders owns 100% of the shares on issue in Australian entities, Century Australia Investments and Absolute Equity Performance Fund. The Directors have assessed the requirements of *AASB 10 Consolidated Financial Statements* and have applied the criteria set out in that standard to the operations of the Company. WAM Leaders is therefore considered to be an investment entity and as a result, the wholly owned entities of the Company are not consolidated into the financial statements, but rather is accounted for as financial assets at fair value through profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of comprehensive income.

b) Income tax

The charge of current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

1. Significant accounting policies (cont'd)

b) Income tax (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised, to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset only where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are only offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and term deposits maturing within six months or less.

d) Revenue and other income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

e) Trade and other receivables

Trade and other receivables are non-derivative financial assets and are initially recognised at fair value. They are subsequently stated at amortised cost, less any provision for impairment. Refer to Note 1(g) for further detail.

f) Trade and other payables

Trade and other payables are non-derivative financial liabilities and are stated at amortised cost.

g) Impairment of assets

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition (this has replaced the incurred loss model). All the trade receivables of the Company share the same credit risk characteristics. Indicators that there is no reasonable expectation of recovery include, amongst others, the Standard & Poor's credit risk rating of a debtor, and a failure to make contractual payments for a period of greater than 30 days past due.

1. Significant accounting policies (cont'd)

g) Impairment of assets (cont'd)

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the Statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item. As at 30 June 2023, there are no expected credit losses recognised (2022: nil).

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised exclusive of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of financial position.

Cash flows are presented in the Statement of cash flows on a gross basis (inclusive of GST), except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

j) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

k) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Dividends

Dividends are recognised when declared during the financial year.

m) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

There are no estimates or judgements that have a material impact on the Company's financial results for the year ended 30 June 2023. All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgements are required in respect to their valuation.

n) New standards and interpretations not yet adopted

There are no new standards or interpretations not yet adopted that would have a material impact for the Company this financial period.

2. Other revenue

	2023 \$	2022 \$
Australian sourced dividends	60,339,306	77,707,543
Trust distributions	10,820,674	2,554,792
Interest	1,872,343	161,179
Underwriting fees and other income	785,795	2,890
Foreign sourced dividends	349,452	1,466,189
	74,167,570	81,892,593

3. Income tax

a) Income tax expense

The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:

	2023 \$	2022 \$
Prima facie tax on profit before income tax at 30% (2022: 30%)	50,696,624	20,572,274
Imputation credit gross up	4,968,901	7,457,614
Franking credit offset	(16,563,002)	(24,858,715)
Foreign income tax gross up	11,300	4,101
Foreign income tax offset	(37,668)	(13,670)
Other non-assessable items*	(170,093)	(347,799)
	38,906,062	2,813,805
Effective tax rate	23.0%	4.1%

The effective tax rate reflects the benefit to the Company of franking credits received on dividend income during the year. The increase in the effective tax rate from the comparative year is reflective of the lower proportion of franked dividend income received in comparison to the net profit before tax for the period in comparison to the prior period.

*Other non-assessable items relate to timing differences on franked dividends receivable.

Total income tax expense results in a:	2023 \$	2022 \$
Current tax liability	30,366,660	37,584,068
Deferred tax liability	-	(24,254,607)
Deferred tax asset	8,539,402	(10,515,656)
	38,906,062	2,813,805

3. Income tax (cont'd)

b) Deferred tax assets

	2023 \$	2022 \$
Accruals	12,325	12,755
Share issue costs	1,051,580	336,146
Fair value adjustments and timing differences on receivable	2,274,170	10,607,852
	3,338,075	10,956,753
Movement in deferred tax assets		
Balance at the beginning of the year	10,956,753	67,987
(Charged)/credited to the Statement of comprehensive income	(8,539,402)	10,515,656
Share issue costs	920,724	373,110
At reporting date	3,338,075	10,956,753

c) Current tax liabilities

	2023 \$	2022 \$
Balance at the beginning of the year	30,727,970	32,198,444
Current year income tax on operating profit	30,366,660	37,584,068
Income tax paid	(35,755,094)	(39,054,542)
At reporting date	25,339,536	30,727,970

d) Deferred tax liabilities

	2023 \$	2022 \$
Fair value adjustments and timing differences on receivable	-	-
	-	-
Movement in deferred tax liabilities		
Balance at the beginning of the year	-	24,254,607
Credited to the Statement of comprehensive income	-	(24,254,607)
At reporting date	-	-

4. Dividends

a) Ordinary dividends paid during the year

	2023 \$	2022 \$
Final dividend FY2022: 4.0 cents per share fully franked at 30% tax rate, paid 30 November 2022 (Final dividend FY2021: 3.5 cents per share fully franked)	43,844,731	36,051,837
Interim dividend FY2023: 4.5 cents per share fully franked at 30% tax rate, paid 31 May 2023 (Interim dividend FY2022: 4.0 cents per share fully franked)	56,467,120	41,277,236
	100,311,851	77,329,073

b) Dividends not recognised at year end

	2023 \$	2022 \$
In addition to the above dividends, since the end of the year, the Directors have declared a 4.5 cents per share fully franked dividend (2022: 4.0 cents per share fully franked) which has not been recognised as a liability at the end of the financial year:	56,579,901	41,361,795

c) Dividend franking account

	2023 \$	2022 \$
Balance of franking account at year end	78,082,796	68,755,492
Adjusted for franking credits arising from: - Estimated income tax payable	25,339,536	30,727,970
Subsequent to year end, the franking account would be reduced by the proposed dividend disclosed in Note 4(b):	(24,248,529)	(17,726,484)
	79,173,803	81,756,978

The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the payment of tax on profits.

The balance of the franking account does not include the tax to be paid on unrealised investment gains at the end of the reporting period. As at 30 June 2023, the deferred tax in relation to fair value movements on the investment portfolio is in a debit balance of \$2,460,990 and this amount has been presented as a deferred tax asset (2022: debit balance of \$10,764,119 presented as a deferred tax asset).

5. Auditor's remuneration

	2023 \$	2022 \$
Remuneration of the auditor for:		
Auditing and reviewing the financial report	57,400	54,294
Other services provided by a related practice of the auditor:		
Taxation services	9,185	2,530
	66,585	56,824

5. Auditor's remuneration (cont'd)

The Company's Audit and Risk Committee oversees the relationship with the Company's external auditors. The Audit and Risk Committee reviews the scope of the audit and review and the proposed fee. It also reviews the cost and scope of other services provided by a related entity of the audit firm, to ensure that they do not compromise independence.

6. Trade and other receivables

	2023 \$	2022 \$
Outstanding settlements	50,437,771	72,565,197
Investment income receivable	10,497,463	6,153,023
GST receivable	819,113	3,701,268
	61,754,347	82,419,488

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of the transaction. Investment income receivable relates to interest, dividend and trust distributions receivable at the end of the reporting period.

7. Financial assets

	2023 \$	2022 \$
Listed investments at fair value	1,708,236,676	1,446,849,868
Unlisted investments at fair value	781,156	2,730,327
	1,709,017,832	1,449,580,195

The fair values of individual investments held at the end of the reporting period are disclosed on pages 59 to 60 of the Annual Report. The unlisted investments held at fair value as at 30 June 2023 relates to WAM Leaders' investment in unlisted investment companies, Century Australia Investments and Absolute Equity Performance Fund. The fair value of Century Australia Investments and Absolute Equity Performance Fund have been based on their net asset backing, being the underlying residual cash and cash equivalents at the end of the reporting period.

8. Trade and other payables

	2023 \$	2022 \$
Outstanding settlements	28,735,746	81,607,382
Management fee payable	1,650,504	1,362,708
Sundry payables	378,687	285,653
Performance fee payable	-	45,950,159
	30,764,937	129,205,902

8. Trade and other payables (cont'd)

Outstanding settlements are on the terms operating in the securities industry. These do not incur interest and require settlement within two days from the date of the transaction. Sundry payables are settled within the terms of payment offered. No interest is applicable on these accounts.

9. Issued capital

a) Paid-up capital

	2023 \$	2022 \$
1,257,331,124 ordinary shares fully paid (2022: 1,034,044,884)	1,529,049,510	1,204,404,516

b) Movement in issued capital

	2023 \$	2022 \$
Balance at the beginning of the year	1,204,404,516	922,014,705
1,034,044,884 ordinary shares fully paid (2022: 837,543,215)		
62,073,402 ordinary shares issued on 4 October 2022 under a Scheme of Arrangement with Absolute Equity Performance Fund	89,696,066	-
2,236,882 ordinary shares issued on 30 November 2022 under a dividend reinvestment plan	3,344,293	-
88,546,687 ordinary shares issued on 20 April 2023 under a Placement	131,049,097	-
67,922,275 ordinary shares issued on 12 May 2023 under a Share Purchase Plan	99,030,677	-
2,506,994 ordinary shares issued on 31 May 2023 under a dividend reinvestment plan	3,673,216	-
134,483,673 ordinary shares issued on 13 August 2021 under an Entitlement Offer and Top-Up Facility	-	193,656,489
58,024,970 ordinary shares issued on 23 August 2021 under a Shortfall Facility and additional placement	-	83,555,957
1,879,021 ordinary shares issued on 29 October 2021 under a dividend reinvestment plan	-	2,785,802
2,114,005 ordinary shares issued on 29 April 2022 under a dividend reinvestment plan	-	3,262,153
Share issue costs (net of tax)	(2,148,355)	(870,590)
At reporting date	1,529,049,510	1,204,404,516

9. Issued capital (cont'd)

b) Movement in issued capital (cont'd)

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, with all substantive resolutions conducted by a poll. In the event of winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

c) Capital management

In June 2022, WAM Leaders and Absolute Equity Performance Fund (AEG) announced that WAM Leaders would acquire 100% of the shares in AEG through a Scheme of Arrangement (Scheme). Under the Scheme, AEG shareholders received new WAM Leaders shares as consideration for their AEG shares. Following approval from AEG shareholders on 15 September 2022, and from the Federal Court of Australia on 21 September 2022, the Scheme was implemented on 4 October 2022. As a result, WAM Leaders issued 62.1 million shares to AEG shareholders. WAM Leaders has a relevant interest in 100% of the shares in AEG, which was delisted from the ASX on 5 October 2022.

On 14 April 2023, WAM Leaders announced the successful completion of a Placement to existing wholesale and sophisticated investors at an issue price of \$1.48 per share, a premium to the pre-tax net tangible asset (NTA) backing as at 31 March 2023, raising \$131.0 million.

WAM Leaders also announced a Share Purchase Plan (SPP) to existing shareholders in April 2023. The SPP provided the opportunity to acquire up to \$30,000 of fully paid ordinary shares in WAM Leaders without incurring any brokerage fees. The SPP was issued at \$1.458 per share, a 2.5% discount to the 5-day volume weighted average price at the issue date of 12 May 2023, raising \$99.0 million.

The Placement and SPP raised over \$230 million, issuing 156.5 million shares.

The Company's larger capital base increases the liquidity of the shares and its relevance in the market by improving the prospect of broker and research coverage, increasing interest from financial planners and gaining additional access to market opportunities. The increased size will also reduce the fixed expense ratio of the Company to the benefit of all shareholders. The additional capital has been invested in accordance with the Company's disciplined and proven investment process.

The Board manages the Company's capital by regularly reviewing the most efficient manner by which the Company deploys its capital. At the core of this, the Board is of the belief that shareholder value should be preserved through the management of the level of distributions to shareholders, share placements, share purchase plans, options issues and share buy-backs. These capital management initiatives will be used when deemed appropriate by the Board. There have been no changes in the strategy adopted by the Board to manage the capital of the Company during the year.

10. Profits reserve

	2023 \$	2022 \$
Profits reserve	425,363,639	375,802,671

The profits reserve is made up of amounts transferred from current year profits and are preserved for future dividend payments.

	2023 \$	2022 \$
Movement in profits reserve		
Balance at the beginning of the year	375,802,671	295,600,238
Transfer of profits during the year	149,872,819	157,531,506
Final dividend paid (refer to note 4(a))	(43,844,731)	(36,051,837)
Interim dividend paid (refer to note 4(a))	(56,467,120)	(41,277,236)
At reporting date	425,363,639	375,802,671

11. Accumulated losses

	2023 \$	2022 \$
Balance at the beginning of the year	(157,284,927)	(65,513,864)
Profit for the year attributable to members of the Company	130,082,684	65,760,443
Transfer to profits reserve	(149,872,819)	(157,531,506)
At reporting date	(177,075,062)	(157,284,927)

12. Cash and cash equivalents

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to the related items in the Statement of financial position as follows:

	2023 \$	2022 \$
Cash at bank	59,332,306	39,899,696
	59,332,306	39,899,696

The weighted average interest rate for cash as at 30 June 2023 is 4.24% (2022: 0.98%). There were no term deposits held at 30 June 2023 (2022: nil).

13. Cash flow information

	2023 \$	2022 \$
Reconciliation of profit after tax to cash flow from operations:		
Profit after income tax	130,082,684	65,760,443
Fair value gains and movements in financial assets and liabilities	(200,483,536)	(249,252,432)
Changes in assets and liabilities:		
Increase in receivables	(1,464,530)	(3,678,248)
Decrease/(increase) in deferred tax assets	8,539,402	(10,515,656)
(Decrease)/increase in payables	(45,569,329)	30,291,004
Decrease in current tax liabilities	(5,388,434)	(1,470,474)
Decrease in deferred tax liabilities	-	(24,254,607)
Net cash used in operating activities	(114,283,743)	(193,119,970)

14. Earnings per share

	2023 Cents per share	2022 Cents per share
Basic and diluted earnings per share	11.71	6.52
	2023 \$	2022 \$
Profit after income tax used in the calculation of basic and diluted earnings per share	130,082,684	65,760,443
	2023 No.	2022 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	1,110,620,188	1,008,478,036

There are no outstanding securities that are potentially dilutive in nature for the Company at the end of the year.

15. Financial risk management

The Company's financial instruments consist of listed and unlisted investments, trade receivables, trade payables and borrowed stock. The risks exposed to through these financial instruments are discussed below and include credit risk, liquidity risk and market risk, consisting of interest rate risk and other price risk. There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objective, policies and processes for managing or measuring the risks during the period.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial market risk of the Company. The Manager monitors these risks daily. On a formal basis, the investment team meet weekly to monitor and manage the below risks as appropriate.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge a contracted obligation. The Manager monitors the credit worthiness of counterparties on an ongoing basis and evaluates the credit quality of all new counterparties before engaging with them.

The maximum exposure to credit risk on financial assets, excluding investments of the Company which have been recognised in the Statement of financial position, is the carrying amount net of any expected credit losses of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counterparties and that they are of a sufficient quality rating. The Manager is satisfied that the counterparties are of sufficient quality and diversity to minimise any individual counterparty credit risk. The majority of the Company's receivables arise from unsettled trades at year end which are settled two days after trade date. Engaging with counterparties via the Australian Securities Exchange facilitates the Company in both mitigating and managing its credit risk on an ongoing basis.

Credit risk is not considered to be a major risk to the Company as the majority of cash and term deposits held by the Company or in its portfolios are invested with major Australian banks and their 100% owned banking subsidiaries that have a Standard and Poor's short-term rating of A-1+ and long-term rating of AA-. The Company also holds cash with its custodian that has a Standard and Poor's short-term rating of A-1 and long-term rating of A+. The majority of all maturities for cash and term deposits are within three months, there were no term deposits held at 30 June 2023.

None of the assets exposed to a credit risk are overdue or considered to be impaired.

b) Liquidity risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash payments are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Manager.

The Company's cash receipts depend upon the level of sales of securities, dividends and interest received, the exercise of options or other capital management initiatives that may be implemented by the Board from time to time.

15. Financial risk management (cont'd)

b) Liquidity risk (cont'd)

The Manager monitors the Company's cash flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. Should these decrease by a material amount the Company can alter its cash outflows as appropriate. The Company also holds a portion of its portfolio in cash and term deposits sufficient to ensure that it has cash readily available to meet all payments. Furthermore, the assets of the Company are largely in the form of tradable securities which, where liquidity is available, can be sold on market when and if required.

The table below reflects an undiscounted contractual maturity analysis for the Company's liabilities. The timing of cash flows presented in the table to settle liabilities reflects the earliest possible contractual settlement date to the reporting date.

30 June 2023	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	30,764,937	30,764,937
Total	-	30,764,937	30,764,937

30 June 2022	>1 month \$	<1 month \$	Total \$
Liabilities			
Trade and other payables	-	129,205,902	129,205,902
Total	-	129,205,902	129,205,902

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and other market prices will affect the fair value or future cash flows of the Company's financial instruments. By its nature, as a listed investment company that invests in tradable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free, as the market price of these securities can fluctuate.

(i) Interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing level of market interest rates on its financial position and cash flows. The Company however is not materially exposed to interest rate risk as it did not hold any term deposits at the end of the period. As the Company's exposure to interest rate risk is not significant, interest rate sensitivities have not been performed.

15. Financial risk management (cont'd)

c) Market risk (cont'd)

(i) Interest rate risk (cont'd)

At the end of the reporting period, the Company's exposure to interest rate risk and the effective weighted average interest rate was as follows:

30 June 2023	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	4.24%	59,332,306	-	59,332,306
Trade and other receivables		-	61,754,347	61,754,347
Financial assets		-	1,709,017,832	1,709,017,832
Total		59,332,306	1,770,772,179	1,830,104,485
Liabilities				
Trade and other payables		-	30,764,937	30,764,937
Total		-	30,764,937	30,764,937
30 June 2022	Weighted average interest rate (% pa)	Interest bearing \$	Non-interest bearing \$	Total \$
Assets				
Cash and cash equivalents	0.98%	39,899,696	-	39,899,696
Trade and other receivables		-	82,419,488	82,419,488
Financial assets		-	1,449,580,195	1,449,580,195
Total		39,899,696	1,531,999,683	1,571,899,379
Liabilities				
Trade and other payables		-	129,205,902	129,205,902
Total		-	129,205,902	129,205,902

(ii) Other price risk

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Company's investments are carried at fair value with fair value changes recognised in the Statement of comprehensive income, all changes in market conditions will directly affect net investment income. Due to the short-term nature of receivables and payables, the carrying amounts of these financial assets and financial liabilities approximate their fair values.

15. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk (cont'd)

The Manager seeks to manage and reduce the other price risk of the Company by diversification of the investment portfolio across numerous stocks and multiple industry sectors. The relative weightings of the individual securities and market sectors are reviewed daily in order to manage risk. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

The Company's industry sector weighting of gross assets as at 30 June 2023 is as below:

Industry sector	2023 %	2022 %
Materials	30.3	21.3
Financials	14.9	28.1
Consumer discretionary	8.5	7.5
Real estate	8.4	4.6
Energy	7.8	6.5
Consumer staples	7.7	5.9
Health care	6.8	13.4
Industrials	5.1	3.7
Communication services	2.7	4.4
Utilities	1.6	0.4
Information technology	1.0	1.3
Total	94.8	97.1

Securities representing over 5 per cent of gross assets of the Company as at 30 June 2023 are set out below:

Company name	2023 %
BHP Group Limited	8.9
Santos Limited	7.0
Rio Tinto Limited	5.9
CSL Limited	5.5
Dexus	5.2
The Star Entertainment Group Limited	5.2

15. Financial risk management (cont'd)

c) Market risk (cont'd)

(ii) Other price risk (cont'd)

Securities representing over 5 per cent of gross assets of the Company as at 30 June 2022 are set out below:

Company name	2022 %
National Australia Bank Limited	12.7
BHP Group Limited	11.9
CSL Limited	8.9
Commonwealth Bank of Australia	6.4
Santos Limited	6.0
Insurance Australia Group Limited	5.0

Sensitivity analysis

For investments held by the Company at the end of the reporting period, a sensitivity analysis was performed relating to its exposure to other price risk. This analysis demonstrates the effect on current year net assets after tax as a result from a reasonably possible change in the risk variable. The sensitivity assumes all other variables remain constant.

Investments represent 94.8% (2022: 97.1%) of gross assets at year end. At reporting date, if the fair value of each of the investments within the portfolio changed by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease by \$59,815,624 (2022: \$50,735,307). This would result in the 30 June 2023 net asset backing after tax moving by 4.8 cents per share (2022: 4.9 cents per share).

d) Financial instruments measured at fair value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Included within Level 2 of the hierarchy is WAM Leaders' investment in unlisted investment companies, Century Australia Investments and Absolute Equity Performance Fund. The fair value of the unlisted investment companies have been based on their net asset backing, being the underlying residual cash and cash equivalents at the end of the reporting period.

15. Financial risk management (cont'd)

d) Financial instruments measured at fair value (cont'd)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 30 June 2023:

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	1,708,236,676	781,156	-	1,709,017,832
Total	1,708,236,676	781,156	-	1,709,017,832

30 June 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	1,446,849,868	2,730,327	-	1,449,580,195
Total	1,446,849,868	2,730,327	-	1,449,580,195

There were no transfers between Level 1 and Level 2 during the year (2022: nil).

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

16. Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 7,359 (2022: 6,478). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$17,629,452 (2022: \$13,888,391).

17. Segment reporting

The Company currently engages in investing activities, including cash, term deposits and equity investments. It has no reportable operating segments.

18. Capital commitments

There were no capital commitments for the Company as at 30 June 2023 (2022: nil).

19. Contingent liabilities

There were no contingent liabilities for the Company as at 30 June 2023 (2022: nil).

20. Key management personnel compensation

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

- Geoff Wilson AO Chairman
- Kate Thorley Director
- Alexa Henderson Director (appointed 1 June 2023)
- Lindsay Mann Director
- Dr Ian Langford Director (appointed 6 April 2023)
- Melinda Snowden Director (resigned 1 June 2023)
- Ross Finley Director (resigned 6 April 2023)

a) Remuneration

There are no executives that are paid by the Company.

Information regarding individual Directors' remuneration is provided in the Remuneration Report of the Directors' Report on pages 21 to 24, as required by Corporations Regulations 2M.3.03 and 2M.6.04.

	Short-term employee benefits Directors' fees \$	Post-employment benefits Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2023	119,890	12,610	132,500
Total Directors remuneration paid by the Company for the year ended 30 June 2022	113,636	11,364	125,000

b) Share holdings

At 30 June 2023, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2022/ on appointment	Acquisitions	Disposals	Balance at 30 June 2023
Geoff Wilson	12,561,332	426,489	(54,740)	12,933,081
Kate Thorley	298,292	21,288	-	319,580
Lindsay Mann	242,000	20,576	-	262,576
Alexa Henderson (appointed 1 June 2023)	-	-	-	-
Dr Ian Langford (appointed 6 April 2023)	-	-	-	-
Melinda Snowden*	17,040	10,288	-	27,328
Ross Finley*	75,060	-	-	75,060
	13,193,724	478,641	(54,740)	13,617,625

20. Key management personnel compensation (cont'd)

b) Share holdings (cont'd)

At 30 June 2022, the Company's key management personnel and their related parties held the following interests in the Company:

Ordinary shares held Directors	Balance at 30 June 2021	Acquisitions	Disposals	Balance at 30 June 2022
Geoff Wilson	9,970,148	2,591,184	-	12,561,332
Kate Thorley	243,757	54,535	-	298,292
Melinda Snowden*	14,200	2,840	-	17,040
Lindsay Mann	201,666	40,334	-	242,000
Ross Finley*	62,550	12,510	-	75,060
	10,492,321	2,701,403	-	13,193,724

*Melinda Snowden resigned as Director of WAM Leaders Limited on 1 June 2023 and Ross Finley resigned as Director on 6 April 2023. On resignation, Melinda held 27,328 ordinary shares and Ross held 75,060 ordinary shares in the Company.

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

21. Related party transactions

All transactions with related parties during the year were made on normal commercial terms and conditions and at market rates.

The Company has an investment management agreement with MAM Pty Limited, part of the Wilson Asset Management Group. Geoff Wilson is the Director of MAM Pty Limited, the entity appointed to manage the investment portfolio of WAM Leaders. Entities associated with Geoff Wilson hold 100% of the issued shares of MAM Pty Limited. In its capacity as the Manager and in accordance with the investment management agreement, MAM Pty Limited was paid a management fee of 1% p.a. (plus GST) of the value of the portfolio amounting to \$17,966,979 inclusive of GST (2022: \$16,796,186). As at 30 June 2023, the balance payable to the Manager was \$1,650,504 inclusive of GST (2022: \$1,362,708).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% (plus GST) of the amount by which the value of the portfolio exceeds the return of the S&P/ASX 200 Accumulation Index over that period. If the value of the portfolio is less than the return of the S&P/ASX 200 Accumulation Index, no performance fee will be payable in respect of that period and the negative amount is to be carried forward to the following calculation period(s) until it has been recouped in full against future positive performance. No performance fees will be payable until the full recoupment of prior underperformance.

For the year ended 30 June 2023, no performance fee was payable to MAM Pty Limited (2022: \$45,950,159). The current period underperformance fee of \$7,820,174 inclusive of GST has been carried forward to the following calculation period(s) until it has been recouped in full against future performance fees.

21. Related party transactions (cont'd)

Wilson Asset Management (International) Pty Limited has a service agreement in place with WAM Leaders to provide accounting and company secretarial services on commercial terms. For the year ended 30 June 2023, the fee for accounting services amounted to \$46,200 inclusive of GST (2022: \$46,200) and the fee for company secretarial services amounted to \$16,500 inclusive of GST (2022: \$16,500). Entities associated with Geoff Wilson hold 100% of the issued shares of Wilson Asset Management (International) Pty Limited.

No Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related company of the Director or with a firm of which he/she is a member or with a company in which he/she has substantial financial interest.

22. Events subsequent to reporting date

Since the end of the year, the Directors declared a final fully franked dividend of 4.5 cents per share to be paid on 31 October 2023.

No other matters or circumstances have arisen since the end of the financial year, other than already disclosed, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Directors' Declaration

The Directors of WAM Leaders Limited declare that:

- 1) The financial statements as set out in pages 28 to 52 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 21 to 24, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the financial position of the Company as at 30 June 2023 and of its performance, as represented by the results of the operations and the cash flows, for the year ended on that date; and
- 2) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer of the Investment Manager, MAM Pty Limited declaring that:
 - a) the financial records of the Company for the financial year have been properly maintained in accordance with the Section 286 of the *Corporations Act 2001*;
 - b) the Company's financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the Company's financial statements and notes for the financial year give a true and fair view.
- 3) At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Geoff Wilson AO
Chairman

Dated this 17th day of August 2023

Pitcher Partners Sydney Partnership

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**Independent Auditor's Report
To the Members of WAM Leaders Limited
ABN 33 611 053 751**

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of WAM Leaders Limited ("the Company"), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of WAM Leaders Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Existence and Valuation of Financial Assets	
Refer to Note 7: Financial Assets	
We focused our audit effort on the existence and valuation of the Company's financial assets as they represent the most significant driver of the Company's Net Tangible Assets and Profit. The Company's investments are considered to be non-complex in nature with fair value based on readily observable data from the ASX or other observable markets. Consequently, these investments are classified under Australian Accounting Standards as either "Level 1" (i.e. where the valuation is based on quoted prices in active markets) or "Level 2" (i.e. where key inputs to valuation are based on other observable inputs).	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the design and implementation of the investment management processes and controls; ▪ Reviewing and evaluating the independent auditor's report on the design and operating effectiveness of internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Custodian; ▪ Making enquiries as to whether there have been any changes to these controls or their effectiveness from the periods to which the auditor's report relate to; ▪ Obtaining confirmation of the investment holdings directly from the Custodian; ▪ Assessing and recalculating the Company's valuation of individual investment holdings using independent observable pricing sources and inputs; ▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; and ▪ Assessing the adequacy of disclosures in the financial statements.

Key audit matter	How our audit addressed the matter
Accuracy of Management and Performance Fees Refer to Note 8: Trade and other payables and Note 21: Related party transactions	
We focused our audit effort on the accuracy of management and performance fees as they are significant expenses of the Company and their calculation requires adjustments and key inputs. Adjustments include company dividends, tax payments, capital raisings, capital reductions and other relevant expenses. Key inputs include the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with the Investment Management Agreement between the Company and the Investment Manager. In addition, to their quantum, as these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be made on terms and conditions more favourable than if they had been with an independent third-party.	Our procedures included, amongst others: ▪ Obtaining an understanding of and evaluating the design and implementation of the processes and controls for calculating the management and performance fees; ▪ Making enquiries with the Investment Manager and those charged with governance with respect to any significant events during the period and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes; ▪ Testing of adjustments such as company dividends, tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees; ▪ Testing of key inputs including the value of the portfolio, the performance of the relevant comparable benchmark and application of the correct fee percentage in accordance with our understanding of the Investment Management Agreement; and ▪ Assessing the adequacy of disclosures made in the financial statements

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 24 of the Directors' Report for the year ended 30 June 2023. In our opinion, the Remuneration Report of WAM Leaders Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S M Whiddett
Partner

17 August 2023



Pitcher Partners
Sydney

Investments at fair value as at 30 June 2023

Company Name	Code	Fair Value \$	% of Gross Assets
Materials			
BHP Group Limited	BHP	160,621,903	8.9%
Rio Tinto Limited	RIO	106,241,361	5.9%
Iluka Resources Limited	ILU	49,424,846	2.7%
South32 Limited	S32	44,411,676	2.5%
Fortescue Metals Group Limited	FMG	36,026,863	2.0%
Orora Limited	ORA	27,643,403	1.5%
Incitec Pivot Limited	IPL	27,299,519	1.5%
Pilbara Minerals Limited	PLS	18,179,558	1.0%
James Hardie Industries PLC	JHX	13,673,205	0.8%
BlueScope Steel Limited	BSL	13,498,658	0.7%
IGO Limited	IGO	9,505,685	0.5%
Allkem Limited	AKE	8,995,086	0.5%
Newcrest Mining Limited	NCM	8,875,350	0.5%
Northern Star Resources Limited	NST	8,591,103	0.5%
CSR Limited	CSR	4,517,210	0.4%
Mineral Resources Limited	MIN	4,391,088	0.2%
Evolution Mining Limited	EVN	4,054,666	0.2%
		545,951,180	30.3%
Financials			
National Australia Bank Limited	NAB	75,989,532	4.2%
Westpac Banking Corporation	WBC	35,612,683	2.0%
ANZ Group Holdings Limited	ANZ	32,072,161	1.8%
Commonwealth Bank of Australia	CBA	26,896,224	1.5%
Challenger Limited	CGF	23,172,934	1.3%
Insurance Australia Group Limited	IAG	22,478,178	1.2%
QBE Insurance Group Limited	QBE	17,979,084	1.0%
Bank of Queensland Limited	BOQ	13,421,299	0.7%
Macquarie Group Limited	MQG	9,055,423	0.5%
Medibank Private Limited	MPL	8,602,479	0.5%
HUB24 Limited	HUB	1,420,823	0.1%
Netwealth Group Limited	NWL	1,313,278	0.1%
		268,014,098	14.9%

Company Name	Code	Fair Value \$	% of Gross Assets
Consumer Discretionary			
The Star Entertainment Group Limited	SGR	92,977,500	5.2%
Aristocrat Leisure Limited	ALL	26,849,757	1.5%
Wesfarmers Limited	WES	13,534,702	0.7%
The Lottery Corporation Limited	TLC	11,056,068	0.6%
Domino's Pizza Enterprises Limited	DMP	9,560,680	0.5%
		153,978,707	8.5%
Real Estate			
Dexus	DXS	94,221,239	5.2%
Lendlease Group	LLC	19,390,663	1.1%
Mirvac Group	MGR	17,479,952	1.0%
National Storage REIT	NSR	9,047,526	0.5%
Scentre Group	SCG	4,514,198	0.3%
Goodman Group	GMG	4,492,027	0.2%
Stockland	SGP	1,800,930	0.1%
		150,946,535	8.4%
Energy			
Santos Limited	STO	126,520,060	7.0%
Ampol Limited	ALD	8,669,726	0.5%
Whitehaven Coal Limited	WHC	4,767,328	0.3%
		139,957,114	7.8%
Consumer Staples			
Treasury Wine Estates Limited	TWE	76,319,473	4.2%
Endeavour Group Limited	EDV	26,853,517	1.5%
Coles Group Limited	COL	17,814,443	1.0%
Woolworths Group Limited	WOW	8,891,653	0.5%
GrainCorp Limited	GNC	4,757,023	0.3%
The a2 Milk Company Limited	A2M	4,055,492	0.2%
		138,691,601	7.7%
Health Care			
CSL Limited	CSL	98,305,968	5.5%
ResMed Inc	RMD	22,821,783	1.2%
Cochlear Limited	COH	1,773,689	0.1%
		122,901,440	6.8%

Investments at fair value as at 30 June 2023

Company Name	Code	Fair Value \$	% of Gross Assets
Industrials			
Brambles Limited	BXB	18,185,045	1.0%
Auckland International Airport Limited	AIA	15,928,545	0.9%
Fletcher Building Limited	FBU	13,846,990	0.8%
Atlas Arteria	ALX	13,520,803	0.8%
Computershare Limited	CPU	10,912,896	0.6%
Reliance Worldwide Corporation Limited	RWC	4,527,917	0.3%
ALS Limited	ALQ	4,396,303	0.2%
Transurban Group	TCL	4,390,354	0.2%
Cleanaway Waste Management Limited	CWY	4,369,478	0.2%
IPH Limited	IPH	911,608	0.1%
		90,989,939	5.1%
Communication Services			
Seek Limited	SEK	18,139,002	0.9%
carsales.com Limited	CAR	8,858,563	0.5%
Telstra Group Limited	TLS	7,066,409	0.4%
REA Group Limited	REA	6,650,466	0.4%
News Corporation	NWS	4,700,832	0.3%
TPG Telecom Limited	TPG	4,087,639	0.2%
		49,502,911	2.7%

Company Name	Code	Fair Value \$	% of Gross Assets
Utilities			
APA Group	APA	17,064,003	0.9%
Origin Energy Limited	ORG	6,759,058	0.4%
AGL Energy Limited	AGL	4,822,795	0.3%
		28,645,856	1.6%
Information Technology			
WiseTech Global Limited	WTC	5,355,570	0.3%
Xero Limited	XRO	4,697,140	0.3%
NEXTDC Limited	NXT	4,516,560	0.2%
Iress Limited	IRE	4,088,025	0.2%
		18,657,295	1.0%
Total long portfolio		1,708,236,676	94.8%
Investments in unlisted investments companies[^]		781,156	0.1%
Total cash and cash equivalents, income receivable and net outstanding settlements		92,350,701	5.1%
Gross assets		1,801,368,533	

[^]The investment in an unlisted investment company primarily represents cash and cash equivalents at the end of the reporting period.

The total number of stocks held at the end of the financial year was 76.

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholdings

Substantial shareholders (as at 31 July 2023) - there are currently no substantial shareholders.

On-market buy back (as at 31 July 2023) - there is no current on-market buy back.

Distribution of shareholders (as at 31 July 2023)

	Number of shareholders	Percentage of issued capital held
1 – 1,000	1,127	0.1%
1,001 – 5,000	3,146	0.7%
5,001 – 10,000	3,217	2.0%
10,001 – 100,000	15,927	45.9%
100,001 and over	2,440	51.3%
	25,857	100.0%

The number of shareholders holding less than a marketable parcel is 535.

Twenty largest shareholders – Ordinary shares (as at 31 July 2023)

Name	Number of ordinary shares held	% of issued capital held
HSBC Custody Nominees (Australia) Limited	34,157,298	2.7%
Netwealth Investments Limited	27,529,144	2.2%
Entities associated with Mr Geoff Wilson	12,933,081	1.0%
BNP Paribas Nominees Pty Limited	10,459,789	0.8%
Australian Investors Pty Limited	7,830,813	0.6%
Navigator Australia Limited	7,677,050	0.6%
Gold Tiger Equities Pty Limited	6,620,576	0.5%
Lekk Pty Limited	5,239,500	0.4%
Jorlyn Pty Limited	4,071,600	0.3%
Syssha Pty Limited	3,990,400	0.3%
Sterda Pty Limited	2,744,000	0.2%
Nulis Nominees (Australia) Limited	2,627,228	0.2%
Guwarra Pty Limited	2,465,907	0.2%
Federation University Australia	2,459,292	0.2%
Mr RJ Watson & Mrs LL Townend	2,302,102	0.2%
R W Kirby Pty Limited	2,256,646	0.2%
Citicorp Nominees Pty Limited	2,234,523	0.2%
Southern Steel Investments Pty Limited	2,121,650	0.2%
DCM BlueLake Partners Pty Limited	2,031,520	0.2%
DPOB Pty Limited	2,027,500	0.2%
	143,779,619	11.4%

Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the ASX Limited.

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