

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – JULY 2004 **INVESTMENT UPDATE & NTA**

Wilson Leaders Limited listed on the Australian Stock Exchange on the 10th February 2004 after raising \$44.2 million. Wilson Leaders is a Listed Investment Company that will invest in a portfolio of Australia's leading public companies.

The NTA at the close of the issue in February 2004 was \$0.98 per share.

As at 31st July 2004 the NTA before tax was 102.35 cents per share, and the NTA after tax was 101.4 cents per share.

The building of the equity portfolio has continued. As at 31st July, Wilson Leaders Limited had 96.5% of net assets invested in equities. The remainder being held in bank bills of varying duration and cash.

We are selectively purchasing companies we believe have the attributes that are consistent with our investment process; good companies that are well managed and can be purchased at attractive prices.

SHARE BUY BACK

On the 13th May 2004 the board of Wilson Leaders Limited announced an on market share buyback, equivalent to 4,420,900 shares or approximately 10% of issued capital. The buyback will be in place for a 12-month period, beginning from 27th May 2004. The buyback was initiated at 90 cents per share, approximately a 12% discount to the current pre-tax NTA.

The board is focussed on maximising returns to shareholders and this will from time to time involve active capital management. The board views the introduction of an on market share buy back as being in line with this aim as it will add value to the remaining shares on issue and increase NTA per share.

As at close of the market on 31 July 2004, 522,000 shares had been bought back.

MARKET OUTLOOK

The domestic economy continues to grow strongly. Consumer spending has been further supported by the recent budget, robust credit growth particularly for housing has continued in spite of the interest rate increases implemented to date. Growth has been further stimulated by a turnaround in the external sector with improving rural conditions and an uplift in commodity prices. With the election pending we would expect to see new fiscal initiatives from government coupled with benign monetary conditions providing further support to the economy.

The profit reporting season has started well. Those companies that have announced results to date have either achieved or exceeding profit forecasts. One exception has been the bank sector where margins are clearly under pressure reflecting tougher competitive conditions. The fund has a low exposure to this sector. The resource companies that have reported so far have delivered outstanding results, we expect this trend to continue supporting out significant position.

Australian equities have performed remarkably well given the correction we have seen in international markets, particularly in light of the weak performance from the local banking sector. The US Equity market is struggling to adjust to higher oil prices, patchy employment growth and the run off of fiscal stimulus that peaked last year. Looking forward we would expect the Australian market to track more closely overseas trends.

Supply may well become an issue for the market again as the pipeline of new floats starts to fill up. New issuance is well sort after suggesting supply could become an issue for the second half. This will in part be offset by capital management initiatives from companies reporting strong results and returning capital to shareholders.

With valuations at reasonable levels and strong economic growth trends persisting equities should be able to move ahead in this supportive environment.

As at 31st July 2004 the equity portfolio gave exposure to:

COMPANY	<u>Market Value \$</u>	<u>Percentage of Portfolio</u>	COMPANY	<u>Market Value \$</u>	<u>Percentage of Portfolio</u>
<u>Equities Domestic</u>					
Energy					
Australia Worldwide Exploration Ltd (AWE)	1,154,916.80	2.6%	Homeleisure Ltd (HLD)	323,520.54	0.7%
Origin Energy Ltd (ORG)	608,000.00	1.4%	Signature Brands Ltd (SBL)	158,218.07	0.4%
Woodside Petroleum Ltd (WPL)	971,460.00	2.2%		481,738.61	1.1%
	2,734,376.80	6.2%	Food Beverage & Tobacco		
Materials					
Amcors Ltd (AMC)	445,900.00	1.0%	Fosters Group Ltd (FGL)	416,700.00	0.9%
Bendigo Mining Ltd (BDG)	42,087.42	0.1%	Graincorp Ltd (GNC)	260,000.00	0.6%
BHP Billiton Ltd (BHP)	3,509,438.60	8.0%		676,700.00	1.5%
Consolidated Minerals Ltd (CSM)	488,158.56	1.1%	Pharmaceuticals & Biotechnology		
CSR Ltd (CSR)	458,000.00	1.0%	Arrow Pharmaceuticals Ltd (AWP)	810,000.00	1.8%
James Hardie Industries (JHX)	456,000.00	1.0%	Cygenics Ltd (CYN)	960.00	0.0%
Kagara Zinc Ltd (KZL)	460,000.00	1.0%	Medical Dev.Internat. Ltd (MVP)	308,000.00	0.7%
Kimberley Diamond Company (KIM)	486,000.00	1.1%		1,118,960.00	2.5%
Mincor Resources Ltd (MCR)	383,600.00	0.9%	Banks		
Rio Tinto Ltd (RIO)	1,274,998.50	2.9%	Bank of Queensland Ltd (BOQ)	685,702.84	1.6%
WMC Resources Ltd (WMR)	208,000.00	0.5%	St George Bank Ltd (SGB)	2,018,750.00	4.6%
	8,212,183.08	18.6%	Westpac Banking Corporation (WBC)	2,359,000.00	5.4%
Capital Goods					
Atlas Group Holdings Ltd (AHS)	145,629.78	0.3%		5,063,452.84	11.5%
Austin Engineering Ltd (ANG)	115,360.00	0.3%	Diversified Financials		
Ludowici Ltd (LDW)	335,895.98	0.8%	Aberdeen Leaders Ltd (ALR)	6,530,701.61	14.8%
	596,885.76	1.4%	Australian Stock Exchange Ltd (ASX)	945,000.00	2.1%
Commercial Services & Supplies					
A.B.C. Learning Centres Ltd (ABS)	1,177,457.11	2.7%	IOOF Holdings Ltd (IFL)	727,669.89	1.7%
Penfold Buscombe Ltd (PPR)	245,247.10	0.6%		8,203,371.50	18.6%
	1,422,704.21	3.2%	Insurance		
Transportation					
QANTAS Airways (QAN)	349,000.00	0.8%	Promina Group (PMN)	1,911,800.00	4.3%
Patrick Corporation Ltd (PRK)	1,595,000.00	3.6%	Reinsurance Australia Corp. Ltd(RAC)	717,522.06	1.6%
	1,944,000.00	4.4%		2,629,322.06	6.0%
Hotels, Restaurants & Leisure					
Tabcorp Holdings Ltd (TAH)	1,257,300.00	2.9%	Software & Services		
UniTAB Ltd (UTB)	355,395.15	0.8%	Reckon Ltd (RKN)	1,489,300.00	3.4%
	1,612,695.15	3.7%		1,489,300.00	3.4%
Media					
APN News & Media Ltd (APN)	742,000.00	1.7%	<u>Equities International</u>		
Infochoice Ltd (ICH)	265,640.00	0.6%	Materials		
News Corp Ltd (NCP)	1,521,390.00	3.5%	NKWE Platinum Ltd (NKP)	45,269.56	0.1%
News Corp Ltd Prefs	573,500.00	1.3%		45,269.56	0.1%
Photon Group Ltd (PGA)	336,000.00	0.8%	Healthcare Equipment & Services		
Southern Cross Broadcasting (Aust.) (SBC)	731,600.00	1.7%	Resmed Inc CDI's (RMD)	1,186,600.00	2.7%
	4,170,130.00	9.5%		1,186,600.00	2.7%
Utilities					
Alinta Ltd (ALN)	1,438,800.00	3.3%	Insurance		
	1,438,800.00	3.3%	HHG PLC CDI's (HHG)	63,500.00	0.1%
				63,500.00	0.1%
			Telecommunication Services		
			Singapore Telecomm. Ltd (SGT)	961,226.70	2.2%
				961,226.70	2.2%
			TOTAL PORTFOLIO VALUE	44,051,216.27	100.0%

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