

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



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

Wilson Leaders Limited (WLS) 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 30 September 2004 the NTA before tax was 108.18 cents per share, and the NTA after tax was 106.28 cents per share.

SHARE BUY BACK

On the 13 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 27 May 2004.

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 30 September 2004, 1,609,000 shares had been bought back.

DIVIDENDS

The final fully franked dividend of 1.5 cents a share went ex-dividend on 13 November 2004. The payment date will be the 29 October 2004.

Option holders that exercise by 5pm Thursday 14 October 2004 will be entitled to receive the final dividend.

MARKET OUTLOOK

Equity markets have performed very well in the post results period. We expect the market will move into a consolidation phase given the size of the advance in the September quarter before moving ahead again in the final part of the year.

The election result was supportive for the equity market with the conservative agenda committing significant funds back into the economy. If the coalition wins outright control of the senate then we can expect to see further reform to workplace relations and certain industry segments, a positive for companies operating in these sectors.

Looking forward the performance of equities will depend on the sustainability of growth in the economy. We need to be mindful of the fact that companies generally are operating above trend in terms of margins and returns, the risk is the economy and corporate profit growth stalls.

If the economy continues to grow at a reasonable rate and companies can match this with growth in underlying profits the market will move ahead given valuations are still reasonable. There are a number of contributing factors that give us comfort corporate profits will continue to grow. The external sector will continue to expand with strong commodity and rural markets leading to an improvement in Australia's terms of trade. The prospect of further industrial relations reform and \$6bn worth of election spending should provide further stimulus to the economy. The key risks are with the oil price and the prospect of further geopolitical unrest.

As at 30 September 2004 the equity portfolio gave exposure to:

	Market Value \$	% of Portfolio		Market Value \$	% of Portfolio
Energy			Health Care Equipment & Services		
Australia Worldwide Exploration Ltd (AWE)	868,154	1.91%	Primary Health Care Ltd (PRY)	970,713	2.13%
Origin Energy Ltd (ORG)	607,000	1.33%		970,713	2.13%
Sydney Gas Ltd (SGL)	582,000	1.28%	Pharmaceuticals & Biotechnology		
Woodside Petroleum Ltd (WPL)	1,209,000	2.66%	Advanced Nano Tech Ltd (ADVNAV)	250,002	0.55%
	3,266,154	7.18%	Arrow Pharmaceuticals Ltd (AWP)	1,138,500	2.50%
Materials			Medical Dev.Internat. Ltd (MVP)	353,500	0.78%
Amcor Ltd (AMC)	674,920	1.48%		1,742,002	3.83%
BHP Billiton Ltd (BHP)	2,746,637	6.04%	Banks		
James Hardie Industries (JHX)	403,200	0.89%	St George Bank Ltd (SGB)	1,300,075	2.86%
Kimberley Diamond Company (KIM)	583,105	1.28%	Westpac Banking Corporation (WBC)	3,014,100	6.63%
Newcrest Mining Ltd (NCM)	683,550	1.50%		4,314,175	9.49%
Rio Tinto Ltd (RIO)	1,581,451	3.48%	Diversified Financials		
Sims Group Ltd (SMS)	750,461	1.65%	Aberdeen Leaders Ltd (ALR)	6,847,726	15.05%
	7,423,324	16.32%	Australian Stock Exchange Ltd (ASX)	1,010,600	2.22%
Capital Goods			Babcock & Brown Ltd (BNB)	30,000	0.07%
Austin Engineering Ltd (ANG)	488,620	1.07%		7,888,326	17.34%
Austin Engineering Ltd App (ANGAPP)	61,500	0.14%	Insurance		
Bradken Ltd (BKN)	888,412	1.95%	AMP Ltd (AMP)	623,000	1.37%
	1,438,532	3.16%	Promina Group (PMN)	1,105,320	2.43%
Commercial Services & Supplies			QBE Insurance Group Ltd (QBE)	524,000	1.15%
A.B.C. Learning Centres Ltd (ABS)	1,612,924	3.55%	Reinsurance Australia Corp. Ltd (RAC)	1,030,680	2.27%
	1,612,924	3.55%	HHG PLC (HHG)	429,200	0.94%
Hotels, Restaurants & Leisure				3,712,200	8.16%
Tabcorp Holdings Ltd (TAH)	1,174,250	2.58%	Software & Services		
	1,174,250	2.58%	Reckon Ltd (RKN)	1,924,847	4.23%
Media				1,924,847	4.23%
APN News & Media Ltd (APN)	612,900	1.35%	Telecommunication Services		
Infochoice Ltd (ICH)	251,900	0.55%	Telstra Corporation Ltd (TLS)	1,488,000	3.27%
News Corp Ltd (NCP)	2,467,698	5.42%	Singapore Telecomm. Ltd (SGT)	963,110	2.12%
Photon Group Ltd (PGA)	630,000	1.39%		2,451,110	5.39%
	3,962,498	8.71%	Transportation		
Retail			QANTAS Airways (QAN)	483,000	1.06%
Harvey Norman Holdings Ltd (HVN)	899,750	1.98%	Patrick Corporation Ltd (PRK)	1,963,375	4.32%
Homeleisure Ltd (HLD)	259,162	0.57%		2,446,375	5.38%
	1,158,912	2.55%			
			TOTAL PORTFOLIO VALUE	45,486,341	100.00%

* Please note any dividends or interest paid by the above companies has not been included in the figures given.

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