

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – JANUARY 2005 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 31 January 2005:

NTA before tax	118.79c*
NTA after tax and before tax on unrealised gains	115.98c*
NTA after tax	113.62c*

* The above figures are after the payment of 1.5 cent fully franked final dividend.

MARKET OUTLOOK

Equity markets moved ahead again in January continuing the strong positive trend witnessed in the final quarter of last year. Resources and Energy were the sectors that lead the market higher. We continued to see isolated profit warnings coming through in some of the smaller companies with margins pressured by higher factors costs, most notably energy and material. Companies in construction and retail also experienced an easing in trading conditions with the housing market slowing and softer retail sales through the Christmas period.

We have adopted a more cautious stance reflecting the significant move we have seen in equity values. We have increased cash to 20% of the portfolio value and have continued to build short positions particularly in sectors we believe are experiencing margin pressures.

We sold out of Aberdeen Leaders Ltd during January at a significant profit. ALR delivered a 20% return over the holding period including dividends received. Tax on the Aberdeen profit was also provided for during the period, detracting 1 cent from NTA.

With the profit cycle maturing we are shifting away from companies with strong profit momentum focusing instead on companies with valuation support. We continue to accumulate some of the smaller growth franchises we like, these companies should continue to deliver, even in a softer economic environment. As the cycle matures, business and management quality will become more relevant.

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 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 January 2005, 3,917,262 shares had been bought back.

The portfolio is detailed on the following page.

As at 31 January 2005 the equity portfolio gave exposure to:

	<u>Market Value \$</u>	<u>% of Portfolio</u>		<u>Market Value \$</u>	<u>% of Portfolio</u>
Energy			Health Care Equipment & Services		
Hardman Resources Ltd (HDR)	315,900	0.83%	Primary Health Care Ltd (PRY)	464,254	1.21%
Origin Energy Ltd (ORG)	871,250	2.28%	Primary Health Care Ltd (PRYN)	726,250	1.90%
Woodside Petroleum Ltd (WPL)	1,858,500	4.86%	Resmed Inc (RMD)	851,500	2.23%
	3,045,650	7.97%		2,042,004	5.34%
Materials			Pharmaceuticals & Biotechnology		
Alumina Ltd (AWC)	609,000	1.59%	Advanced Nano Tech Ltd (ADVNAV)	250,002	0.65%
BHP Billiton Ltd (BHP)	2,363,543	6.18%	Arrow Pharmaceuticals Ltd (AWP)	732,000	1.91%
James Hardie Industries (JHX)	1,669,800	4.37%	Medical Dev.Internat. Ltd (MVP)	540,000	1.41%
Newcrest Mining Ltd (NCM)	1,482,480	3.88%	Mesoblast Ltd (MSB)	32,500	0.08%
Nufarm Ltd (NUF)	1,047,280	2.74%		1,554,502	4.05%
Onesteel Ltd (OST)	1,108,000	2.90%	Banks		
Rio Tinto Ltd (RIO)	1,271,985	3.32%	St George Bank Ltd (SGB)	1,470,245	3.84%
	9,552,088	24.98%	Westpac Banking Corp (WBC)	3,264,000	8.53%
Capital Goods				4,734,245	12.37%
Austin Engineering Ltd (ANG)	550,095	1.44%	Diversified Financials		
	550,095	1.44%	Babcock & Brown Ltd (BNB)	985,050	2.58%
			Babcock & Brown Ltd (BNBAPP)	20,000	0.05%
Transportation				1,005,050	2.63%
Patrick Corporation Ltd (PRK)	1,791,125	4.68%	Insurance		
	1,791,125	4.68%	Promina Group (PMN)	623,610	1.63%
Commercial Services & Supplies			Reinsurance Australia Corp. Ltd (RAC)	1,547,392	4.05%
Baxter Group (BAX)	596,000	1.55%		2,171,002	5.68%
Credit Corp Group Ltd (CCP)	1,292,005	3.38%	Software & Services		
McMillan Shakespeare Ltd (MMS)	557,670	1.46%	Reckon Ltd (RKN)	799,080	2.09%
	2,445,675	6.39%		799,080	2.09%
Hotels, Restaurants & Leisure			Technology Hardware & Equipment		
eBet Ltd (EBT)	832,970	2.18%	Redflex Holdings Ltd (RDF)	794,863	2.08%
	832,970	2.18%		794,863	2.08%
Food Beverage & Tobacco			Media		
Fosters Group Ltd (FGL)	1,042,000	2.72%	Infochoice Ltd (ICH)	201,520	0.53%
	1,042,000	2.72%	News Corp Class A (NWSLV)	835,835	2.19%
Telecommunication Services			News Corp Class B (NWS)	997,496	2.61%
Singapore Telecom. (SGT)	804,000	2.10%	Photon Group Ltd (PGA)	1,200,000	3.14%
	804,000	2.10%		3,234,851	8.47%
Retail			Corporate Debt		
Harvey Norman Holdings Ltd (HVN)	1,607,750	4.20%	Primelife Corp C/Notes (PLFGB)	242,112	0.63%
	1,607,750	4.20%		242,112	0.63%
			TOTAL PORTFOLIO VALUE	38,249,063	100.00%

As at 31 January 2005 the following shorts position were held:

	<u>Market Value</u> <u>\$</u>	<u>% of gross</u> <u>assets</u>
Ancor Ltd (AMC)	974,610	1.76%
Australian Stock Exchange Ltd (ASX)	664,020	1.20%
AWB Ltd (AWB)	486,150	0.88%
Boral Ltd (BLD)	745,500	1.34%
Bluescope Steel Ltd (BSL)	464,625	0.84%
Computershare Ltd (CPU)	610,050	1.10%
Crane Group Ltd (CRG)	1,028,883	1.86%
Seven Network Ltd (SEV)	756,000	1.36%
TOTAL		10.34%

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