

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – MAY 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 May 2005:

NTA before tax	101.66c*
NTA after tax and before tax on unrealised gains	101.74c*
NTA after tax	100.86c*

* After the payment of a 5.0 cent per share dividend (a 2.0 cent interim dividend + 3.0 cent special).

MARKET OUTLOOK

The market moved up strongly in May in response to spending initiatives announced in the budget and strength of US equities. The leadership was in the larger defensive sectors particularly banks and infrastructure.

We question the sustainability of the current rally given the soft economic data and weaker guidance coming from the corporate sector. We still see risk with full year earnings due to be released in August. Expectations for profit growth in the second half of the current financial year and for next financial year are still to fully reflect the weaker economic environment. The outlook comments that accompany the full year results will be particularly important in setting the direction of the markets for the balance of the year.

FUND PERFORMANCE:

The performance of the portfolio in April and May has been particularly disappointing. Having performed in line with the market for most of the year, the fund has underperformed in the last quarter, with short positions and stock selection detracting from performance.

We are confident the core positions in the portfolio, many of which have underperformed in recent months, are attractively priced and should perform well over the medium term.

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 was 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 viewed 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.

The buy back ended on 27 May 2005, with 3,917,262 shares having been purchased during the 12-month period.

The portfolio is detailed on the following page.

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

	Market Value \$	% of Portfolio		Market Value \$	% of Portfolio
Energy			Health Care Equipment & Services		
Origin Energy Ltd (ORG)	1,398,255	2.95%	Healthscope Ltd (HSP)	468,300	0.99%
Woodside Petroleum Ltd (WPL)	495,000	1.04%	Primary Health Care Ltd (PRY)	1,038,387	2.19%
	1,893,255	3.99%		1,506,687	3.18%
			Pharmaceuticals & Biotechnology		
Materials			Arrow Pharmaceuticals Ltd (AWP)	1,038,336	2.19%
BHP Billiton Ltd (BHP)	1,897,684	4.00%	CSL Limited (CSL)	867,000	1.83%
James Hardie Industries (JHX)	1,491,840	3.15%	Medical Dev.Internat. Ltd (MVP)	429,000	0.90%
Newcrest Mining Ltd (NCM)	1,197,000	2.52%		2,334,336	4.92%
Nufarm Ltd (NUF)	1,289,180	2.72%	Banks		
Orica Ltd (ORI)	1,102,500	2.33%	National Australia Bank Ltd (NAB)	2,830,500	5.97%
Rio Tinto Ltd (RIO)	1,879,466	3.96%	Westpac Banking Corp (WBC)	4,320,800	9.11%
	8,857,669	18.68%		7,151,300	15.08%
Capital Goods			Insurance		
Austin Engineering Ltd (ANG)	409,045	0.86%	Promina Group (PMN)	1,004,700	2.12%
Bradken Ltd (BKN)	910,323	1.92%	QBE Insurance Group Ltd (QBE)	2,053,800	4.33%
	1,319,368	2.78%		3,058,500	6.45%
Transportation			Software & Services		
Patrick Corporation Ltd (PRK)	1,009,975	2.13%	Customers Ltd (CUS)	357,200	0.76%
	1,009,975	2.13%	inet Ltd (IIN)	525,295	1.11%
Automobiles & Components			Reckon Ltd (RKN)	1,254,172	2.64%
Fleetwood Corporation Ltd (FWD)	394,490	0.83%		2,136,666	4.51%
	394,490	0.83%	Retail		
Commercial Services & Supplies			Harvey Norman Holdings Ltd (HVN)	1,702,750	3.59%
Baxter Group (BAX)	1,260,670	2.66%		1,702,750	3.59%
Credit Corp Group Ltd (CCP)	1,554,814	3.28%	Media		
	2,815,484	5.94%	Photon Group Ltd (PGA)	403,000	0.85%
Hotels, Restaurants & Leisure			Publishing & Broadcasting Ltd (PBL)	1,524,000	3.21%
eBet Ltd (EBT)	620,960	1.31%	News Corp Class B CDI	2,678,400	5.65%
Tabcorp Holdings Ltd (TAH)	1,332,800	2.81%		4,605,400	9.71%
	1,953,760	4.12%	Food Beverage & Tobacco		
Telecommunication Services			Select Harvests Ltd (SHV)	546,494	1.15%
SP Telemedia Ltd (SOT)	765,275	1.61%		546,494	1.15%
Singapore Telecom. (SGT)	2,090,000	4.41%	Listed Domestic Property		
	2,855,275	6.02%	Westfield Group Ltd (WDC)	2,268,000	4.78%
Insurance				2,268,000	4.78%
Tower Ltd (TWR)	1,016,600	2.14%			
	1,016,600	2.14%			
			TOTAL PORTFOLIO VALUE	47,426,010	100.00%

As at 31 May 2005 18% of the fund was held in cash and 13% of the fund was held in short positions.

For further information please contact:
Mr Justin Braitling on (02) 9247 6755

LEVEL ELEVEN
131 MACQUARIE ST
SYDNEY NSW 2000
TEL (02) 9247 6755
FAX (02) 9247 6855