

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – JUNE 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 30 June 2005:

NTA before tax	105.30c*
NTA after tax and before tax on unrealised gains	104.74c*
NTA after tax	103.49c*

* 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 finished the year on a strong note with the All Ordinaries Accumulation Index up 4.5% for the month of June. The broader indexes were driven higher by a sharp recovery in energy with the oil price now above \$60/barrel, domestic cyclicals were also stronger, recovering from oversold levels. Defensive parts of the market such as finance, property and insurance underperformed. Looking forward, the next major challenge for the market will be the reporting season in August. While expectations for profit growth have moderated recently, company profits may well disappoint given the breadth and extent of the profit warnings we saw in April and May.

The companies exposed to softer economic conditions are most at risk of disappointing the market. This would include smaller companies that tend to be more leveraged to the economic cycle. The sectors we are most comfortable with going into this reporting season are the more defensive sectors such as banks and insurance; companies with international operations; resources; and structural growth companies less exposed to the economic cycle.

The outlook commentary that accompanies the results will be particularly important and will undoubtedly set the tone for the market for the balance of this calendar year. If companies disappoint but see an improving outlook then equity prices will consolidate at current levels

until evidence of improved economic conditions emerge. The breaking of the drought, improved export performance and continued tightness in the labour markets are all reasons why the outlook statements from companies should be supportive, though visibility is still quite poor given the mixed economic signals we are getting.

We believe the economy will shift up a gear in the second half driven by strength in the export sector and business investment, the drag from softness in private demand should abate with evidence emerging of a shallow building downturn and a recovery in consumer spending.

Equities will more than likely track sideways for a period until we get clearer evidence that the economy has recovered from the softness in the first half of the year.

SHARE BUY BACK

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.

Wilson Leaders Ltd had a buy back in place for a 12-month period ending 27 May 2005, with 3,917,262 shares having been purchased during the period.

A further buy back of approximately 10% of the issued capital commenced on 29 June 2005.

As at the close of the market on 30 June 2005, no shares had been bought back.

As at the close of market on 13th July 2005, 870,415 shares had been bought back.

The portfolio is detailed on the following page.

As at 30 June 2005 the equity portfolio gave exposure to:

	<u>Market Value \$</u>	<u>% of Portfolio</u>		<u>Market Value \$</u>	<u>% of Portfolio</u>
Energy			Hotels, Restaurants & Leisure		
Origin Energy Ltd (ORG)	1,185,897	2.59%	eBet Ltd (EBT)	429,962	0.94%
	1,185,897	2.59%	Tabcorp Holdings Ltd (TAH)	1,394,000	3.05%
Materials				1,823,962	3.99%
BHP Billiton Ltd (BHP)	2,064,926	4.51%	Pharmaceuticals & Biotechnology		
James Hardie Industries (JHX)	1,518,000	3.32%	Arrow Pharmaceuticals Ltd (AWP)	922,978	2.01%
Newcrest Mining Ltd (NCM)	1,216,600	2.66%	Medical Dev.Internat. Ltd (MVP)	273,000	0.60%
Nufarm Ltd (NUF)	1,128,900	2.47%		1,195,978	2.61%
Orica Ltd (ORI)	1,246,000	2.72%	Banks		
Rio Tinto Ltd (RIO)	1,172,043	2.56%	ANZ Ltd (ANZ)	2,175,000	4.75%
	8,346,469	18.24%	National Australia Bank Ltd (NAB)	1,691,800	3.70%
Capital Goods			Westpac Banking Corp (WBC)	4,210,228	9.20%
Austin Engineering Ltd (ANG)	394,940	0.86%		8,077,028	17.65%
	394,940	0.86%	Insurance		
Transportation			AMP Ltd (AMP)	517,600	1.13%
Patrick Corporation Ltd (PRK)	992,225	2.17%	Promina Group (PMN)	1,163,370	2.53%
	992,225	2.17%	QBE Insurance Group Ltd (QBE)	1,763,300	3.85%
Commercial Services & Supplies				3,444,270	7.53%
Baxter Group (BAX)	1,120,764	2.45%	Software & Services		
Brambles Industries Ltd (BIL)	817,000	1.79%	Customers Ltd (CUS)	321,480	0.70%
Credit Corp Group Ltd (CCP)	1,704,441	3.72%	Reckon Ltd (RKN)	1,294,142	2.83%
	3,642,205	7.96%		1,615,622	3.53%
Media			Real Estate		
Macquarie Comm. Infra. Group (MCG)	630,000	1.38%	Australian Education Trust (AEU)	435,000	0.95%
Photon Group Ltd (PGA)	729,450	1.59%		435,000	0.95%
Publishing & Broadcasting Ltd (PBL)	1,485,000	3.25%	Food & Staples Retailing		
News Corp Class B CDI	3,620,700	7.91%	Metcash Ltd (MTS)	1,274,000	2.78%
	6,465,150	14.13%		1,274,000	2.78%
Telecommunication Services			Food Beverage & Tobacco		
Singapore Telecom. (SGT)	2,568,000	5.61%	Select Harvests Ltd (SHV)	538,719	1.18%
	2,568,000	5.61%		538,719	1.18%
Insurance			Listed Domestic Property		
Tower Ltd (TWR)	1,014,000	2.22%	Westfield Group Ltd (WDC)	1,507,900	3.30%
	1,014,000	2.22%		1,507,900	3.30%
Retail					
Harvey Norman Holdings Ltd (HVN)	1,237,500	2.70%			
	1,237,500	2.70%			
			TOTAL PORTFOLIO VALUE	45,758,864	100.00%

As at 30 June 2005, 19% of total assets were held in cash, and 8% of the portfolio was held in short positions.

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