

# WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



## **WILSON LEADERS LIMITED (WLS) – JULY 2005** **INVESTMENT UPDATE & NTA**

Wilson Leaders Limited (WLS) listed on the Australian Stock Exchange on the 10<sup>th</sup> 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 July 2005:

NTA before tax	107.34c*
NTA after tax and before tax on unrealised gains	106.75c*
NTA after tax	104.99c*

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

### **MARKET OUTLOOK**

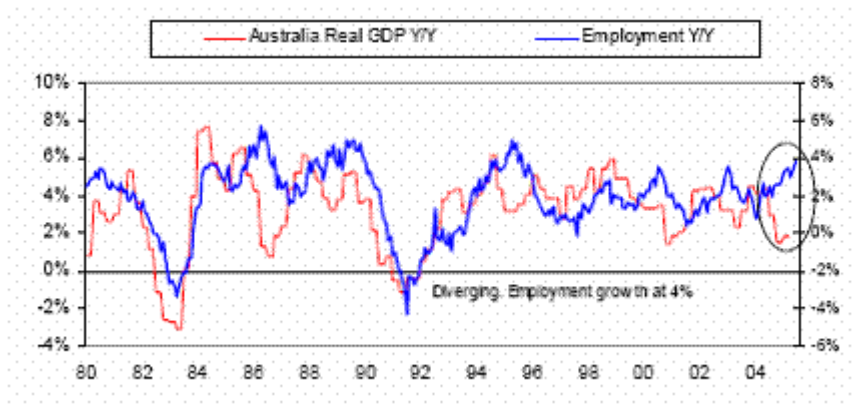
Equities performed strongly again in July leading into the profit reporting season. The improvement in sentiment has been in response to a clear reversal in growth trends, both in North America and in the domestic economy, resulting in strong performance from resources and domestic cyclicals. With the prospect of stronger global growth, and oil prices moving to new highs, resource companies in particular have rallied strongly. Smaller companies which are typically more leveraged to business conditions have also performed well, having struggled with the impact of profit downgrades in the June quarter.

Whilst still early in the reporting season, the results have been more or less in line for industrials and very strong for resource companies. It would appear the economy has bottomed in the second quarter and is improving as we move into the second half of the year. The outlook commentary accompanying the results, while cautious, is consistent with an improving business conditions.

In the last 12 months we have seen a clear shift in spending in the economy - with households spending less compensated for by an acceleration in business and government expenditure. The weakness we have seen in consumer spending, in response to tightening monetary conditions, will prove temporary given ongoing tightness in employment conditions and with little prospect of further rate increases in the immediate future we would expect consumer sentiment to recover next year. Coupled with robust spending in the

business and government sectors, focused on infrastructure and resources in particular, the economy should move back to trend growth next year. This should result in reasonable profit growth for equities in 2006 and with valuations at reasonable levels the market should continue to move ahead.

The economic slowdown of the last couple of quarters has been somewhat of an aberration, with employment growth the highest in the developed world at 4% we wouldn't be surprised to see a strong rebound in the economy next year, this would be very positive for equities.



## **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.

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

As at the close of the market on 31 July 2005, 1,264,892 shares had been bought back.

The portfolio is detailed on the following page.

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

	<u>Market Value \$</u>	<u>% of Portfolio</u>		<u>Market Value \$</u>	<u>% of Portfolio</u>
<b>Energy</b>			<b>Hotels, Restaurants &amp; Leisure</b>		
Origin Energy Ltd (ORG)	1,139,147	2.38%	eBet Ltd (EBT)	377,600	0.79%
	<b>1,139,147</b>	<b>2.38%</b>	Tabcorp Holdings Ltd (TAH)	1,671,600	3.50%
<b>Materials</b>				<b>2,049,200</b>	<b>4.29%</b>
BHP Billiton Ltd (BHP)	2,008,987	4.20%	<b>Pharmaceuticals &amp; Biotechnology</b>		
James Hardie Industries (JHX)	969,100	2.03%	Arrow Pharmaceuticals Ltd (AWP)	864,837	1.81%
Newcrest Mining Ltd (NCM)	327,800	0.69%		<b>864,837</b>	<b>1.81%</b>
Nufarm Ltd (NUF)	598,850	1.25%	<b>Banks</b>		
Orica Ltd (ORI)	1,053,800	2.20%	ANZ Ltd (ANZ)	3,688,974	7.72%
Rio Tinto Ltd (RIO)	1,284,488	2.69%	National Australia Bank Ltd (NAB)	2,031,250	4.25%
Straits Resources Ltd (SRL)	617,400	1.29%	Westpac Banking Corp (WBC)	2,390,520	5.00%
	<b>6,860,425</b>	<b>14.35%</b>		<b>8,110,744</b>	<b>16.96%</b>
<b>Capital Goods</b>			<b>Insurance</b>		
Austin Engineering Ltd (ANG)	423,150	0.89%	AMP Ltd (AMP)	542,400	1.13%
	<b>423,150</b>	<b>0.89%</b>	Henderson Group (HGI)	653,400	1.37%
<b>Transportation</b>			Promina Group (PMN)	1,235,000	2.58%
			QBE Insurance Group Ltd (QBE)	1,862,300	3.90%
Patrick Corporation Ltd (PRK)	1,496,075	3.13%		<b>4,293,100</b>	<b>8.98%</b>
	<b>1,496,075</b>	<b>3.13%</b>	<b>Software &amp; Services</b>		
<b>Commercial Services &amp; Supplies</b>			Reckon Ltd (RKN)	1,446,426	3.03%
Baxter Group (BAX)	1,153,407	2.41%		<b>1,446,426</b>	<b>3.03%</b>
Brambles Industries Ltd (BIL)	1,329,600	2.78%	<b>Real Estate</b>		
Credit Corp Group Ltd (CCP)	1,496,141	3.13%	Australian Education Trust (AEU)	840,000	1.76%
	<b>3,979,148</b>	<b>8.32%</b>		<b>840,000</b>	<b>1.76%</b>
<b>Media</b>			<b>Food &amp; Staples Retailing</b>		
Macquarie Comm. Infra. Group (MCG)	635,000	1.33%	Metcash Ltd (MTS)	799,500	1.67%
News Corp Class B CDI	4,178,720	8.74%		<b>799,500</b>	<b>1.67%</b>
Publishing & Broadcasting Ltd (PBL)	1,155,000	2.42%	<b>Food Beverage &amp; Tobacco</b>		
Seven Network Ltd (SEV)	1,182,650	2.47%	Fosters Group Ltd (FGL)	382,200	0.80%
	<b>7,151,370</b>	<b>14.96%</b>	Select Harvests Ltd (SHV)	550,937	1.15%
<b>Telecommunication Services</b>				<b>933,137</b>	<b>1.95%</b>
			<b>Retail</b>		
Singapore Telecom. (SGT)	2,652,000	5.55%	Harvey Norman Holdings Ltd (HVN)	1,341,450	2.81%
	<b>2,652,000</b>	<b>5.55%</b>		<b>1,341,450</b>	<b>2.81%</b>
<b>Insurance</b>			<b>Listed Domestic Property</b>		
Tower Ltd (TWR)	819,000	1.71%	Westfield Group Ltd (WDC)	2,610,000	5.46%
	<b>819,000</b>	<b>1.71%</b>		<b>2,610,000</b>	<b>5.46%</b>
			<b>TOTAL PORTFOLIO VALUE</b>	<b>47,808,709</b>	<b>100.00%</b>

For further information please visit our website [www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au) or contact:

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