

WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



WILSON LEADERS LIMITED (WLS) – DECEMBER 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.

As at 31 December 2005:

NTA before tax	117.64c*
NTA after tax and before tax on unrealised gains	116.37c*
NTA after tax	112.76c*

* After the payment of a final dividend of 2.0 cents a share fully franked.

MARKET OUTLOOK

The markets appreciated strongly leading into Christmas in the expectation that we are approaching an end to the monetary tightening cycle. Central Bankers both here and in the US have indicated that further rate hikes may not be necessary, this is reflected in a flat yield curve typical in the later stages of an economic expansion. The reality is tighter monetary conditions in the US have been largely ineffective in slowing spending to date, if the Fed is forced to raise rates further the markets are potentially at risk given the expectation that the rate increases are largely complete.

While global leading indicators are accelerating and profit results in the US are strong, we should expect to see some slowing in economic activity and potentially a "mid-cycle" slow down not dissimilar to what happened in 1985 and 1995. This is not necessarily negative for equities, in fact equity markets performed well through these previous periods of mid cycle weakness. Coupled with the attractive valuations in the US and in Europe where economic activity continues to recover, global equity markets should perform well in 2006.

The Australian equity market is a slightly different story, there isn't the same valuation support as there is with global markets and the profit cycle is more mature with corporate earnings having risen by 50% in the last 3 years. It is getting more challenging to find value in the Australian market where the leadership has narrowed around resource stocks which continue to drive the market higher. We have started taking profits in resources reducing positions in Gold, Oil and diversified resources. We wouldn't be surprised to see some weakness in commodity prices in the medium term reflecting the surplus capacity that has build up in product markets in Asia.

We have been progressively shifting into more defensive domestic companies and selective international growth companies. We expect Australian Equities will be dragged higher with International markets and deliver modest returns in 2006.

DIVIDEND

The final dividend of 2.0 cents a share fully franked brought the full year dividend to 7.0 cents a share.

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 December 2005, 4,297,574 shares had been bought back.

The portfolio is detailed on the following page.

For further information please visit our website www.wilsonassetmanagement.com.au or contact:
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As at 31 December 2005 the equity portfolio gave exposure to:

	<u>Market Value</u> \$	<u>% of</u> <u>Portfolio</u>		<u>Market Value</u> \$	<u>% of</u> <u>Portfolio</u>
Commercial Services & Supplies			Healthcare Equipment & Services		
Baxter Group (BAX)	1,223,889	1.96%	AtCor Medical Ltd (ACG)	294,000	0.47%
Brambles Industries Ltd (BIL)	1,619,200	2.59%		294,000	0.47%
Credit Corp Group Ltd (CCP)	1,658,899	2.66%	Banks		
	4,501,988	7.21%	ANZ Ltd (ANZ)	4,667,855	7.47%
Consumer Durables & Apparel			NAB Ltd (NAB)	1,555,200	2.49%
Billabong Internat. Ltd (BBG)	726,000	1.16%	Westpac Bank Ltd (WBC)	3,322,387	5.32%
	726,000	1.16%		9,545,442	15.28%
Consumer Services			Diversified Financials		
ABC Learning Centres Ltd (ABS)	2,390,796	3.83%	Henderson Group (HGI)	1,482,600	2.37%
Aristocrat Ltd (ALL)	246,400	0.39%		1,482,600	2.37%
Tabcorp Holdings Ltd (TAH)	934,200	1.50%	Insurance		
	3,571,396	5.72%	AMP Ltd (AMP)	999,700	1.60%
Retail			Oamps Ltd (OMP)	511,680	0.82%
Harvey Norman Holdings Ltd (HVN)	1,153,400	1.85%	Promina Group (PMN)	629,200	1.01%
	1,153,400	1.85%	QBE Insurance Group Ltd (QBE)	1,568,000	2.51%
Transportation			Tower Ltd (TWR)	1,277,100	2.05%
Patrick Corporation Ltd (PRK)	1,258,000	2.01%		4,985,680	7.99%
	1,258,000	2.01%	Software & Services		
Media			Jumbuck Entertainment Ltd (JMB)	455,000	0.73%
Austar United Comm Ltd (AUN)	1,202,775	1.93%	Reckon Ltd (RKN)	1,200,368	1.92%
News Corp Class B CDI (NWS)	3,921,600	6.28%	Webcentral Ltd (WCG)	493,500	0.79%
Publishing & Broadcasting Ltd (PBL)	2,389,600	3.83%		2,148,868	3.44%
Seven Network Ltd (SEV)	1,456,000	2.33%	Real Estate		
	8,969,975	14.37%	Lend Lease Corp Ltd (LLC)	1,448,000	2.32%
Energy				1,448,000	2.32%
Centennial Coal Ltd (CEY)	1,146,000	1.84%	Technology Hardware & Equipment		
Origin Energy Ltd (ORG)	644,613	1.03%	Redflex Holdings Ltd (RDF)	1,328,480	2.13%
Woodside Petroleum Ltd (WPL)	1,747,874	2.80%		1,328,480	2.13%
	3,538,487	5.67%	Food & Staples Retailing		
Materials			ABB Grain Ltd (ABB)	420,014	0.67%
BHP Billiton Ltd (BHP)	2,702,018	4.33%	Metcash Ltd (MTS)	877,500	1.41%
James Hardie Industries (JHX)	2,070,000	3.31%	Woolworths Ltd (WOW)	1,069,975	1.71%
Newcrest Mining Ltd (NCM)	1,215,000	1.95%		2,367,489	3.79%
Orica Ltd (ORI)	918,000	1.47%	Food Beverage & Tobacco		
Rio Tinto Ltd (RIO)	4,012,350	6.43%	Coca Cola Amatil Ltd (CCA)	1,773,300	2.84%
	10,917,368	17.49%	Select Harvests Ltd (SHV)	753,651	1.21%
Pharmaceuticals & Biotechnology				2,526,951	4.05%
Mayne Pharma Ltd (MYP)	381,000	0.61%	Listed Domestic Property		
Pharmaxis Ltd (PXS)	30,923	0.05%	Westfield Group Ltd (WDC)	1,271,200	2.04%
	411,923	0.66%		1,271,200	2.04%
			TOTAL PORTFOLIO VALUE	62,447,247	100.00%