

# WILSON LEADERS LIMITED

A.B.N. 64 106 845 970



## **WILSON LEADERS LIMITED (WLS) – NOVEMBER 2006** **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 invests in a portfolio of Australia's leading public companies.

As at 30 November 2006:

NTA before tax	135.25c*
NTA after tax and before tax on unrealised gains	132.60c*
NTA after tax	126.25c*

\* after the payment of a final dividend of 3.0 cents a share fully franked and a 2.0 cent special dividend fully franked, paid on 27 October 2006.

### **MARKET OUTLOOK**

The fund performed well in November despite the portfolios short exposure to property trusts and infrastructure. During November the stocks we are short in these sectors rose strongly, however, we believe they look increasingly overvalued and we will retain our position.

The funds performance was supported by the strong appreciation in Incitec Pivot Ltd, with the company's shares increasing by more than 40% following the announcement of its results. We retain a significant exposure to a range of agriculture stocks where we are buying companies with depressed earnings and in some cases are trading below their net assets. The drought and legislative changes in the industry should act as a catalyst for improved returns going forward.

Other companies that contributed to the robust performance for the month were Publishing and Broadcasting Ltd, Toll Holdings Ltd and Resmed Inc.

Australian Equities continue to rally in as global markets posted strong gains. Corporate activity both from trade and financial buyers, along with ongoing superannuation flows continue to support the market. This trend is likely to continue in the medium term.

## DIVIDEND

The final dividend of 3.0 cents a share fully franked and a special 2.0 cents a share fully franked, will bring the 2006 full year dividend to 8.0 cents a share. The dividend was paid on 27 October 2006.

## OPTIONS ISSUE

On 11<sup>th</sup> August 2006, the Directors of Wilson Leaders Limited announced a 1 for 2 bonus issue of options to its shareholders. The options were allotted to shareholders on 8<sup>th</sup> September 2006 and have been issued at no cost to shareholders. As at the 11<sup>th</sup> December 2006 3,938,288 ordinary shares have been allotted for a total consideration of \$4,253,351.

The Board is focused on creating shareholder value. The Board believes that this bonus option issue will promote this endeavour and will reward shareholders for their loyalty and support for the Company.

The options have an exercise price of \$1.08 per option and they will expire 31 October 2007.

## PORTFOLIO PERFORMANCE

<b>Gross Performance</b>	<b>1 month</b>	<b>3 month</b>	<b>6 month</b>	<b>Financial YTD</b>
Wilson Leaders Ltd	3.1%	13.4%	16.4%	15.0%
All Ords Accum	2.5%	8.7%	12.6%	10.5%
Relative Performance	0.6%	4.6%	3.9%	4.5%

## PORTFOLIO STRUCTURE

<b>Investment Type</b>	<b>As at 31 October 2006</b>		<b>As at 30 November 2006</b>	
	<b>\$m</b>	<b>% of net assets</b>	<b>\$m</b>	<b>% of net assets</b>
Listed Securities	107.81	143.4%	109.57	141.6%
Fixed Interest and Cash	1.53	2.0%	1.63	2.1%
<b>Gross Assets</b>	<b>109.34</b>	<b>145.4%</b>	<b>111.20</b>	<b>143.7%</b>
Short positions	(34.16)	-45.4%	(33.80)	-43.7%
<b>Net Assets</b>	<b>75.18</b>	<b>100.0%</b>	<b>77.39</b>	<b>100.0%</b>

The listed securities portfolio is detailed on the following page.

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As at 30 November the equity portfolio gave exposure to:

	<u>Market Value \$</u>	<u>% of Portfolio</u>		<u>Market Value \$</u>	<u>% of Portfolio</u>
<b>Commercial Services &amp; Supplies</b>			<b>Banks</b>		
Brambles Ltd (BXB)	1,415,700	1.29%	ANZ Banking Corp (ANZ)	11,661,655	10.64%
Credit Corp Ltd (CCP)	2,684,365	2.45%	St George Bank Ltd (SGB)	4,636,300	4.23%
McMillan Shakespeare Ltd (MMS)	2,334,000	2.13%	Westpac Banking Corp (WBC)	6,369,352	5.81%
	<b>6,434,065</b>	<b>5.87%</b>		<b>22,667,307</b>	<b>20.69%</b>
<b>Consumer Services</b>			<b>Insurance</b>		
ABC Learning (ABS)	2,726,097	2.49%	AMP Limited (AMP)	1,898,000	1.73%
Aristocrat Leisure Ltd (ALL)	1,777,931	1.62%	QBE Insurance Group Ltd (QBE)	3,106,800	2.84%
	<b>4,504,028</b>	<b>4.11%</b>		<b>5,004,800</b>	<b>4.57%</b>
<b>Transportation</b>			<b>Software &amp; Services</b>		
Toll Holdings Ltd (TOL)	2,792,120	2.55%	Melbourne IT Ltd (MLB)	2,400,443	2.19%
	<b>2,792,120</b>	<b>2.55%</b>	Reckon Ltd (RKN)	1,661,380	1.52%
				<b>4,061,823</b>	<b>3.71%</b>
<b>Media</b>			<b>Food &amp; Staples Retailing</b>		
Amalgamated Holdings Ltd (AHD)	975,166	0.89%	AWB Ltd (AWB)	702,505	0.64%
APN News & Media Ltd (APN)	1,740,000	1.59%	Metcash Limited (MTS)	2,184,000	1.99%
News Corp Class B (NWS)	2,024,640	1.85%		<b>2,886,505</b>	<b>2.63%</b>
Publishing & Broadcasting Ltd (PBL)	1,873,800	1.71%	<b>Telecommunication Services</b>		
Village Roadshow Ltd Prefs (VRLPA)	819,000	0.75%	Reverse Corp Ltd (REF)	842,500	0.77%
	<b>7,432,606</b>	<b>6.78%</b>	Singapore Telecomm Ltd (SGT)	1,619,803	1.48%
<b>Energy</b>			Telecom Corporation of NZ Ltd (TEL)	1,671,600	1.53%
Origin Energy Ltd (ORGXX)	1,775,000	1.62%	Telstra Corporation Ltd (TLSCA)	234,000	0.21%
Oil Search Ltd (OSH)	2,822,000	2.58%		<b>4,367,903</b>	<b>3.99%</b>
Woodside Petrol (WPL)	3,252,696	2.97%	<b>Utilities</b>		
	<b>7,849,696</b>	<b>7.16%</b>	AGL Energy Ltd (AGK)	2,371,500	2.16%
<b>Materials</b>				<b>2,371,500</b>	<b>2.16%</b>
Bendigo Mining Ltd (BDG)	453,750	0.41%	<b>Food Beverage &amp; Tobacco</b>		
BHP Billiton (BHP)	7,180,987	6.55%	Graincorp Ltd (GNC)	2,409,767	2.20%
Boral Ltd (BLD)	1,040,200	0.95%	Select Harvests Ltd (SHV)	1,151,815	1.05%
Consolidated Minerals Ltd (CSM)	1,200,000	1.10%		<b>3,561,582</b>	<b>3.25%</b>
Gunns Ltd (GNS)	1,455,000	1.33%	<b>Retailing</b>		
Incitec Pivot Ltd (IPL)	2,082,950	1.90%	Harvey Norman Holdings Ltd (HVN)	2,418,000	2.21%
James Hardie Industries (JHX)	2,231,300	2.04%	The Reject Shop (TRS)	1,159,730	1.06%
Nufarm Ltd (NUF)	477,500	0.44%		<b>3,577,730</b>	<b>3.27%</b>
Onesteel Ltd (OST)	882,000	0.80%	<b>Listed Property Domestic</b>		
Rinker Group Ltd (RIN)	2,051,500	1.87%	Multiplex Group (MXG)	1,797,143	1.64%
Rio Tinto Ltd (RIO)	5,130,930	4.68%		<b>1,797,143</b>	<b>1.64%</b>
Resolute Mining Ltd (RSG)	462,800	0.42%	<b>Diversified Financials</b>		
	<b>24,648,917</b>	<b>22.50%</b>	Cadence Capital Ltd (CDM)	1,000,000	0.91%
<b>Pharmaceuticals &amp; Biotechnology</b>			Cadence Capital Ltd Options (CDMO)	0	0.00%
Sigma Pharmaceuticals Ltd (SIP)	3,300,825	3.01%		<b>1,000,000</b>	<b>0.91%</b>
	<b>3,300,825</b>	<b>3.01%</b>			
<b>Healthcare Equipment &amp; Services</b>			<b>TOTAL PORTFOLIO VALUE</b>	<b>109,565,547</b>	<b>100.00%</b>
AtCor Medical Ltd (ACG)	111,000	0.10%			
Primary Health Care Ltd (PRY)	232,998	0.21%	<b>SHORT POSITIONS</b>	<b>(33,804,821)</b>	
ResMed Inc (RMD)	963,000	0.88%			
	<b>1,306,998</b>	<b>1.19%</b>			