

**WILSON LEADERS LIMITED**  
**A.B.N. 64 106 845 970**



**WILSON LEADERS LIMITED (WLS) – JULY 2007**  
**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 31 July 2007

NTA before tax	139.87c*
NTA after tax and before tax on unrealised gains	138.02c
NTA after tax	133.45c

\*This is after the provision of \$2,083,916 (3.4 cents per share) in tax to be paid for the 2006/07 year.

**MARKET OUTLOOK**

Global equities fell in July in response to a sharp deterioration in credit markets. Risk spreads on all credit instruments rose sharply as losses on sub-prime mortgages spread to other debt markets. The repricing of risk has resulted in large losses for a number of leveraged investment funds holding these securities and the withdrawal of liquidity from debt markets generally. The Federal Reserve has estimated total losses on securitised sub-prime investments alone could extend to \$US 100 billion.

Financial institutions lead equity markets lower as investors re-appraised the outlook for these companies in a tighter credit environment.

Financially leveraged sectors such as Listed Property Trusts and Infrastructure continued to struggle defying their so called "defensive" qualities. Australian companies with sizable offshore businesses performed poorly also with the higher Australian dollar threatening the value of translated profits.

Shares that have benefited from corporate interest also struggled as the prospect of private equity activity diminished.

Economic Data in July was mixed: softer housing approvals and retails sales data; stronger credit and housing finance data. The 0.9% (qoq) increase in the CPI was concerning coming in at the top of the Reserved Banks preferred range, the Australian dollar quickly moved higher in expectation of an increase in interest rates which was subsequently announced early in August.

Valuations are starting to look more interesting following the recent correction, particularly for the better quality industrials with International operations. We have recently added Brambles to the portfolio and increased the funds investments in Resmed and Westfield Holdings.

The portfolio held up relatively well in July as the short portfolio fell by 5% contributed to overall performance. We were short building material companies- James Hardie and Boral, both companies fell sharply on the back of ongoing weakness in US housing activity; the fund was also short a number of Australian manufacturers, including Bluescope Steel and Paperlinx which fell as these companies are impacted by a higher Australian dollar.

Equity markets are unlikely to recover in a hurry as the full extent of losses in credit markets emerge. Once investors gain comfort with the extent of these losses and credit markets start to stabilise, International shares should move higher again in the final quarter of the year.

### **DIVIDEND**

The interim dividend of 4.0 cents a share fully franked was paid on the 27 April 2007.

### **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. The options have an exercise price of \$1.08 per option and can be exercised any time up until the expiry date of 31 October 2007.

As at the 13<sup>th</sup> August 8,046,900 options have been exercised for a total consideration of \$8,691,266.93 with a remaining balance of outstanding options being 18,106,713.

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.

### **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	-1.0%	3.9%	6.9%	-1.0%
All Ords Accum	-1.9%	1.1%	9.4%	-1.9%
Relative Performance	0.9%	2.8%	-2.5%	0.9%

### **PORTFOLIO STRUCTURE**

<b>Investment Type</b>	<b>As at 30 June 2007</b>		<b>As at 31 July 2007</b>	
	<b>\$m</b>	<b>% of net assets</b>	<b>\$m</b>	<b>% of net assets</b>
Listed Securities	115.21	128.8%	118.32	133.7%
Fixed interest and Cash	1.77	2.0%	-2.57	-2.9%
<b>Gross Assets</b>	<b>116.98</b>	<b>130.8%</b>	<b>115.75</b>	<b>130.8%</b>
Short positions	-27.55	-30.8%	-27.23	-30.8%
<b>Net Assets</b>	<b>89.43</b>	<b>100.0%</b>	<b>88.52</b>	<b>100.0%</b>

The listed securities portfolio is detailed on the following page.

As at 31 July 2007 the equity portfolio gave exposure to:

<b>Consumer Discretionary</b>			<b>Health Care</b>		
A.B.C. Learning Centres Ltd	1,085,196	0.92%	Pharmaxis Limited	1,337,518	1.13%
Amalgamated Holdings Ltd	2,296,000	1.94%	Primary Health Care Limited	1,968,000	1.66%
Aristocrat Leisure Ltd	955,500	0.81%	Resmed Inc	1,825,200	1.54%
Austar United Communications Ltd	1,553,250	1.31%		<b>5,130,718</b>	<b>4.33%</b>
News Corporation Inc	6,596,010	5.57%	<b>Industrials</b>		
Publishing And Broadcasting Ltd	2,592,800	2.19%	Alesco Corporation Ltd	694,500	0.59%
Seven Network Limited	3,548,680	3.00%	Brambles Limited	3,047,000	2.58%
Village Roadshow Limited Prefs	2,188,614	1.85%	Service Stream Limited	2,036,486	1.72%
	<b>20,816,050</b>	<b>17.59%</b>	Watpac Limited	1,895,675	1.60%
<b>Consumer Staples</b>			United Group Limited	42,041	0.04%
Foster's Group Limited	1,182,000	1.00%		<b>7,715,702</b>	<b>6.52%</b>
Futuris Corporation Limited	723,000	0.61%	<b>Information Technology</b>		
Metcash Limited	4,604,100	3.89%	Computershare Limited	1,698,300	1.44%
Select Harvests Limited	2,319,733	1.96%	Melbourne IT Limited	1,561,969	1.32%
Woolworths Limited	1,773,850	1.50%	Reckon Limited	1,514,225	1.28%
	<b>10,602,683</b>	<b>8.96%</b>		<b>4,774,494</b>	<b>4.04%</b>
<b>Energy</b>			<b>Materials</b>		
Oil Search Limited	2,438,100	2.06%	Alumina Limited	3,139,000	2.65%
Woodside Petroleum Limited	1,800,864	1.52%	BHP Billiton Limited	4,579,490	3.87%
	<b>4,238,964</b>	<b>3.58%</b>	Gunns Limited	1,389,900	1.17%
<b>Financials</b>			Rio Tinto Limited	4,195,209	3.55%
AMP Limited	1,509,000	1.28%		<b>13,303,599</b>	<b>11.24%</b>
ANZ Banking Group Limited	10,609,670	8.98%	<b>Telecommunication Services</b>		
Australian Wealth Management Ltd	1,320,000	1.12%	Pipe Networks Limited	983,921	0.83%
Cadence Capital Limited	1,068,966	0.90%	Singapore Telecommunications Ltd	1,729,000	1.46%
Credit Corp Group Limited	1,099,123	0.93%		<b>2,712,921</b>	<b>2.29%</b>
Henderson Group Plc	2,992,000	2.53%	<b>Utilities</b>		
IWL Limited	882,000	0.75%	AGL Energy Limited	2,011,100	1.70%
Macquarie Bank Ltd	3,877,500	3.28%		<b>2,011,100</b>	<b>1.70%</b>
National Australia Bank Limited	7,403,480	6.26%			
QBE Insurance Group Limited	3,896,100	3.29%	<b>TOTAL PORTFOLIO VALUE</b>	<b>118,319,091</b>	<b>100%</b>
Westfield Group	3,026,800	2.56%	<b>SHORT POSITIONS</b>	<b>(27,232,555)</b>	
Westpac Banking Corporation	9,328,222	7.87%			
	<b>47,012,861</b>	<b>39.75%</b>			