



AUSTRALIAN LEADERS FUND LIMITED
A.B.N. 64 106 845 970

AUSTRALIAN LEADERS FUND LIMITED (ALF) – APRIL 2008
INVESTMENT UPDATE & NTA

As at 30 April 2008

NTA before tax	1.1035c
NTA after tax and before tax on unrealised gains	1.1035c
NTA after tax	1.0942c

MONTH IN REVIEW

Equities continued to recover in April as investors gained comfort with Central Bank action in avoiding a complete breakdown in credit markets. This view was further supported by better than expected results from US financials and commentary suggesting the worst may be behind us. US first quarter profit results were also a little better than expected, reflecting in part the strong momentum at the end of 2007 and income support from a weaker US Dollar. The economic data also appeared more benign than expected with GDP continuing to grow in the first quarter. Looking behind the numbers however, domestic demand had in fact fallen for the first time in 17 years. In terms of US growth we may well be experiencing the calm before the storm with much weaker growth expected in the current quarter. Similarly, in Australia activity levels seem to be holding up better than many would have thought given the poor consumer and business confidence. As we move towards the full year reporting season for listed companies we would expect to see more profit warnings weighing on any further share price appreciation.

With the tightest credit conditions in a decade and poor confidence amongst businesses and consumers, we see some risk to profit forecasts looking forward into next year. This is largely captured in depressed share prices though, so we are likely to see some consolidation until such time as we get a clearer picture of the economic outlook both offshore and locally.

DIVIDEND

The interim dividend declared for the 2008 financial year is 4.0 cents a share fully franked. The dividend was paid on 14 March 2008.

BUYBACK

The board is focused 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 the NTA per share.

A buyback of approximately 10% of the issued capital commenced on 12 March 2008.

As at close of market on 13th May 2008 500,000 shares have been bought back.

PORTFOLIO PERFORMANCE

Gross Performance	1 month	3 month	6 month	Financial YTD 08
Australian Leaders Ltd	4.55%	-2.61%	-15.39%	-9.03%
All Ords Accum	4.64%	0.60%	-14.88%	-7.45%
Relative Performance	-0.09%	-3.21%	-0.51%	-1.58%

PORTFOLIO STRUCTURE

Investment Type	As at 31 March 2008		As at 30 April 2008	
	\$m	%	\$m	%
Listed Securities	98.14	118.82%	107.40	125.11%
Fixed interest and Cash	13.32	16.13%	18.27	21.29%
Gross Assets	111.46	134.95%	125.67	146.40%
Short positions	-28.87	-34.95%	-39.83	-46.40%
Net Assets	82.59	100.00%	85.84	100.00%

The listed securities portfolio is detailed on the following page.

As at 30 April 2008 the equity portfolio gave exposure to:

LONG PORTFOLIO			Information Technology		
Consumer Discretionary			Computershare Ltd.	2,148,000	2.00%
Austereo Group Ltd.	479,909	0.45%		2,148,000	2.00%
Aristocrat Leisure Ltd.	1,201,600	1.12%	Materials		
Consolidated Media Holdings Ltd.	2,397,754	2.23%	BHP Billiton Ltd.	9,299,400	8.66%
Crown Ltd.	1,864,900	1.74%	Gunns Ltd.	2,164,556	2.02%
News Corp.	6,630,000	6.17%	Lihir Gold Ltd.	2,085,598	1.94%
Sky City Entertainment Group Ltd.	3,317,400	3.09%		13,549,554	12.62%
TABCorp Holdings Ltd.	3,997,000	3.72%	Telecommunication Services		
Village Roadshow Ltd Prf A	3,258,698	3.03%	Reverse Corp. Ltd.	2,133,680	1.99%
West Australian Newspapers Holdings Ltd.	961,000	0.89%		2,133,680	1.99%
	24,108,261	22.44%	Utilities		
Consumer Staples			AGL Energy Ltd.	3,500,000	3.26%
AWB Ltd.	1,200,850	1.12%		3,500,000	3.26%
Select Harvests Ltd.	1,513,723	1.41%			
	2,714,573	2.53%	LONGS	107,399,055	100.00%
Energy					
Oil Search Ltd.	3,942,500	3.67%			
Sunshine Gas Ltd.	801,000	0.75%			
	4,743,500	4.42%	SHORT PORTFOLIO		
Financials			Healthscope Ltd.	-4,018,200	
Australia & New Zealand Banking Group Ltd.	2,954,310	2.75%	Lion Nathan Ltd.	-3,340,000	
AXA Asia Pacific Holdings Ltd.	1,960,200	1.83%	Santos Ltd.	-3,178,000	
Babcock & Brown Ltd.	735,000	0.68%	G.U.D. Holdings Ltd.	-2,916,561	
Commonwealth Bank of Australia	1,794,000	1.67%	CSR Ltd.	-2,686,000	
Goodman Group	1,356,000	1.26%	Adelaide Brighton Ltd.	-2,423,705	
Henderson Group PLC	3,859,009	3.59%	CFS Retail Property Trust	-2,352,000	
Lend Lease Corp. Ltd.	3,255,000	3.03%	AMP Ltd.	-2,349,000	
Mirvac Group	1,260,000	1.17%	Amcor Ltd.	-2,160,000	
Macquarie Group Ltd.	3,488,100	3.25%	Bendigo & Adelaide Bank Ltd.	-1,834,500	
National Australia Bank Ltd.	6,585,780	6.13%	Bank of Queensland Ltd.	-1,630,110	
QBE Insurance Group Ltd.	2,276,100	2.12%	Ramsay Health Care Ltd.	-1,564,362	
St. George Bank Ltd.	2,233,560	2.08%	Minara Resources Ltd.	-1,541,486	
Stockland Australia	1,446,000	1.35%	Arrow Energy N.L.	-1,521,000	
Tishman Speyer Office Fund	2,836,831	2.64%	Telstra Corp. Ltd.	-1,368,000	
Tower Ltd.	2,231,092	2.08%	Ansell Ltd.	-1,192,596	
	38,270,982	35.63%	Insurance Australia Group Ltd.	-1,087,500	
Health Care			InvoCare Ltd.	-1,026,000	
Primary Health Care Ltd.	4,603,315	4.29%	PaperlinX Ltd.	-893,993	
	4,603,315	4.29%	Wesfarmers Ltd.	-748,000	
Industrials				-39,831,013	
Brambles Ltd.	1,335,000	1.24%			
Leighton Holdings Ltd.	2,354,500	2.19%			
Macquarie Infrastructure Group	2,264,000	2.11%	Contact:		
SEEK Ltd.	1,550,090	1.44%	Justin Braithling		
Toll Holdings Ltd.	4,123,600	3.84%	Australian Leaders Fund		
	11,627,190	10.82%	02-9362-8606		
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