



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

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

As at 31 August 2008

NTA before tax	1.0671c*
NTA after tax and before tax on unrealised gains	1.0671c*
NTA after tax	1.0601c*

*The above figures are after the payment of the final dividend of 2.0 cents a share fully franked which was paid on 28 August 2008.

MONTH IN REVIEW

The Australian equity market lacked direction for most of August before posting a strong finish up +4.0%. Turnover was light as investors considered the significance full year results reported by most listed companies. Fears of a collapse in corporate earnings from a slowing economy proved unfounded with earnings proving more resilient than expected. Investor focus quickly shifted to value in quality industrial names ahead of a pending rate cut by the RBA. Healthcare, Discretionary and REIT sectors outperformed while the Telecoms, Utilities and Materials sectors lagged.

The key issue for investors near term remains the trade-off between additional earnings risk from the slowing domestic economy, versus increasingly attractive valuations for equities - particularly if the RBA continues cutting rates.

DIVIDEND

The final dividend declared for the 2008 financial year is 2.0 cents a share fully franked and was paid on 28 August 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 11th September 2008 3,679,886 shares have been bought back.

PORTFOLIO PERFORMANCE

Gross Performance	1 month	3 month	6 month	Financial YTD 09
Australian Leaders Ltd*	5.44%	-2.94%	4.68%	4.38%
All Ords Accum	4.02%	-8.63%	-6.07%	-1.42%
Relative Performance	1.42%	5.69%	1.39%	5.80%

* Includes the contribution from the buyback

PORTFOLIO STRUCTURE

Investment Type	As at 31 July 2008		As at 31 August 2008	
	\$m	\$m	\$m	%
Listed Securities	135.44	173.96%	155.84	193.82%
Fixed interest and Cash	7.09	9.10%	5.42	6.74%
Gross Assets	142.53	183.06%	161.26	200.56%
Short positions	-64.67	-83.06%	-80.85	-100.56%
Net Assets	77.86	100.00%	80.41	100.00%

The listed securities portfolio is detailed on the following page.

As at 31 August 2008 the equity portfolio gave exposure to:

Consumer Discretionary				Health Care		
Billabong International Ltd.	2,305,800	1.48%		Primary Health Care Ltd.	6,899,450	4.43%
Tatts Group Ltd.	2,636,822	1.69%		CSL Ltd.	1,642,000	1.05%
Sky City Entertainment Group Ltd.	2,764,500	1.77%			8,541,450	5.48%
Crown Ltd.	5,826,226	3.75%		Industrials		
Aristocrat Leisure Ltd.	5,133,000	3.29%		Service Stream Ltd.	161,972	0.10%
Wotif.com Holdings Ltd.	3,420,000	2.19%		Leighton Holdings Ltd.	2,092,950	1.34%
Harvey Norman Holdings Ltd.	2,040,500	1.31%		SEEK Ltd.	3,478,295	2.23%
Woolworths Ltd.	2,027,740	1.30%		Brambles Ltd.	2,618,347	1.68%
Select Harvests Ltd.	551,096	0.35%		Qantas Airways Ltd.	4,339,045	2.79%
Graincorp Ltd.	1,752,326	1.12%			12,690,609	8.14%
	28,458,010	18.25%		Information Technology		
Media				Computershare Ltd.	1,357,500	0.87%
Village Roadshow Ltd Prf A	2,892,221	1.86%			1,357,500	0.87%
News Corp.	4,544,951	2.92%		Materials		
APN News & Media Ltd.	3,255,322	2.09%		Straits Resources Ltd.	552,080	0.35%
Austereo Group Ltd.	3,033,806	1.95%		Rio Tinto Ltd.	2,550,000	1.64%
	13,726,300	8.82%		Orica Ltd.	1,744,400	1.12%
Energy				Newcrest Mining Ltd.	5,540,828	3.56%
Roc Oil Co. Ltd.	1,243,617	0.80%		Mincor Resources N.L.	475,000	0.30%
Oil Search Ltd.	4,898,580	3.14%		James Hardie Industries N.V.	934,000	0.60%
	6,142,197	3.94%		Iluka Resources Ltd.	894,000	0.57%
Financials				Gunns Ltd.	1,643,626	1.05%
Westpac Banking Corp.	5,095,514	3.27%		BHP Billiton Ltd.	4,140,000	2.66%
St. George Bank Ltd.	1,215,200	0.78%			18,473,934	11.85%
National Australia Bank Ltd.	6,540,153	4.20%		Telecommunication Services		
Australia & New Zealand Banking Group Ltd.	6,679,114	4.29%		Telstra Corp. Ltd.	4,357,643	2.80%
	19,529,981	12.54%		Reverse Corp. Ltd.	4,485,429	2.87%
Diversified Financials					8,843,072	5.67%
Platinum Asset Management Ltd.	1,436,000	0.92%		Utilities		
Macquarie Group Ltd.	1,717,560	1.10%		AGL Energy Ltd.	2,419,559	1.55%
Henderson Group PLC	4,410,796	2.84%			2,419,559	1.55%
BT Investment Management Ltd.	907,846	0.58%				
ASX Ltd.	3,712,800	2.38%		LONG PORTFOLIO	155,842,963	100.00%
	12,185,002	7.82%		SHORT PORTFOLIO	-80,853,829	
Insurance						
Tower Ltd.	950,910	0.61%				
OBE Insurance Group Ltd.	5,867,750	3.77%				
AXA Asia Pacific Holdings Ltd.	4,203,900	2.70%				
	11,022,560	7.08%				
Real Estate						
Stockland Australia	5,095,668	3.27%		Contact:		
Sunland Group Ltd.	964,000	0.62%		Justin Braitling		
Lend Lease Corp. Ltd.	6,393,125	4.10%		Australian Leaders Fund		
	12,452,793	7.99%		info@braitlinginvestments.com.au		