



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

**AUSTRALIAN LEADERS FUND LIMITED (ALF) – MARCH 2009**  
**INVESTMENT UPDATE & NTA**

As at 31 March 2009

NTA before tax on unrealised gains	\$1.0690
NTA after tax	\$1.0374

**MONTH IN REVIEW**

Australian equity markets moved ahead strongly in March on the back of encouraging comments from US banks and some abatement in the deteriorating economic trends. The economic data out of China was particularly encouraging. We were pleased to see the strong contribution from the portfolio in a rising market. We have been short a number of expensive so called "defensive securities" for some time and this had been a drag on performance. These companies underperformed significantly in March as investors sold these shares to buy cyclical stocks more likely to benefit from a recovery.

The strength of the rally in March was very encouraging breaking through important technical levels. Even as we move into April, the market is absorbing bad news and holding up well. We would like to see shares consolidate recent gains before staging another advance later in the quarter.

**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 13<sup>th</sup> March 2009 7,821,288 shares have been bought back.

A second buyback for up to 7,185,623 shares or approximately 10% of issued capital will commence on 13 March 2009 for a 12 month duration.

As at close of market on 9<sup>th</sup> April 2009 823,622 shares have been bought back.

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## **PORTFOLIO PERFORMANCE INCLUDING ATTRIBUTION**

	<b>1 MONTH RETURN (%)</b>			<b>3 MONTH RETURN (%)</b>			<b>6 MONTH RETURN (%)</b>			<b>FINANCIAL YEAR TO DATE RETURN (%)</b>		
	Total Portfolio	Total All Ords	Attribution	Total Portfolio	Total All Ords	Attribution	Total Portfolio	Total All Ords	Attribution	Total Portfolio	Total All Ords	Attribution
Long Portfolio	12.8	8.0	7.1	5.7	-1.6	11.5	-12.6	-21.3	12.5	-15.0	-30.6	27.6
Short Portfolio	2.8	8.0	7.4	-14.0	-1.6	15.6	-23.8	-21.3	6.7	-26.2	-30.6	-1.2
Cash			-6.1			-2.2			2.5			3.7
<b>Total</b>	<b>16.4</b>	<b>8.0</b>	<b>8.4</b>	<b>23.3</b>	<b>-1.6</b>	<b>24.9</b>	<b>0.4</b>	<b>-21.3</b>	<b>21.7</b>	<b>-0.5</b>	<b>-30.6</b>	<b>30.1</b>

\*Attribution column explains which part of the total portfolio return i.e return on long, short or cash gave rise to the out performance over the All Ords Return for the same period

## **PORTFOLIO STRUCTURE**

<b>Investment Type</b>	<b>As at 28 February 2009</b>		<b>As at 31 March 2009</b>	
	<b>\$m</b>		<b>\$m</b>	
Listed Securities – Long	92	148	90	129
Listed Securities - Short	-71	-114	-92	-132
<b>NET EXPOSURE</b>	<b>21</b>	<b>34</b>	<b>-2</b>	<b>-3</b>
Fixed interest and Cash	41	66	72	103
<b>Shareholder Funds</b>	<b>62</b>	<b>100</b>	<b>70</b>	<b>100</b>

The listed securities portfolio is detailed on the following page

As at 31 March 2009 the equity portfolio gave exposure to:

<b>Consumer Discretionary</b>			<b>Industrials</b>		
Webjet Ltd.	1,722,258	1.92	Ausenco Ltd.	1,389,525	1.55
Sky City Entertainment Group Ltd.	42,301	0.05	Transfield Services Ltd.	5,174,021	5.77
Crown Ltd.	2,720,003	3.03	SEEK Ltd.	1,966,381	2.19
Aristocrat Leisure Ltd.	2,625,983	2.93	McMillan Shakespeare Ltd.	3,891,244	4.34
	<b>7,110,545</b>	<b>7.93</b>	Virgin Blue Holdings Ltd.	2,299,940	2.56
<b>Media</b>			Qantas Airways Ltd.	1,396,000	1.56
West Australian Newspapers Holdings Ltd.	886,000	0.99	Australian Infrastructure Fund Ltd.	1,149,529	1.28
News Corp.	1,543,788	1.72		<b>17,266,640</b>	<b>19.25</b>
Fairfax Media Ltd.	2,943,500	3.28	<b>Information Technology</b>		
Austereo Group Ltd.	830,295	0.93	Melbourne IT Ltd.	2,581,406	2.88
	<b>6,203,583</b>	<b>6.92</b>		<b>2,581,406</b>	<b>2.88</b>
<b>Retailing</b>			<b>Materials</b>		
Wotif.com Holdings Ltd.	389,340	0.43	Rio Tinto PLC	3,529,606	3.94
	<b>389,340</b>	<b>0.43</b>	Rio Tinto Ltd.	1,174,789	1.31
<b>Consumer Staples</b>			OneSteel Ltd.	1,203,172	1.34
Graincorp Ltd.	3,578,566	3.99	Orica Ltd.	739,500	0.82
	<b>3,578,566</b>	<b>3.99</b>	Nufarm Ltd.	1,778,089	1.98
<b>Energy</b>			Mount Gibson Iron Ltd.	930,000	1.04
Roc Oil Co. Ltd.	948,343	1.06	Macarthur Coal Ltd.	687,113	0.77
Oil Search Ltd.	718,958	0.80	Mirabela Nickel Ltd.	1,124,899	1.25
	<b>1,667,301</b>	<b>1.86</b>	Incitec Pivot Ltd.	1,060,000	1.18
<b>Financials</b>			Gunns Ltd.	3,483,984	3.88
RHG Ltd.	4,288,471	4.78	Alumina Ltd.	1,588,312	1.77
Australia & New Zealand Banking Group Ltd.	2,288,617	2.55		<b>17,299,464</b>	<b>19.28</b>
	<b>6,577,088</b>	<b>7.33</b>	<b>Telecommunication Services</b>		
<b>Diversified Financials</b>			Telstra Corp. Ltd.	3,531,000	3.94
Henderson Group PLC	1,869,553	2.08	Reverse Corp. Ltd.	867,576	0.97
FlexiGroup Ltd.	420,000	0.47	Entertainment Media & Telecoms Corp. Ltd.	630,000	0.70
BT Investment Management Ltd.	177,640	0.20		<b>5,028,576</b>	<b>5.61</b>
	<b>2,467,193</b>	<b>2.75</b>	<b>Utilities</b>		
<b>Insurance</b>			Babcock & Brown Wind Partners Group	2,336,890	2.61
Tower Australia Group Ltd.	1,288,264	1.44		<b>2,336,890</b>	<b>2.61</b>
Suncorp-Metway Ltd.	1,236,252	1.38			
AMP Ltd.	2,584,798	2.88			
	<b>5,109,314</b>	<b>5.70</b>			
<b>Real Estate</b>					
Westfield Group Australia	2,500,000	2.79			
Charter Hall Group	840,000	0.94			
	<b>3,340,000</b>	<b>3.73</b>	<b>TOTAL LONG PORTFOLIO</b>	<b>89,682,253</b>	<b>100.00</b>
<b>Health Care</b>			<b>TOTAL SHORT PORTFOLIO</b>	<b>(92,456,674)</b>	
ResMed Inc. (CDI-10CDI/1SHS)	530,000	0.59			
Primary Health Care Ltd.	2,854,520	3.18	<b>Contact:</b>		
Mesoblast Ltd.	3,067,527	3.42	Justin Braitling		
CSL Ltd.	2,274,300	2.54	Australian Leaders Fund		
	<b>8,726,347</b>	<b>9.73</b>	info@braitlinginvestments.com.au		

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