



WILSON INVESTMENT FUND LTD (WIL)
ABN 15 100 504 541
INVESTMENT UPDATE & NTA – AUGUST 2010

WIL is a listed investment company primarily investing in small to medium industrial companies listed on the ASX.

The NTA before tax as at 31 August 2010 was 85.0 cents per share. The NTA after tax on realised gains and before tax on unrealised gains as at 31 August 2010 was 91.2 cents per share. This includes tax assets of 6.3 cents per share.

NTA before tax	85.0c
NTA before tax payable and after tax assets	91.2c[*]
NTA after tax and before tax on unrealised gains	91.2c[*]
NTA after tax (including unrealised gains tax)	91.2c[*]

The above figures are before the payment of the final dividend and the special dividend of 2.6 cents and 1.4 cents respectively per share fully franked to be paid on 29 October 2010.

*These figures include tax assets of 6.3 cents per share.

MARKET OUTLOOK

The bullish beginning to the new financial year faded in August with the S&P/ASX All Ordinaries Accumulation Index falling 0.7 per cent. The vast majority of the decline was due to a poor performance by the banking sector on the back of disappointing operating updates by the big four players. Another factor contributing to the weak month was the nations' biggest stock, BHP Billiton Limited, falling following the decision to bid for Canadian based Potash for a staggering \$40 billion. Investors were weary of the purchase price and how BHP Billiton Limited was going to fund the acquisition.

The broader market fared much better during August with the annual profit reporting season proving to be comforting for investors. Profit numbers were about in line and 2011 earnings forecasts were only revised down mildly. This benign outlook saw the S&P/ASX Small Ordinaries Accumulation Index rise a healthy 1.8 per cent for the month.

Despite this we remain cautious, believing that in the short term global macroeconomic issues will determine the direction of the overall market rather than earnings. The US economy, after a bounce following the global financial crises, has fallen on difficult times again, with the possibility of a second recession within three years. Until the market can see through this period of sub optimal growth or even contraction, share markets around the globe will continue to flounder. Eventually, valuations will become compelling and too hard to ignore. We will wait for this outcome with anticipation.

DIVIDENDS

Since year end the Board has announced a final dividend of 2.6 cents and a special dividend of 1.4 cents per share both fully franked to be paid on 29 October 2010. The shares will trade ex dividend on 18 October 2010. This brings the full year dividend to 6.6 cents per share fully franked, an increase of 65% on the previous year. The final and special dividends are 100% LIC capital gain which will enable some shareholders to claim a tax deduction. Further details will be on shareholder dividend statements.

The Board is committed to paying an increasing stream of fully franked dividends to shareholders provided the company has sufficient franking credits, and it is within prudent business practices. Dividends are paid on a six-monthly basis. Recently introduced government legislation now enables companies to pay dividends if the company is deemed solvent. Dividend payments will not be reliant on reported profit and retained earnings as it was previously. Rather, it will be with consideration to cash flow, cash holdings and available franking credits. This is a major change for Listed Investment Companies. The Board is currently reviewing the impact these changes may have and how it best positions the company going forward.

The dividend re-investment plan will operate at the volume weighted average market price of shares sold on the record date and the three trading days prior to the record date. To participate in the dividend re-investment plan, please send your election to our share registrar no later than 22 October 2010. The current share price (\$0.73 being closing price 13 September 2010) is at a 14.1% discount to the 31 August 2010 pre-tax NTA.

SHARE BUY BACK

On 28 August 2009 the Board announced a fourth on market share buy-back of 10% of issued capital, to commence on 14 September 2009. The final share buy-back notice was announced today showing a total of 7,320,297 shares have been bought back for a total consideration of \$5,687,894.

PORTFOLIO STRUCTURE

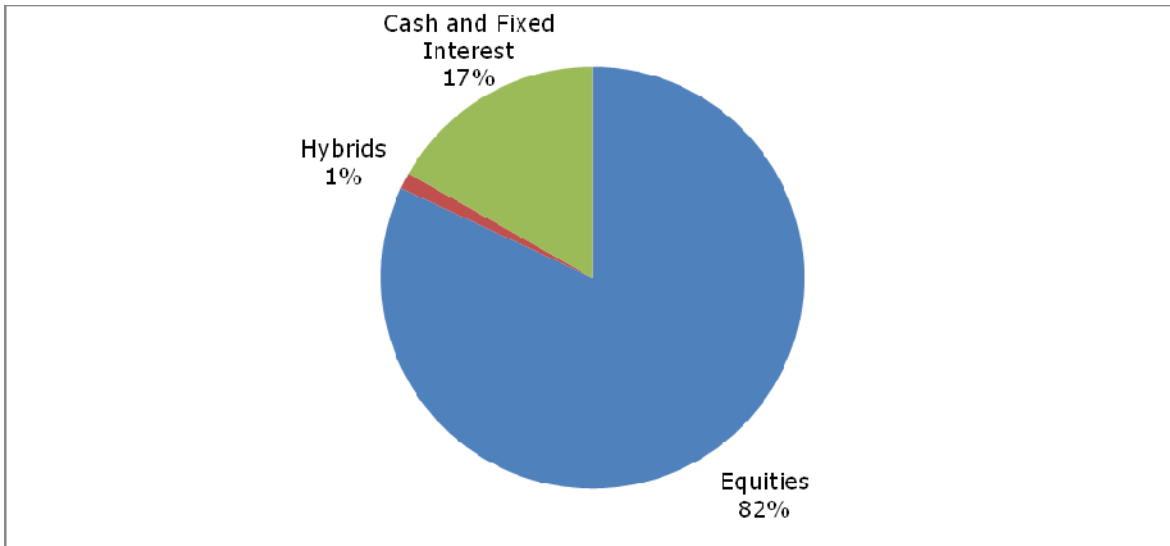
	As at 31 July 2010		As at 31 August 2010	
Investment Type	\$m	%	\$m	%
Listed Equities	79.91	79.4%	82.21	82.0%
Listed Hybrids	1.26	1.2%	1.25	1.2%
Fixed Interest and Cash	19.51	19.4%	16.85	16.8%
Total Assets	100.68	100.0%	100.31	100.0%
	No.		No.	
Total ordinary shares on issue	117,549,582		117,549,582	

PORTFOLIO STRUCTURE (continued)

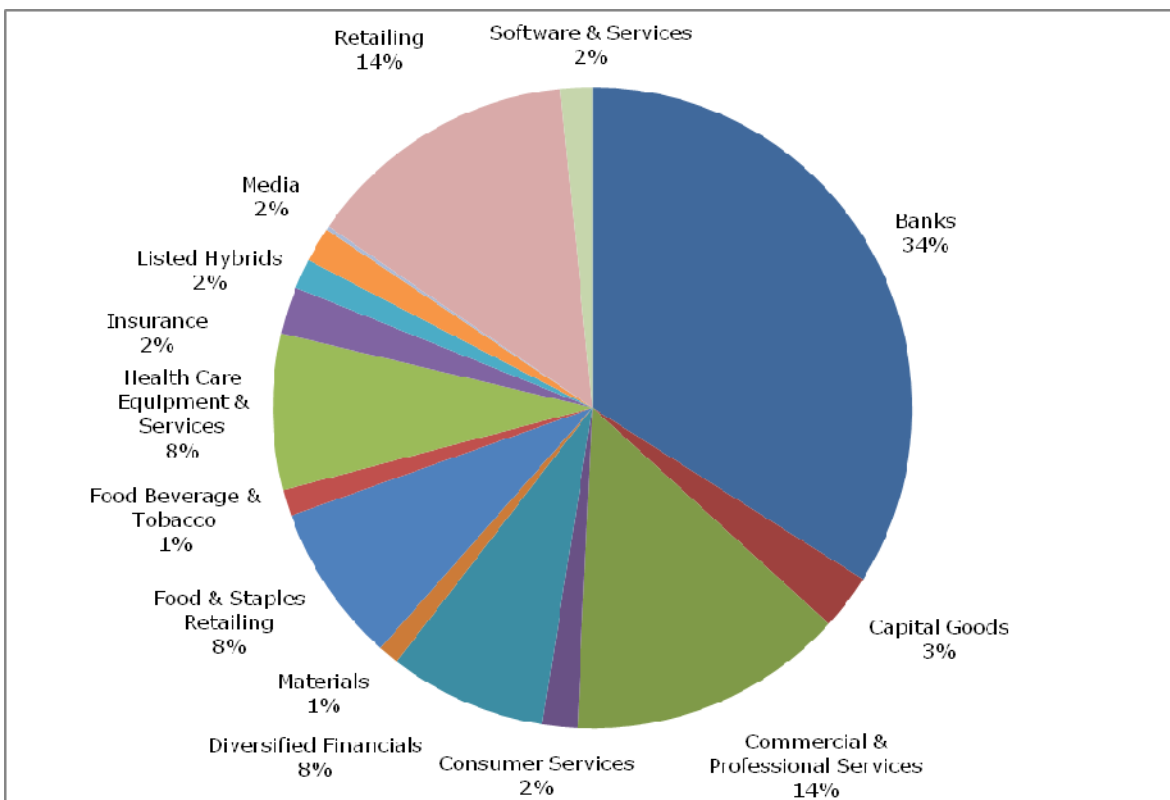
As at 31 August 2010 the top listed equities and hybrids (value over \$1 million) were as follows:

CODE	COMPANY	MARKET VALUE	MARKET VALUE AS % OF GROSS ASSETS
MMS	McMillan Shakespeare Ltd	5,400,000	5.4%
NAB	National Australia Bank Ltd	5,336,000	5.3%
WBC	Westpac Banking Corporation	4,611,250	4.6%
BEN	Bendigo and Adelaide Bank Ltd	4,527,559	4.5%
APE	AP Eagers Ltd	4,365,952	4.4%
WBB	Wide Bay Australia Ltd	4,342,517	4.3%
MTS	Metcash Ltd	4,170,500	4.2%
ARP	ARB Corporation Ltd	3,973,110	4.0%
CBA	Commonwealth Bank of Australia	3,868,070	3.9%
SAI	SAI Global Ltd	3,244,125	3.2%
CCP	Credit Corp Group Ltd	3,021,108	3.0%
ANZ	Australia and New Zealand Banking Group Ltd	2,993,175	3.0%
AWB	AWB Ltd	2,524,776	2.5%
PRY	Primary Health Care Ltd	2,521,005	2.5%
IFL	IOOF Holdings Ltd	2,145,120	2.1%
AVE	Aevum Ltd	2,076,540	2.1%
ORL	OrotonGroup Ltd	1,941,667	1.9%
CIW	Clime Investment Management Ltd	1,687,903	1.7%
TTS	Tattersall's Ltd	1,461,127	1.5%
BKL	Blackmores Ltd	1,438,978	1.4%
SVWPA	Seven Network Ltd preference shares	1,254,000	1.3%
CSR	CSR Ltd	1,252,109	1.2%
PPT	Perpetual Ltd	1,244,800	1.2%
IRE	IRESS Market Technology Ltd	1,117,047	1.1%
EQT	Equity Trustees Ltd	1,096,950	1.1%
SHV	Select Harvest Ltd	1,081,209	1.1%
REH	Reece Australia Ltd	1,081,065	1.1%
TWR	Tower Ltd	1,071,015	1.1%
MYS	MyState Ltd	1,006,883	1.0%

PORTFOLIO STRUCTURE - ASSET ALLOCATION



LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION



For further information please contact Geoff Wilson, Matthew Kidman or Chris Stott on (02) 9247 6755

Level 11, 139 Macquarie Street, Sydney NSW 2000 | GPO Box 4658 Sydney NSW 2001 | ABN 15 100 504 541
Phone 02 9247 6755 | Fax 02 9247 6855 | info@wami.com.au | www.wilsonassetmanagement.com.au