



**WILSON INVESTMENT FUND LTD (WIL)**  
**ABN 15 100 504 541**  
**INVESTMENT UPDATE & NTA – OCTOBER 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 October 2010 was 84.9 cents per share. The NTA after tax on realised gains and before tax on unrealised gains as at 31 October 2010 was 90.1 cents per share. This includes tax assets of 5.3 cents per share.

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

<b>NTA before tax</b>	<b>84.9c</b>
<b>NTA before tax payable and after tax assets</b>	<b>90.1c*</b>
<b>NTA after tax and before tax on unrealised gains</b>	<b>90.1c*</b>
<b>NTA after tax (including unrealised gains tax)</b>	<b>90.1c*</b>

\*These figures include tax assets of 5.3 cents per share.

**MARKET OUTLOOK**

The Australian share market enjoyed its third up month out of the last four, as investors followed a strong lead from the US in October. The S&P/ASX All Ordinaries Accumulation Index rose a solid 2.2 per cent for October, following an extremely strong September. Most of the excitement again was in the resources sector with the S&P/ASX All Materials Index powering ahead 5.1 per cent while the S&P/ASX All Industrials Index lagged behind registering a rise of only 1.1 per cent. These large differentials in performance stem from an ongoing growth surge in China and the positive impact from the US Federal Reserve's decision to pump money into its economy. While there is a lot of scepticism about the Fed's policy of pump priming the economy, it has won the early battle with equity prices rising. To our own detriment we have been cautious this year, holding high cash positions in our funds and to some extent we have been caught off guard by the surge in prices.

We would expect the current momentum to continue into the new calendar year and are positioning ourselves for that outcome. We would also expect the Australian market to continue to underperform the US market in the short term. The headwinds of a rising currency and higher local interest rates are not positives for the local market.

## **DIVIDENDS**

A final dividend of 2.6 cents and a special dividend of 1.4 cents per share both fully franked which were paid on 29 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.

## **PORTFOLIO STRUCTURE**

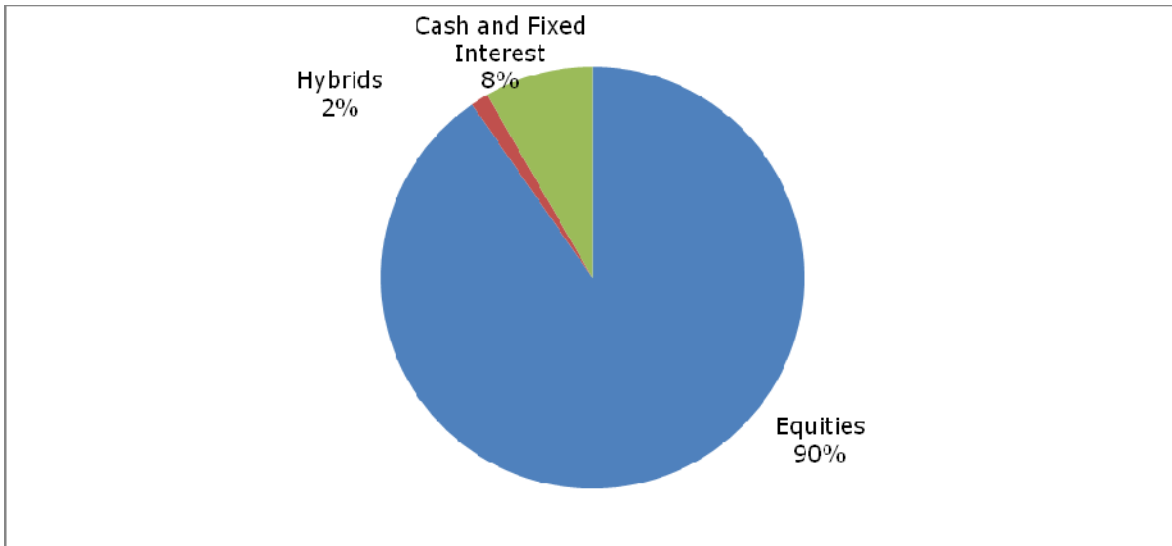
	<b>As at 30 Sept 2010</b>		<b>As at 31 October 2010</b>	
<b>Investment Type</b>	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
Listed Equities	81.38	77.3%	91.43	90.3%
Listed Hybrids	1.32	1.3%	1.37	1.4%
Fixed Interest and Cash	22.53	21.4%	8.43	8.3%
<b>Total Assets</b>	<b>105.23</b>	<b>100.0%</b>	<b>101.23</b>	<b>100.0%</b>
	<b>No.</b>		<b>No.</b>	
<b>Total ordinary shares on issue</b>	117,549,582		118,526,587	

**PORTFOLIO STRUCTURE (continued)**

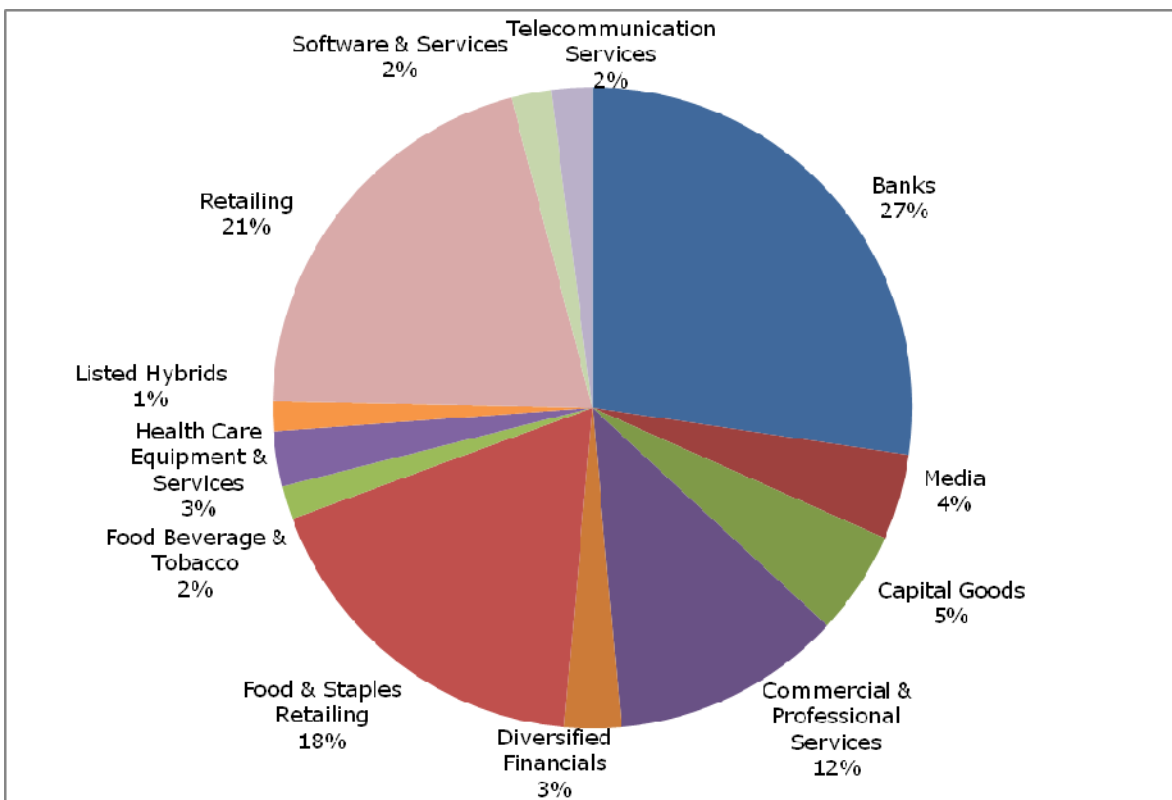
As at 31 October 2010 the top listed equities and hybrids (value over \$1 million) were as follows:

<b>CODE</b>	<b>COMPANY</b>	<b>MARKET VALUE</b>	<b>MARKET VALUE AS % OF GROSS ASSETS</b>
AWB	AWB Ltd	12,326,299	12.2%
NAB	National Australia Bank Ltd	5,855,800	5.8%
WBC	Westpac Banking Corporation	4,823,750	4.8%
MMS	McMillan Shakespeare Ltd	4,549,844	4.5%
APE	AP Eagers Ltd	4,460,182	4.4%
WBB	Wide Bay Australia Ltd	4,206,037	4.2%
MTS	Metcash Ltd	4,151,500	4.1%
ARP	ARB Corporation Ltd	3,838,482	3.8%
CBA	Commonwealth Bank of Australia	3,760,410	3.7%
SAI	SAI Global Ltd	3,367,125	3.3%
ANZ	Australia and New Zealand Banking Group Ltd	3,287,325	3.2%
SGN	STW Communications Group Ltd	3,108,480	3.1%
TGA	Thorn Group Ltd	3,083,198	3.0%
CCP	Credit Corp Group Ltd	2,697,517	2.7%
BKL	Blackmores Ltd	2,553,985	2.5%
ORL	OrotonGroup Ltd	2,376,000	2.3%
BRG	Breville Group Ltd	2,083,429	2.1%
AMM	Amcom Telecommunication Ltd	1,900,039	1.9%
TRS	The Reject Shop Ltd	1,801,820	1.8%
CIW	Clime Investment Management Ltd	1,649,541	1.6%
SHV	Select Harvest Ltd	1,547,329	1.5%
SVWPA	Seven Network Ltd preference shares	1,371,000	1.4%
CSR	CSR Ltd	1,336,563	1.3%
IRE	IRESS Market Technology Ltd	1,264,445	1.2%
AHE	Automotive Holdings Group Ltd	1,121,805	1.1%
MYS	MyState Ltd	1,078,803	1.1%
REH	Reece Australia Ltd	1,019,355	1.0%

**PORTFOLIO STRUCTURE - ASSET ALLOCATION**



**LONG PORTFOLIO STRUCTURE - SECTOR ALLOCATION**



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