



## **WILSON INVESTMENT FUND LTD (WIL)** **INVESTMENT UPDATE & NTA – SEPTEMBER 2008**

The NTA before tax as at 30 September 2008 was 93.40 cents per share. The NTA after tax on realised gains and before tax on unrealised gains as at 30 September 2008 was 93.40 cents per share.

WIL is a long-term investor and does not intend disposing of its total portfolio. If estimated tax on unrealised portfolio gains were to be deducted, the above figure would be 93.25 cents per share.

NTA before tax payable and after tax assets	93.40c*
NTA after tax and before tax on unrealised gains	93.40c*
NTA after tax (including unrealised gains tax)	93.25c*

\* The above figures include tax assets of 4.2 cents per share and before the payment of the final 2.0 cents a share fully franked LIC capital gain dividend.

### **MARKET OUTLOOK**

Share markets around the world collapsed in panic during September, a trend that has accelerated into October. The trigger for the latest wave of selling has been the well documented collapse of the US banking system and the subsequent global contagion. Banks have effectively stopped lending to each other and to companies in general. The US economy has stalled and there are genuine fears that the world is on the verge of recession. The Australian Reserve Bank took its first meaningful step to support the local banking system and economy by cutting official interest rates by a larger than expected 1 per cent. This failed to stem the selling of shares.

Since the Australian market peaked on November 1, 2007 it has fallen 42 per cent (at the time of writing). The pain has spread from the banking system to the industrial market and more recently, the mining sector. The size of the fall is now in the same league as the two previous major post World War II bear markets in 1974 and 1987. The US, UK and Japanese markets have experienced similar falls. Investors are now in panic mode, unsure about whether the banking system, the petrol that drives economies, can recover back to normal. It is our belief that investors are in capitulation mode. We believe that a turnaround can take place even though it is very difficult to see what the catalyst for a recovery is at this stage. We believe the next 6 to 12 months will be a once in a decade opportunity to buy assets at a significant discounts to their true value.

### **Dividends**

The final dividend declared for the year is 2.0 cents a share fully franked, payable on 24 October 2008. The final dividend carries with it an attributable LIC capital gain of 2.0 cents per share which will enable some shareholders to claim a tax deduction. The full year ordinary dividend totals 5.0 cents per share.

**PORTFOLIO STRUCTURE**

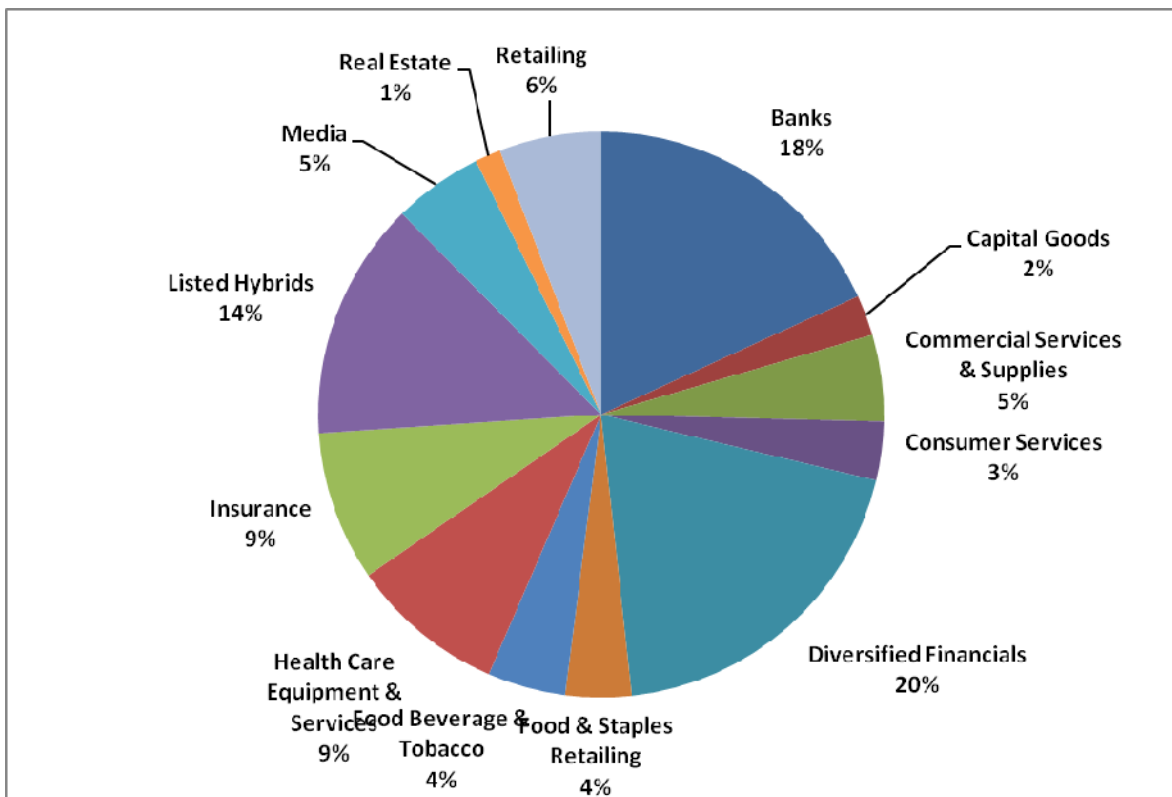
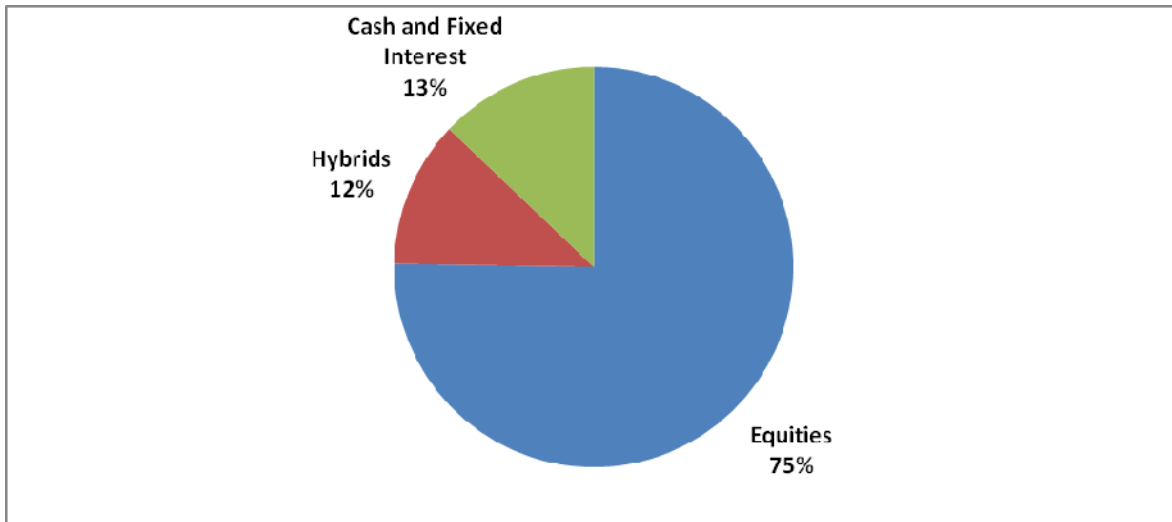
<b>Investment Type</b>	<b>As at 31 August 2008</b>		<b>As at 30 September 2008</b>	
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
Listed Equities	85.71	75.25%	80.12	73.40%
Listed Hybrids	13.53	11.88%	11.61	10.63%
Fixed Interest and Cash	14.66	12.87%	17.44	15.97%
<b>Total Assets</b>	<b>113.90</b>	<b>100.00%</b>	<b>109.17</b>	<b>100.00%</b>
	<b>No.</b>		<b>No.</b>	
<b>Total no. of ord shares on issue</b>	122,135,783		122,135,783	

## **PORTFOLIO STRUCTURE (continued)**

As at 30 September 2008 the listed equities and hybrids were as follows:

	<b><u>Qty</u></b>	<b><u>Market Value \$</u></b>		<b><u>Qty</u></b>	<b><u>Market Value \$</u></b>
<b><u>Listed Hybrids</u></b>			<b><u>Food Beverage &amp; Tobacco</u></b>		
Bank of Qld Ltd Prefs (BOQPB)	70,000	6,860,000	Cockatoo Ridge Wines Ltd (CKR)	8,108,328	486,500
Brickworks Ltd Prefs (BKWPA)	8,000	813,600	Graincorp Ltd (GNC)	209,714	1,572,855
Leighton Hldgs Conv Notes (LEIGA)	8,000	816,000	Select Harvest Ltd (SHV)	343,241	1,784,853
Nylex Ltd Unsec Conv Note (NLXG)	17,304	27,167			<b>3,844,208</b>
Seven Non-red Prefs (SEVPC)	15,000	1,395,000	<b><u>Banks</u></b>		
Toll Hld Reset Prefs (TOLPA)	5,000	574,950	ANZ Ltd (ANZ)	91,000	1,706,250
Willmott Forests Prefs (WFLPA)	14,000	1,127,000	Bendigo & Adelaide Bank Ltd (BEN)	495,763	5,750,851
		<b>11,613,717</b>	Mortgage Choice Ltd (MOC)	519,715	519,715
<b><u>Capital Goods</u></b>			National Aust Bank Ltd (NAB)	120,000	2,911,200
CSR Ltd (CSR)	500,000	1,240,000	Rock Building Society Ltd (ROK)	57,285	167,272
Nylex Ltd (NLX)	117,543	44,079	Westpac Banking Corp (WBC)	150,000	3,222,000
Nylex Ltd Options (NLXO)	54,384	381	Wide Bay Australia Ltd (WBB)	381,760	3,283,136
Reece Australia Ltd	45,711	959,931			<b>17,560,424</b>
		<b>2,244,391</b>	<b><u>Health Care Equip &amp; Services</u></b>		
<b><u>Commercial Services &amp; Supplies</u></b>			Aevum Ltd (AVE)	1,326,839	2,321,968
Credit Corp Group Ltd (CCP)	959,082	656,971	Primary Health Care Ltd (PRY)	780,497	4,019,560
McMillan Shakespeare Ltd (MMS)	750,000	1,762,500	Pro Medicus Ltd (PME)	1,075,000	1,042,750
SAI Global Ltd (SAI)	675,000	1,836,000	Sigma Pharmaceuticals Ltd (SIP)	884,120	1,056,523
		<b>4,255,471</b>			<b>8,440,801</b>
<b><u>Consumer Services</u></b>			<b><u>Diversified Financials</u></b>		
Tabcorp Holdings Ltd (TAH)	200,000	1,616,000	ASX Ltd (ASX)	302,000	9,105,300
Tattersalls Ltd (TTS)	611,350	1,455,013	BT Invt M'ment Ltd (BTT)	1,041	3,539
		<b>3,071,013</b>	Clime Invt M'ment Ltd (CIW)	3,836,143	1,265,927
<b><u>Media</u></b>			CVC Ltd (CVC)	750,000	750,000
Photon Group Ltd (PGA)	1,033,000	2,675,470	Equity Trustees Ltd (EQT)	71,000	1,423,550
Prime Television Ltd (PRT)	381,291	854,092	IOOF Holdings Ltd (IFL)	327,000	1,821,390
WA Newspapers Hld Ltd (WAN)	124,000	1,116,000	Mariner Financial Ltd (MFI)	2,560,000	69,120
		<b>4,645,562</b>	NSX Ltd (NSX)	1,085,000	179,025
<b><u>Retailing</u></b>			Perpetual Ltd (PPT)	40,000	1,872,000
AP Eagers Ltd (APE)	348,997	3,315,472	Rattoon Holdings Ltd (RTN.NSX)	2,508,477	301,017
ARB Corporation Ltd (ARP)	580,864	2,247,944	Treasury Group Ltd (TRG)	98,766	790,128
		<b>5,563,416</b>			<b>17,580,996</b>
<b><u>Materials</u></b>			<b><u>Insurance</u></b>		
Signature Metals Ltd (SBL)	793,804	13,495	Calliden Group Ltd (CIX)	6,000,000	2,130,000
		<b>13,495</b>	Tower Australia Group Ltd (TAL)	1,689,950	4,833,257
<b><u>Food &amp; Staples Retailing</u></b>			Tower Ltd (TWR)	568,649	770,519
Metcash Ltd (MTS)	950,000	3,771,500			<b>7,733,776</b>
		<b>3,771,500</b>	<b><u>Real Estate</u></b>		
			Challenger Wine Trust (CWT)	2,453,250	1,398,353
					<b>1,398,353</b>
			<b>TOTAL PORTFOLIO VALUE</b>		<b>\$91,737,123</b>

**PORTFOLIO STRUCTURE (continued)**



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