

# **WILSON INVESTMENT FUND LIMITED**

A.B.N. 15 100 504 541



**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2008**

## COMPANY PARTICULARS

### WILSON INVESTMENT FUND LIMITED A.B.N. 15 100 504 541

Wilson Investment Fund Limited is a Listed Investment Company and is a reporting entity. It is an investor in equities and similar securities on the stock market primarily in Australia.

<b>DIRECTORS:</b>	G. Wilson (Chairman) M. Kidman J. Gosse J. Abernethy
<b>SECRETARY:</b>	N. Cuffe
<b>AUDITORS:</b>	Moore Stephens Sydney
<b>COUNTRY OF INCORPORATION:</b>	Australia
<b>REGISTERED OFFICE:</b>	Level 11, 139 Macquarie Street Sydney NSW 2000
<b>CONTACT DETAILS:</b>	Mail Address: GPO Box 4658 Sydney NSW 2001 Telephone: (02) 9247 6755 Fax: (02) 9247 6855 Email: <a href="mailto:info@wami.com.au">info@wami.com.au</a> Website: <a href="http://www.wilsonassetmanagement.com.au">www.wilsonassetmanagement.com.au</a>
<b>SHARE REGISTRAR:</b>	Registries Limited Level 7, 207 Kent Street Sydney NSW 2000 Telephone: (02) 9290 9600 Fax: (02) 9279 0664  For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.
<b>STOCK EXCHANGE:</b>	Australian Securities Exchange (ASX) The home exchange is Sydney. ASX code: WIL Ordinary shares

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# WILSON INVESTMENT FUND LIMITED

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## CHAIRMAN'S LETTER

Dear fellow shareholders,

Firstly I would like to thank you for your support over what has been a very volatile ride for Australian and global equities over the last 12 months.

Wilson Investment Fund Limited (WIL) is a listed investment company that invests in ASX listed securities over the medium to long term. WIL listed in August 2003 and is managed by MAM Pty Limited.

### Investment Objectives and Process

Our investment objectives are to achieve a high real rate of return, comprising both income and capital growth (within risk parameters acceptable to the Directors) deliver investors a secure income stream in the form of fully franked dividends, and preserve the capital of the Company.

Our investment process focuses on (a) Research Driven investing, where we undertake extensive research, rating the company's management, earnings growth potential, valuation, industry position, generation of free cashflow and identifying a catalyst that will change the valuation the market gives to the company, and (b) Investment Driven investing, where the investee company has a sustainable business model, has a track record of profit making and dividends, generates positive free cashflow, acceptable financial strength and generates a sound return on equity.

We believe an area of the market that will deliver above market returns over time, at an acceptable risk, are small and medium sized industrial companies. This prognosis is based on those companies ability to grow at a higher rate (15 to 20% per annum) than the larger industrial companies.

Our investment team has continued to progressively develop and now comprises of Matthew Kidman and myself, the portfolio managers, Chris Stott, a senior analyst who is responsible for the research driven side of our investing and Tal Bergman, a trainee analyst who focuses on the market driven side of investing. We all spend as much time as possible meeting with the management of investee companies.

In an endeavour to find suitable investment opportunities the manager is continually meeting with the management of investee companies. Over time our goal is to deliver a total return of 15-20% per annum. Would we like part of the return to be in the form of an attractive fully franked dividend to shareholders. We are looking for a combination of high growth stocks and established businesses that have strong cash flows and pay fully franked dividends.

To date we have looked to improve the yield of the Company by investing in several high yielding listed debt securities. These securities have enabled the Company to reach a satisfactory yield at the quickest rate, while at the same time giving the fund exposure to some outstanding companies. Going forward, hybrids will decline as a percentage of the portfolio as equity investments, that can deliver both a strong dividend flow and capital growth replace them.

### Performance

WIL announced on the 27 August 2008 an operating profit before tax (before realised gains on investments) for the year to 30 June 2008 of \$3.346 million, and, with a tax credit of \$0.667m, an after tax profit of \$4.012 million. This is after accounting for impairment losses of \$1.85m. These losses were taken on Nylex Limited and Signature Metals Limited. The profit from ongoing investment activities, excluding impairment losses, equated to \$5.863 million a 1.1% increase on the previous year.

In the last 12 months the performance of the Fund has been negatively impacted by the portfolio's exposure to the small and mid capitalisation industrials and the financial services sector. During the financial year to 30 June 2008, the S&P/ASX Financial Index fell 34.9% while the Small Ordinaries Accumulation Index fell 20.5%. These sectors, we believe represent the best value we have seen in several years. The industrial market is now trading on a forward price to earnings ratio of 12 times, compared to approximately 16.5 times last year. While we expect earnings to remain under pressure, we believe the pricing risks of many stocks have been largely removed. The WIL portfolio is positioned to take advantage of a rally in financial and mid and small capitalised industrial stocks.

# WILSON INVESTMENT FUND LIMITED

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## CHAIRMAN'S LETTER

WIL is holding 12% of its portfolio in cash and term deposits and 12% in hybrids. This has increased due to takeovers and sales during the year. A number of hybrids are due to convert/mature over the coming months and we expect to invest further into equities as opportunities present themselves.

At the end of June 2008, more than \$113 million of the funds raised had been invested in equities and listed debt securities. The remaining monies were in bank bills and term deposits. Of the monies invested, \$99.46 million had been invested in 45 companies, and \$13.58 million had been invested in 8 listed debt securities. During the year we sold our holdings in Babcock & Brown Limited (BNB) and MMC Contrarian Limited (MMA) and received \$5.64 million in proceeds. We also received \$7.25 million in proceeds from a number of takeovers during the year. All of these disposals and takeovers resulted in a further \$2.58 million being added to the LIC capital profits reserve.

The pre-tax net tangible assets (NTA) backing, adjusted for the payment of 5.50 cents fully franked dividends (including a 2.00 cent LIC capital gain) and 0.72 cents of tax paid in the year, moved from 135.2 cents a share to 93.89 cents per share.

### Dividends

The Board's policy is to deliver an increasing stream of fully franked dividends to investors over time. Obviously this is dependant on profitability and retained earnings.

This year the impairment losses for the six months to June 2008 have reduced our net profit by 1.1 cents per share. Thus, the final dividend declared for the year will be lower than the interim dividend at 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 credit. The full year ordinary dividend totals 5.0 cents per share.

### Outlook

Due to the fact that WIL is an investor for tax purposes, it is not possible to dramatically change the structure of the portfolio in the short to medium term. Given the Fund is 76% invested in equities, the Fund can increase its exposure to the market. At this point in time the manager is looking to further invest in the coming 6 to 12 months to take advantage of depressed valuations.

While the sectors WIL has exposure to have been severely dealt with during the past year, we believe valuations are the best they have been in many years. We expect the banks will continue to make further asset write downs over the next 12 months. This period will look similar to the early 90's which proved to be a great buying opportunity. The large banks are trading at between 8 and 12 times price to earnings multiples. The Funds largest holding, ASX Limited, is trading on a price to earnings ratio of approximately 14 times which is near historic lows. Similarly, a range of large and small capitalisation companies are trading at valuations that we have not seen since the bull market began in 2003.

While we do not believe the overall market will rebound to previous record highs anytime soon, there is a real possibility that industrial and financial stocks are within 10%-15% of their cycle bottoms.

As manager of the Fund we are concentrating on buying stocks that offer value over the long term. The manager is also focussed on owning stocks that pay sustainable fully franked yields. The current yield of the portfolio of stocks is approximately 6.69% and it is estimated to be 7.11% one year forward.

In summary, we believe the market is, after a sharp decline, providing attractive valuations. The next 12 months will be a key time to invest in the sharemarket rather than a time to depart.

### Shareholder Communication

We take an active approach to keeping shareholders informed about the Company's activities and performance including monthly investment updates and NTA announcements, yearly and half yearly profit announcements, semi-annual shareholder briefings and access to all relevant information on our website.

# WILSON INVESTMENT FUND LIMITED

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## CHAIRMAN'S LETTER

During the year we continued the successful and well attended shareholder briefings, with seminars held in Sydney, Melbourne, Adelaide, Canberra and Brisbane. Matthew and I enjoy the opportunity to meet with you and we are committed that the shareholder briefings remain a semi-annual event.

Earlier this month shareholders were sent the inaugural edition of the Investor report for 2007/08 with a very noticeable bear on the cover. We hope you enjoyed this report and would encourage feedback on how we can improve this annual edition and our overall communication with our shareholders.

Thank you for your continuing support.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a long horizontal line extending to the right.

Geoff Wilson  
Chairman

# WILSON INVESTMENT FUND LIMITED

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## CORPORATE GOVERNANCE STATEMENT

To ensure the Company operates effectively and in the best interests of shareholders, the Board has followed the principles and best practice recommendations established by the ASX Corporate Governance Council having regard to the nature of the Company's activities and its size. The Company has elected to adopt the revised Corporate Governance Principles and Recommendations early and has applied them in reporting for the 2008 financial year.

### ROLE OF THE BOARD

The Company has a Board but no full time employees. Subject at all times to any written guidelines issued by the Board of Directors of Wilson Investment Fund Limited Limited, the day-to-day management and investment of funds is carried out by MAM Pty Limited (the Manager) pursuant to a management agreement.

The role of the Board is to set strategic direction and to be responsible for the overall corporate governance of the Company which includes:

- to oversee and monitor the performance of the Manager's compliance with the management agreement and to ensure that the Manager is monitoring the performance of other external service providers;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving the interim and final financial statements and related reports and other communications to the ASX and shareholders; and
- setting appropriate business standards and code for ethical behaviour.

The Board aims to ensure that all Directors and the Manager act with the utmost integrity and objectivity and endeavour to enhance the reputation of the Company. The Board should act in a manner designed to create and build sustainable value for shareholders.

### COMPOSITION OF THE BOARD

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the Annual Report and their term in office are detailed in the directors' report.

The Board has two independent Directors and two non independent Directors. The names of the Directors considered to be independent are:

John Abernethy  
Julian Gosse

Whilst the Company agrees with the benefits of a majority of independent Directors, it believes that it can better achieve the results of the Company with the current Boards' level of expertise and without burdening shareholders with the additional costs associated with adding further independent Directors.

The Chairman is not independent. The Company believes that an independent Chairman does not necessarily improve the function of the Board. The Company believes that when the Chairman is a significant driver behind the business and is a sizeable shareholder, it adds value to the Company.

The Board monitors the business risks and system of internal control and guides the affairs of the Company in the discharge of its stewardship responsibilities. The Board confirms that there is an ongoing process of identifying, evaluating and managing the risks faced by the Company. The risk framework and internal controls have been documented in the Risk Management Policy. Responsibility for managing and progressing the profitable operation and development of the Company is delegated to the Chairman who reports back to the rest of the Board.

Given the size of the Board, the Board as a whole considers the composition of the Board and appointment of new Directors. The Board identifies suitable candidates to fill vacancies as they arise. The performance of each Director is reviewed by the Chairman periodically. At every annual general meeting one third of the Directors must retire from office and be eligible for re-election. Shareholder approval is required on the composition of the Board.

# WILSON INVESTMENT FUND LIMITED

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## CORPORATE GOVERNANCE STATEMENT

### AUDIT & RISK COMMITTEE

The Company has formed an Audit & Risk Committee consisting of three non-executive Directors of whom two are independent as defined by the ASX Corporate Governance Council's principles. This is considered adequate given the size of the Board (4 members) and the nature of the Company. The members of the Audit & Risk Committee are:

John Abernethy	Chairman, independent
Matthew Kidman	Non-Executive Director, non-independent
Julian Gosse	Non-Executive Director, independent

The Committee's responsibilities are to:

- oversee the existence and maintenance of internal controls and procedures to ensure compliance with all applicable regulatory obligations;
- oversee the financial reporting process;
- review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors; and
- review the existing external audit arrangements.

The external audit firm partner responsible for the Company audit attends meetings by invitation. The Committee formally reports to the Board after each of its meetings.

The Company's external audit is undertaken by Moore Stephens Sydney and the audit engagement partner is required to be changed at regular intervals. Chris Chandran, a partner of Moore Stephens Sydney, is the partner responsible for the external audit of the Company for the 2008 financial year.

### REMUNERATION OF DIRECTORS

Given the number of Directors (4), a remuneration committee has not been formed as it is believed that such a committee would not serve to protect or enhance the interests of the shareholders. As such, the Board deals with the issue of remuneration as a whole.

The maximum total remuneration of the Directors of the Company has been set at \$80,000 per annum to be divided in such proportions as they agree. The scope of the Company's operations, and the frequency of Board meetings are principal determinants of the fee level. Further detail is provided in the Directors' Report.

Entities associated with the Chairman, Geoff Wilson, and Director, Matthew Kidman of Wilson Investment Fund Limited hold 80% and 20% respectively of the issued shares of the investment management company, MAM Pty Limited. Further detail is provided in the Directors' Report.

### SHAREHOLDER COMMUNICATION

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Measures are in place to ensure all investors have equal and timely access to material information concerning the Company and that Company announcements are factual and presented in a clear and balanced way.

The Company Secretary is primarily responsible for coordinating the disclosure of information to shareholders and regulators under the direction of the Board.

Information is communicated to shareholders through the:

- website;
- ASX Company Announcements platform;
- Annual Report;
- monthly NTA releases; and
- other correspondence regarding matters impacting on shareholders as required.

Monthly NTA releases contain additional information concerning the underlying investment portfolio of the Company in an effort to give investors a better understanding of the Company.



# WILSON INVESTMENT FUND LIMITED

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## CORPORATE GOVERNANCE STATEMENT

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

Shareholder information sessions are also held twice a year in May and November following the AGM. These provide an informal forum where shareholders are given the opportunity to raise questions and participate in general discussion about the Company.

The following charters and policies are available on request or can be found in the Corporate Governance section of the Company's internet site at [www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au):

- Board of Directors Charter
- Code of Conduct
- Securities Dealing Policy
- Continuous Disclosure Policy
- Communications Policy
- Audit & Risk Committee Charter
- Risk Management Policy

### BOARD'S POLICY ON DEALING IN SHARES

Directors are not required to hold a minimum number of shares pursuant to the Company's Constitution. However, their current relevant interests in the Company's shares are shown in the Directors' Report.

Subject to them not being in possession of undisclosed price sensitive information, Directors may deal in shares of the Company when appropriate. As Wilson Investment Fund Limited is an investment company announcing its results monthly, the Board believes the shareholders are generally fully informed.

### INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right to access all relevant information and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

### CONFLICT OF INTEREST

In accordance with the Corporations Act 2001, the Directors must keep the Board advised, on an ongoing basis, of any interests that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

# WILSON INVESTMENT FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

The Directors present their report together with the financial report of Wilson Investment Fund Limited (the Company) for the financial year ended 30 June 2008.

### PRINCIPAL ACTIVITY

The principal activity of the Company is making medium to long term investments in listed companies. No change in this activity took place during the year or is likely in the future.

### OPERATING RESULTS

Investment operations over the year resulted in an operating profit before tax of \$3,345,707 (2007: \$5,167,288) and an operating profit after tax of \$4,012,356 (2007: \$5,029,084).

### REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the year ended 30 June 2008, investments were revalued downward by \$61,186,229 (2007: revalued upwards by \$31,262,167). After an adjustment for deferred tax on unrealised gains, a net decrease of \$42,830,360 (2007: increment \$21,883,517) was transferred to an Asset Revaluation Reserve.

Asset backing for each ordinary share as at 30 June 2008 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to 93.89 cents per share (2007: \$1.294). Asset backing after tax on realised gains but before tax on unrealised gains was 93.89 cents per share (2007: \$1.413). The equivalent asset backing before tax liabilities and after tax assets was 94.09 cents per share (2007: \$1.414).

Further information on the operating and financial review of the Company is contained in the Chairman's Letter on pages 1 to 3 of the Annual Report.

### FINANCIAL POSITION

The net asset value of the Company for the current financial year was \$115,060,000 (2007: \$157,156,525).

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2008.

### DIVIDENDS PAID OR RECOMMENDED

Dividends paid or declared are as follows: \$

Fully franked 2007 final dividend of 2.75c per share was paid on the 26 October 2007	3,326,276
Fully franked 2008 interim dividend of 3.00c per share was paid on the 28 April 2008	3,643,002

The 2007 final dividend of 2.75c per share carried with it an attributable LIC capital gain of 2.0 cents per share.

Since year end the Directors have declared a fully franked final dividend of 2.0 cents to be paid on 24 October 2008. The final dividend carries with it an attributable LIC capital gain of 2.0 cents per share.

### OPTIONS

No options were on issue nor were there any options that were previously issued that expired during the current financial year.

### DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

G.J. Wilson  
M.J. Kidman  
J.J. Gosse  
J.B. Abernethy

# WILSON INVESTMENT FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

### INFORMATION ON DIRECTORS

**Geoffrey Wilson** *Chairman – Non-independent*

#### **Experience and expertise**

Geoffrey Wilson has had 28 years experience in the Australian and international securities industry. He holds a Bachelor of Science Degree and a Graduate Management Qualification. He is also a Fellow of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia.

Geoffrey Wilson has been Chairman of the Company since June 2003.

#### **Other current directorships**

Geoffrey Wilson is the Chairman of WAM Active Limited (appointed July 2007), WAM Capital Limited (appointed March 1999), the Australian Stockbrokers Foundation and Ascham Foundation. He is a Director of Australian Leaders Fund Limited (formerly known as Wilson Leaders Fund Limited) (appointed October 2003), Clime Capital Limited (appointed November 2003), Cadence Capital Limited (appointed February 2005), Vietnam Fund Limited (appointed October 2007), Incubator Capital Limited (appointed February 2000), the Sporting Chance Cancer Foundation, Australian Fund Managers Foundation and Odyssey House McGrath Foundation. He is also a director of the investment management companies, Wilson Asset Management (International) Pty Limited, Boutique Asset Management Pty Limited and MAM Pty Limited.

#### **Former directorships in the last 3 years**

Geoffrey Wilson is a former Director of Mariner Wealth Management Limited (currently known as Keybridge Capital Limited) from September 1999 to October 2006.

#### **Special responsibilities**

Chairman of the Board.

#### **Interests in shares and options of the Company**

Details of Geoffrey Wilson's interests in shares and options of the Company are included later in this report.

#### **Interests in contracts**

Details of Geoffrey Wilson's interests in contracts of the Company are included later in this report.

**Matthew Kidman** *Non-Executive Director - Non-independent*

#### **Experience and expertise**

Matthew Kidman worked as a finance reporter for the Sydney Morning Herald between 1994 and 1998. In 1997 he was appointed Investment Editor of that newspaper and was charged with the responsibility of company coverage for the newspaper. He has degrees in Economics and Law and a Graduate Diploma in Applied Finance. He is a portfolio manager of Wilson Asset Management (International) Pty Limited and has been instrumental in establishing the Company's valuation methodology of rating companies.

Matthew Kidman has been a Director of the Company since May 2002.

#### **Other current directorships**

Matthew Kidman is a Director of WAM Active Limited (appointed July 2007), WAM Capital Limited (appointed March 1999), Australian Leaders Fund Limited (formerly known as Wilson Leaders Fund Limited) (appointed October 2003) and Incubator Capital Limited (appointed February 2000). He is also a Director of the investment management companies MAM Pty Limited and Boutique Asset Management Pty Limited.

#### **Former directorships in the last 3 years**

Matthew Kidman is a former Director of Mariner Wealth Management Limited (currently known as Keybridge Capital Limited) from June 1999 to November 2005.

#### **Special responsibilities**

Member of the Audit & Risk Committee.

#### **Interests in shares and options of the Company**

Details of Matthew Kidman's interests in shares and options of the Company are included later in this report.

# WILSON INVESTMENT FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

### ***Interests in contracts***

Details of Matthew Kidman's interests in contracts of the Company are included later in this report.

### ***John Abernethy***                      ***Non-Executive Director - Independent***

#### ***Experience and expertise***

John Abernethy has over 25 years experience in funds management and corporate advisory. He spent ten years at NRMA Investments as Head of Equities managing portfolios of approximately \$2 billion. In 1994 he joined Poynton Corporate Limited as an Executive Director before forming Clime Investment Management Limited (formerly known as Loftus Capital Partners) in 1996.

John Abernethy has been a Director of the Company since May 2002.

#### ***Other current directorships***

John Abernethy is the Managing Director of Clime Investment Management Limited (formerly known as Loftus Capital Partners Limited) (appointed July 2005). He is a Director of WAM Active Limited (appointed November 2007), Australian Leaders Fund Limited (formerly known as Wilson Leaders Limited) (appointed November 2003) and Jasco Holdings Limited.

#### ***Former directorships in the last 3 years***

John Abernethy is a former Director of Schaffer Corporation Limited from October 1998 to October 2003 and HomeLeisure Limited from February 2001 to May 2007.

#### ***Special responsibilities***

Chairman of the Audit & Risk Committee.

### ***Interests in shares and options of the Company***

Details of John Abernethy's interests in shares and options of the Company are included later in this report.

### ***Julian Gosse***                              ***Non-Executive Director - Independent***

#### ***Experience and expertise***

Julian Gosse has extensive experience in banking and broking both in Australia and overseas having worked in London for Rowe and Pitman, in the United States for Janney Montgomery and Scott and in Canada for Wood Gundy. He has been involved in the establishment, operation and ownership of several small businesses.

Julian Gosse has been a Director of the Company since June 2003.

#### ***Other current directorships***

Julian Gosse is a Director of ITL Limited (appointed September 2003) of which he became Chairman in January 2005 and Northern Crest Investments Limited (formerly known as Blue Chip Financial Solutions Limited) (appointed March 2006) of which he became Chairman in November 2006. He is also a Director of Australian Leaders Fund Limited (formerly known as Wilson Leaders Limited) (appointed October 2003) and Clime Capital Limited (appointed November 2003).

#### ***Former directorships in the last 3 years***

Julian Gosse is a former Director of Mariner Bridge Investments Limited (formerly known as Mariner Wealth Management Limited) from September 1999 to October 2006.

#### ***Special responsibilities***

Member of the Audit & Risk Committee.

### ***Interests in shares and options of the Company***

Details of Julian Gosse's interests in shares and options of the Company are included later in this report.

# WILSON INVESTMENT FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

### COMPANY SECRETARY

The following person held the position of company secretary as at the end of the financial year:

Natasha Cuffe – Bachelor of Commerce, Chartered Accountant. Natasha Cuffe has worked in the funds management industry for the past 10 years and has worked for the Wilson Asset Management group as Finance Manager for the past 5 years. She is also company secretary of WAM Capital Limited. Natasha Cuffe was appointed company secretary on 21 February 2006.

### REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of Wilson Investment Fund Limited.

#### (a) Remuneration of Directors

The Board from time to time determines remuneration of Non-executive Directors within the maximum amount approved by the shareholders. Non-executive Directors are not entitled to any other remuneration.

Fees and payments to Non-executive Directors reflect the demands that are made on and the responsibilities of the Directors and are reviewed annually by the Board.

Directors' base fees are presently set at a maximum of \$80,000 per annum. Non-executive Directors do not receive bonuses nor are they issued options on securities as part of their remuneration. Directors' fees cover all main Board activities and membership of committees.

The following are the Directors' remuneration received for the year ended 30 June 2008:

Director	Position	Salary and Fees	Post-employment Superannuation	Total
		\$	\$	\$
G.J. Wilson	Chairman	9,174	826	10,000
M.J. Kidman	Non-Executive Director	9,174	826	10,000
J.B. Abernethy	Non-Executive Director	27,500	-	27,500
J.J. Gosse	Non-Executive Director	27,500	-	27,500
		<b>73,348</b>	<b>1,652</b>	<b>75,000</b>

The following table compares the Company performance and non-executive directors' remuneration since listing:

	2008	2007	2006	2005	2004
Operating profit after tax (\$)	4,012,356	5,029,084	4,728,698	4,641,591	4,507,588
Dividends (cents per share)	5.0	5.5	5.0	4.0	2.5
Net tangible asset (\$ per share)	0.94	1.29	1.14	1.05	1.03
Total Directors' remuneration (\$)	75,000	75,000	64,000	62,000	54,587

The Company commenced operations in August 2003 and as such 2004 figures do not represent results for a full twelve months and therefore are not comparable.

#### (b) Director Related Entity Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Matthew Kidman and Geoff Wilson are Directors of MAM Pty Limited, the entity appointed to manage the investment portfolio of Wilson Investment Fund Limited. Entities associated with Geoff Wilson and Matthew Kidman hold 80% and 20% respectively of the issued shares of MAM Pty Limited. In its capacity as Manager, MAM Pty Limited was paid a management fee of 1% p.a. (plus GST) of gross assets amounting to \$1,602,496 inclusive of GST (2007: \$1,741,572). As at 30 June 2008, the balance payable to the Manager was \$215,059 (2007: \$157,383).

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the Value of the Portfolio exceeds this increase; or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the Value of the Portfolio.

No performance fee is payable in respect of any performance period where the Portfolio has decreased in value over that period. As at 30 June 2008, no performance fee was paid or payable to MAM Pty Limited (2007:\$nil).

These amounts are in addition to the above Directors remuneration.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

### (c) Remuneration of Executives

There are no executives that are paid by the Company. MAM Pty Limited, the investment manager of the Company provides the day to day management of the Company and is remunerated as outlined above.

### (d) Equity Instruments Disclosure of Directors and Related Parties

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Directors	Ordinary Shares
G.J. Wilson	5,218,896
M.J. Kidman	181,539
J.B. Abernethy	60,000
J.J. Gosse	-

Directors and Director related parties disposed of and acquired ordinary shares and options over ordinary shares in the Company on the same terms and conditions available to other shareholders.

The Directors have not during or since the end financial year been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

### DIRECTORS' MEETINGS

Director	No. eligible to attend	Attended
G.J. Wilson	5	5
M.J. Kidman	5	5
J.J. Gosse	5	4
J.B. Abernethy	5	5

### AUDIT & RISK COMMITTEE MEETINGS

The main responsibilities of the Audit & Risk Committee are set out in the Corporate Governance section on pages 4 to 6 of this Annual Report.

Director	No. eligible to attend	Attended
J.B. Abernethy	2	2
M.J. Kidman	2	2
J.J. Gosse	2	2

### AFTER BALANCE DATE EVENTS

Since year end the Directors have declared a fully franked final dividend of 2.0 cents to be paid on 24 October 2008. The final dividend carries with it an attributable LIC capital gain of 2.0 cents per share.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2008

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

### FUTURE DEVELOPMENTS

The Company will continue to pursue its policy of investment during the next financial year, investing its current fixed interest and cash holdings into the equity market as opportunities arise.

### ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

### INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the financial year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

### NON AUDIT SERVICES

During the year Moore Stephens Sydney, the Company's auditor, did not perform any other services in addition to their statutory duties for the Company. Moore Stephens Sydney Pty Limited, a related party of the Company's auditor, performed taxation services for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 5 to the financial statements.

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provisions of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit & Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 13 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors.



M.J. KIDMAN, Director

Dated at Sydney this 25<sup>th</sup> day of September 2008

PARTNERS:

Howard Badger CA  
Andrew Blackwell CA  
Chris Chandran CA  
Michael Dundas CA  
Martin Fowler CA  
Stephen Humphrys FCA  
Garry Leysdon FCA  
Allan Mortel CA  
Wayne Morton FCA  
Joe Shannon CA  
Robert Southwell CA  
Spiro Tzannes FCA  
Charlie Viola (Affiliate ICAA)  
Scott Whiddett CA

## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF WILSON INVESTMENT FUND LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Wilson Investment Fund Limited for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Moore Stephens Sydney

**MOORE STEPHENS SYDNEY**  
Chartered Accountants



**C. CHANDRAN**  
Partner

Dated in Sydney this 25<sup>th</sup> day of September 2008.



# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	June 2008 \$	June 2007 \$
Investment revenue	2(a)	7,038,681	7,114,839
Impairment losses		(1,850,888)	-
Other revenue from ordinary activities	2(b)	-	10,885
Management fees		(1,493,235)	(1,622,828)
Directors fees		(71,250)	(71,250)
Other expenses from ordinary activities		(277,601)	(264,358)
<b>Profit before income tax expense and realised gains on investments</b>		<b>3,345,707</b>	<b>5,167,288</b>
Income tax (benefit)/expense	3(a)	(666,649)	138,204
<b>Profit from operating activities before realised gains on investment portfolio</b>		<b>4,012,356</b>	<b>5,029,084</b>
Realised gain/(loss) on investment portfolio before tax		3,678,885	3,528,594
Income tax (expense)/benefit on realised gain/(loss)		(1,103,666)	(1,058,578)
<b>Net realised gain/(loss) on investment portfolio</b>		<b>2,575,219</b>	<b>2,470,016</b>
<b>Profit attributable to members of the Company</b>	11	<b>6,587,575</b>	<b>7,499,100</b>
<b>Basic earnings per share before realised gains</b>	14	<b>3.23 cents</b>	<b>4.04 cents</b>
<b>Basic earnings per share</b>	14	<b>5.31 cents</b>	<b>6.02 cents</b>

The accompanying notes form part of these financial statements

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## BALANCE SHEET AS AT 30 JUNE 2008

	Notes	June 2008 \$	June 2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12	12,908,079	12,478,080
Trade and other receivables	6	554,974	424,957
Financial assets	7	10,432,450	827,000
<b>TOTAL CURRENT ASSETS</b>		<b>23,895,503</b>	<b>13,730,037</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	87,035,632	157,998,455
Deferred tax assets	3(b)	4,678,720	176,623
<b>TOTAL NON-CURRENT ASSETS</b>		<b>91,714,352</b>	<b>158,175,078</b>
<b>TOTAL ASSETS</b>		<b>115,609,855</b>	<b>171,905,115</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	292,619	199,171
Current tax liabilities	3(c)	247,379	193,821
<b>TOTAL CURRENT LIABILITIES</b>		<b>539,998</b>	<b>392,992</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	3(d)	9,857	14,355,598
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,857</b>	<b>14,355,598</b>
<b>TOTAL LIABILITIES</b>		<b>549,855</b>	<b>14,748,590</b>
<b>NET ASSETS</b>		<b>115,060,000</b>	<b>157,156,525</b>
<b>EQUITY</b>			
Issued capital	9	122,252,160	121,136,622
Reserves	10	(6,838,250)	35,835,999
Retained earnings	11	(353,910)	183,904
<b>TOTAL EQUITY</b>		<b>115,060,000</b>	<b>157,156,525</b>

The accompanying notes form part of these financial statements

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Notes	June 2008 \$	June 2007 \$
<b>Total equity as at 1 July 2007</b>		<b>157,156,525</b>	<b>138,365,116</b>
Profit for the year attributable to members of the Company	<b>11</b>	6,587,575	7,499,100
Shares bought back in the year	<b>9(b)</b>	-	(5,341,404)
Shares issued in the year	<b>9(b)</b>	1,115,538	1,062,260
		<u>164,859,638</u>	<u>141,585,072</u>
Dividends paid or provided for	<b>4</b>	(6,969,278)	(6,312,064)
Revaluation of investments	<b>10(b)</b>	(42,830,360)	21,883,517
		<u>115,060,000</u>	<u>157,156,525</u>

The accompanying notes form part of these financial statements

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	June 2008 \$	June 2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		5,393,102	4,968,761
Interest received		1,303,479	1,565,642
Other investment income received		228,667	234,891
Investment management fees		(1,544,819)	(1,715,647)
Payments for administration expenses		(192,597)	(229,341)
Income tax paid	3(c)	(875,428)	(613,242)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>13</b>	<b>4,312,404</b>	<b>4,211,064</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments		13,613,496	12,799,335
Payments for purchase of investments		(11,642,160)	(20,071,443)
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>		<b>1,971,336</b>	<b>(7,272,108)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(5,853,741)	(5,249,804)
Payments for shares bought back		-	(5,827,147)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(5,853,741)</b>	<b>(11,076,951)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>429,999</b>	<b>(14,137,995)</b>
CASH AT BEGINNING OF FINANCIAL YEAR		12,478,080	26,616,075
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>12</b>	<b>12,908,079</b>	<b>12,478,080</b>

The accompanying notes form part of these financial statements

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report was authorised for issue on 25 September 2008 by the Board of Directors.

Wilson Investment Fund Limited is a publicly listed company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs with the exception of "available-for-sale" financial assets and certain other financial assets and liabilities which have been measured at fair value.

#### Accounting Policies

##### (a) Financial Instruments

###### *i) Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Financial instruments are classified and measured as set out below.

###### *ii) Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Income Statement.

###### *iii) Classification and Subsequent Measurement*

Investments consist of shares in publicly listed companies and investments in fixed interest securities.

It is considered that the information needs of shareholders in a company of this type are better met by stating investments at fair value rather than historical cost.

###### *iv) Available-for-sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

###### *v) Asset Revaluation Reserve and Capital Profits Reserve*

Investments, including shares and securities, are valued continuously. Revaluations are credited directly to the Asset Revaluation Reserve.

When shares, securities and other investments are disposed of, the Company will recognise realised gains or losses and associated tax in the Income Statement. These will then be transferred from Retained Earnings to the Capital Profits Reserve.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Accounting Policies

##### (a) Financial Instruments (continued)

###### (vi) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, include recent arm's length transactions and reference to similar instruments.

##### (b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the Balance Sheet.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Income Statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

##### (c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions and fixed interest securities maturing within three months.

##### (d) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue is stated net of the amount of goods and services tax (GST).

##### (e) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets and are stated at their amortised cost less impairment losses, (refer Note 1 (g)).

##### (f) Trade and Other Payables

Trade and other payables are non-derivative financial liabilities and are stated at their amortised cost.

##### (g) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Accounting Policies

##### (h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Balance Sheet.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

##### (i) Segment Reporting

The Company is engaged in investment activities conducted in Australia and derives revenue and investment income from listed, unlisted and fixed interest securities.

##### (j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### (k) Change in Accounting Policy

Traditionally, realised gains on all investment types were transferred to the Capital Profits Reserve net of applicable taxes. From 1 July 2006, to more accurately reflect the Listed Investment Company (LIC) capital gains that can be distributed to shareholders as defined by the Australian Taxation Office, realised gains on investments that do not constitute LIC capital gains will no longer be transferred to the Capital Profits Reserve.

An adjustment to Retained Earnings for realised gains earned on investments in prior years that do not represent LIC capital gains, was necessary to reflect this change in accounting policy. Refer Note 10(a) and Note 11.

##### (l) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

The Directors assess impairment at each reporting date by evaluating conditions specific to the Company that may lead to the impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. For the year ended 30 June 2008 included in the income statement is an amount for the impairment of identified listed investments amounting to \$1,850,888.

There are no estimates that have a material impact on the financial results of the Company for the year ended 30 June 2008.

##### (m) New standards and interpretations not yet adopted

There are no impending new accounting standards that will result in any material change in relation to amounts recognised in the financial statements.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	<b>June 2008</b>	<b>June 2007</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>		
(a) Investment revenue		
Australian sourced dividends	5,473,068	5,059,067
Foreign sourced dividends	78,318	48,265
Interest	1,284,496	1,595,122
Trust distributions	230,605	223,246
Realised (loss)/gains on investments sold	(27,806)	189,139
	<b>7,038,681</b>	<b>7,114,839</b>
(b) Other revenue		
Underwriting fees	-	<b>10,885</b>
	<b>-</b>	<b>10,885</b>
<b>3. TAXATION</b>		
<b>(a) Income Tax Expense</b>		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2007: 30%)	1,003,713	1,550,186
Imputation credit gross up	659,702	605,135
Franking credit offset	(2,187,758)	(2,017,117)
Foreign tax credit offset	(11,249)	-
Non-assessable income	(131,057)	-
	<b>(666,649)</b>	<b>138,204</b>
<b>Total income tax expense results in a:</b>		
Current tax liability	(192,214)	(101,428)
Deferred tax liability	(89,267)	67,233
Deferred tax asset	(385,168)	172,399
	<b>(666,649)</b>	<b>138,204</b>
<b>(b) Deferred Tax Assets</b>		
Tax losses	4,671,478	-
Provisions	6,045	3,630
Capitalised costs	1,197	172,993
	<b>4,678,720</b>	<b>176,623</b>
<b>Movement in deferred tax assets</b>		
Balance at the beginning of the year	176,623	349,022
Transfer tax losses from Deferred Tax Liabilities	4,116,211	-
Under provision in prior year	718	-
Charged to the Income Statement	385,168	(172,399)
<b>At reporting date</b>	<b>4,678,720</b>	<b>176,623</b>



# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	June 2008 \$	June 2007 \$
<b>3. TAXATION (CONTINUED)</b>		
<b>(c) Current Tax Liabilities</b>		
Movement in current tax liabilities		
Balance at the beginning of the year	193,821	(150,087)
Current year income tax (benefit)/expense on operating profit	(192,214)	(101,428)
Income tax expense on realised gains on investments	1,103,666	1,058,578
Income tax paid	(875,428)	(613,242)
Under provision in prior year	17,534	-
<b>At reporting date</b>	<b>247,379</b>	<b>193,821</b>
<b>(d) Deferred Tax Liabilities</b>		
Fair value adjustments	-	14,239,657
Income provisions	9,857	115,941
	<b>9,857</b>	<b>14,355,598</b>
<b>Movement in deferred tax liabilities</b>		
Balance at the beginning of the year	14,355,598	4,909,715
Charged to the Income Statement	(89,267)	67,233
Deferred income tax expense on unrealised gains on investments	(18,389,502)	9,378,650
Over provision prior year	16,817	-
Transfer tax losses to Deferred Tax Assets	4,116,211	-
<b>At reporting date</b>	<b>9,857</b>	<b>14,355,598</b>
<b>4. DIVIDENDS</b>		
<b>(a) Ordinary dividends recognised in the current year</b>		
Dividends paid by the Company	<b>6,969,278</b>	<b>6,312,064</b>
Final dividend for the year ended 30 June 2007 of 2.75 cents fully franked at 30% tax rate paid 26 October 2007 (Final dividend 2006: 2.5 cents fully franked at 30% tax rate paid 24 November 2006)	3,326,276	2,999,492
Interim dividend for the year ended 30 June 2008 of 3.0 cents fully franked at 30% tax rate paid 28 April 2008 (Interim dividend 2007: 2.75 cents fully franked at 30% tax rate paid 16 April 2007)	3,643,002	3,312,572
<b>Dividends paid by the Company</b>	<b>6,969,278</b>	<b>6,312,064</b>
<p>The final dividend for 30 June 2007 of 2.75 cents per share included a LIC capital gain dividend of 2.00 cents per share (\$2,419,108) paid from capital profits reserve (2007: nil). Refer note 10(a).</p>		
<b>(b) Dividends not recognised at year end</b>		
<p>In addition to the above dividends, since the end of the year, the Directors have declared the following dividend which have not been recognised as a liability at the end of the financial year:-</p>		
<p>Since the end of the year, the Directors have declared the payment of 2.0 cents per share fully franked at 30% payable 24 October 2008 (last year 2.75 cents fully franked at 30% tax rate payable 26 October 2007)</p>		
	<b>2,442,716</b>	<b>3,326,276</b>

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	June 2008 \$	June 2007 \$
<b>4. DIVIDENDS (CONTINUED)</b>		
<b>(c) Dividend Franking Account</b>		
Balance of franking account at year end adjusted for franking credits, arising from payment of provision for income tax and dividends recognised as receivables and franking credits that may be prevented from distribution in subsequent financial years.	<u>185,304</u>	<u>599,412</u>

The balance of the franking account does not include the tax to be paid on unrealised investment gains and accrued income currently recognised as a deferred income tax liability of \$9,857 (2007: \$14,355,598).

### 5. AUDITOR'S REMUNERATION

Remuneration of the auditor of the Company for:

Auditing or reviewing the financial report	22,594	21,920
Non-audit services		
Other services provided by a related practice of the auditor:		
Taxation services	<u>7,150</u>	<u>16,400</u>
	<u>29,744</u>	<u>38,320</u>

The Company's Audit & Risk Committee oversees the relationship with the Company's External Auditors. The Audit & Risk Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

### 6. TRADE AND OTHER RECEIVABLES

Income receivable	527,708	386,468
GST receivable	<u>27,266</u>	<u>38,489</u>
	<u>554,974</u>	<u>424,957</u>

Income receivable and sundry debtors relate to accrued income and are non-interest bearing and unsecured.

### 7. FINANCIAL ASSETS

Current

Listed investments	<u>10,432,450</u>	<u>827,000</u>
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Non-current

Listed investments	<u>97,468,082</u>	<u>158,825,455</u>
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Interest bearing preference shares and convertible notes had a weighted average interest rate of 8.60% (2007: 6.99%). The weighted average term to maturity of the fixed term interest bearing preference shares and convertible notes was 3.5 months (2007: 13 months). The market values of individual investments as at 30 June 2008 are disclosed on pages 34 and 35 of the Annual Report.

### 8. TRADE AND OTHER PAYABLES

Sundry creditors	<u>292,619</u>	<u>199,171</u>
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These require settlement within three (3) days of the date of the transaction. Sundry creditors are settled within the terms of payment offered. No interest is applicable on these accounts.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	June 2008 \$	June 2007 \$
<b>9. ISSUED CAPITAL</b>		
<b>(a) Paid-up Capital</b>		
122,135,783 ordinary shares fully paid (2007: 120,955,444)	<u>122,252,160</u>	<u>121,136,622</u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

### (b) Movement in Ordinary Share Capital

Balance at the beginning of the year	121,136,622	125,415,766
- 477,955 ordinary shares issued on 26 October 2007 under a dividend reinvestment plan	538,688	-
- 702,384 ordinary shares issued on 28 April 2008 under a dividend reinvestment plan	576,850	-
- 5,457,294 ordinary shares bought back under an on-market buy back commencing 13 April 2006	-	(5,341,404)
- 477,503 ordinary shares issued on 24 November 2006 under a dividend reinvestment plan	-	493,116
- 498,417 ordinary shares issued on 16 April 2007 under a dividend reinvestment plan	-	569,144
<b>At reporting date</b>	<u><b>122,252,160</b></u>	<u><b>121,136,622</b></u>

### (c) Capital Management

The Board effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. At the core of this management is the belief that shareholder value should be preserved at all costs. Shareholder value will be preserved through the management of the level of distributions to shareholders, share and options to buy shares issues as well as the use of share buy-backs when shares are trading at a significant discount to NTA.

## 10. RESERVES

Capital Profits Reserve	2,766,243	2,610,132
Asset Revaluation Reserve	(9,604,493)	33,225,867
	<u><b>(6,838,250)</b></u>	<u><b>35,835,999</b></u>

These reserves are used to record increments and decrements on the revaluation of the investments as described in accounting policy Note 1 (a) (iii).

### (a) Movement in Capital Profits Reserve

Balance at the beginning of the year	2,610,132	596,690
Change in accounting policy transfer to retained earnings	-	(456,574)
Dividends paid (refer note 4)	(2,419,108)	-
Transfer from retained earnings	2,575,219	2,470,016
<b>At reporting date</b>	<u><b>2,766,243</b></u>	<u><b>2,610,132</b></u>

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	June 2008 \$	June 2007 \$
<b>10. RESERVES (CONTINUED)</b>		
<b>(b) Movement in Asset Revaluation Reserve</b>		
Balance at the beginning of the year	33,225,867	11,342,350
Revaluation of investments	<u>(42,830,360)</u>	<u>21,883,517</u>
<b>At reporting date</b>	<b><u>(9,604,493)</u></b>	<b><u>33,225,867</u></b>

### 11. RETAINED EARNINGS

Balance at the beginning of the year	183,904	1,010,310
Profit for the year attributable to members of the Company	6,587,575	7,499,100
Change in accounting policy transfer from capital profits reserve	-	456,574
Transfer to from capital profits reserve	(2,575,219)	(2,470,016)
Dividends paid (refer note 4)	<u>(4,550,170)</u>	<u>(6,312,064)</u>
	<b><u>(353,910)</u></b>	<b><u>183,904</u></b>

### 12. CASH AND CASH EQUIVALENTS

Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at bank and on hand	3,738,517	87,653
Fixed interest securities	<u>9,169,562</u>	<u>12,390,427</u>
	<b><u>12,908,079</u></b>	<b><u>12,478,080</u></b>

The weighted average interest rate for cash and fixed interest securities as at 30 June 2008 is 7.63% (2007: 6.43%). The fixed interest securities had an average maturity of 34 days (2007: 29 days). The fixed interest securities are invested in Standard & Poor's rated A1+.

### 13. CASH FLOW INFORMATION

Reconciliation of Operating Profit after Income Tax

Operating profit after income tax	4,012,356	5,029,084
Add back/(less) items classified as investing activities:		
Realised loss/(gains) on investments	27,807	(189,139)
Unrealised loss on investments	1,850,888	-
Changes in assets and liabilities during the financial year:		
Increase in receivables	(130,017)	(167,435)
Decrease in deferred tax assets	169,380	172,399
(Decrease)/increase in deferred tax liabilities	(106,084)	67,232
Increase in payables	93,448	13,592
Decrease in current tax liabilities	<u>(1,605,374)</u>	<u>(714,669)</u>
<b>Net cash provided by Operating Activities</b>	<b><u>4,312,404</u></b>	<b><u>4,211,064</u></b>

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	<b>June 2008 \$</b>	<b>June 2007 \$</b>
<b>14. EARNINGS PER SHARE</b>		
Net profit after income tax (before realised gains) used in the calculation of basic earnings per share (before realised gains)	<u>4,012,356</u>	<u>5,029,084</u>
Net profit after income tax used in the calculation of basic earnings per share	<u>6,587,575</u>	<u>7,499,100</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	<u>124,035,784</u>	<u>124,625,792</u>

### 15. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of local money market instruments, short term investments, accounts receivable and accounts payable.

The terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date, are included under the appropriate note for that instrument.

Under delegation from the Board, the Manager has the responsibility for assessing and monitoring the financial and market risk of the Company.

#### (a) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets, excluding investments, of the Company which have been recognised on the Balance Sheet, is the carrying amount net of any provision for impairment of those assets.

The Manager is responsible for ensuring there is appropriate diversification across counter parties and that they are of a sufficient quality rating. The Manager is satisfied that the Company is currently sufficiently diversified so as to reduce exposure to any individual credit risk.

#### (b) Liquidity Risk

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company.

The Company's inward cash flows depend upon the level of sales of securities, dividends and interest received and any exercise of Company options that may be on issue from time to time.

The Manager monitors the Company's cash-flow requirements daily by reference to known sales and purchases of securities, dividends and interest to be paid or received. The Company holds a portion of its portfolio in cash and fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Market Risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

By its nature, as a listed investment company that invests in tradeable securities, the Company will always be subject to market risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

Investments represent 85% (2007: 92%) of total assets. A 5% movement in the market value of each of the companies and trusts within the portfolio within would result in a 4.3% (2007: 4.6%) movement in the net assets after tax. The net asset backing after tax would move by 4.0 cents per share at 30 June 2008 (2007: 7.0 cents at 30 June 2007).

The Manager seeks to reduce market risk of the Company by not being overly exposed to one investee company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

#### (d) Net Fair Values

The carrying amounts of financial instruments on the Balance Sheet approximate their net fair values.

### 16. EVENTS SUBSEQUENT TO REPORTING DATE

Since year end the Directors have declared a fully franked final dividend of 2.0 cents to be paid on 24 October 2008. The final dividend carries with it an attributable LIC capital gain of 2.0 cents per share.

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in subsequent financial years.

### 17. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions in securities during the financial year was 22 (2007: 80). Each contract note could involve multiple transactions. The total brokerage paid on these contract notes was \$84,427 (2007: \$85,307).

### 18. KEY MANAGEMENT PERSONNEL COMPENSATION

Names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

G.J. Wilson	Chairman
M.J. Kidman	Non-Executive Director
J.B. Abernethy	Non-Executive Director
J.J. Gosse	Non-Executive Director

#### a) Remuneration

There are no executives that are paid by the Company. MAM Pty Limited, the investment manager of the Company provides the day to day management of the Company and is remunerated as outlined below.

Individual directors' remuneration disclosures are provided in the Remuneration Report of the Directors' Report on pages 10 and 11, as permitted by Corporations Regulation 2M.3.03 and 2M.6.04.

	Directors' Fees \$	Post-employment Superannuation \$	Total \$
Total Directors remuneration paid by the Company for the year ended 30 June 2008	73,348	1,652	75,000

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

### 18. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

#### b) Shareholdings

As at 30 June 2008 the Company's key management personnel held the following interests in the Company: Ordinary Shares held

Directors	Balance at 30 June 2007	Acquisitions	Disposals	Balance at 30 June 2008
G.J. Wilson	3,990,344	1,228,552	-	5,218,896
M.J. Kidman	143,712	37,827	-	181,539
J.B. Abernethy	60,000	-	-	60,000
J.J. Gosse	-	-	-	-
	<b>4,194,056</b>	<b>1,266,379</b>	<b>-</b>	<b>5,460,435</b>

#### c) Options

No options have been issued to, or are currently held or have been exercised by key management personnel during or since the end of the financial year.

### 19. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions.

Matthew Kidman and Geoff Wilson are Directors of MAM Pty Limited, the entity appointed to manage the investment portfolio of Wilson Investment Fund Limited. Entities associated with Geoff Wilson and Matthew Kidman hold 80% and 20% respectively of the issued shares of MAM Pty Limited. In its capacity as manager, MAM Pty Limited was paid a management fee of 1%p.a (plus GST) of gross assets amounting to \$1,602,496 inclusive of GST (2007: \$1,741,572). As at 30 June 2008, the balance payable to the manager was \$215,059 (2007: \$157,383).

In addition, MAM Pty Limited is to be paid, annually in arrears, a performance fee being 20% of:

- where the level of the All Ordinaries Accumulation Index has increased over that period, the amount by which the Value of the Portfolio exceeds this increase; or
- where the All Ordinaries Accumulation Index has decreased over that period, the amount of the increase in the Value of the Portfolio.

No performance fee is payable in respect of any performance period where the Portfolio has decreased in value over that period. As at 30 June 2008, no performance fee was paid or payable to MAM Pty Limited (2007:\$nil).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

### 20. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2008 there were no contingent liabilities or commitments (2007: nil).

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## DIRECTORS' DECLARATION

The Directors of Wilson Investment Fund Limited declare that:

1. The financial report as set out in pages 14 to 28 and the additional disclosures included in the Directors' Report designated as "Remuneration Report", as set out on pages 10 and 11, are in accordance with the *Corporations Act 2001*, including:
  - a) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
  - b) giving a true and fair view of the financial position of the Company as at 30 June 2008 and of its performance, as represented by the results of the operations and the cashflows, for the year ended on that date;
2. The Directors of the Manager, MAM Pty Limited have declared that:
  - a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporation Act 2001*;
  - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c) the financial statements and notes for the financial year give a true and fair view.
3. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



M.J. KIDMAN, Director

Dated at Sydney this 25<sup>th</sup> day of September 2008



PARTNERS:

Howard Badger CA  
Andrew Blackwell CA  
Chris Chandran CA  
Michael Dundas CA  
Martin Fowler CA  
Stephen Humphrys FCA  
Garry Leysdon FCA  
Allan Mortel CA  
Wayne Morton FCA  
Joe Shannon CA  
Robert Southwell CA  
Spiro Tzannes FCA  
Charlie Viola (Affiliate ICAA)  
Scott Whiddett CA

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILSON INVESTMENT FUND LIMITED

We have audited the accompanying financial report of Wilson Investment Fund Limited ("the Company") which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' Declaration.

### *Directors' Responsibility for the Financial Report*

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Auditor's Opinion*

In our opinion the financial reports of Wilson Investment Fund Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 10 and 11 of the Directors' Report for the year ended 30 June 2008. The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Auditor's Opinion*

In our opinion the Remuneration Report of Wilson Investment Fund Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.



**MOORE STEPHENS SYDNEY**  
Chartered Accountants



**C. CHANDRAN**  
Partner

Dated in Sydney this 25<sup>th</sup> day of September 2008

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

### SHAREHOLDINGS

#### Substantial shareholders (as at 31 August 2008)

There are currently no substantial shareholders of Wilson Investment Fund Limited.

#### Distribution of shareholders (as at 31 August 2008)

Category	No. of holders	No. of holders
	Ordinary Shares	Options
1 – 1,000	230	-
1,001 – 5,000	1,421	-
5,001 – 10,000	1,192	-
10,001 – 100,000	2,172	-
100,001 and over	113	-
	<b>5,128</b>	-

The number of shareholdings held in less than marketable parcels is 154.

#### Twenty largest shareholders - Ordinary shares (as at 31 August 2008)

Name	Number of ordinary shares held	Percentage of issued capital held
Companies Associated with Geoffrey Wilson	5,142,597	4.21
National Nominees Limited	3,928,911	3.22
Aust Executor Trustees Limited (LIC Fund A/C)	2,322,505	1.90
Huoncan Super Pty Limited (Huoncan Super Fund A/C)	2,248,645	1.84
UBS Nominees Pty Limited	2,033,455	1.66
HSBC Custody Nominees (Australia) Limited – A/C 3	1,800,000	1.47
Mr Victor John Plummer	1,561,800	1.28
Cogent Nominees Pty Limited	1,219,209	1.00
Mr Erich Gustav Brosell	1,036,532	0.85
Mrs Thelma Joan Martin-Weber	1,000,000	0.82
Dr Russell Kay Hancock	1,000,000	0.82
RBC Dexia Investor Serv. Aust. Nom. Pty Ltd (MLCI A/C)	934,141	0.77
Kingsbrook Pty Limited (SCT A/C)	930,000	0.76
Huon Canning Co Pty Limited	880,000	0.72
Castle Farms Pty Limited	802,687	0.66
Somoke Pty Limited (Pulman Super Fund A/C)	747,236	0.61
University of Sydney Union	630,005	0.52
Anchorfield Pty Limited (Brazil Family FNDN A/C )	600,000	0.49
R B & S J Baxter Pty Limited (Super Fund A/C)	550,000	0.45
Mrs Jean Plummer	500,000	0.45
	<b>29,867,723</b>	<b>24.46</b>

#### On-market buy back

There is no current on-market buy back.

### SECURITIES EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## INVESTMENTS AT MARKET VALUE AS AT 30 JUNE 2008

	Units	Market Value \$	%
<b>Consumer Discretionary</b>			
AP Eagers Limited (APE)	348,997	4,536,961	
ARB Corporation Limited (ARP)	580,864	2,236,326	
Photon Group Limited (PGA)	1,033,000	3,078,340	
Prime Television Limited (PRT)	381,291	979,918	
Tabcorp Holdings Limited (TAH)	200,000	1,962,000	
Tattersall's Limited (TTS)	611,350	1,436,673	
West Australian Newspapers Holdings Limited (WAN)	124,000	979,600	
Cockatoo Ridge Wines Limited (CKR)	8,108,328	721,641	
Graincorp Limited (GNC)	209,714	1,719,655	
Metcash Limited (MTS)	950,000	3,515,000	
Select Harvest Limited (SHV)	343,241	2,059,446	
		<b>23,225,560</b>	<b>24%</b>
<b>Financials</b>			
Australia and New Zealand Banking Group Limited (ANZ)	91,000	1,703,520	
Australian Stock Exchange Limited (ASX)	302,000	9,482,800	
Bendigo and Adelaide Bank Limited (BEN)	495,763	5,418,690	
BT Investment Management Limited (BTT)	1,041	3,019	
Calliden Group Limited (CIX)	6,000,000	2,310,000	
Challenger Wine Trust (CWT)	2,453,250	1,422,885	
Clime Investment Management Limited (CIW)	3,836,143	1,918,072	
CVC Limited (CVC)	750,000	750,000	
Equity Trustees Limited (EQT)	71,000	1,547,800	
IOOF Holdings Limited (IFL)	327,000	1,667,700	
Mariner Financial Limited (MFI)	2,560,000	250,880	
Mortgage Choice Limited (MOC)	519,715	415,772	
National Australia Bank Limited (NAB)	120,000	3,180,000	
NSX Limited (NSX)	1,085,000	179,025	
Perpetual Limited (PPT)	40,000	1,710,800	
Rattoon Holdings Limited (RTN)	2,508,477	250,848	
Rock Building Society Limited (ROK)	57,285	190,186	
Tower Australia Group Limited (TAL)	1,689,950	4,883,956	
Tower Limited (TWR)	953,156	1,439,266	
Treasury Group Limited (TRG)	98,766	909,635	
Westpac Banking Corporation (WBC)	150,000	3,000,000	
Wide Bay Australia Limited (WBB)	381,760	3,626,720	
		<b>46,261,572</b>	<b>47%</b>
<b>Health Care</b>			
Aevum Limited (AVE)	1,326,839	2,454,652	
Primary Health Care Limited (PRY)	780,497	4,058,584	
Pro Medicus Limited (PME)	1,075,000	1,236,250	
Sigma Pharmaceuticals Limited (SIP)	884,120	870,858	
		<b>8,620,345</b>	<b>9%</b>

# WILSON INVESTMENT FUND LIMITED

A.B.N. 15 100 504 541

## INVESTMENTS AT MARKET VALUE (Continued) AS AT 30 JUNE 2008

	Units	Market Value \$	%
<b>Industrials</b>			
Credit Corp Group Limited (CCP)	959,082	748,084	
CSR Limited (CSR)	500,000	1,225,000	
McMillan Shakespeare Limited (MMS)	750,000	1,845,000	
Nylex Limited (NLX)	117,543	42,903	
Nylex Limited Options 08/12/09 (NLXO)	54,384	2,719	
Reece Australia Limited (REH)	45,711	959,931	
SAI Global Limited (SAI)	675,000	1,566,000	
		<b>6,389,637</b>	<b>7%</b>
<b>Listed Debt Securities</b>			
ANZ 5.85% Conv Prefs (ANZPA)	15,000	1,500,000	
Bank of Queensland Limited Prefs (BOQPB)	70,000	6,832,000	
Brickworks Limited Prefs (BKWPA)	8,000	784,800	
Leighton Holdings Limited Conv Notes (LEIGA)	8,000	804,000	
Nylex Unsec Conv Notes (NLXG)	17,304	26,060	
Seven Network Limited Non-redeem Prefs (SEVPC)	15,000	1,333,500	
Toll Holdings Limited Reset Prefs (TOLPA)	5,000	511,650	
Willmott Forests Limited Prefs (WFLPA)	14,000	1,148,000	
		<b>12,940,010</b>	<b>13%</b>
<b>Materials</b>			
Signature Metals Limited (SBL)	793,804	30,958	
		<b>30,958</b>	<b>0%</b>
<b>Total Portfolio Value</b>		<b>\$97,468,082</b>	<b>100%</b>