

# WILSON INVESTMENT FUND LTD (WIL)

A.B.N. 15 100 504 541



**Presentation  
November 2010**

# Revised Investment Strategy



- Research Driven approach
- Portfolio will exhibit higher portfolio turnover
- Stocks will be sold if fundamentals change, valuation is reached or outlook for equity market deteriorates
- No restrictions on cash holdings
- Fully franked dividends to shareholders remain a key focus
- Predominantly investing in small-mid cap industrials listed on ASX

# Name Change

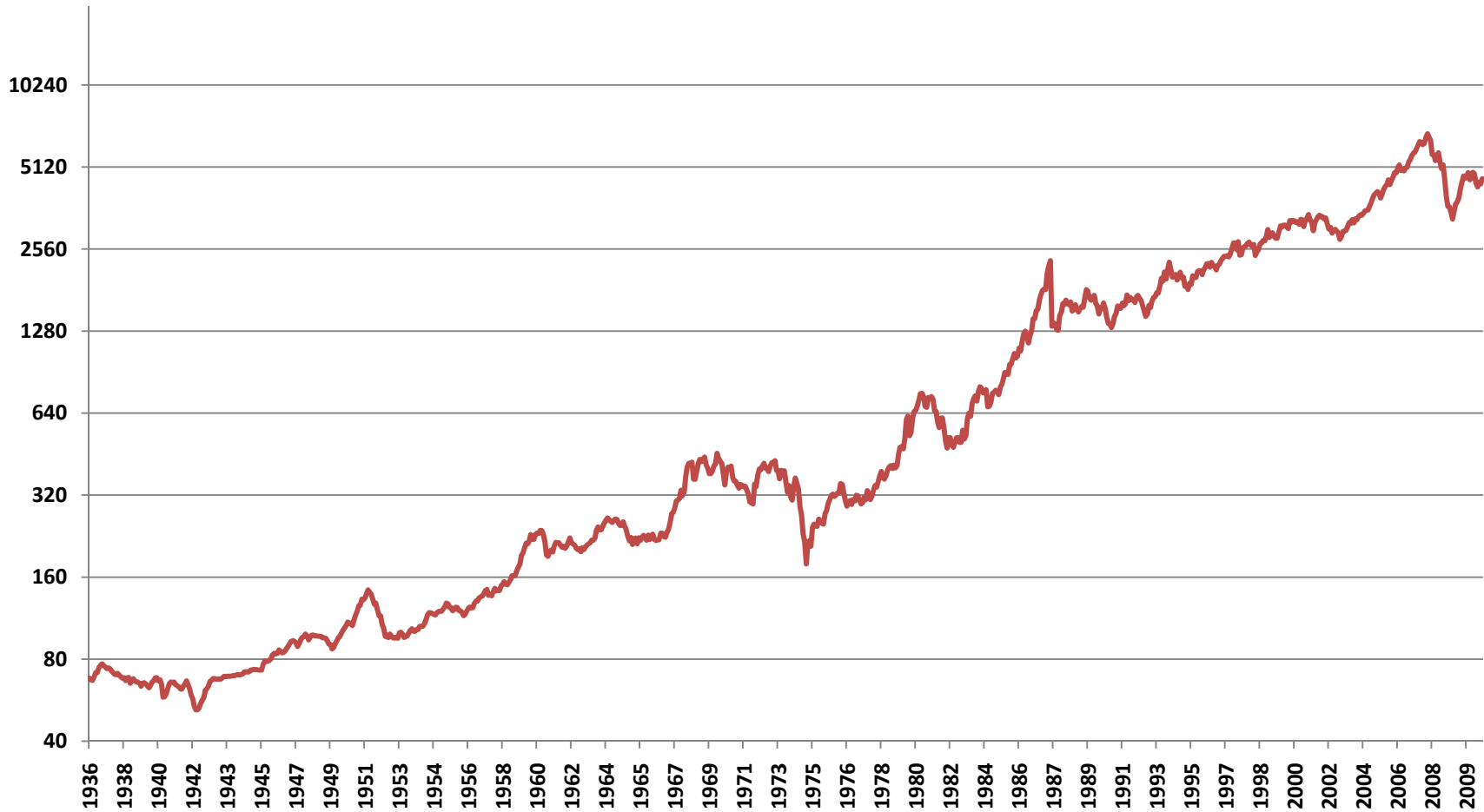


- Name change ⇒ WAM Research Limited
- Better reflection of the investment strategy going forward
- To better align with the current naming convention and branding of the Wilson Asset Management (WAM) Group
- Branding awareness to the investors and media



# Markets

# S&P/ASX All Ordinaries Index since 1936

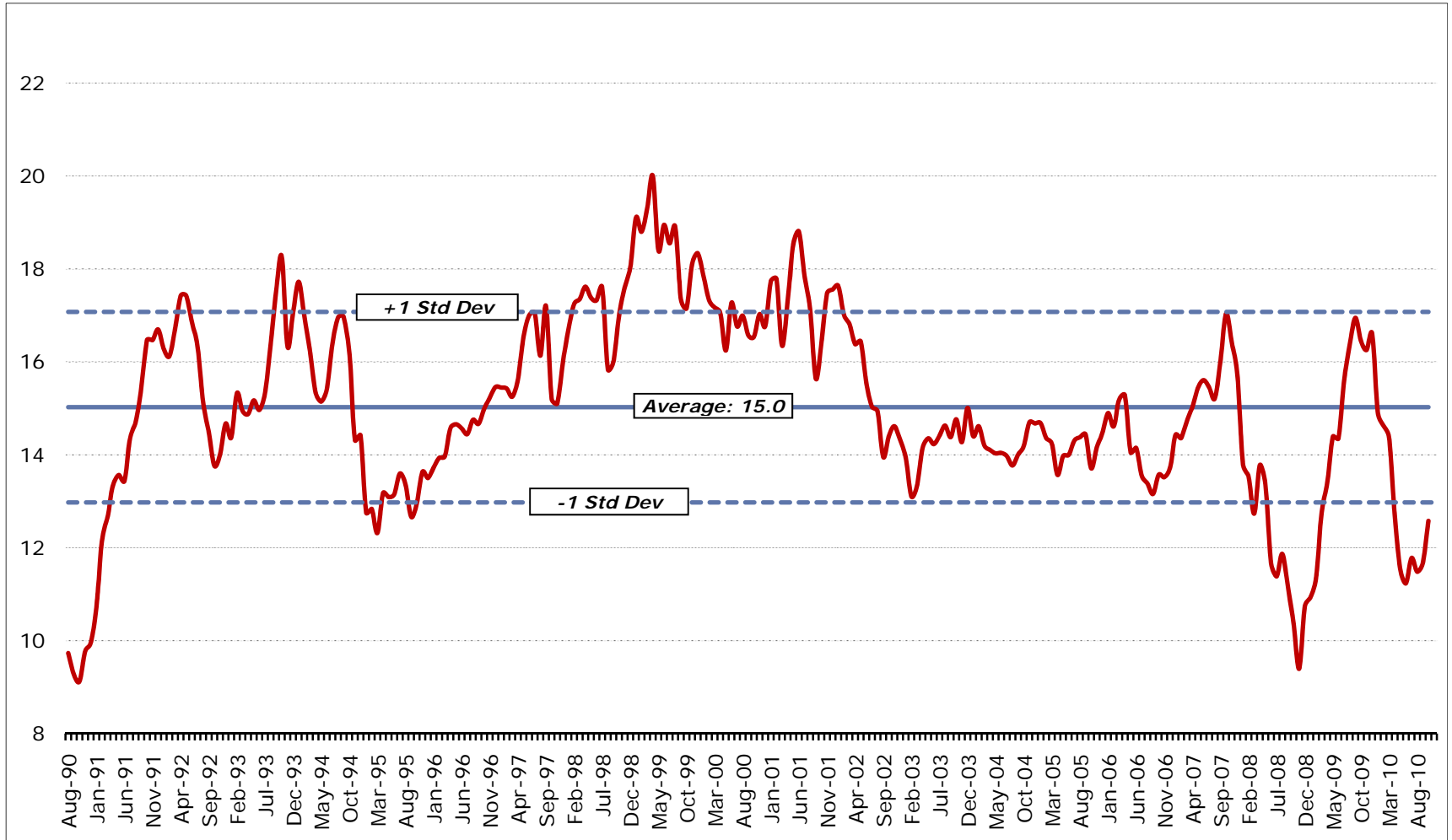


# S&P/ASX All Ordinaries Chart

## - 12 months to 12 November 2010



# ASX 300 Prospective PER – Rolling 12 months forward





# Financial Highlights

# Summary of Results



	FY10 \$m	FY09 \$m
Income	5.4	2.4*
Operating profit after tax after realised gains on investment portfolio	4.0	2.1
Operating profit per share	3.3c	1.6c

\* Includes impairment loss \$3.6m

## Key Factors

- Portfolio performance  
FY09 -4.8% (All Ords Accum Index – 22.2%)  
FY10 +10.3% (All Ords Accum Index + 13.8%)
- Dividends & distributions received decreased 3%
- Interest income declined 48% as average cash levels decreased to 11.5% from prior year level of 18.1%
- Management fees increased as FUM ↑
- Other operating expenses increased marginally due to increased custody fees(↑ transactions) and ASX listing fees (based on market cap)

# Gross Performance to 31 October 2010



Annualised Performance	Wilson Investment Fund*	S&P/ASX 200 Industrials Accum. Index	S&P/ASX 200 Small Industrials Accum. Index	S&P/ASX All Ordinaries Accum. Index
1 year	+5.2%	+2.0%	+1.9%	+5.9%
3 years	-7.8%	-16.1%	-14.5%	-7.4%
5 years	+1.8%	-0.9%	-0.8%	+5.7%

\* The change in the portfolio before all expenses, fees and taxes.

# Financial Year to Date Return to 31 October 2010



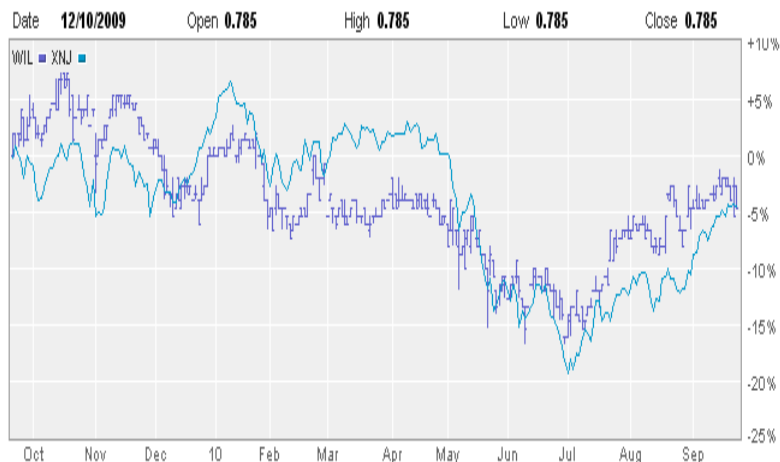
Gross Portfolio*	+8.9%
Pre-tax NTA per share growth plus dividends	+8.2%
Share price growth plus dividends	+18.6%

\* *The change in the portfolio before all expenses, fees and taxes.*

# S&P/ASX 200 Industrials Index Compared to WIL share price



## 1 Year



## 3 Years



## 5 Years



WIL has outperformed the S&P/ASX 200 Industrials Index over 3 and 5 years.



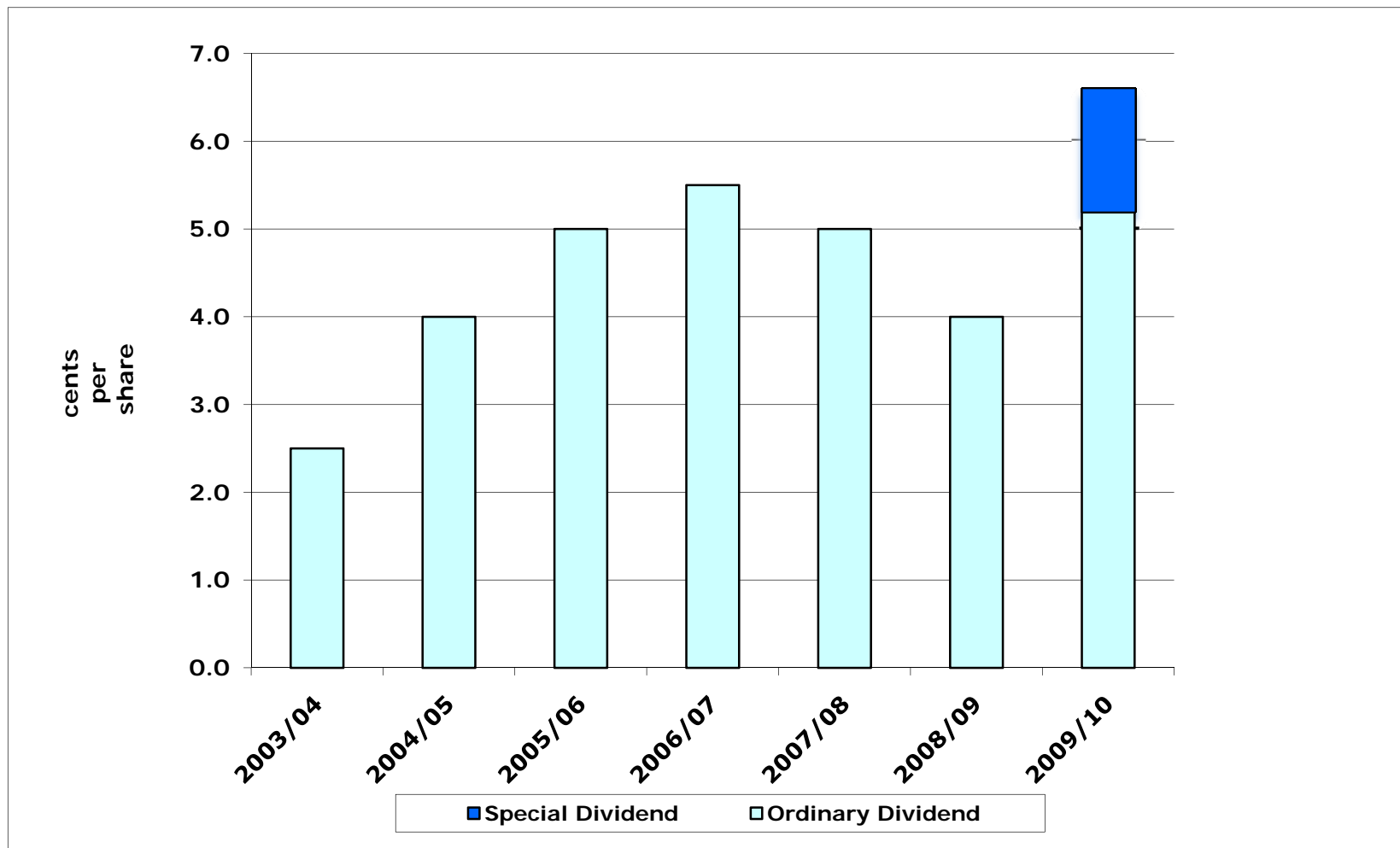
# Dividends

# Dividends



- Government reform in June 2010 - has changed the way dividends are paid
- Dividends no longer affected by unrealised movements in value of the portfolio
- Dividends can be paid if the company is solvent
- WIL has franking credits which allows it to pay a 2.40 cents per share as at 31 October 2010

# Dividends





# Stock Selection

# Top 20 Largest Investments



Company	% Gross Portfolio	Company	% Gross Portfolio
<b>1</b> AWB Ltd	12.2%	<b>11</b> Australian and New Zealand Banking Group	3.2%
<b>2</b> National Australia Bank Ltd	5.8%	<b>12</b> STW Communications Group Ltd	3.1%
<b>3</b> Westpac Banking Corporation	4.8%	<b>13</b> Thorn Group Ltd	3.0%
<b>4</b> McMillan Shakespeare Ltd	4.5%	<b>14</b> Credit Corp Group Ltd	2.7%
<b>5</b> AP Eagers Ltd	4.4%	<b>15</b> Blackmores Ltd	2.5%
<b>6</b> Wide Bay Australia Ltd	4.2%	<b>16</b> OrotonGroup Ltd	2.3%
<b>7</b> Metcash Ltd	4.1%	<b>17</b> Breville Group Ltd	2.1%
<b>8</b> ARB Corporation Ltd	3.8%	<b>18</b> Amcom Telecommunications Ltd	1.9%
<b>9</b> Commonwealth Bank of Australia	3.7%	<b>19</b> The Reject Shop Ltd	1.8%
<b>10</b> SAI Global Ltd	3.3%	<b>20</b> Clime Investment Management Ltd	1.6%

# STW Communications - SGN



- Market leading advertising and marketing company
- Late cycle economic recovery exposure
- Earn outs rolling off
- 16% EPS growth, P/E 8.5x

## STW Communications Group

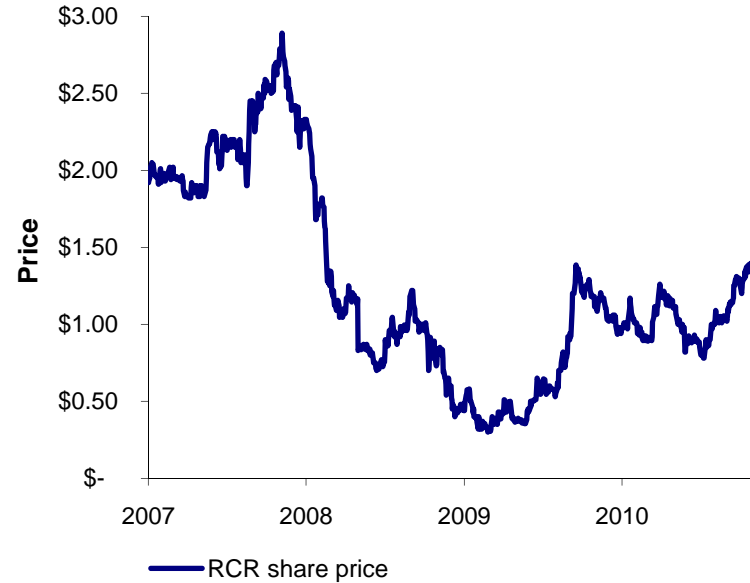


# RCR Tomlinson – RCR



- Multi-disciplined engineering company
- PE 11x, EPS Growth 52%
- New management team
- Turnaround play, poorly managed business in recent years

**RCR Tomlinson Limited**





# Outlook

# Current Issues



- QR National
- Westfield Demerger
- Interest Rates and Banks
- Telstra and National Broadband Network
- ASX Takeover

# Looking ahead



- Restructuring Portfolio
- Confident of opportunities ahead
- No longer buy & hold, now more actively managed
- Small and mid cap industrial focus – attractive valuations
- Ripoll Review

# WAMI in the Community



Wilson Asset Management proudly support the following organisations:



## THE CURRAN FOUNDATION

# Shareholder Communication



- ❖ Website  
[www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au)
- ❖ Media (Sky Business / CNBC / Newspapers)
- ❖ Audio casts - fortnightly
- ❖ Presentations – twice a year
- ❖ Investor Newsletters – twice a year
- ❖ Monthly Investment Update & NTA announcements

**We value your feedback!**

Please contact [info@wami.com.au](mailto:info@wami.com.au) with your feedback



**QUESTIONS?**

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