

# Income-Plus Fund

## Performance Report September 2009

### Fund Information

<b>Fund Size</b>	\$23.0M	<b>Distribution</b>	\$0.0108	<b>Denomination</b>	Australian dollar
<b>Strategy</b>	High-yield securities and investments	<b>Liquidity</b>	Buy: Monthly Sell: Quarterly	<b>Management Fee</b>	0.77%
<b>Unit Price</b>	\$0.9206	<b>Domicile</b>	Australia	<b>Performance Fee</b>	Nil
				<b>Inception date</b>	31/12/2003

Fund Performance	3 months	1 year	2 years	3 years	Since inception
Income	0.93%	2.43%	13.04%	24.93%	54.61%
Growth	0.21%	2.54%	-5.47%	-9.44%	-7.94%
<b>Total</b>	<b>1.14%</b>	<b>4.97%</b>	<b>7.57%</b>	<b>15.49%</b>	<b>46.67%</b>

### Manager Commentary

Credit markets continued to improve during the quarter and have returned to levels consistent with those prior to the Global Financial Crisis. This normality in the marketplace has contributed to positive investor confidence and the market is displaying no signs of receding. Credit spreads continued to tighten during the September quarter.

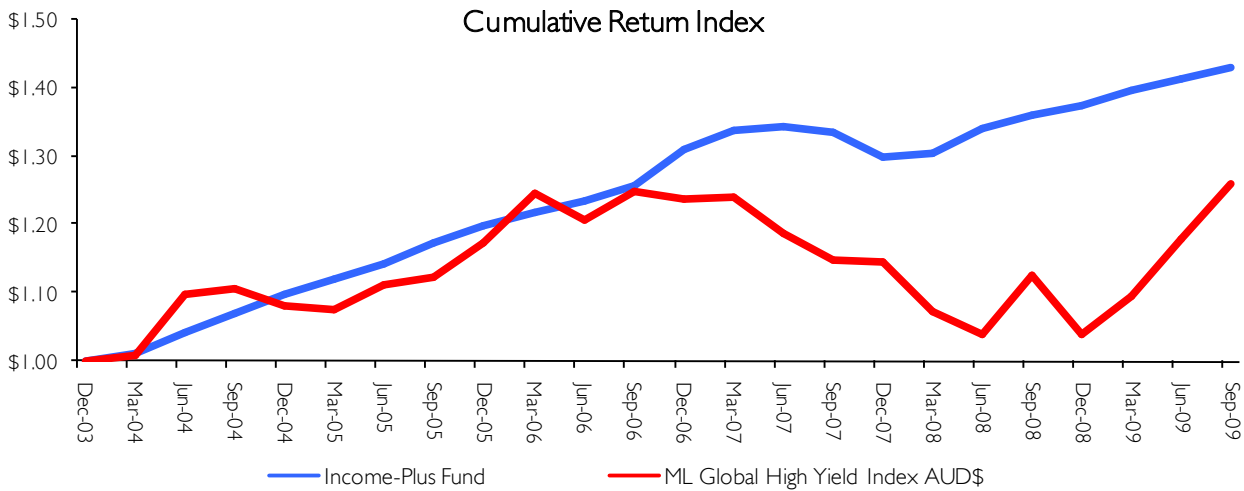
As we have noted in previous commentaries, the AMP Capital Structured High Yield Fund (AMP) remains the largest holding within the Fund. This holding accounted for 75% of total assets as at 30 September 2009. It is our goal to reduce the Fund's bias to this investment; however the liquidity of this holding remains an issue.

The performance for AMP was satisfactory for the quarter at 1.52% compared to the UBS Warburg 90 Day Bank Bill Index (the benchmark) of 0.80% which led to a one year return of 6.47% vis-à-vis the benchmark of 4.31%. Significant events during the quarter were the distribution payment and the issue of bonus units in the fund. AMP has stated that "the Fund will no longer be distributing capitalised interest on a quarterly basis, rather annually by way of bonus units." AMP has reiterated that the manager believes that "currency hedging adds considerable value to the fund through contributing to capital stability". This currency protection has been advantageous for the fund's value as the Australian Dollar has rallied against all the major currencies.

AMP reported that the performance of the fund was impacted by a negative revaluation of one of the underlying entities. This negative revaluation reflected asset impairment and consequently the asset was written down to zero in early October. The gearing in the Fund reduced during the quarter by 180 basis points to 4.80%.

The Manager "expects restructurings and refinancing to continue, however as the global economy improves, the Fund's portfolio companies' earnings should continue to stabilize and return to growth once again".

The Income-Plus Fund continued to maintain its portfolio of quality corporate bonds and cash and will continue to pursue high quality investments achieving above-average returns for unit holders.



### Portfolio Analysis

Country	Exposure	Asset type	Exposure
Australia	54%	Wholesale funds	75%
Europe (ex UK)	13%	Australia fixed interest	19%
UK	21%	Australia listed	1%
United States	10%	Cash	5%
Other	2%		

### Return / Risk Statistics

#### Annualised since inception (% pa)

Return	6.40%
Standard Deviation	2.73%
Sharpe Ratio (R <sub>r</sub> = 3.05%)	1.23%

#### Worst quarter performance – Dec 2007

Income-Plus Fund	-2.5%
ML Global High Yield Index	-0.2%

### Disclosure

Specialised Private Capital Ltd (SPC) utilises the advice authorisation under the current AFSL 243253 of Centric Wealth Advisers Ltd to generate and provide this report and SPC is the Responsible Entity of the Income-Plus Fund ARSN 106 910 392. Refer to the Product Disclosure statement for further information. This document has been issued on the basis that it is only for the information and exclusive use of the particular person to whom it is provided. Any forecasts included are reasonably believed to be reliable based on current information but due to our inability to predict future events they cannot be guaranteed. This document is of a general nature only.

Returns are calculated on the basis of end of quarter redemption prices and are net of investment management fees and expenses. Returns are pre-tax and assume reinvestment of income at cash rates. The returns represent past performance only and are not indicative of future performance. The value of an investment may rise or fall with changes in the market.