

Specialised Private Capital Ltd AFSL 246744
Leveraged Investment Companies Fund ARSN 114 579 734

Performance Report December 2007

Fund Information

Fund Size	\$41.7MM	Domicile	Australia
Strategy	Geared Australian equities	Denomination	Australian dollar
Style	Long-only	Management Fee	1.10%
Unit Price	Buy: \$1.7969 Sell: \$1.7844	Performance Fee	Nil
Liquidity	Monthly		

Fund Performance (%)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	YTD
FY08	3.0	-0.3	1.0	3.3	-5.9	-3.6							-2.5
FY07	1.0	4.8	1.1	10.0	4.9	6.5	8.6	-1.4	-1.1	5.2	2.5	2.1	53.5
FY06		2.2	4.3	-1.3	2.6	5.7	3.4	8.1	2.7	-0.1	-2.9	-1.6	25.0

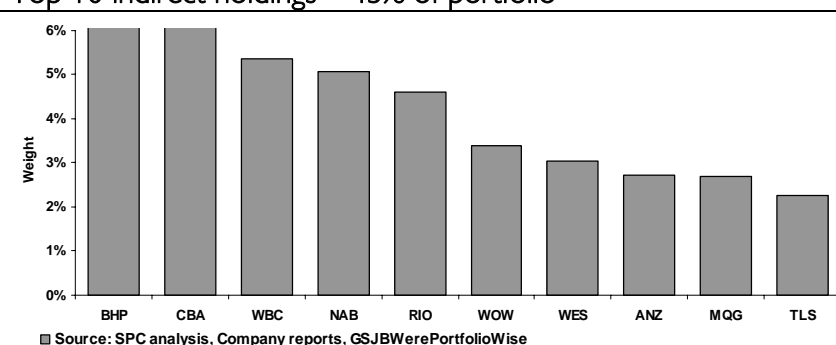
Manager Commentary

Financial markets generally, and the S&P/ASX200 specifically, continued to slowly digest the fallout of the credit crunch, and a slow down in the US economy. Despite this, in the 6 months to 31 December 2007, the index rose 3%, compared to a 2.5% fall for LIC Fund. Once again this is largely the result of our underweight position in the resources sector, which was a significant contributor to the market result. Discounts to NTA for a number of LICs have widened – these present some attractive opportunities for the Fund. That said, we are buying slowly and carefully, as we feel no need to rush in. We remain focused on buying LICs whose dividends capacity we rate highly, and that we can buy at discounts to NTA.

The Fund's has not borrowed significantly since July 07 as we reduced gearing as a result of expected increases in interest rates. In addition during periods of volatility we prefer to run lower gearing levels. The Fund was geared to around 50% (down from 54% in July 07) as at 31 December.

Since inception, the Fund has delivered a compound return of 36.5% per annum, compared to the Morningstar Australian Large Cap Geared Index return of 30.1% per annum.

Top 10 indirect holdings – 43% of portfolio



Return / Risk Statistics

Annualised since inception (% p.a.)	
Return	36.5
Standard Deviation	23.8
Sharpe Ratio (R _f = 6.75%)	1.0
Worst month performance (%)	
LIC Fund	-6.5
S&P/ASX200 Accum. Index	-4.7
Morningstar Geared Index	-9.4

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 Leveraged Investment Companies Fund. 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 month redemption prices and are net of investment management fees and expenses. Returns are pre-tax and assume no reinvestment of income. 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. Inception date: 8 August 2005