

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

Performance Report December 2008

Fund Information

Fund Size	\$12.2M	Domicile	Australia
Strategy	Gearred Australian equities	Denomination	Australian dollar
Style	Long-only	Management Fee	1.10%
Unit Price	Buy: \$0.5132 Sell: \$0.5096	Performance Fee	Nil
Liquidity	Monthly		

Fund Performance	Months			Years			Since Inception*
	1	3	6	1*	2*	3*	
Centric LIC Fund	2.0%	-45.7%	-50.4%	-68.7%	-38.6%	-16.1%	-10.5%

*Annualised figures, assume no reinvestment of distributions.

Manager Commentary

The second quarter of the financial year saw the S&P/ASX 200 Index down by 18.3%. Due to the fund being weighted towards the larger LICs, it suffered particularly badly during this quarter, as the unprecedented market fall caused more distressed selling and it was predominantly the larger more liquid stocks which traded in any volume. Consequently, the fund returned negative 45.7% for the quarter. This compares to a fall of 39.0% for the Morningstar Geared Index for the same period.

In what has been another turbulent quarter for financial markets, we have seen the Federal Reserve drop US interest rates to virtually zero, the Reserve Bank of Australia follow suit and cut interest rates to lows which we have not seen since 2001, governments approve fiscal stimulus packages of massive proportions, and yet none of these actions could stem the freefall in equity markets during the period.

A sharp fall in equity markets in November resulted in the fund's gearing briefly breached 60%. It has subsequently been reduced to below 55% and remained in a band between 50% and 55%, with the exception of two days in early December, despite continued market volatility. Westpac have advised they will not continue the fund's credit facility, and we are in the process of rolling over the facility to NAB.

Most LICs are currently trading at discounts to their NTAs. The estimated weighted average discount to NTA of shares held in the portfolio is 7.3%. Our estimates of Price/NTA range from 7.2% premium to 39.4% discount.

The companies we currently hold are: Australia Foundation Investment Company Ltd, Argo Investments Ltd, Brickworks Investment Company Ltd, Choiseul Investments Ltd, Century Australia Investments Ltd, Contango Microcap Ltd, Diversified United Investments Ltd, Hunter Hall Global Value Ltd, Milton Corporation Ltd, Premium Investors Ltd, Whitefield Ltd, Wilson Investment Fund Ltd, and SPDR S&P/ASX200 Fund.

Since the first full month from inception, the Fund has delivered a compound return of -11.3% per annum, compared to the Morningstar Australian Large Cap Geared Index return of -13.2% per annum.

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 accumulated 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

Top 10 indirect holdings ~ 39% of portfolio	Return / Risk Statistics
<p>Source: SPC Estimates, Company Reports, GSJBWerePortfolioWise</p>	<p>Annualised since inception (% p.a.)</p> <p>Return -10.5 Monthly Standard Deviation 31.4</p> <p>Worst month performance (%)</p> <p>LIC Fund -32.1 S&P/ASX200 Accum. Index -12.6 Morningstar Geared Index -25.6</p>

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