

Leveraged Investment Companies Fund

ARSN 114 579 734

ACN 095 773 390
 AFS licence number 246 744
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Quarterly Investment Update

31 December 2005

Fund Summary

Total Fund Assets:	\$5.97MM	Unit Price (buy/sell):	\$1.1474 / \$1.1415
		(31 December 2005)	
Equity:	\$3.61MM	Loan-to-valuation ratio:	39.5%
Debt:	\$2.36MM		

Number of Investments: 10

Top 3 Holdings:

- Argo Investments Ltd
- Australian Foundation Investment Company Ltd
- StreetTracks S&P/ASX 200 Index Fund

In these quarterly updates, we provide our investors with information about the progress of the Fund as a whole, as well as insight into the investments we make.

General Comments

Leveraged Investment Companies Fund ("LICF") continues to exhibit a defensive nature during these recently volatile times, especially during the weeks of late September and early October. On the other hand, November and December exhibited strong returns for the overall market, in which LICF participated and exceeded, through its Listed Investment Company ("LIC") investments.

Even though the Fund has only been in existence since 8 August 2005, it has performed largely as we had expected. We are pleased to report that, since inception, LICF's unit price has experienced growth of 14.5%, while the ASX 200 Accumulation Index ("ASX200") has grown by 10.5% in the same period. We are also pleased to report that LICF achieved this return with less volatility than the ASX200, despite being geared to 40%. LICF is essentially using risk more effectively in creating return than the ASX200, something that all investors strive to accomplish.

The excess return can be attributed to two factors; the first being that LICF was in the position to acquire an LIC at a larger-than-average discount due to a large block of its shares being sold on the market. This discount spread has since tightened and LICF has subsequently gained on this investment. The LICF is in a position to take full advantage of these types of situations and we are continuously on the look out for such opportunities. The second factor being the overall upward trend of the Australian share market and, in particular, those shares in which the portfolio LICs have invested.

LICF continues to diversify its holdings in nine different LICs and one index fund (the StreetTracks S&P/ASX200 Fund). Most of the LICs are trading at a discount, which we find to be optimal as it essentially allows LICF to invest in the underlying companies at a discount. You can view this as buying the shares at a cheaper rate than investors who invest directly in the market.



As we continue to grow the Fund, we are continuously seeking new LIC opportunities but we remain stringent in our investment choices. Quality management is but one of the qualifications necessary before LICF will consider adding a particular LIC to its approved investment list. We also strive to keep internal leverage at optimal levels. Overall, we are very pleased with the performance of the Fund and the fact that it was attained via a lower level of risk than its index, the ASX200.

Investor Information

This investment update is also available on our website (www.centricwealth.com.au). Should you have any enquiries regarding your unit holding, you should contact Registries Ltd on 02 9290 9600.

If you have any questions regarding your investment in Leveraged Investment Companies Fund, you should speak with your financial adviser in the first instance or contact us on 02 8233 0200.

Disclosures

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Disclaimer

Centric Capital is an Australian Financial Services Licensee no 246 744 and is the Responsible Entity of the Leveraged Investment Companies Fund. Refer to the Product Disclosure Statement ("PDS") for further information.

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Fund Features

This is a summary of the features of the Fund. You should read the entire Product Disclosure Statement for full details before investing.

Fund Name	Leveraged Investment Companies Fund
ARSN	114 579 734
Responsible Entity	Specialised Private Capital Ltd trading as Centric Capital, AFS Licence Number 246 744
Investment Objective	<p>The objective of the Fund is to provide long-term capital growth through exposure to the Australian share market. The Fund will use investors' funds and borrowed funds to invest in a portfolio of investment companies listed on the Australian Stock Exchange ("ASX"). The Fund will also maintain at all times an investment of at least 10% in wholesale managed funds designed to replicate the income and growth performance of the broad-based share market indices (for example, the ASX/S&P 200 or ASX/S&P 300 indices).</p> <p>Generally, cash and unlisted investment companies exposure will be minimal.</p>
This Fund may suit your investment needs and risk profile if you:	<ul style="list-style-type: none"> ✓ seek higher medium to long-term potential returns from Australian share market investments through the use of borrowing to invest; ✓ are comfortable with a low cash distribution; ✓ are comfortable with higher risks arising from the use of borrowing; and ✓ are seeking an alternative to traditional leveraged equity products.
Recommended minimum investment horizon	5-7 years
Expected volatility of returns	High
Potential for capital growth	High
Potential for income	Low
Minimum initial investment	\$5,000
Minimum additional investment	\$1,000
Minimum redemption	\$1,000
Minimum balance	\$5,000
Income distributions	Yearly
Estimated Management Expense Ratio (MER)	1.10% of total assets inclusive of GST. Please refer to the PDS for more details.
Investments can be made	Monthly. Please refer to the PDS for more details.
Redemptions	Monthly. Please refer to the PDS for more details.

Important Information

This document is only for use by investors and prospective investors in the Fund (whether directly or via a master trust or administration service) and their financial advisers. This document is of a general nature only and has been prepared without taking into account any person's particular investment objectives, financial situation or particular needs. Always consider the current PDS in deciding whether to invest or hold your investment in the fund.