

Leveraged Investment Companies Fund

ARSN 114 579 734

ACN 095 773 390
 AFS licence number 246 744
 Level 2, 7 Macquarie Place,
 Sydney NSW 2000
 Ph: 02 9250 6500
 Fax: 02 9252 2702

Quarterly Investment Update

30 June 2006

Fund Summary

Total Fund Assets:	\$11.92MM	Unit Price (buy/sell):	\$1.2585 / \$1.2504
		(30 June 2006, unaudited)	
Equity:	\$6.25MM	Loan-to-valuation ratio:	47.6%
Debt:	\$5.67MM		
Number of Investments:	11		
Top 3 Holdings:	<ul style="list-style-type: none"> § StreetTracks S&P/ASX 200 Index Fund § Australian Foundation Investment Company Ltd § Argo Investments Ltd 		

Monthly Performance

Year	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Year
2006		2.2%	4.3%	-1.3%	2.6%	5.7%	3.4%	8.1%	2.7%	-0.1%	-2.9%	-1.6%	25.0%

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 do not assume reinvestment of income. The returns represent past performance only. Past performance is not indicative of future performance. Returns for less than 1 year are actual returns for the period. The value of an investment may rise or fall with changes in the market.

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

The Leveraged Investment Companies Fund (LICF) wrapped up Financial Year 2006 with a performance since inception of 25.04%, while the S&P/ASX200 Accumulation index (Index) returned 20.25% over the same period. A distribution of 0.913 cents per unit (cpu) is to be made shortly to all eligible unit holders (as of 30 June 2006). In addition, subject to finalising our tax advice, we estimate there will be approximately 1.679 cpu of imputation credits, which, as per the Fund's mandate, makes LICF's performance extremely tax effective. Also, even though the Fund was geared on average 45% during the period, the daily unit price volatility was at the same level as the Index. This level of volatility is attributable to the relatively stable nature of share prices of Listed Investment Companies (LIC) held by the Fund.

The S&P/ASX200 had two negative months, October 2005 and May 2006. During those same months, LICF outperformed by falling by less than the market, despite being geared close to two times its equity investment. While gearing magnifies both gains and losses, the LICF portfolio still outperformed.



The majority of LICs in our portfolio are underweight in the more volatile sectors; therefore we expect they will have less of a tendency to gyrate like the general market. The flip side is that this may also lead to periods of underperformance in a volatile upward market.

We also seek to buy LICs with sound capital management strategies. Specifically, those LICs who buy back their shares when they trade at a discount to their net tangible assets. We believe this gives support to their price and is inherently beneficial to shareholders.

Notwithstanding these characteristics, the gearing in the Fund will magnify both gains and losses arising from the Fund's investments.

After a strong year like 2006, it is important to keep in mind that we have been experiencing several years of unprecedented economic growth, which has translated to strong corporate earnings and dividends, and this will inevitably slow, either naturally or as a result of rising interest rates, down to a more sustainable growth rate. With this caveat in mind, Financial Year 2007 is expected to be another strong year for LICs and their dividend growth as they pass on corporate dividends that they have received in second half 2006 and first half 2007, although what this may mean for individual share prices, we cannot predict.

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 LICF, you should speak with your financial adviser in the first instance or contact us on 02 9250 6500.

Disclosures

This document was prepared by Specialised Private Capital Ltd trading as Centric Capital (Centric Capital). Centric Capital utilises the advice authorisation under the current Australian Financial Services License no 243 253 of Centric Wealth Advisers Ltd to generate and provide the investor update.

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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 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.

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. The Fund will also maintain at all times an investment of at least 10% in 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"> ü seek higher medium to long-term potential returns from Australian share market investments through the use of borrowing to invest; ü are comfortable with a low cash distribution; ü are comfortable with higher risks arising from the use of borrowing; and ü 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.