



Leveraged Investment Companies Fund

ARSN 114 579 734

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

30 September 2006

Fund Summary

Total Fund Assets:	\$15.3MM	Unit Price (buy/sell):	\$1.3435 / \$1.3387
		(30 September 2006, unaudited)	
Equity:	\$7.5MM	Loan-to-valuation ratio:	51%
Debt:	\$7.8MM		
Number of Investments:	11		
Top 3 Holdings:	<ul style="list-style-type: none"> ▪ Australian Foundation Investment Company Ltd ▪ Milton Corporation Ltd ▪ StreetTracks S&P/ASX 200 Index Fund 		

Monthly Performance

FY	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%
2007	1.0%	4.8%	1.1%										7.1%

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. Inception date: 8 August 2005

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) has achieved a 7.1% return for the quarter ending 30 September 2006, compared to 2.9% for the S&P/ASX200 Accumulation index (Index). The Fund continues to exhibit levels of volatility similar to that of the Index (which is ungeared) while producing geared returns.

The Annual General Meetings (AGM) season is in full swing, and we have been pleased with the results presented by LICs for FY06. We've also been paying close attention to any outlook comments made by the companies. A general theme emerging is that of continued growth in the Australian economy, albeit at a slower rate. Milton Corporation Chairman, Mr Robert Millner, commented that he "...expects slower profit growth [for companies] in the future." Increased labour costs, higher interest rates and continued high oil prices have all been cited as causes of this slower growth.



Stable and growing dividend levels are essential to the dynamic gearing strategy of LICF, and despite expectations of slower profit growth, we expect that the Fund's investments will deliver increased dividends in FY07.

We actively manage the Fund's interest rate expense, largely by varying the level of gearing within the Fund. At present, we are managing the gearing levels under the assumption that dividends remain flat for the remainder of the year, and that interest rates increase slightly. As we can't predict interest rates, we've simply adopted the conservative view, thus providing us with a margin of safety.

We continue to buy LICs currently held in the portfolio at an aggregated discount to Net Tangible Assets (NTA), which equates to buying listed investments through LICs for less than buying them directly. For example, Australian Stock Exchange Ltd (ASX) is currently trading at around \$34. One of the LICs we are actively buying trades at a discount to NTA of close to 16% and holds ASX shares. This means we are effectively gaining exposure to ASX shares through that LIC for only \$28.50.

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">✓ 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.