



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 March 2007

Fund Summary

Total Fund Assets:	\$29.3MM	Unit Price (buy/sell): (31 March 2007, unaudited)	\$1.7581 / \$1.7436
Equity:	\$14.7MM	Loan-to-valuation ratio:	50%
Debt:	\$14.6MM		
Number of Investments:	14		
Top 3 Holdings:	<ul style="list-style-type: none"> \$ StreetTracks S&P/ASX 200 Index Fund \$ Milton Corporation Ltd \$ Argo Investments Ltd 		

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	10.1	4.9	6.5	8.6	-1.4	-1.1				39.4%

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. Monthly returns do not add up to yearly returns due to compounding and rounding. 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

The global equity markets had a bumpy ride during February as they became nervous sitting atop several years of strong returns. By March, many of those concerns had dissipated, although nothing had really changed. The media provided several possible factors behind the market turmoil, but there is no way of knowing for sure as each investor reacts differently to events around them. We do not attempt to time markets –all we do is seek to invest in companies that we believe will deliver sound long term performance, and manage the gearing levels so that the fund delivers a net income, or in other words, that it is positively geared.

Over the long term, we believe that owners of strong, well managed investment companies will be more than adequately rewarded for the risk they take and for their patience.



In the half-year ended 31 December 2006, the average growth in dividends declared by the LICs in the portfolio grew by 16% compared to the previous period. Although some companies might be reporting top-of-cycle results, we are comfortable that current dividend levels are sustainable. LIC Fund has taken full advantage of these strong and steady dividends to slightly increase the gearing levels, currently around 50%. At these levels, there remains a margin of safety to our interest cover and gearing limits imposed by our lenders. We will look closely at the results declared in the upcoming earnings season for indications of the dividend outlook for the year ahead (which is our immediate concern for managing the Fund's gearing levels).

A number of LICs in the portfolio have undertaken capital raisings, either by way of placement or rights issues. The rights issues have weighed down the price performance of these LICs, although we are pleased this allows them to have additional cash at their disposal. The Fund has participated in all recent capital raisings, bar one, which immediately contributed returns to the Fund as they were below both intrinsic value and prevailing market prices. We have also attended several LIC annual general meetings and heard managers express their continuing conservative approach to investing in the Australian market – one of the characteristics that we like in the LICs we invest in.

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; andü 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.