



Residential-Plus Growth Company Ltd.

Quarterly Investment Update - December 2005

General Comment

In Australia, the Reserve Bank of Australia ("RBA") has released their latest discussion on the domestic and global economies. While the headline CPI measure has moved to the top of the RBA's range, they have stated that this does not automatically lead to a monetary policy response on their part. We take this to mean that the RBA will not necessarily react by tightening the money supply but is keeping a close eye on the situation. At the same time, the RBA has commented that if they were to react, there is more chance that there would be an increase in interest rates than a decrease.

The RBA estimates that, by 2003, the interest rates in the largest industrialized nations (the US, UK, Germany and Japan) had sunk to the lowest levels in the past century. Of most importance to the Company's investments, these low interest rates have contributed to global housing price booms, including here in Australia. This has had a direct impact on the Perth and Sydney investments because one of the objectives is to purchase properties at or below fair value, therefore potentially increasing the total return of the investments. Recently, the Perth property market has continued to experience sustained growth while the Sydney property market has cooled off. Due to this offsetting relationship between the two urban centres, the recent focus has been on acquiring Sydney-based properties over Perth-based properties. To date, we are very pleased with the portfolio of investments in the Company.

Underlying Investments

The focus has been on continued acquisition of properties and consolidating current investments. The fund owns sixty properties and eighteen consolidation areas. The following table summaries the Fund's exposure to each investment.

<u>Investment</u>	<u>Investment Allocation</u>
Sydney	73.3%
Perth	26.7%

Sydney

Since the end of August, four new properties have been acquired which increases the total properties involved in the twelve consolidation areas to forty-seven (up from forty-three). The NSW government recently released the 'City of Cities' plan, which has direct implications on the investments in Sydney. The purpose of this document is to guide Sydney's growth by investing in new infrastructure. Two of the more important goals focused on in this plan are 'Encourage greater housing density in centres where capacity for employment... is provided.' and 'Facilitate redevelopment of existing apartments and higher occupation of existing dwellings.' This type of language further supports the objectives behind the investments.



Perth

Since the end of July, five new properties have been acquired, which increases the total properties to thirteen and the number of consolidation areas to six. The market for residential and commercial property in Perth is going through a significant uplift with prices rising at growth levels not seen since the late 1980s. Primarily because of this, there has been a more cautious approach to the acquisition of property. Commercial property represents 81% of the assets in Perth, with residential property accounting for the balance. This is due to the locations which have been identified as providing the best potential long term returns for the investments.

Perth continues to benefit from increasing export volumes and prices in natural resources. These benefits have translated into population growth, increases in wages, increases in consumer confidence and increases in real estate prices, on which we are capitalising.

Calls on Units

The final call on units was to be done on 15 November 2005, but as the pace of acquisition has slowed, the call has been delayed. We are now making a partial call of 5 cents per unit, due on 27 March 2006; please refer to the separate call notice.

Unit holder Information

This investment update is available on our website (www.centricwealth.com.au). Should you have any enquiries regarding your unit holding, you should contact Registries Ltd on 02 9279 0677.

If you have any questions regarding your investment in the Residential-Plus Growth Company Ltd, you should speak with your financial consultant in the first instance or contact us on 02 8233 0200.

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