

Growth Equities Corporation Limited

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2 September 2005

Company Announcement Office
Australian Stock Exchange Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir

GEC Australian Healthcare Fund

Please find attached the Preliminary Final Report for the 12 months ended 30 June 2005, prepared in accordance with ASX appendix 4E, together with the Fund's 2005 Annual Report.

Yours faithfully



Nicholas Swan
Company Secretary

GEC Australian Healthcare Fund
Results for Announcement to Market
Year ended 30 June 2005
(Previous corresponding year ended 30 June 2004)

Appendix 4E

	2004	Change on last year	Change	2005
	\$	\$	%	\$
Revenue from ordinary activities	819,962	372,908	45.5	1,192,870
Profit from ordinary activities after tax attributable to member	682,400	389,949	57.1	1,072,349
Net profit for the period attributable to members	682,400	389,949	57.1	1,072,349

No distribution is payable for the year as the Fund does not have any distributable income due to losses brought forward.

Explanation of Revenue

The Fund maintains its investment strategy of investing in securities in the healthcare sector, either in Australia or overseas. The investment policy of the Fund continues to be that detailed in the Product Disclosure Statement and in accordance with the governing documents of the Fund.

The Fund earns revenue predominantly from the following elements:

- Investment income such as dividends and interest
- Revaluation of investments

Investments are initially recorded at cost and are revalued to their net market value at the reporting date. Gains and losses (realised and unrealised) are included in total investment income in the Statement of financial performance.

Material factors affecting the revenues and expenses of the economic entity for the period

The revenues are largely driven by the underlying performance of the stocks in the healthcare sector. This performance is determined by the market prices and the dividend yields of these stocks. Expenses are accrued at an MER of 1.95% per annum plus the investment manager's performance fee plus costs directly incurred in relation to transactions undertaken by the Fund.

Reconciliation of income tax expense

Under current income tax legislation, the Fund is not subject to income tax provided the distributable income of the Fund is fully distributed to unitholders. The Fund does not have any distributable income due to losses brought forward.

NTA Backing

	2005	2004
Net tangible asset backing per ordinary unit (cents)	114.4	100.9

The exercise and redemption of options during the year had the effect of diluting the net asset backing by 18.2 cents per unit during the year.

Commentary on results

Earnings per unit was 31.7 cents (2004: 11.88 cents) per unit.

The Fund allocates earnings to unitholders on a daily basis for the purposes of determining daily unit prices. Earnings per unit is represented by the movement in the Fund's daily unit redemption price for the year plus distributions per unit.

Because earnings have been allocated to unitholders on a daily basis, the actual daily number of units on issue has been used in the calculation of earnings per unit. This approach does not require the calculation of a weighted average number of units on issue for the year.

Audit

This report is based on accounts which have been audited and are unqualified.

Approved by the Directors of Growth Equities Corporation on 1 September 2005.



Nicholas Swan
Company Secretary

GEC AUSTRALIAN HEALTHCARE FUND

ARSN 095 369 207

**ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005**

**Responsible Entity
Growth Equities Corporation Limited
Level 5
47 York Street
SYDNEY NSW 2000
ACN 100 570 723**

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GEC AUSTRALIAN HEALTHCARE FUND

DIRECTORS' REPORT

The Directors of Growth Equities Corporation Limited ('GEC' or the 'Company'), the responsible entity of the GEC Australian Healthcare Fund (the 'Scheme'), present their report together with the Financial Report of the Scheme, for the year ended 30 June 2005 and the Auditors' Report thereon.

Directors

The names of persons who were directors of Growth Equities Corporation during the financial year or since the end of the year and up to the date of this report were as follows:

Name	Date of Appointment	Date of Resignation
John Fyfe Burn		22 November 2004
Timothy David Erskine Hyde	14 July 2005	
George Antony Birch		
Charles Victor Alexander		
Alfred Chi Wai Wong		
Nicholas Gregory Basile		22 November 2004
Emmanuel Clive Pohl		16 November 2004
Peter Leodaritsis	26 July 2004	30 September 2004
William Kirkby-Jones	14 January 2005	7 July 2005
Alan Beanland	14 January 2005	7 July 2005
Edgar Hung	14 January 2005	7 July 2005
Marek Petrovs	14 January 2005	7 July 2005

Principal activity

The Scheme is a registered managed investment scheme structured as an exchange traded fund. It is domiciled in Australia and listed on the Australian Stock Exchange.

All investments in securities are made in the Healthcare sector, either in Australia or overseas.

There has been no significant change in the nature of the activity during the year.

Review of operations

The investment policy of the Scheme continues to be that as advised in previous reports and is in accordance with the provisions of the governing documents of the Scheme.

Results

The performance of the Scheme, as represented by the results of its operations, was as follows:

	2005	2004
	\$	\$
Net operating income	1,072,249	682,400
Distribution paid and payable	-	-
	2005	2004
	Cents per unit	Cents per unit
Distribution (cents per unit)	-	-

Unit price

At the beginning of the year, the unit price was 100.9cents and the Scheme closed with a unit price of 114.4 cents at 30 June 2005. The exercise and redemption of options during the year (refer to Note 8 for details) had the effect of diluting the net asset backing by 18.2 cents per unit during the year.

GEC AUSTRALIAN HEALTHCARE FUND

DIRECTORS' REPORT (Cont.)

Management expense ratio (MER)

	%	%
The MER of the Scheme for the past two years is as follows:	2.93	2.41

The MER calculation includes fees charged to the Scheme during the financial year, including those charged by the Responsible Entity directly for management of the assets and by the investment manager. For further details of fees charged, see Note 11 to the financial statements.

Expenses excluded from the MER calculation are those that would have ordinarily been incurred by an investor in the underlying assets of the Scheme, such as brokerage, transaction costs and government taxes

The average unitholders' funds used to calculate the MER is the average net assets of the Scheme, which is calculated on an annual basis.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Interests in the Scheme

Details of the units issued in and withdrawals from the Scheme during the financial year and the number of units on issue in the Scheme as at the end of the financial year are contained in Note 8 to the financial statements.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Scheme that occurred during the financial year.

Environmental regulation and performance

The operations of the Scheme are not subject to any significant environmental regulation under either Commonwealth or State legislation.

Fees paid to and interests of the Responsible Entity

Fees paid to the responsible Entity during the year are disclosed in Note 11 to the financial statements. GEC has no direct interests in the Scheme during the year.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either officers of Growth Equities Corporation Limited or the auditors of the Scheme. As long as the officers of GEC act in accordance with the Scheme's Constitution and the Law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Corporate governance

The Directors recognise the need for the highest standards of corporate behaviour and accountability and have adopted a formal set of Corporate Governance Policies and Procedures. The Company's corporate governance statement is contained in the following section of this report.

Events subsequent to the balance date

On 29 July 2005, the Responsible Entity lodged a Product Disclosure Statement with the Australian Securities & Investments Commission to issue 2 new units in the Scheme at \$1.08 per new unit for every one unit on issue at the record date. Based on 3,175,751 units on issue at the record date, the offer will raise \$6.9 million in new funds if fully subscribed.

Other than stated above, there have been no matters or circumstances arising since 30 June 2005 not otherwise dealt with in the Financial Report or Directors' Declaration that have significantly affected or may significantly affect the Scheme, its operations, results of operations or state of affairs in future years.

GEC AUSTRALIAN HEALTHCARE FUND

DIRECTORS' REPORT (Cont.)

Likely Developments and Expected Results

The Scheme will continue to pursue its policy of increasing returns through appropriate investment selections.

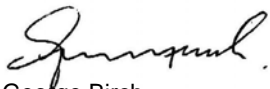
The Responsible Entity is required to adopt International Financial reporting Standards as issued by the Australian Accounting Standards Board (AIFRS) from 1 January 2005.

The Responsible Entity has a formal plan to implement the transition to AIFRS during the year ended 30 June 2006. This plan covers the key areas of the transition including:

- The impact on transactions entered into by the reporting entity on behalf of the Scheme and how these in turn affect unit pricing;
- The financial reporting accounting policy changes;
- Any related IT systems changes requirements; and
- Communication of changes to unitholders.

Other than stated above, there are no other significant developments expected in respect of the Scheme. The performance of the Scheme in the future will be subject to any movements in the underlying investment markets over time.

Signed in accordance with a resolution of the Directors of Growth Equities Corporation Limited.



George Birch
Managing Director
1 September 2005

GEC AUSTRALIAN HEALTHCARE FUND

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Growth Equities Corporation Limited ('GEC') is responsible for the corporate governance. This statement outlines the main corporate governance policies applied during the financial year.

Composition of the Board

The composition of the Board is determined in accordance with the following principles and guidelines:

- comprise not less than three nor more than ten directors unless otherwise determined by a general meeting;
- an independent, non-executive director as Chairman; and
- comprise directors with a broad range of qualifications and expertise.

The Board considers directors to be independent if they are not members of management and:

- are not substantial shareholders of GEC or officers/associates of any substantial shareholder of GEC;
- have not been employed within the past three years in an executive capacity by GEC;
- have not within the past three years been principals or employees of any material professional advisers to GEC;
- are not significant suppliers to GEC or associated with any significant suppliers to GEC;
- have no material contractual relationship with GEC other than as directors;
- have not served on the Board for a period which could interfere with the director's ability to act in the best interests of GEC;
- are free from any interest, business or other relationships which could materially interfere with their ability to act in the best interests of GEC.

Board Responsibilities

As the Board acts on behalf of and is accountable to the unitholders, the Board seeks to identify the expectations of the unitholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. The Board seeks to discharge these responsibilities in a number of ways.

The responsibility for the operation and administration of the Responsible Entity is delegated by the Board to the chief executive officer and the executive team. The Board ensures that this team is appropriately qualified and experienced to discharge its responsibilities.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved, including the following:

- Board consideration and input into all strategies to enhance the growth and success of the entity;
- Board approval of all new business and product initiatives taking into account the interests of all the stakeholders and the need to manage business risks;
- Review of financial plans and budgets and monitoring of performance against them; and
- Authority is granted to directors, in the furtherance of their duties, to seek professional advice at the Company's expense.

The Board meets as often as necessary, generally monthly, following meeting guidelines set down to ensure all directors are made aware of and have available all necessary information to participate in an informed discussion of all agenda items.

It is each director's responsibility to keep the Board advised of potential conflicts of interest. Directors must declare any interest in matters under consideration by the Board and take no part in decisions relating to those matters.

Board Committees

At this stage, the directors have decided not to appoint nomination, remuneration or audit committees due to the scale of the Company's activities.

Currently, the Board takes direct responsibility for these functions including ensuring that an effective internal control framework exists within the Responsible Entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

GEC AUSTRALIAN HEALTHCARE FUND

CORPORATE GOVERNANCE STATEMENT (Cont)

An audit committee will be appointed in due course to which will be delegated the responsibility for the maintenance for the internal control framework and ethical standards for the management of the Company. Membership of the committee will be comprised solely of non-executive directors.

Internal Control Framework

The Board is responsible for the overall risk management and internal control of the Scheme and has implemented the following framework to help achieve this:

- Financial reporting – the maintenance of the Fund's financial records is undertaken by the Fund's Custodian whose internal controls and systems are independently audited.
- Investment review – the performance of the Fund's investments are reviewed on a monthly basis and compared with the benchmark.
- External endorsements – calling on third parties to endorse matters including corporate and Scheme financial and compliance audits.

Communication to Unitholders

The Board aims to ensure that unitholders, for whom they act, are informed of all information necessary to assess the performance of the directors. Information is communicated to unitholders through:

- release to the Australian Stock Exchange:
 - on a daily basis, the net asset value per unit;
 - on a monthly basis, a summary of the Fund Manager's investment performance; and
 - the half-yearly report summarising the financial results for the first half of the financial year.
- the annual report which is distributed to all unitholders.

Additionally, newsletters are periodically sent to unitholders describing key investment or strategic initiatives proposed by the Board.

The investment performance summary and half-yearly and annual report are also posted on the Company's website, www.gecETF.com.au.

The Company has a policy on receiving complaints from investors. The Company is a member of an independent complaint resolution scheme, Financial Industry Complaints Services (FICS).

Auditors' Independence Declaration

As lead auditor for the audit of GEC Australian Healthcare Fund for the year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GEC Australian Healthcare Fund during the period.



Stephen R Snook
Partner
PricewaterhouseCoopers

Brisbane
1 September 2005

GEC AUSTRALIAN HEALTHCARE FUND

STATEMENT OF FINANCIAL PERFORMANCE AND DISTRIBUTION FOR YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
STATEMENT OF FINANCIAL PERFORMANCE			
Investment income			
Dividends and distributions		62,819	121,491
Interest income		26,583	24,275
Other income		10,711	6,926
Change in the net market value of investments		1,092,757	667,270
Total investment income		<u>1,192,870</u>	<u>819,962</u>
Expenses			
Responsible Entity fees	11(e)	69,682	115,872
Fund Manager fees		38,917	-
Withholding tax		95	605
Other expenses		11,927	21,085
Total expenses		<u>120,621</u>	<u>137,562</u>
Net operating income		<u>1,072,249</u>	<u>682,400</u>
Earnings per unit (cents)	4	31.71	11.88
STATEMENT OF DISTRIBUTION			
Net operating income from ordinary activities		1,072,249	682,400
Unrealised changes in the net market value of investments	2, 8	(552,880)	510,950
Other income not yet distributable	8	(519,369)	(1,193,350)
Distributions paid and payable		<u>-</u>	<u>-</u>
Distribution per unit (cents)		-	-

The above Statement of Financial Performance and Distribution should be read in conjunction with the accompanying notes.

GEC AUSTRALIAN HEALTHCARE FUND

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
Assets			
Cash assets	9(a)	-	108,605
Receivables	5	52,940	56,747
Investments	6	3,705,198	3,994,480
Total assets		<u>3,758,138</u>	<u>4,159,832</u>
Liabilities			
Bank overdraft	9(a)	17,917	-
Payables	7	60,976	49,548
Distribution payable		-	280
Total liabilities		<u>78,893</u>	<u>49,828</u>
Net assets		<u>3,679,245</u>	<u>4,110,004</u>
Unitholders' funds	8	<u>3,679,245</u>	<u>4,110,004</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

GEC AUSTRALIAN HEALTHCARE FUND

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	2005 \$	2004 \$
Cash flows from operating activities			
Dividends & distributions received		62,819	169,206
Interest received		27,168	23,472
GST received/(paid)		14,934	(12,452)
Other income received		10,711	6,926
Responsible Entity fees paid		(105,906)	(73,236)
Withholding tax paid		(95)	(605)
Other expenses paid		(6,912)	(48,426)
Net cash provided by operating activities	9(b)	<u>2,719</u>	<u>64,885</u>
Cash flows from investing activities			
Proceeds from sale of investments		5,741,292	9,904,706
Payment for purchase of investments		(4,367,245)	(7,930,543)
Net cash provided by investing activities		<u>1,374,047</u>	<u>1,974,163</u>
Cash flows from financing activities			
Proceeds from unit issues		7,517,340	1,146,458
Paid on redemption of units		(9,020,348)	(3,032,519)
Subscription raising fees paid		-	(44,383)
Distributions paid		(280)	-
Net cash used in financing activities		<u>(1,503,288)</u>	<u>(1,930,444)</u>
Net (decrease)/ increase in cash held		(126,522)	108,604
Cash at the beginning of the financial year		<u>108,605</u>	<u>1</u>
Cash at the end of the financial year	9(a)	<u>(17,917)</u>	<u>108,605</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

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GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of preparation

This financial report covers GEC Australian Healthcare Fund ('the Scheme') as an individual entity. The Responsible Entity of the Scheme is Growth Equities Corporation Limited. The Responsible Entity's registered office is Level 5, 47 York Street, Sydney NSW 2000.

The financial report is a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and the Scheme Constitution.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of assets.

The accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

(b) Portfolio valuation

The Scheme calculates the net asset value of Scheme units on each business day. The net asset value of the Scheme is calculated by deducting from the value of the Scheme's gross assets the value of the liabilities of the Scheme.

Investments are stated at net fair value which is market value less estimated disposal costs

The bases used to value particular classes of investments are as follows:

Listed equities

Net market value is calculated as the last sales price of the security quoted on the relevant stock exchange at the close of business on the reporting date. Where material, estimated costs of realisation are deducted to determine net market values. Where no reliable last sales price is available, the Responsible Entity determines the net market value. Certain costs in acquiring investments, such as brokerage, are capitalised in the initial cost of the investment.

(c) Investment revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Specific revenues are recognised as follows:

Dividend and Distribution Income

Dividends and trust distributions from listed entities are recognised as income on the date the share or unit is quoted ex-dividend or ex-distribution.

Dividends and distributions from unlisted companies and managed investment schemes are recognised when they are received.

Interest Income

Interest on cash assets is recognised in accordance with the terms and conditions that apply to the deposit.

Change in the Net Market Value of Investments

Realised gains and losses arising from investment transactions are included in the net operating income as part of changes in the net market value of investments and are calculated as the difference between the sale consideration and the carrying value as at the beginning of the year. For investments purchased during the year, realised gains and losses are calculated as the difference between the sale consideration and the investment's historic cost. Unrealised gains and losses resulting from movements in the market value of investment assets are also included in the determination of net operating income in the year in which they arise.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(d) Cash

For the purposes of the Statement of cash flows, cash includes deposits held at call with a bank or financial institution and highly liquid investments with short periods to maturity which are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(e) Receivables

Receivables include amounts where settlement has not yet occurred, and include outstanding settlements on the sale of investments. Amounts are generally received within 30 days of being recorded as receivables.

(f) Payables

Payables are recognised for amounts to be paid in the future for services received, whether or not billed to the Scheme, and include outstanding settlements on the purchase of investments. The carrying period is dictated by market conditions and is generally less than 30 days.

(g) Taxation

Under current legislation, the Scheme is not subject to income tax as the taxable income (including assessable realised capital gains) is fully distributed to unitholders.

The net asset value per unit is based upon market values of underlying assets and thus may include a share of unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax is distributed so that the Scheme is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Scheme to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

(h) Distributable income

In accordance with the Scheme's Constitution, the Scheme fully distributes its distributable income to unitholders. Distributions are payable at the end of the financial year. Such distributions are determined by reference to the taxable income of the Scheme.

Distributable income includes capital gains arising from the disposal of investments.

Unrealised gains and losses on the net value of investments, accrued income not yet assessable and expenses provided for or accrued but not yet deductible, net capital losses and tax free or deferred income are transferred to Unitholders' Funds, and are not distributable and assessable until realised.

(i) Unit application and redemption prices

Unit application and redemption prices are determined by reference to the net asset value of the Scheme less estimated transaction costs divided by the number of units on issue on the date of the application or redemption.

(j) Transfers to/from unitholders' funds

Non-distributable income is transferred to unitholders' funds and may consist of unrealised changes in the net market value of investments, accrued income not yet assessable, expenses provided for or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. They are included in the determination of distributable income in the same year in which they become assessable for taxation purposes. The taxable portion of realised capital gain is included in distributable income (net of any realised capital losses), by transfer from unitholders' funds.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Goods and services tax (GST)

Responsible Entity fees and other expenses incurred by the Scheme are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Tax Office (ATO) as a reduced input tax credit (RITC). Payables and accruals are stated inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of financial position.

Cash flows relating to GST are included in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from the ATO are classified as operating cash flows.

(l) Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in these financial statements.

NOTE 2 NON-INTEREST REVENUE

	2005 \$	2004 \$
Dividends and distributions	62,819	121,491
Changes in the net fair value of investments		
Unrealised changes in the net fair value of investments:		
Equities	552,880	(510,950)
Realised gains on disposal of investments		
Equities	539,877	1,178,220
Total net gains	1,092,757	667,270

NOTE 3 AUDITORS' REMUNERATION

	2005 \$	2004 \$
Audit Services		
Auditors of the Scheme		
PricewaterhouseCoopers		
- audit and review of financial reports	-	-
Borough Mazars		
- audit and review of financial reports	-	10,510
KPMG Australia		
- audit and review of financial reports	-	420
	-	10,930
Other Services		
PricewaterhouseCoopers		
- audit of compliance plan	-	8,966
- taxation services	-	2,087
	-	11,053

The auditors' remuneration totalling \$18,977 (2004: \$19,226) was paid by the Responsible Entity on behalf of the Scheme comprising \$16,557 for the audit and review of the financial report and \$2,420 for the audit of the compliance plan.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 4 EARNINGS PER UNIT

	2005 Cents per unit	2004 Cents per unit
Earnings per unit	31.71	11.88

The Scheme allocates earnings to unitholders on a daily basis for the purpose of determining daily unit prices. Earnings per unit is represented by the movement in the Scheme's daily unit redemption price for the year plus distributions per unit. The exercise and redemption of options during the year had the effect of diluting the net asset backing by 18.2 cents per unit during the year. An adjustment has been made for this in calculating earnings per unit.

Because earnings have been allocated to unitholders on a daily basis, the actual daily number of units on issue has been used in the calculation of earnings per unit. This approach does not require the calculation of a weighted average number of units on issue for the year.

NOTE 5 RECEIVABLES

	2005 \$	2004 \$
Sale of investments	48,247	40,255
Interest income receivable	218	803
GST receivable	4,475	15,689
	<u>52,940</u>	<u>56,747</u>

NOTE 6 INVESTMENTS

	30 June 2005 \$	30 June 2004 \$
Listed equities	<u>3,705,198</u>	<u>3,994,480</u>

Investments which constitute 5% or more by value of the total asset value of the Scheme are considered material investments. The Scheme has the following material investments:

CSL Limited

As at 30 June 2005, the Scheme held 0.01% (2004: 0.02%) of the issued capital of CSL Limited whose principal activity is the development, manufacture and marketing of human and veterinary pharmaceutical and diagnostic products derived from human plasma. This represents 19.87% (2004: 22.47%) of the Scheme's net asset value.

739,244	922,211
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Mayne Group Limited

As at 30 June 2005, the Scheme held 0.02% (2004: 0.03%) of the issued capital in Mayne Group Limited whose principal activity is the development and manufacture of pharmaceuticals, vitamins and health supplements, and the provision of health services. This represents 14.60% (2004: 13.41%) of the Scheme's net asset value.

543,192	550,487
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Sonic Healthcare Limited

As at 30 June 2005, the Scheme held 0.01% (2004: 0.02%) of the issued capital in Sonic Healthcare Limited whose principal activity is the provision of pathology and diagnostic imaging services to medial practitioners, hospitals and their patients. This represents 10.10% (2004: 11.74%) of the Scheme's net asset value.

375,780	481,668
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GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 6 INVESTMENTS (CONT)

	30 June 2005 \$	30 June 2004 \$
Ansell Limited		
As at 30 June 2005, the Scheme held 0.02% (2004: 0.03%) of the issued capital in Ansell Limited whose principal activity is the manufacture of latex products. This represents 5.92% (2004: 7.47%) of the Scheme's net asset value.	220,107	306,426
ResMed Inc		
As at 30 June 2005, the Scheme held 0.01% (2004: 0.01%) of the issued capital in ResMed Inc whose principal activity is the development, manufacture and marketing of medical equipment for the treatment of sleep disordered breathing. This represents 8.04% (2004: 5.33%) of the Scheme's net asset value.	299,249	218,831
Ramsey Healthcare		
As at 30 June 2005, the Scheme held 0.02% (2004: 0.0%) of the issued capital in Ramsey Healthcare whose principal activity is the management and operation of a number of hospitals and healthcare facilities. This represents 5.39% (2004: 0.0%) of the Scheme's net asset value.	220,725	-
Cochlear Limited		
As at 30 June 2005, the Scheme held 0.01% (2004: 0.0%) of the issued capital in Cochlear Limited whose principal activity is the development of implantable cochlear solutions. This represents 5.25% (2004: 0.0%) of the Scheme's net asset value.	195,314	-

NOTE 7 PAYABLES

	2005 \$	2004 \$
Responsible Entity fees payable	6,412	42,636
Other accrued expenses	54,564	6,912
	<u>60,976</u>	<u>49,548</u>

NOTE 8 UNITHOLDERS' FUNDS

Movements in number of units and unitholders' fund during the year were as follows:

	2005 No.	2005 \$	2004 No.	2004 \$
Opening balance	4,075,108	4,110,004	6,475,020	5,358,049
Applications	841,830	893,795	1,141,050	1,143,958
Subscription raising fees (Note 11(d))	-	-	-	(44,383)
Consolidation of units on issue	-	-	(451,392)	-
Redemptions	(8,280,212)	(9,020,348)	(3,092,070)	(3,032,520)
Exercise of options (i)	6,623,545	6,623,545	2,500	2,500
Unrealised changes in the net market value of investments	-	552,880	-	(510,950)
Other income not distributable	-	519,369	-	1,193,350
Closing balance	<u>3,260,271</u>	<u>3,679,245</u>	<u>4,075,108</u>	<u>4,110,004</u>

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 8 UNITHOLDERS' FUNDS (CONT)

(i) Options

On 12 December 2003, 6,924,628 free options were issued expiring 30 April 2005 each entitling the holder to acquire one unit at an exercise price of \$1.00 per unit. 6,623,545 (2004:2,500) were exercised during the year. 298,603 options were not exercised and have lapsed.

Terms and conditions of units on issue

Each unit confers upon the unitholder an equal interest in the Scheme and is of equal value. A unit does not confer an interest in any particular asset or investment of the Scheme.

Unitholders have various rights under the Scheme Constitution, including the right to:

- have their units redeemed
- receive income distributions
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Scheme.

The rights, obligations and restrictions attached to each unit are identical in all respects.

NOTE 9 NOTES TO THE STATEMENT OF CASH FLOWS

	2005 \$	2004 \$
(a) Reconciliation of Cash		
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and deposits	-	108,605
Bank Overdraft	(17,917)	-
	<u>(17,917)</u>	<u>108,605</u>
(b) Reconciliation of Net Operating Income from Ordinary Activities to Net Cash Provided by Operating Activities		
Net operating income from ordinary activities	1,072,249	682,400
Movement in the net market value of investments	(1,092,757)	(667,270)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	11,799	34,460
Increase/(decrease) in payables	11,428	15,295
	<u>2,719</u>	<u>64,885</u>
Net cash provided by operating activities	<u>2,719</u>	<u>64,885</u>

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 10 FINANCIAL INSTRUMENTS

(a) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate due to changes in market interest rates. The Scheme's exposure to interest rate risk and the weighted average effective interest rate is set out in the following table:

30 June 2005	Weighted average interest effective rate (% pa)	Fixed Interest maturing in or priced at:					Non-interest bearing \$	Total \$
		Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$			
Financial Assets								
Receivables	-	-	-	-	-	52,940	52,940	
Listed equity securities	-	-	-	-	-	3,705,198	3,705,198	
Total financial assets		-	-	-	-	3,758,138	3,758,138	
Financial liabilities								
Bank overdraft	9.50	17,917	-	-	-	-	17,917	
Payables	-	-	-	-	-	60,976	60,976	
Total Financial Liabilities		17,917	-	-	-	60,976	78,893	
30 June 2004								
Financial Assets								
Cash assets	4.85	108,605	-	-	-	-	108,605	
Receivables	-	-	-	-	-	56,747	56,747	
Listed equity securities	-	-	-	-	-	3,994,480	3,994,480	
Total financial assets		108,605	-	-	-	4,051,227	4,159,832	
Financial liabilities								
Payable	-	-	-	-	-	49,548	49,548	
Distribution payable	-	-	-	-	-	280	280	
Total Financial Liabilities		-	-	-	-	49,828	49,828	

(b) Market risk

Market risk is the risk that the value of the Scheme's investment portfolio will fluctuate as a result of changes in market prices. This risk is managed through ensuring that all investment activities are undertaken in accordance with established limits and investment strategies.

(c) Liquidity and cash flow risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments. Cash flow risk is the risk that the future cash flow derived from holding investments will fluctuate. These risks are managed by investing in a managed investment scheme with a portfolio of liquid investments.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 10 FINANCIAL INSTRUMENTS (CONT)

(d) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of recognised Statement of financial position financial assets and liabilities as they are marked to market. The total credit risk for recognised Statement of financial position items including securities is therefore limited to the amount carried on the Statement of financial position.

(e) Net fair values

The net fair value of financial assets and financial liabilities included in the Statement of financial position approximates their carrying amounts.

NOTE 11 RELATED PARTY DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Scheme is Growth Equities Corporation Limited and was appointed to this role on 11 August, 2003. The Responsible Entity held no units in the Scheme during the financial year. The previous responsible entity was WHTM Capital Management Limited.

(b) Details of Specified Directors and Specified Executives

(1) Specified Directors

The names of each person holding the position of Director of the Responsible Entity at any time during the year or since the end of the year and until the date of this report are as follows:

Name	Date of Appointment	Date of Resignation
John Fyfe Burn		22 November 2004
Timothy David Erskine Hyde	14 July 2005	
George Antony Birch		
Charles Victor Alexander		
Alfred Chi Wai Wong		
Nicholas Gregory Basile		22 November 2004
Emmanuel Clive Pohl		16 November 2004
Peter Leodaritsis	26 July 2004	30 September 2004
William Kirkby-Jones	14 January 2005	7 July 2005
Alan Beanland	14 January 2005	7 July 2005
Edgar Hung	14 January 2005	7 July 2005
Marek Petrovs	14 January 2005	7 July 2005

(2) Specified Executives

Growth Equities Corporation does not employ persons deemed to be specified executives of the Scheme.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 11 RELATED PARTY DISCLOSURES (CONT)

(c) Remuneration of Specified Directors

Remuneration of directors is paid directly by Growth Equities Corporation Limited. The directors do not receive any remuneration directly from the Scheme.

Details of the remuneration of each director of the Responsible Entity are set out below. The amounts disclosed are paid by the Responsible Entity and are not charged to the Scheme. The amounts have been recognised as an expense of the Responsible Entity. They have been determined by estimating the time spent during the year by each of the directors working on matters relevant to the Scheme. Information for the year ended 30 June 2004 has not been included as this is the first financial report prepared since the issue of AASB 1046 Director and Executive Disclosures by Disclosing Entities.

	Cash Salary (including Superannuation)	Total
	\$	\$
John Burn	8,000	8,000
George Birch	24,000	24,000
William Kirkby-Jones	6,080	6,080

No other director received any remuneration from the Responsible Entity or from the Scheme. Directors are reimbursed by the Responsible Entity for travelling, accommodation and other expenses properly incurred by them in attending and returning from meetings of the Responsible Entity in the execution of their duties as Directors. Amounts disclosed exclude insurance premiums of \$9,584 (2004:\$28,500) paid by the Responsible Entity in respect of directors' and officers' liability insurance contracts as they do not specify premiums paid in respect of individual directors and officers.

(d) Directors' holdings of units

No directors of the Responsible Entity held any units in the Scheme during the year.

(e) Transactions with the Responsible Entity

All transactions between the Scheme and related parties have been at market value on normal commercial terms and conditions. This includes purchases and sales of investments as well as applications and redemptions of units.

In accordance with the Scheme Constitution, the Responsible Entity is entitled to receive fees for the provision of services to the Scheme and to be reimbursed for certain expenditure incurred in the administration of the Scheme.

The rate of remuneration payable to the responsible entity is set out in the Product Disclosure Statement lodged with the Australian Securities and Investments Commission. The Product Disclosure Statement dated 17 October 2003 stated that the total costs of administering the Scheme excluding transaction costs would not exceed 1.95% of the gross assets of the Scheme. Growth Equities Corporation Limited has, since its appointment as Responsible Entity, paid for all costs incurred, with the exception of investment management fees, in the administration of the Scheme, including custodian, audit, Australian Stock Exchange, registry and taxation advice fees. The remuneration paid to Growth Equities Corporation Limited by the Scheme was consistent with the expense cap permitted under the Product Disclosure Statement plus the reimbursement of direct transaction costs.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 11 RELATED PARTY DISCLOSURES (CONT)

In addition, under the Product Disclosure Statement, the Responsible Entity is entitled to a fee not exceeding 5.0% of subscriptions made pursuant to the Product Disclosure Statement.

	2005	2004
	\$	\$
Management Fees paid to the responsible entity during the year		
Growth Equities Corporation Limited	69,682	89,023
WHTM Capital Management Limited	-	26,849
	<u>69,682</u>	<u>115,872</u>
Fees for subscription of new units		
Growth Equities Corporation Limited (Note 8)	-	44,383
	<u> </u>	<u> </u>
	<u>69,682</u>	<u>160,255</u>

During the year, Growth Equities Corporation Limited charged fees for its services in accordance with the Product Disclosure Statement out of which it incurred expenses on behalf of the Scheme as follows:

expenses incurred in the administration of the Scheme	85,254	91,088
expenses incurred in procuring new subscriptions for the Scheme	-	89,331

NOTE 12 SEGMENT INFORMATION

Business segments

The Scheme operates in the investment industry by investing in securities.

Geographical segments

The Scheme operates from and is domiciled in Australia. All investments in securities are made in the Healthcare sector, either in Australia or overseas.

NOTE 13 COMMITMENTS AND CONTINGENCIES

The Scheme had no commitments or contingencies at 30 June 2005 (2004: Nil).

NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE

On 26 July 2005, the Responsible Entity lodged a Product Disclosure Statement with the Australian Securities & Investments Commission to issue 2 new units in the Scheme at \$1.08 per new unit for every one unit on issue at the record date. Based on 3,175,751 units on issue at the record date, the offer will raise \$6.9 million in new funds if fully subscribed.

Other than stated above, there have been no matters or circumstances arising since 30 June 2005 not otherwise dealt with in the Financial Report or Directors' Declaration that have significantly affected or may significantly affect the Scheme.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 15 IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

For reporting periods beginning on or after 1 January 2005, the Scheme must comply with Australian equivalents to International Financial Reporting Standards ("AIFRS") as issued by the Australian Accounting Standards Board. This financial report has been prepared in accordance with Australian accounting standards and Australian Generally Accepted Accounting Principles (Australian GAAP) applicable for reporting periods ended 30 June 2005.

Transition management

The Responsible Entity has undertaken a study to manage the transition to AIFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The exercise is achieving its scheduled milestones and the Scheme is expected to be in a position to fully comply with the requirements of AIFRS in the Scheme's financial statements for the half year ending 31 December 2005 and the financial year ending 30 June 2006.

To date, the Responsible Entity has analysed the Australian equivalents to IFRS and has identified accounting policy changes that will be required.

The rules for first time adoption of AIFRS are set out in AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards. In general, AIFRS accounting policies are required to be applied retrospectively to determine the opening balance sheet under AIFRS. In some cases choices of accounting policies are available, including elective exemptions from this general principle to assist in the transition to reporting under AIFRS. These choices have been analysed to determine the most appropriate accounting policy for the Scheme.

Schemes complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. With the exception of certain elections in AASB 1, most adjustments required on transition to AIFRS will be made, retrospectively, against opening net assets attributable to unitholders as at 1 July 2004. AASB 1 provides an election whereby the requirements of AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement are not required to be applied in the first comparative year under AIFRS. Under this election, first time adoption of these standards can be delayed until 1 July 2005.

Impact of transition to AIFRS

The impact of transition to AIFRS disclosed below, including the selection and application to AIFRS accounting policies, is based on AIFRS standards that management expects to be in place when preparing the first AIFRS compliant financial report. The disclosures below assume that the Scheme will elect not to apply the requirements of AASB 132 and AASB 139 in the first comparative year under AIFRS.

Although the impacts disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change.

Revisions to the selection and application of the AIFRS accounting policies may be required as a result of:

- changes in financial reporting requirements that are relevant to the Scheme's first compliant AIFRS financial report arising from new or revised accounting standards or interpretations issued by the Australian Accounting Standards Board subsequent to the preparation of the 30 June 2005 financial report;
- additional guidance on the application of AIFRS in a particular industry or to a particular transaction; or
- changes to the Scheme's operations.

Therefore, until the Scheme prepares its first AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

GEC AUSTRALIAN HEALTHCARE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

NOTE 15 IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT)

The significant changes in accounting policies and the associated transitional arrangements and elections expected to be made under AASB 1 are set out below.

(a) Financial assets

Investments in financial assets such as interest bearing securities, equities and units in unlisted schemes will be classified as "held for trading" and are recognised in the Statement of financial position at fair value, with changes in fair value during the period recognised in the Statement of financial performance and distribution.

AASB 139 states that the current bid price is usually the appropriate price to be used in measuring the fair value of actively traded financial assets. Financial assets should be valued at their fair values without any deduction for transaction costs that may be incurred on sale or other disposal. This differs from the current treatment, in which the Scheme measures financial assets at "net market value" using the last sale price net of disposal costs.

(b) Financial liabilities

In accordance with AASB 132, unitholders' funds are defined as "puttable instruments" and no longer classified as equity but rather as debt. Therefore, a liability must be recognised for the fair value which is redeemable as at reporting date and the changes in value recognised in the statement of financial performance and distribution. Unitholders' funds are classified as debt and disclosed in "net assets attributable to Unitholders".

(c) Change in the fair value of investments

Trading securities, equities and units in unlisted schemes will be classified as "fair value through profit and loss" for the purposes of AASB 139 and will be measured at fair value with changes in value recognised in the Statement of financial performance and distribution.

(d) Transaction costs

AASB 139 states that the initial measurement (cost) on acquisition of trading securities shall not include directly attributable transaction costs such as fees and commissions paid to agents. Incremental transaction costs should be expensed as incurred in the Statement of financial performance and distribution. This differs from the current treatment where incremental transaction costs on acquisition of trading securities are included within initial measurement cost.

On transition to AIFRS this change will not impact net assets attributable to unitholders, however, the classification of gains and losses between realised and unrealised in the Statement of financial performance and distribution may differ.

(e) Financing costs

As unitholders' funds will be classed as debt under AIFRS, it will be necessary to recognise "distribution expense to unitholders" and "change in net asset value attributable to unitholders" in the statement of financial performance and distribution as a financing cost. In future periods, the statement of financial performance and distribution of the Scheme will disclose a nil profit or loss.

This differs from the current treatment where the net profit for the year is disclosed as available for distribution to unitholders. However, there will be no impact to net assets attributable to unitholders.

(f) Cash flow statement

On transition to AIFRS realised gains and losses on securities held for dealing or trading purposes will be required to be disclosed as operating cash flows as they arise predominantly from activities comprising the main revenue producing activity of the scheme/fund/trust. This differs from the existing policy of the scheme/trust which was to disclose these cash flows as investing in line with industry practice under AGAAP

Impact on 30 June 2005 Reported Results

The changes in accounting policies described above are not expected to have a material impact on the Scheme's net asset position at 30 June 2005 and the net profit for the year ended 30 June 2005 given that the Scheme will not apply the requirements of AASB 132 and AASB 139 until 1 July 2005. No material impacts are expected in respect to the Statement of cash flows upon application of AIFRS.

GEC AUSTRALIAN HEALTHCARE FUND

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2005

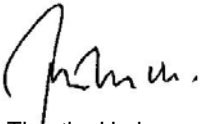
The Directors of the Responsible Entity declare that the financial statements and notes of the Scheme set out on pages 8 to 23:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) are in accordance with the provisions of the Scheme Constitution (as amended); and
- (c) give a true and fair view of the Scheme's financial position as at 30 June 2005 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

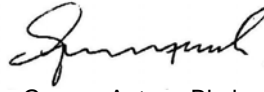
In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and
- (b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Directors.



Timothy Hyde
Chairman



George Antony Birch
Director

Sydney
1 September 2005

Independent Audit Report to the Unitholders of GEC Australian Healthcare Fund

Audit opinion

In our opinion, the financial report of GEC Australian Healthcare Fund:

- gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of GEC Australian Healthcare Fund as at 30 June 2005, and of its performance for the year ended on that date, and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for GEC Australian Healthcare Fund, for the year ended 30 June 2005.

The directors of Growth Equities Corporation Limited (the responsible entity) are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the registered scheme. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. . For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the registered scheme's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

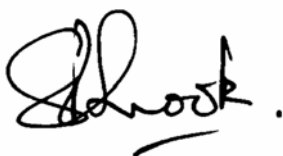
Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.



PricewaterhouseCoopers



Stephen R Snook
Partner

Brisbane
1 September 2005

GEC AUSTRALIAN HEALTHCARE FUND

UNITHOLDER INFORMATION FOR THE YEAR ENDED 30 JUNE 2005

The unitholder information set out below was applicable as at 31 August 2005.

There is only one class of units, being ordinary units

(a) Distribution of holdings

Range of number of units held			No. of Unitholders
1	to	1,000	1
1,001	to	5,000	70
5,001	to	10,000	25
10,001	to	100,000	60
100,001		and over	1
Total			<u>157</u>

(b) Top 20 unitholders

	Units Held	%
National Nominees Limited	529,130	16.26
Dean Reilly Nominees Pty Ltd (Dean Reilly Family A/c)	100,000	3.07
Sorrento developments Pty Ltd (KC Account)	100,000	3.07
The 4 th Movement Limited (Safo Products Super Fund a/c)	100,000	3.07
Growth Equities Corporation Limited	85,000	2.61
V C B Properties Pty Ltd (I L Pane Per Domani S/F A/c)	68,000	2.09
DHJ Investments Pty Ltd	60,000	1.84
SPD Consulting Pty Ltd	60,000	1.84
Yarm Pty Ltd (DBF Super Fund a/c)	57,100	1.75
Mr David Ward & Mr Michael Jackson (Aust Wool Education A/c)	57,000	1.75
Mr Walter Commins & Mrs Christl Commins (Commins Super Fund A/c)	56,000	1.72
Dianer Nominees Pty Ltd (Jeffrey L Sher Super Fund A/c)	50,500	1.55
Silverdent Pty Ltd (Guy Silverdent S/F Account)	50,000	1.54
V C B Properties Pty Ltd (I L Pane Per Domani S/F A/c)	50,000	1.54
Renard Noir Pty Ltd (Breakaway Sports S/F a/c)	45,700	1.40
Mr Francis Herd & Mrs Susan Herd (Herd Family Superfund A/c)	45,250	1.39
NA Investments (VIC) Pty Ltd (Nigel Austin Investment A/c)	45,070	1.39
Reece Superannuation Pty Ltd (Reece Super Fund A/c)	45,000	1.38
Benwill Pty Ltd (MRL Super Fund A/c)	44,270	1.36
Renard Noir Pty Ltd (Breakaway Sports S/F a/c)	44,000	1.35
Total	1,692,020	52.00
Total units issued	3,254,011	

(c) Substantial unitholders

	Units held	%
National Nominees Limited	529,130	14.86

(d) Voting rights

On a show of hands, every unitholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

GEC AUSTRALIAN HEALTHCARE FUND

CORPORATE DIRECTORY

Responsible Entity

Growth Equities Corporation Limited.
ACN 100 570 723
Australian Financial Services License 224505

Registered Office and Principal Place of Business

Level 5
47 York Street
SYDNEY NSW 2000
Tel 02 9290 3635
Fax 02 9290 3662

Directors of the Responsible Entity

Timothy David Erskine Hyde	Non-executive Chairman
George Antony Birch	Managing Director
Victor Charles Alexander	Non-executive Director
Alfred Chi Wai Wong	Non-executive Director

Secretary

Nicholas John William Swan MA, ACA, ASIA, MBA

Solicitors to the Responsible Entity

Home Wilkinson Lowry
Level 9
55 Hunter Street
SYDNEY NSW 2000
Tel 02 8270 8600
Fax 1300 369 656

Auditors of the Scheme

PricewaterhouseCoopers
1 Eagle Street
BRISBANE QLD 4000
Tel 07 3257 5000
Fax 07 3257 8009

Unit Registry

ASX Perpetual
Level 22
300 Queen Street
BRISBANE QLD 4000
Tel 07 3228 4000
Fax 07 3221 3149

Australian Stock Exchange Quotation

The Scheme is listed on the Australian Stock Exchange under the listing code GCH.