



29 February 2008

ASX Code: MPS
SGX Code: MacCook PSF

Exchange Announcement

MacarthurCook Property Securities Fund

Half Year Results to 31 December 2007

MacarthurCook Fund Management Limited, as Responsible Entity of the MacarthurCook Property Securities Fund (the 'Fund'), announces the Fund's 2008 results for the half year to 31 December 2007.

Financial Results

	Half-year to 31 December 2007	Half-year to 31 December 2006	% Change
	\$Am	\$Am	
Income Statement			
Distribution and interest income	12.70	7.34	73%
Other income	0.95	3.66	(80%)
Total expenses	3.51	2.57	36%
Net profit before unrealised change in value of investments and derivatives	9.94	8.43	18%
Unrealised change in value of investments and derivatives	(13.19)	11.00	(220%)
Net profit / (loss)	(3.25)	19.43	(117%)
Balance Sheet			
Total assets	258.32	210.63	23%
Net assets	182.95	153.55	19%
Summary Statistics			
Units on issue (excluding deferred Units)(m)	177.10	144.75	22%
Earnings per unit (cents)	(2.06)	15.82	(113%)
Earnings per unit before unrealised change in value of investments and derivatives (cents)	6.37	6.86	(7%)
Distribution per unit (cents)	5.25	4.75	11%
NTA per unit (\$A)	1.03	1.06	(3%)

Key Highlights

- Net profit for the period, before unrealised change in value of investments increased by approximately 18 per cent
- Earnings per unit (weighted basis), before unrealised change in value of investments exceeded distributions to unitholders by approximately 21 per cent, or 1.12 cents per unit
- Net tangible asset backing per unit was \$A1.03 as at 31 December 2007
- Projected distributions per unit for the 2008 financial year for Australian investors increased to 10.5 Australian cents per unit; for Singapore investors this equates to approximately 11.7 Singapore cents, assuming an AUD/SGD exchange rate of 1.2623 as at 31 December 2007, a forecast tax deferred status of 60 per cent and after applying 30 per cent withholding tax
- The Fund has a loan to valuation ratio of 26.3 per cent

Financial Results Commentary

The underlying profitability, excluding unrealised change in value of investments, has increased by \$A1.5 million to \$A9.9 million. Basic earnings per unit taking into account unrealised change in value of investments was a loss of 2.06 Australian cents per unit for the half year to 31 December 2007, compared to earnings of 15.82 Australian cents per unit for the corresponding period last year.

The Fund's total investments in listed and unlisted securities increased from \$A228 million as at 30 June 2007 to \$A241 million as at 31 December 2007, an increase of 5.8 per cent.

Fund Performance

The Fund's underlying investments continue to meet earnings forecasts in the current 2008 financial year. The Fund delivered, as forecast, a distribution of 5.25 Australian cents per unit for the half year to 31 December 2007, with a forecast distribution of 10.5 Australian cents per unit for the whole 2008 financial year.

The Fund was able to mitigate the losses suffered by its listed securities as a consequence of recent market turmoil through its large weighting to the unlisted property trust market. Investment valuations in unlisted property trusts are tied directly to the asset value of the properties owned by each specific trust.

Renounceable Rights Issue

During the period to 31 December 2007, the Fund successfully conducted a 1 for 3 renounceable rights issue ('Rights Issue'). Under the Rights Issue, 30,648,607 fully paid Ordinary units were subscribed for at an Issue Price of \$A1.05 or \$S1.32, at the option of the unitholder. Pursuant to the underwriting agreement, MacarthurCook Fund Management Limited, in its personal capacity, subscribed for, and was issued, 4,761,905 Ordinary units at the Australian issue price of \$A1.05. Including the underwriting, over \$A32 million was raised under the Rights Issue.

Capital Management

The Fund has a current debt level of \$A68 million which represents a loan to valuation ratio of 26.3 per cent. During November 2007, the Fund entered into an interest rate swap for three years to fix \$A40 million (approximately 60 per cent) of its debt. Although the current debt facility expires in May 2008, negotiations with the Fund's bankers are coming to a conclusion and it is expected that a new term facility will be entered into in March 2008.

Investment Portfolio

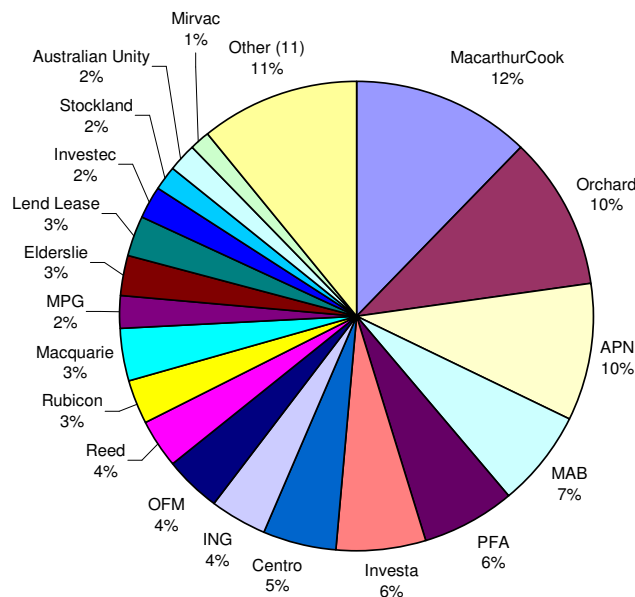
Overview

As at 31 December 2007, the Fund had 71 per cent of its investment portfolio in unlisted property trusts. The Fund's high quality unlisted property investment portfolio is well positioned, reflecting the growth in this segment with respect to forecast income and capital growth.

The Fund continues to provide diversification through a number of specialised property investment managers and across property sectors, and is weighted across the different property classes, to provide a balanced allocation with the objective of providing investors with stable income returns.

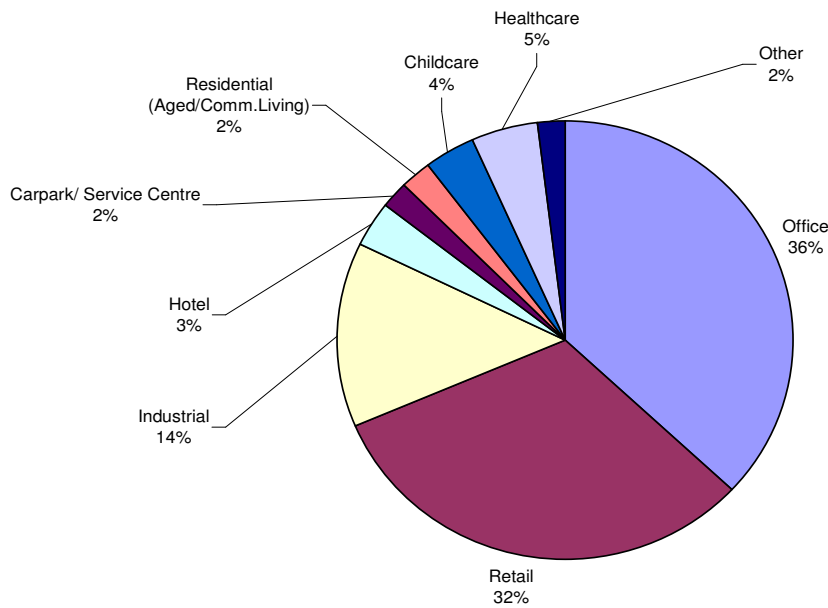
The Fund's investment portfolio is diversified across 30 property investment managers and 51 listed and unlisted funds.

Manager Diversification as at 31 December 2007



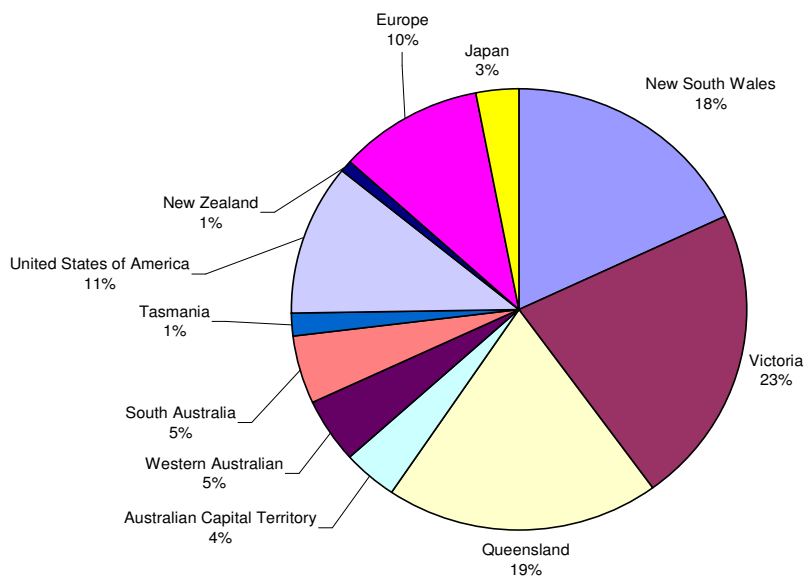
The Fund's sector allocation is spread between office, retail and industrial properties. The Fund continues to review emerging sectors such as childcare, healthcare, accommodation and hotel assets. These non-traditional sectors are largely accessed through investments in unlisted property funds that historically have delivered strong returns.

Sector Allocation as at 31 December 2007



The Fund continues to provide diversification geographically among its property investments. The Fund has a large weighting to Australian property, predominantly located in Victoria, Queensland and New South Wales, with a smaller exposure to South Australia, the ACT and Western Australia and it has diversified internationally, in particular in the United States, Europe and Japan.

Geographic Allocation as at 31 December 2007



Top 10 Holdings

The 10 largest holdings of the Fund are as follows:

Holding	Sub-Sector	% Composition of Portfolio
MacarthurCook Industrial Property Fund	Industrial	5.8%
PFA (Mirvac) Diversified	Diversified	5.6%
Investa Diversified Office Fund	Diversified	5.6%
MacarthurCook Office Property Trust	Office	3.7%
Orchard- The Childcare Property Fund	Childcare	3.5%
OFM Direct Property Trust	Diversified	3.4%
MAB Diversified Property Trust	Diversified	3.2%
Reed Property Fund	Diversified	3.2%
APN Champion Retail Trust	Retail	3.1%
APN/UKA Poland Retail Fund	Retail	3.1%
		40.2%

Portfolio Changes

The major changes to geographic exposure have been a reduction in allocation to NSW and the United States, in favour of increased holdings in Victoria and Europe. The allocation to listed property trusts has increased with the listing of the MacarthurCook Industrial Property Fund on the ASX.

Approximately \$A40 million of new investments were funded largely through the Rights Issue. During this period, the Fund made acquisitions in unlisted managed investment vehicles; including APN Champion Fund, Reed Property Trust, MacarthurCook Industrial Property Fund, Rimcorp Industrial Property Trust #4, Teys Strata Mortgage Trust and Ray White Invest Service Centre Trust.

Australian Property Market Commentary

Industrial property

Queensland and Perth continue to benefit from the commodities boom with forecast rental growth anticipated to be above CPI forecasts. Melbourne and Sydney should receive record levels of new stock, keeping rental growth in line with CPI; however, yields will remain firm at current levels across all states.

All markets have experienced strong levels of investment activity during the first quarter. Yields have again narrowed over this quarter across most industrial markets. Although yields for quality assets may continue to narrow, there is a continuing expectation that they will steady over time due to an increased property supply coming to the market.

Office property

Positive business conditions continue to drive the Australian office cyclical demand with the amount of proposed new construction steadily increasing over the 5 years from 2006 to 2011.

Perth, Brisbane and potentially Adelaide are all benefiting from solid expansion in demand for white collar employment in mining related industries. Vacancy rates in Sydney, Melbourne and Adelaide CBD office markets are expected to be around 7 per cent or less for the next three to five years and rental growth should remain solid.

Retail property

Solid rental growth in the retail sector should be maintained, while Perth and South East Queensland continue to outperform other regions.

Over the next three years nearly 85 per cent of the projected regional shopping centre supply is expected to originate from Sydney, Melbourne, and South East Queensland. All regions are anticipated to show increased levels of new supply compared with the prior three year period.

Outlook

The global economic situation in recent months has been affected by ongoing turbulence in the financial markets, reflected in a decline in the international equity markets. This is due to the ongoing write-downs of credit exposures by major global financial institutions and increased concerns about the United States entering a recession. Equity markets in the major industrial economies have fallen back to early 2007 levels, including the Australian market.

The deterioration in financial market sentiment has been associated with a weakening in the outlook for global economic growth. United States labour markets have been softening over recent months and the housing sector is still very weak, given the fall-out from the sub-prime crisis. This in turn has caused a slowdown in growth in Europe and Japan.

Notwithstanding the difficulties faced internationally, the Reserve Bank of Australia in its February Statement on Monetary Policy reiterated its view that the Australian economy remains robust. Domestic demand and activity have remained strong and capacity usage is high after a long period of economic expansion.

Appointment of new Fund Manager

Mr. Roberto Versace has been appointed Fund Manager effective 10 March 2008. Mr. Versace has been employed as a fund manager with MacarthurCook since July 2007 and previously worked at Colonial First State and Babcock & Brown.

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MacarthurCook Limited
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About the MacarthurCook Property Securities Fund

The MacarthurCook Property Securities Fund is a diversified real estate securities fund, invested across a range of unlisted and listed property trusts and companies, accessing the skills of MacarthurCook and other leading property investment managers. It is listed on the Australian Securities Exchange (ASX code: MPS) and the Singapore Securities Exchange (SGX code: MacCookPSF).

About MacarthurCook:

MacarthurCook Limited (MCK) is an Australian Securities Exchange listed company with offices in Australia and Singapore, specialising in the investment management of direct property, real estate securities and mortgage assets.

MacarthurCook manages approximately \$A1.5 billion on behalf of over 25,000 investors. MacarthurCook is a quality endorsed company (ISO 9001:2000 international standard accreditation), and is the investment manager for twelve funds including: MacarthurCook Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Retail Property Trust, MacarthurCook Diversified Property Income Fund, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, MacarthurCook Asian Real Estate Securities Fund, Advance Property Securities Fund, RMR Asia Pacific Real Estate Fund and RMR Asia Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the Australian Securities Exchange and the Singapore Securities Exchange. The MacarthurCook Asian Real Estate Securities Fund and the MacarthurCook Industrial Property Fund are listed on the Australian Securities Exchange. The MacarthurCook Industrial REIT is listed on the Singapore Securities Exchange. The RMR Asia Pacific Real Estate Fund and RMR Asia Real Estate Fund are listed on the American Stock Exchange.

The Company has approximately 1,000 shareholders, the largest of which are Ascalon Capital Managers Limited, an associate of the St George Banking Group with about 18 per cent, and MacarthurCook directors and senior executives, who hold 15 per cent.

In 2005, 2006 and 2007 BRW magazine named MacarthurCook as one of Australia's fastest-growing companies in its Fast 100 list.



APPENDIX 4D – HALF YEAR REPORT PERIOD ENDING 31 DECEMBER 2007

MACARTHURCOOK PROPERTY SECURITIES FUND

A.R.S.N. 111 442 150

1. Reporting Period

Half-year Report for the six months ended 31 December 2007.

2. Results for announcement to the market

The following results for the six months to 31 December 2007 are being compared with the previous corresponding period to 31 December 2006.

				31 December 2007 \$000
Revenue from ordinary activities	down	98.8%	to	259
Profit (loss) from ordinary activities after tax attributable to members	down	116.7%	to	(3,250)
Net profit (loss) for the period attributable to members	down	116.7%	to	(3,250)

For further details on these results, refer to the accompanying Interim Financial Report.

3. Net tangible assets per security

	31 Dec 2007	31 Dec 2006
	103.3 cents	106.1 cents

The calculation of net tangible assets per unit excludes the 1,752,605 Deferred Units at \$0.00001 per unit.

4. Entities over which control has been gained or lost during the period

Not applicable.

**APPENDIX 4D – HALF YEAR REPORT
PERIOD ENDING 31 DECEMBER 2007**

MACARTHURCOOK PROPERTY SECURITIES FUND

A.R.S.N. 111 442 150

5. Distributions

	Half-year to 31 December 2007		
	\$	Cents per unit	Date paid / payable
Quarter ended 30 September (Interim) - paid	3,831,309	2.625	25 October 2007
Quarter ended 31 December (Interim) - payable	4,649,002	2.625	31 January 2008
	8,480,311	5.250	

6. Distribution Reinvestment Plan

The Responsible Entity has adopted a distribution reinvestment plan (“DRP”). A unitholder may elect to reinvest some or all of any distribution by acquiring units in the Fund. The record date for participation in the DRP for the December distribution was 31 December 2007. However, unit holders may still elect to enter the DRP at any time for the next distribution. Note that the DRP is no longer available to units listed on the Singapore Securities Exchange.

The DRP price per unit includes a discount of 2.5% to the average of the volume weighted average market price of units traded on the ASX for 10 business days commencing on the ex-distribution date.

7. Associates & joint venture entities

Not applicable.

8. Accounting standards applied to foreign entities

Not applicable.

9. Audit dispute or qualification

None.

MACARTHURCOOK PROPERTY SECURITIES FUND
ARSN 111 442 150

INTERIM FINANCIAL REPORT
31 DECEMBER 2007

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Contents	Page
Directors' Report	2
Lead Auditor's Independence Declaration	5
Interim Income Statement	6
Interim Statement of Changes in Equity	7
Interim Balance Sheet	8
Interim Statement of Cash Flows	9
Notes to the Interim Financial Statements	10
Directors' Declaration.....	15
Independent Auditor's Review Report.....	16

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

DIRECTORS' REPORT
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

The Directors of MacarthurCook Fund Management Limited (ABN 79 004 956 558 and AFS licence No. 258052), the Responsible Entity of MacarthurCook Property Securities Fund ("the Fund"), present their report, together with the Financial Report of the Fund for the half-year ended 31 December 2007 and the Auditor's review report thereon.

The Responsible Entity

The Responsible Entity's registered office is Level 4, 30 Collins Street, Melbourne, Victoria.

The Directors of the Responsible Entity during or since the end of the financial half-year are:

<i>Name</i>	<i>Period of Directorship</i>
Mr Richard Haddock (Independent Chairman and Non-Executive Director)	Director and Chairman since 22 December 2003
Mr Craig Dunstan (Managing Director)	Director since 22 December 2003.
Mr Nicholas Basile (Non-Executive Director)	Director since 1 September 2007.
Mr Geoff Coffey (Non-Executive Director)	Director since 26 September 2007.
Mr Hugh Gurner (Non-Executive Director)	Director since 22 December 2003.
Ms Jane Tongs (Non-Executive Director)	Director since 26 September 2007.

Principal Activities

The Fund is a listed registered managed investment scheme domiciled in Australia.

The Fund is listed on both the Australian Securities Exchange (ASX) and the Singapore Securities Exchange (SGX).

The Fund became a registered scheme under the Corporations Act 2001 on 1 November 2004.

The investment objective of the Fund is to provide investors with regular quarterly income and the potential for long term capital growth. During the half year, the Fund continued to invest in a portfolio of property related securities diversified by property sector, geographic location and investment manager.

The Fund did not have any employees during the period.

Results and Review of Operations

The operating result for the financial half-year ended 31 December 2007 was a net loss of \$3.25 million (Dec 2006: net profit \$19.43 million). This result includes an unrealised loss on investments of \$13.15 million (Dec 2006: unrealised gain \$11.00 million) which reflects the recent global fall in securities markets generally and financial services and property securities in particular.

All amounts in this Financial Report are presented in Australian dollars, which is the Fund's functional currency, unless otherwise stated.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

DIRECTORS' REPORT
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

The performance of the Fund is represented by the aggregation of the percentage capital growth and percentage of distribution income to Australian registered Unitholders and Singapore registered Unitholders respectively, in the following table:

Performance

	ASX listed units		SGX listed units	
	Half-year to 31 December 2007	Year to 31 December 2007	Half-year to 31 December 2007	Year to 31 December 2007
	%	%	%	%
Distribution Return	4.47	8.33	3.68	8.35
Growth Return	(18.89)	(19.27)	(12.41)	0.70
Total Return	(14.42)	(10.94)	(8.73)	9.05

The distribution return is calculated on the basis of the gross distribution to Unitholders before deducting any withholding tax which may be applicable. The growth return relates to the movement in bid price on the respective ASX and SGX for the half-year to 31 December 2007.

Returns have been calculated after fees and assuming reinvestment of distributions within Australia, in accordance with IFSA Standard 6.00 *Product Performance - calculation and presentation of returns*.

Value of the Fund's assets

The Fund's total assets were valued at \$258.3 million as at 31 December 2007 (Jun 2007: \$235.1 million). At 31 December 2007, the Net Tangible Asset (NTA) value was 103.3 cents per unit (30 June 2007: 111.3 cents per unit). As a result of the uncertainty in securities markets and listed property securities in particular, the unit price has fallen below the fair value of its underlying assets and represents a discount to the NTA of 14.8% (30 June 2007: 3.2%). The NTA calculation excludes the Deferred Units on issue.

Distributions

Distributions paid or payable in respect of the half year were:

	Half-year to 31 December 2007		Half-year to 31 December 2006	
	\$'000	Cents per unit	\$'000	Cents per unit
Quarterly distributions Quarter ended 30 September (Interim) - paid	3,831	2.625	2,906	2.375
Quarter ended 31 December (Interim) - payable	4,649	2.625	2,915	2.375
	8,480	5.250	5,821	4.750

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

DIRECTORS' REPORT
INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

Significant Changes in the State of Affairs

During the half year, the Fund offered a 1 for 3 Renounceable Rights Issue for existing unitholders. The rights issue was available to resident unitholders of Australia, New Zealand and Singapore with 30.65 million new units issued. The issue price for the new units was \$A1.05 (\$S1.32), with net proceeds of \$A32.05 million received. The units commenced trading on the ASX and SGX on 24 October 2007.

The proceeds raised by the Rights Issue were used to repay \$20 million of bank debt on 29 October 2007. On 29 November and 21 December 2007, the facility was drawn in tranches of \$12 million and \$8 million respectively in order to take advantage of attractive investment opportunities as they arise. As at 31 December 2007, the facility was drawn to \$68 million representing a loan to value ratio of 26.3%. The facility is subject to a loan to value ratio not exceeding 30%. The Responsible Entity is currently in negotiation regarding the provision of long term financing for the Fund. We expect these negotiations to be concluded in March 2008.

Other than the matters referred to above, there have been no other changes in the state of affairs of the Fund.

Events Subsequent to Balance Date

In the period since 31 December 2007, the market value of the Fund's listed investment holdings has decreased by \$18.0 million (25.7%) to \$52.0 million as a result of the market volatility stemming from the sub-prime mortgage crisis. The substantial sell-off of property and financial services securities in particular has resulted in many securities trading at substantial discounts to their net asset backing. This position is expected to continue until market confidence is restored.

There has not arisen in the interval between the end of the financial half year and the date of this Report, any other item, transaction or event of a material or unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the half-year to 31 December 2007.

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (as amended) issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Signed in accordance with a resolution of the Directors of MacarthurCook Fund Management Limited.



Richard M Haddock
Chairman
MacarthurCook Fund Management Limited
Melbourne
28 February 2008



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of MacarthurCook Fund Management Ltd, the responsible entity of MacarthurCook Property Securities Fund:

I declare that, to the best of my knowledge and belief, in relation to the review for the financial year half-year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Andrea Waters
Partner

Melbourne

28 February 2008

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

INTERIM INCOME STATEMENT
FOR THE HALF-YEAR TO 31 DECEMBER 2007

	Note	31 Dec 2007 \$ '000	31 Dec 2006 \$ '000
Investment income			
Distribution income		12,481	7,239
Interest income		222	105
Placement fee income		280	1,483
Profit on sale of investments		353	2,148
Unrealised change in fair value of investments		(13,157)	11,003
Net change in fair value of derivatives		(35)	-
Other income		115	28
Net investment income		<u>259</u>	<u>22,006</u>
Expenses			
Responsible Entity fees		317	449
Administration expenses		572	372
Borrowing costs		2,537	1,704
Transaction costs		83	51
Total expenses		<u>3,509</u>	<u>2,576</u>
Net profit/(loss)		<u>(3,250)</u>	<u>19,430</u>
Distributions			
Distributions paid and payable	5	<u>8,480</u>	5,821
Undistributed income	4	<u>(11,730)</u>	<u>13,609</u>
Earnings per unit attributable to unitholders:			
Basic earnings per unit (cents)		(2.06)	15.82
Diluted earnings per unit (cents)		(2.04)	15.60

The Interim Income Statement is to be read in conjunction with the notes to the Interim Financial Statements set out on pages 10 to 14.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR TO 31 DECEMBER 2007

	Unitholders' Funds		Undistributed Income		Total equity	
	31 Dec 2007 \$ '000	31 Dec 2006 \$ '000	31 Dec 2007 \$ '000	31 Dec 2006 \$ '000	31 Dec 2007 \$ '000	31 Dec 2006 \$ '000
Opening balance	136,547	115,369	25,368	3,814	161,915	119,183
Net profit/(loss)	-	-	(3,250)	19,430	(3,250)	19,430
Transactions with unitholders						
Applications						
Ordinary units	33,011	23,680	-	-	33,011	23,680
Issue costs	(250)	(2,919)	-	-	(250)	(2,919)
Distributions paid/payable	-	-	(8,480)	(5,821)	(8,480)	(5,821)
Closing balance	169,308	136,130	13,638	17,423	182,946	153,553

The Interim Statement of Changes in Equity is to be read in conjunction with the notes to the Interim Financial Statements set out on pages 10 to 14.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

INTERIM BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	31 December 2007 \$ '000	30 June 2007 \$ '000
Assets			
Cash and cash equivalents		12,658	3,121
Receivables		4,907	4,518
Prepaid interest		-	13
Financial assets held at fair value through profit or loss			
Listed property securities		70,000	53,554
Unlisted property securities		170,751	173,961
Total assets		<u>258,316</u>	<u>235,167</u>
Liabilities			
Payables		2,686	1,796
Distribution payable	5	4,649	3,456
Interest bearing liabilities	6	68,000	68,000
Financial liabilities held at fair value through profit or loss			
Interest rate swap	6	35	-
Total liabilities		<u>75,370</u>	<u>73,252</u>
Net assets		<u>182,946</u>	<u>161,915</u>
Equity			
Undistributed income		13,638	25,368
Unitholders' funds		169,308	136,547
Total Equity	4	<u>182,946</u>	<u>161,915</u>

The Interim Balance Sheet is to be read in conjunction with the notes to the Interim Financial Statements set out on pages 10 to 14.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

	Note	31 Dec 2007 \$ '000	31 Dec 2006 \$ '000
Cashflows from operating activities			
Distributions received		11,686	7,020
Interest received		222	105
Placement fees		393	1,371
Other income		625	11
Interest and other finance costs		(2,376)	(1,813)
Other expenses		(859)	(872)
		<hr/>	<hr/>
Net cash inflow from operating activities		9,691	5,822
Cashflows from investing activities			
Proceeds on sale of investments		13,817	19,722
Purchase of investments		(39,506)	(25,095)
		<hr/>	<hr/>
Net cash outflow from investing activities		(25,689)	(5,373)
Cashflows from financing activities			
Proceeds from rights issue		32,047	-
Proceeds from public offer		-	22,783
Proceeds from borrowings		20,000	7,800
Repayment of borrowings		(20,000)	-
Issue costs		(146)	(3,241)
Distributions paid		(6,366)	(6,122)
		<hr/>	<hr/>
Net cash inflow from financing activities		25,535	21,220
Change in cash balance during the half year		9,537	21,669
Cash at the beginning of the half-year		3,121	699
		<hr/>	<hr/>
Cash at the end of the half-year		12,658	22,368

The Interim Statement of Cash Flows is to be read in conjunction with the notes to the Interim Financial Statements set out on pages 10 to 14.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

1. Reporting entity

The Fund is a registered Managed Investment Scheme under the Corporations Act 2001. The Interim Financial Report of the Fund is for the six months ended 31 December 2007. The Financial Report was authorised for issue by the Directors of the Responsible Entity on 27 February 2008.

2. Basis of preparation

(a) Statement of compliance

The Interim Financial Report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The Interim Financial Report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual Financial Report of the Fund as at and for the year ended 30 June 2007.

(b) Functional and presentation currency

The Financial Report is presented in Australian dollars, which is the Fund's functional currency.

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (as amended) issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3. Significant accounting policies

Except as described below, the accounting policies applied by the Fund in this Interim Financial Report are the same as those applied by the Fund for the year ended 30 June 2007.

AASB 2007-4 Amendments to Australian Accounting Standards arising from ED151 and Other Amendments (April 2007) (AASB 2007-4). This standard is mandatorily applicable for the first time to the December 2007 Interim Financial Report.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

3. Significant accounting policies (continued)

Derivative financial instruments

The Responsible Entity has put in place interest rate swaps, which are derivative financial instruments to hedge the interest rate risk of the Fund.

In accordance with its investment strategy, the Fund does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised in the Income Statement.

The fair value of interest rate swaps is the estimated amount that the Fund would receive or pay to terminate the swap at the balance date, taking into account current interest rates and the current credit worthiness of the swap counter parties.

4. Equity

	31 December 2007		31 December 2006	
	No. of Units '000	\$ '000	No. of Units '000	\$ '000
Opening balance	<u>147,288</u>	<u>161,915</u>	<u>123,595</u>	<u>119,183</u>
Applications				
Ordinary Units (a)	31,569	33,011	22,909	23,680
Issue costs (b)	-	(250)	-	(2,919)
Total Applications	<u>31,569</u>	<u>32,761</u>	<u>22,909</u>	<u>20,761</u>
Change in net assets attributable to Unitholders	-	(11,730)	-	13,609
Closing balance	<u>178,857</u>	<u>182,946</u>	<u>146,504</u>	<u>153,553</u>

(a) 920,430 Ordinary Units were issued as a result of the reinvestment of distributions pursuant to the Dividend Reinvestment Plan. A further 30,648,607 Ordinary Units were issued as a result of 1 for 3 Renounceable Rights issue and public offer in October 2007.

(b) Issue costs relate to the 1 for 3 Renounceable Rights Issue and Public Offer in October 2007.

All Ordinary Units in the Fund carry equal rights and each unit represents a right to the underlying assets of the Fund.

Deferred Units in the Fund carry no right to participate in any distribution of the Fund. Deferred Units are converted to Ordinary Units only when a Performance Fee is payable to the Responsible Entity. At 31 December 2007, 1,752,605 Deferred Units (2006: 1,752,605) were on issue.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

5. Distributions paid and payable

Distributions paid or payable in respect of the half year were:

	31 December 2007		31 December 2006	
	\$'000	Cents per unit	\$'000	Cents per unit
Quarter ended 30 September (Interim) - paid	3,831	2.625	2,906	2.375
Quarter ended 31 December (Interim) - payable	4,649	2.625	2,915	2.375
	8,480	5.250	5,821	4.750

6. Interest bearing liabilities

At 31 December 2007, the Fund had a fully drawn cash advance (revolving) facility with Oversea-Chinese Banking Corporation limited ("OCBC") of \$68 million (31 December 2006: \$50 million). The facility is repayable in full by 15 May 2008 unless extended by mutual agreement between OCBC and the loan is secured by a fixed and floating charge over the assets and rights of the Fund. The interest rate applicable to the loan is the BBSY plus 0.55% margin. The facility is subject to a loan to value ratio not exceeding 30.0%. As at 31 December 2007, the loan to value ratio was 26.3% (30 June 2007: 28.9%)

At 31 December 2007, the Fund had an interest rate hedge over the cash advance whereby the Fund pays OCBC a fixed interest rate of 7.55% on a notional amount of \$40 million and receives the floating rate at the time of payment. This derivative financial instrument results in the borrowings being 58.8% hedged.

7. Commitments and Contingent Assets and Liabilities

(a) Placement fee income

The Fund invests in a number of unlisted property securities for which a placement fee is receivable, contingent upon holding the securities until a specified date. A contingent asset of \$0.8 million relates to such placement fees (June 2007: \$0.1 million) over the five year period to 2012.

(b) Reimbursement fee

As at 31 December 2007, subject to the proper performance of its duties, the Responsible Entity would be entitled to a reimbursement fee of \$0.8 million (Dec 2006: \$1.2 million) if it were removed as the Responsible Entity of the Fund. The amount of the reimbursement fee which may become payable to the Responsible Entity is reduced by \$400,000 on each anniversary date of being listed such that no reimbursement fee is payable after 5 years from being listed on 17 December 2004.

8. Segment information

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Fund invests in property related securities. The Fund does not have any direct investments outside of Australia. A number of the listed and unlisted property securities in which the Fund has an investment may hold direct property outside Australia. The Fund does not look through the underlying investments of its investee funds in determining segment disclosures.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

9. Related parties

The responsible entity of the MacarthurCook Property Securities Fund is MacarthurCook Fund Management Limited (ABN 79 004 956 558) whose ultimate holding company is MacarthurCook Limited (ABN 64 009 110 463). MacarthurCook Limited is incorporated in Australia.

The Fund may purchase and sell units in other approved funds managed by the Responsible Entity in the ordinary course of business at application and redemption prices calculated in accordance with the constitution of those funds. Details of the Fund's investments in other funds operated by the Responsible Entity are set out below.

Fund Name	31 December 2007			30 June 2007		
	Units held	Net fair value \$ '000	Interest held %	Units held	Net fair value \$ '000	Interest held %
MacarthurCook Asian Real Estate Securities Fund	4,711,990	2,450	9.42	4,711,990	4,712	9.42
MacarthurCook Industrial Property Trust (Wholesale Units)	-	-	-	10,906,590	12,306	16.53
MacarthurCook Industrial Property Trust (Underwriter Units)	-	-	-	1,400,000	1,400	2.12
MacarthurCook Industrial Property Fund	15,233,590	13,883	15.66	-	-	-
MacarthurCook Office Property Trust (Wholesale Units)	10,258,376	8,888	33.84	10,258,376	10,252	27.41
MacarthurCook Retail Property Trust (Underwriter Units)	-	-	-	4,430,837	4,431	19.59
MacarthurCook Retail Property Trust (Wholesale Units)	3,411,485	4,346	15.54	-	-	-
		<u>29,567</u>			<u>33,101</u>	

The Fund holds 10.26 million (33.84%) units in MacarthurCook Office Property Trust. At the time of purchase, this unit holding represented 19.97% of the units on issue and the Fund has not acquired any additional units.

On 19 February 2007, the Fund entered into an agreement to sub-underwrite 5,000,000 units in the MacarthurCook Asian Real Estate Securities Fund (ASX code: MSAS) upon MSAS listing on the ASX. In consideration for the Fund entering into this agreement MacarthurCook Limited agreed to pay the Fund an income yield of 10% per annum on its investment in MSAS. This income yield is in addition to any income distributions that the Fund may receive from MSAS.

MacarthurCook Limited may direct the Fund to sell these units in MSA provided that they are sold for no less than \$1.00 per stapled security. The Fund purchased 4,700,000 units in accordance with this agreement.

On 31 July 2007, the Fund redeemed \$1.4 million Underwriting units in MacarthurCook Industrial Property Fund.

On 10 October 2007, MacarthurCook Fund Management Limited underwrote the one for the rights issue in the Fund to the value of \$5 million receiving 4,761,905 units and received a 1% underwriting fee of \$50,000.

On 19 October 2007, MacarthurCook Limited, the ultimate parent company of the Responsible Entity took up its entitlement in the one for three rights issue and received 157,161 units in the Fund.

On 3 December 2007, the Fund invested \$4.5 million in MacarthurCook Industrial Property Fund through the Renounceable Rights Issue and Public Offer.

MACARTHURCOOK PROPERTY SECURITIES FUND
(ARSN 111 442 150)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

9. Related parties (continued)

Other than the items noted above there are no significant changes to the related party transactions noted in the last annual report.

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time the Responsible Entity or its director-related entities may invest in or withdraw from the Fund. These transactions are subject to the same terms and conditions as those entered into by other Fund investors and are subject to corporate governance policies of the MacarthurCook Group.

10. Events Subsequent to Reporting Date

In the period since 31 December 2007, the market value of the Fund's listed investment holdings has decreased by \$18.0 million (25.7%) to \$52.0 million as a result of the market volatility stemming from the sub-prime mortgage crisis.

There has not arisen in the interval between the end of the financial half year and the date of this Report, any other item, transaction or event of a material or unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund.

MACARTHURCOOK PROPERTY SECURITIES FUND

(ARSN 111 442 150)

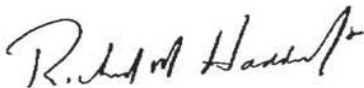
DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

In the opinion of the Directors of MacarthurCook Fund Management Limited, the Responsible Entity of MacarthurCook Property Securities Fund ("the Fund"):

- (a) the Financial Statements and Notes set out on pages 7 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Fund as at 31 December 2007 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and

- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of the Responsible Entity, MacarthurCook Fund Management Limited.



Richard M Haddock (Chairman)
MacarthurCook Fund Management Limited
Melbourne

28 February 2008



Independent auditor's review report to the unit holders of MacarthurCook Property Securities Fund

We have reviewed the accompanying interim financial report of MacarthurCook Property Securities Fund (the "Scheme"), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies, other explanatory notes 1 to 10 and the directors' declaration set out on pages 6 to 15.

Directors' responsibility for the financial report

The directors of the Scheme are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Scheme's financial position as at 31 December 2007 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Scheme, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of MacarthurCook Property Securities Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Scheme's financial position as at 31 December 2007 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

Andrea Waters
Partner

Melbourne

28 February 2008