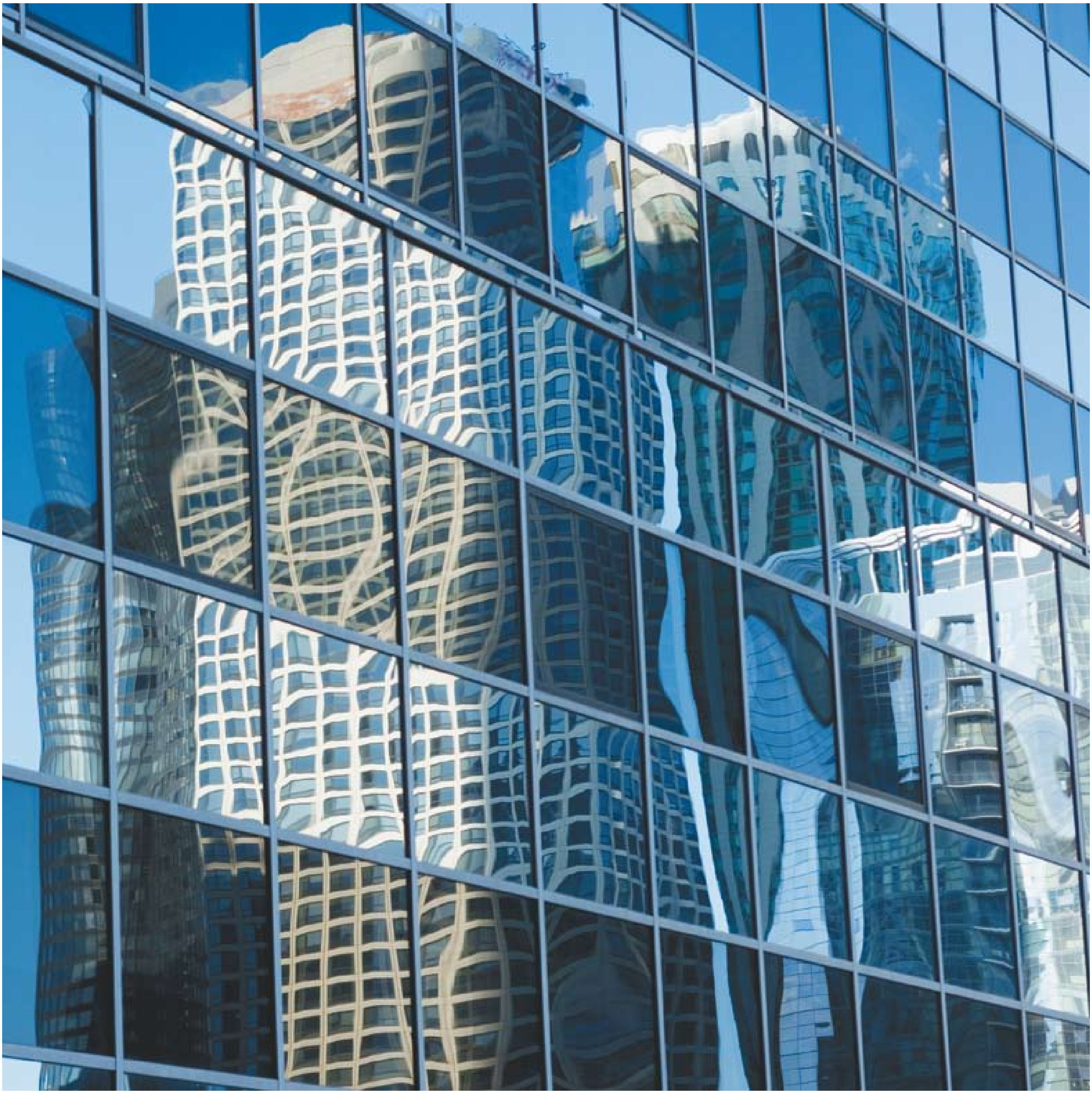

MACARTHURCOOK
PROPERTY SECURITIES FUND

ASX code: MPS

SGX code: MacCookPSF

GAINING A STRONGHOLD
ANNUAL REPORT 8

MACARTHURCOOK
INTERNATIONAL REAL ESTATE INVESTMENT MANAGERS

MacarthurCook Property Securities Fund
2008 Annual Report

THE MACARTHURCOOK PROPERTY SECURITIES FUND IS GAINING A STRONG HOLD.

THE OUTLOOK FOR THE NEXT FINANCIAL YEAR IS EXPECTED TO BE CHALLENGING.

WE DO BELIEVE HOWEVER, THAT THESE MARKET DISLOCATIONS ARE TEMPORARY AND THE REALISATION OF VALUE IN OUR INVESTMENTS WILL UNFOLD OVER THE LONG TERM.

OUR PRIORITY IS TO CONTINUE DELIVERING RELATIVELY HIGH AND SUSTAINABLE INCOME RETURNS OVER THE LONGER TERM AND PROVIDING UNITHOLDERS WITH THE POTENTIAL FOR LONG TERM CAPITAL GROWTH.

ABOUT THE FUND

The MacarthurCook Property Securities Fund (the “Fund”) is a diversified real estate securities fund, invested across a range of unlisted and listed property trusts and companies. It accesses the skills of MacarthurCook and other leading property investment managers.

The Fund is listed on the Australian Securities Exchange (ASX code: MPS) and the Singapore Exchange (SGX code: MacCookPSF).

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Financial Highlights 2008

10.5c

Distribution of 10.5 cents per unit ("cpu"), in line with forecasts

$32m

Capital raising of $32 million

Further diversification of underlying investments by sector and geographic location

debt

Reduction in debt and renewal of existing debt facility

Financial result summary for year ended 30 June	**2008**	**2007**	**% change**
INCOME STATEMENT			
Distribution and interest income ($m)	27.5	16.1	70.8
Net realised gains on securities	0.7	3.3	(78.8)
Other income ($m)	0.9	2.5	(64.0)
Total expenses ($m)	(7.1)	(5.1)	39.2
Net profit before unrealised change in value of investments and derivatives ($m)	22.0	16.8	31.0
Unrealised change in value of investments and derivatives ($m)	(63.8)	17.5	(464.6)
Net profit/(loss) ($m)	(41.8)	34.3	(221.9)
BALANCE SHEET			
Total assets ($m)	204.6	235.2	(13.0)
Net assets ($m)	135.4	161.9	(16.4)

Key unitholder information for year ended 30 June	**2008**	**2007**	**% change**
Earnings per unit (cents)	(25.0)	25.6	(197.7)
Distributions per unit (cents)	10.5	9.5	10.5
Tax-advantaged percentage of distributions (%)	71.6	65.5	9.3
Total unitholder return for the year (%)	(59.9)	18.7	(420.3)
Net asset backing per unit (A$)	0.76	1.11	(31.5)
Units on issue (excluding the Responsible Entity's deferred units) (end of year) (m)	177.8	145.5	22.2
Unitholders' equity ($m)	135.4	161.9	(16.4)
Market capitalisation ($m)	66.7	155.7	(57.2)
Unit price (last sale price) ($)	0.375	1.07	(65.0)

Chairman's Report

Mr Richard Haddock
Independent Chairman

On behalf of the Board of MacarthurCook Fund Management Limited, the responsible entity (the "Manager"), of the MacarthurCook Property Securities Fund (the "Fund"), I present the Annual Report for the 2008 financial year.

During the year, the Fund was successful in meeting its distribution forecast. This was a result of being able to realise significant gains from many of our investments.

The 2008 financial year, however, was in many respects a year of significant contrasts. Whilst the first few months of the financial year continued on the positive trend of recent years, characterised by strong international equity markets and relatively ample liquidity, by October 2007, the same markets were marked by a reversal of these conditions. What began as an isolated crisis in the US sub prime mortgage market, has since had broader ramifications for the global and Australian stock markets and confidence in the strength of the US economy. This has resulted in a contraction in global credit markets, heightened risk aversion and falls in stock markets to levels not seen in years.

We are acutely aware that the Fund and its underlying investments have been significantly impacted as a consequence of these uncertainties and the resulting loss of investor confidence and demand across investment markets generally. The Fund's unit price has experienced significant downward pressure along with that of many other property funds, decreasing on the Australian Securities Exchange (ASX) from A$1.070 to A$0.375 by year's end. The Fund's unit price on the Singapore Exchange (SGX) decreased from S$1.39 at listing to S$0.665 at year end.

We are equally strong in the view that the current unit prices in no way reflect an accurate value for the Fund and that over time the prices should increase to be more in line with the underlying investment values once greater stability returns to stock markets. With over 80% of the Fund invested in unlisted property trusts, the Fund's net tangible asset backing (NTA) has been partially protected against the general decline in the value of the portfolio's listed securities.

During the year, we have undertaken the following prudent initiatives to manage our capital and reduce the Fund's debt facility:

- Successfully raised $32.0 million through a 1 for 3 Renounceable Rights Issue;
- Redeemed investment holdings to lower the Fund's debt and to make investments which offered an income return above the portfolio income yield; and
- Renewed the Fund's existing debt facility until May 2009.

We believe these measures have strengthened the Fund and ensured that when the negative sentiment surrounding the financial markets clears, we will be well-placed to take advantage of further investment opportunities that are bound to emerge.

Distributions

For the year to 30 June 2008, the Fund delivered as forecast a distribution of 10.5 cents per unit ("cpu") of which 71.6% was tax deferred.

The Fund's Distribution Reinvestment Plan was in operation for the first and second quarter of the financial year. The Plan enabled participating unitholders to acquire additional units in the Fund at a discount of 2.5% to market price, without brokerage or other transaction costs. The Plan was discontinued during the third and fourth quarter.

In June 2008, the Board determined that the forecast distribution for the 2009 financial year would be approximately 7.0 cpu. The decision to pay a lower distribution was deemed prudent by the Board to ensure the distributions to be paid to investors reflected a more sustainable level of earnings, going forward.

Focus on diversification and research

Since the Fund's inception, the Manager has focused on providing investors with the benefits of an investment portfolio that is highly diversified across a broad range of leading fund managers, property sectors and geographic locations.

Currently diversified across 27 property investment managers and 53 listed and unlisted property funds, the Fund's reliance on any one manager or fund for its property-based income streams is greatly reduced. The Fund will continue to identify those investment managers and funds that are likely to deliver secure income and consistent long-term investment performance.

The Fund will maintain a considerable percentage (between 50% and 90%) of its investments in the unlisted property trust sector, which has historically delivered relatively high levels of tax-advantaged income, but it will also look to take advantage of investment opportunities in the listed market that have occurred as a result of the recent decline in the listed property trust (REIT) sector.

Details of the Fund's investment approach and investment portfolio are highlighted on pages 9 to 17.

With our intensive research and active approach to portfolio management and commitment to enhancing returns from our portfolio, we believe the Fund will satisfy its long term investment objectives of providing investors with regular income which is stable and sustainable, and provide the potential for long term growth.

Compliance

We are dedicated to maintaining a high level of disclosure and consistently review all methods of communication to ensure that investors are kept informed of important issues affecting their investment. In addition to disclosing updates through stock exchange announcements on the ASX and SGX, we hold investor meetings at least annually, to allow investors to meet with the Fund's management and to be updated on the Fund's performance. We believe these announcements and meetings are an important part of investor communication.

Staff and Directors

The past year has been one of significant activity for the Fund, albeit in very difficult market circumstances. We would like to thank Mr Craig Turnbull, who resigned in June 2008 as Head of Real Estate Securities of MacarthurCook to pursue other professional interests. Craig has contributed to the growth of MacarthurCook's Real Estate Securities business since joining us in 2005. We also congratulate Mr Mario Saccoccio, who has been appointed as the Fund Manager of the Fund. Mario joined MacarthurCook in 2004 as a Real Estate Securities Analyst, focusing on Australia and New Zealand. He assisted in successfully listing the Fund in 2004 and brings with him a deep understanding of the Australian property market.

Finally, I would like to extend my appreciation to my fellow Board members and on behalf of the Board, thank the management team and staff for their commitment and contribution to the financial year ended 30 June 2008.

I would also like to thank investors for their support and understanding during these difficult market conditions.

Richard Haddock
Independent Chairman

Fund Manager's Report

Mario Saccoccio
Fund Manager
MacarthurCook Property Securities Fund

The financial year to 30 June 2008 has been a significant yet challenging year for the MacarthurCook Property Securities Fund (the "Fund").

As indicated, the Fund delivered as forecast, a distribution of 10.5 cents per unit ("cpu") for the year to 30 June 2008. Distribution income increased 71% to $27.5 million from the previous year.

The underlying profitability, excluding unrealised change in value of investments has increased by $7.8 million to $21.3 million.

Basic earnings per unit taking into account unrealised change in value of investments was a loss of 25 Australian cpu. The Fund's unrealised loss on investments of $63.1 million, which resulted in a net loss of $41.8 million, was largely due to the fall in the listed securities markets.

Other key operating indicators during the year:

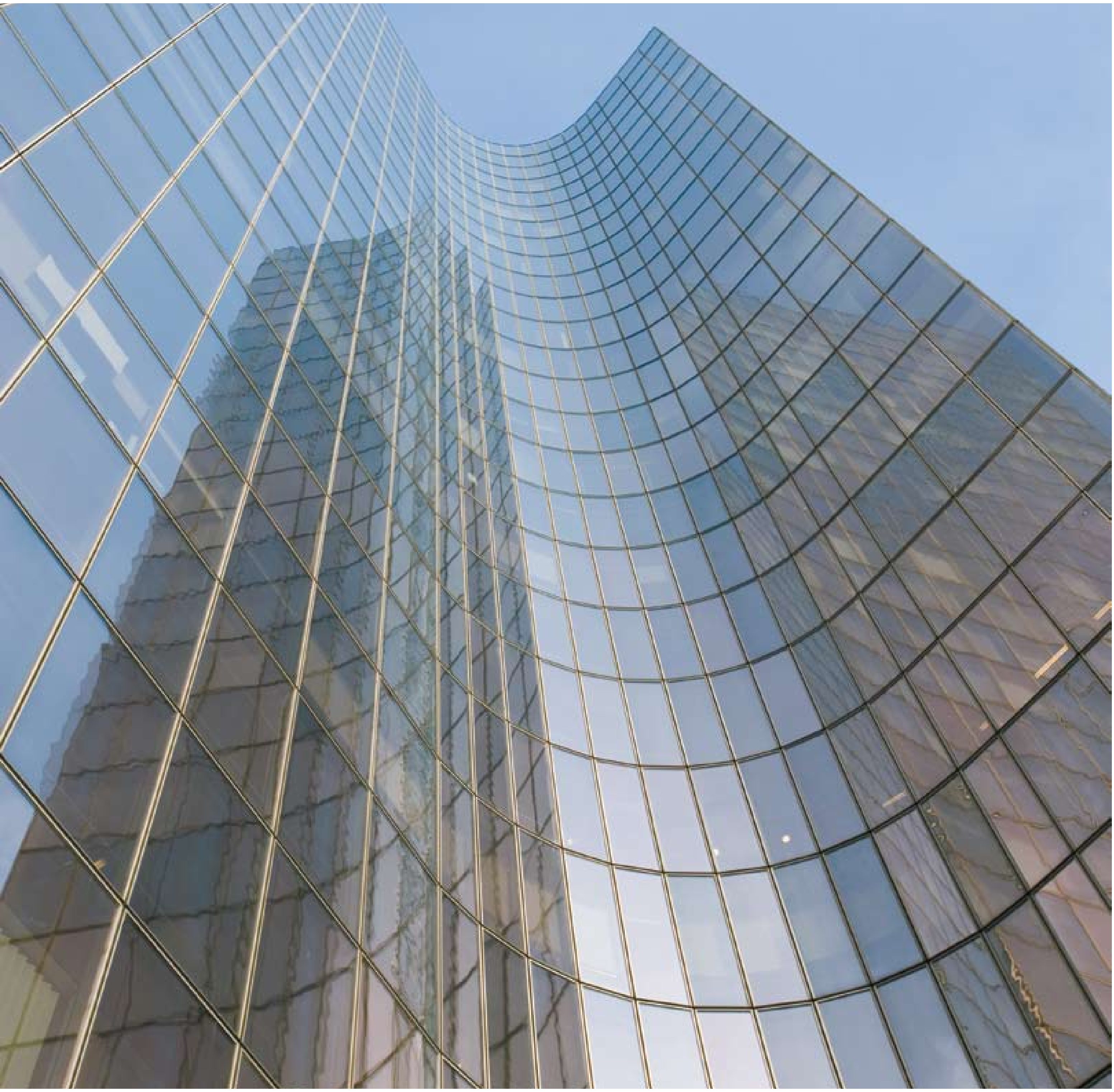
- Total assets decreased by 13.0% to $204.6 million as the fair value of listed and unlisted property securities fell;
- Cash and cash equivalents increased to $11.2 million from $3.1 million last year;
- Net tangible assets per unit were $0.76 at year end.

Portfolio allocation

During the year, the Fund had actively sought domestic and international investments as a means to further diversify its portfolio and to take advantage of attractive overseas market conditions. The Fund's acquisitions include:

- APN Champion Retail Fund: A syndicate, with a portfolio of Carrefour-anchored supermarkets in Greece;
- MacarthurCook Industrial Property Fund: A REIT with a portfolio of industrial assets predominantly located in Australia; and also exposure to Singaporean and Japanese industrial property via its 10% interest in the Singapore Exchange listed MacarthurCook Industrial REIT;
- Reed Property Trust: A diversified, unlisted property trust, with most of its assets located in Queensland;
- Australian Education Trust: A REIT that predominantly comprises of childcare centres located throughout Australia and New Zealand;
- Challenger Kenedix Japan Trust: A REIT that has a portfolio of retail property assets located throughout Japan; and
- Prime Retirement and Aged Care Property Trust: A REIT comprising retirement property assets located across Australia's east coast, predominantly in Queensland.

The Fund had also redeemed holdings in several unlisted property funds to benefit from appreciations in the capital value of its investments and free up cash to reduce the Fund's debt and make investments, which offer income returns in excess of the portfolio income yield. This is in line with the Fund's ongoing policy to review and redeem holdings in investments where they are considered fully or over valued and reinvest these monies into undervalued listed securities.



CAPITAL MANAGEMENT

IN SEPTEMBER 2007, THE FUND ANNOUNCED A 1 FOR 3 RENOUNCEABLE RIGHTS ISSUE, WHICH RAISED ADDITIONAL EQUITY OF OVER $32 MILLION. PROCEEDS FROM THE RIGHTS ISSUE WERE USED TO REPAY DEBT, AND TAKE ADVANTAGE OF INVESTMENT OPPORTUNITIES.

Well-diversified portfolio

During the year, the Fund's diversification increased across sectors and geographic locations. The Fund's investments are diversified across 27 property investment managers and 53 listed and unlisted property funds. This diversity is further enhanced by the diversification within the portfolios of underlying investments.

The Fund's sector allocation is spread between the traditional sectors of office, retail and industrial, and also the non–traditional sectors of childcare, healthcare, accommodation and hotels. The non-traditional sectors are largely accessed through unlisted property trusts that have historically delivered strong returns.

The Fund also provides geographic diversification both locally and internationally, with the Fund's international exposure in Europe, the United States, Asia and New Zealand. The portfolio weighting across different classes is carefully balanced to ensure that the Fund continues to make relatively high distributions to unitholders within a low risk investment framework to help reduce the impact of broader economic and property-specific cycles.

More details of the Fund's investment portfolio are provided on pages 13 to 17.

Capital management

In September 2007, the Fund announced a 1 for 3 renounceable rights issue, which raised additional equity of over $32 million. Proceeds from the rights issue were used to repay debt, and take advantage of investment opportunities.

On 25 July 2008, the Fund repaid $5 million of its debt, reducing its facility of $63 million, which had been renewed until May 2009, to $58 million. In November 2007, the Fund entered into a three-year interest rate swap to fix the interest rate for $40 million of its debt, to protect the Fund's investors from interest rate increases. The Fund will further reduce the debt facility to $50 million by March 2009 and actively manage the interest rate risk associated with the un-hedged component of the Fund's borrowings over the course of the 2009 financial year.

Distribution target

In June 2008, the Board determined that the distribution for the 2009 financial year would be approximately 7.0 cpu. The decision to pay a lower distribution was not taken lightly but given current market conditions, it was deemed prudent by the Board to ensure the distributions paid to investors reflected a more sustainable level going forward. It also reflected a number of specific factors including:

- distributions being reduced or suspended on a number of the Fund's underlying investments;
- increased borrowing costs on the Fund's new debt facility;
- reduction in placement fees received in the period; and
- monies utilised to reduce the Fund's debt from $63 million to $50 million over the period to March 2009.

The first distribution of 1.75 cpu for the 2009 financial year, is estimated to be paid to unitholders for the quarter ending 30 September 2008.

Real estate sector

Industrial property

Australian industrial property has performed strongly over recent years; however, since early 2008 business confidence has fallen due to the world credit crunch. Higher interest rates have resulted in a flattening of industrial sales activity and a general weakening in investment yields, but to a lesser extent in Western Australia and Queensland. However, increasing rental levels due to fixed percentage increases in leases have mitigated the weakening in investment yields.

The Perth and Brisbane markets are expected to be the stronger performing markets driven by robust demand as a result of strong state economies and the resources demand, especially from China.

Office property

Underpinned by firm domestic demand, increased migration, rising commodity prices and employment growth the Australian office sector remains solid, although signs have emerged of a softening from current levels. The office sector is exhibiting strong fundamentals including low vacancies, firm demand and limited speculative short term supply.

Office vacancy levels are effectively zero in Perth and Brisbane given the expansion in office space requirements on the back of their respective strong economies, fueled by the resources sector. Perth has less proposed and approved supply than Brisbane going forward.

Sydney is displaying solid growth prospects given low forecast supply, however this will be curbed given the downturn in global markets, which is expected to negatively impact the space demanded within the city centre.

Retail property

The retail sector is expected to remain sound and deliver a robust performance for premium assets despite negative retail sales growth domestically in June.

Rising petrol and mortgage rates are clearly having a negative impact on the consumer, which will impact retail sales for some time. In such a climate it is not unexpected, that the supermarket-based shopping centres are outperforming the centres which have a large exposure to discretionary spending.

Outlook

Given widespread economic uncertainty and volatile international capital markets, the outlook for the next financial year is expected to be challenging. We do believe, however, that the realisation of value in our investments will unfold over the long term. Our priority is to continue managing the Fund's investments and to seek to continue to pay relatively high and sustainable income returns over the longer term and provide unitholders with the potential for long term capital growth.

As indicated in the Chairman's letter, we certainly hold the view that the Fund's respective listed prices on the ASX or SGX do not in any way accurately reflect the underlying value of the investments.

We are confident that as market conditions stabilise, we will see much stronger demand for the Fund and a corresponding increase in unit prices.

Mario Saccoccio
Fund Manager

MacarthurCook
Property Securities Fund

MacarthurCook Fund
Management Limited

DISTRIBUTION TARGET

IN JUNE 2008, THE BOARD DETERMINED THAT THE DISTRIBUTION FOR THE 2009 FINANCIAL YEAR WOULD BE APPROXIMATELY 7.0 CPU. THIS REPRESENTS A YIELD OF 18.7% ON THE UNIT PRICE AS AT JUNE 2008.

Investment Approach

Strategy

In order to provide investors access to a broad range of property investment vehicles, the MacarthurCook Property Securities Fund invests in:

- unlisted property trusts/syndicates;
- listed wholesale direct property funds;
- listed property trusts (REITs);
- listed property-related companies; and
- cash and fixed interest securities.

The Responsible Entity has established sector categories and indicative medium to long term asset allocation ranges of the Fund as follows:

Asset sector	Range %	Current target %
Unlisted direct property funds	50-90	58
Listed property trusts (REITS) and companies	10-50	40
Cash and fixed interest securities	0-10	2

These asset allocation ranges have been reviewed in light of current market conditions.

Syndicates and a number of the unlisted funds are closed ended in nature. The Fund aims to invest in funds with varying redemption periods. This is to provide a consistent range of maturities, so that the Fund can then potentially benefit from the appreciating capital values of the unlisted property trusts / syndicates on a continual rolling basis. This should also enable the Fund to deliver a smoother return profile as well as freeing up cash for new investment opportunities on a regular basis.

Listed property trusts and companies (given their current target 40% weighting in the Fund) are essentially used to balance the Fund's property sector and geographic weightings from time to time, as well as to take advantage of arbitrage opportunities when the listed market is trading at a significant discount to the underlying real estate value.

Approach

The Fund has a value approach whereby the value of the property vehicle is compared to the level of sustainable rental income. In seeking relatively high value investments, the Responsible Entity aims to identify those property vehicles that are expected to provide a higher total return than property investments with a similar risk profile. While the capital values of all categories of income producing investments fluctuate, the least volatile investments are those that are assessed by the market as having sound, long term revenue streams.

The fundamental objective is to provide portfolio diversification that is designed to minimise risk through exposing the Fund to a weighted mix of property-based income streams generated by a large number of properties in a variety of property categories, situated in different geographic locations.

The research of specific investment opportunities in which the Fund may purchase units, shares or syndicated/ unlisted interests includes:

- Assessing the long term utility of underlying assets.
- Identifying the demand for, and likely future supply of, property space in the markets in which the underlying assets are located by analysing projected changes to relevant:
  - population growth rates and demographic trends;
  - town planning regulations;
  - employment statistics; and
  - industry investment sentiment.

- Appraising the skills and fees of asset and fund managers, including their:
  - overall investment philosophy, and whether it is capable of delivering a sustainable competitive advantage;
  - ability, through research, to identify changes in the environment in which the assets they administer are located and how such changes will impact on investment performance;
  - staff capacity/resources to manage upgrade, extension and re-leasing programs. This is particularly important for major retail assets in respect of which customers expect an evolving physical environment. This requires asset managers to be able to keep their centres in demand from the current generation of successful specialty shop traders;
  - debt management skills and experience;
  - current level of funds/assets under management;
  - commitment to growing the rate of distributable income generated by the assets they manage; and
  - ownership structure/stability of the management team.
- Having a detailed understanding of:
  - the quantum and terms of any borrowing arrangements that the entity may have entered into including interest rates, hedging, roll over and retirement provisions;
  - lease expiry profiles;
  - rent review provisions; and
  - quality of tenant covenants.

While the monitoring of market risk provides a top-down or big picture element to the selection of individual investments, our style has a bottom-up bias, which requires a thorough understanding of the detail of each of the underlying assets.

Investment ideas ➡	**Analyst review ➡**			**Portfolio construction**	
Unlisted property trusts/syndicates **Wholesale property funds** **Listed property related companies** **Real Estate Securities (REITs)**	**Quality tests** • Skills of manager • Quality of Fund • Quality of properties • Debt management skills • Commitment to income growth • Financial strength • Proven management • Business model strength	**Valuation**	**Investment recommendation report and peer discussion**	**Weighting in portfolio** • Risk control parameters • Sector allocation • Geographic diversification • Target income yield • Target tax advantaged component	**Ongoing review** • Still meeting income and capital growth expectations • Relative attractiveness to alternative investment ideas

Risk control parameters

The following investment guidelines established by the Responsible Entity in respect of the Fund are observed so as to assist in minimising the risk to the Fund of underperformance in respect of any other particular investment. These risk control parameters have been reviewed and additional risk controls added in light of the performance of some of the Fund's investments over the past year and current market conditions.

1.	Maximum underwriting exposure in any security	19.9% of the Fund value with a requirement to reduce to 15% within 12 months
2.	Maximum investment in any one security	15% of the Fund value
3.	Maximum exposure to any one manager	20% of the Fund value
4.	Maximum exposure to any one tenant	10% of the Fund value
5.	Maximum exposure to overseas property	40% of the Fund value
6.	Maximum holding of units in any investee fund	19.9% of investee fund
7.	Minimum size of investee fund	$20 million
8.	Minimum funds under management of manager of investee fund	$50 million
9.	Maximum gearing ratio of investee fund	65% of total gross asset value of investee fund for unlisted funds and 50% of total gross asset value of investee fund for listed entities
10.	Minimum net tangible asset backing in respect of investee fund	$0.90 for each dollar invested in the investee fund (after the rebate of any Placement Fees)
11.	Minimum amount of rental income in any investee fund	60% of earnings of investee fund
12.	Minimum interest cover of investee entities	2 times
13.	Minimum distribution cover in any investee fund	90% of investee fund's distributions

Investment in MacarthurCook managed property funds

Where the Fund invests in any property funds of which a member of the MacarthurCook Group is the Responsible Entity, the property funds must satisfy all of the relevant above-mentioned investment guidelines. Any investments in MacarthurCook Group managed property funds must not incur entry or exit fees and must incur a wholesale annual management fee of no greater than 0.75% per annum of gross assets.

VALUE APPROACH

THE FUND REDEEMED HOLDINGS IN SEVERAL UNLISTED PROPERTY FUNDS TO BENEFIT FROM APPRECIATIONS IN THE CAPITAL VALUE OF ITS INVESTMENTS AND FREE UP CASH TO REDUCE THE FUND'S DEBT AND MAKE INVESTMENTS, WHICH OFFER INCOME RETURNS IN EXCESS OF THE PORTFOLIO INCOME YIELD.

Investment Portfolio

Overview

The Fund as at 30 June 2008 had total assets of A$204.6 million. Of this, $188.2 million is invested in unlisted and listed property funds covering 53 different property funds managed by 27 different specialist property investment managers.

Asset allocation %

Unlisted Property	88.4*
Listed Property	11.6

Sector allocation %

Office	35.4
Retail	29.1
Industrial	14.9
Childcare	5.7
Healthcare	4.6
Hotel	4.3
Carpark/Service Centre	2.6
Residential (Aged/Comm Living)	2.2
Other	1.2

Geographic allocation %

Victoria	22.0
New South Wales	20.0
Queensland	13.8
South Australia	5.5
Western Australia	5.4
Australian Capital Territory	4.1
Tasmania	1.3
Europe	11.0
USA	10.8
Asia	4.7
New Zealand	1.4

* Includes investments on the Bendigo Stock Exchange (BSX)

Manager allocation %

Reed	12.2
Orchard	11.2
APN	9.8
MacarthurCook	8.6
MAB	8.0
Investa	7.4
Mirvac	6.5
Centro	4.7
Austgrowth	4.7
Over Fifty	4.1
Macquarie	2.9
MPG	2.8
Toga	2.7
Ray White	2.4
Stockland	2.1
Teys	1.6
Rimcorp	1.6
Australian Unity	1.3
ING	1.1
Challenger	0.9
Austock Property Management	0.6
Cromwell Group	0.6
Reckson	0.6
Rubicon	0.5
Prime	0.5
Mariner	0.4
Trinity	0.3

Investment Portfolio
Continued

The portfolio

The Fund as at 30 June 2008 had total assets of A$204.6 million. The Fund has $188.2 million invested in unlisted and listed property funds covering 53 different property funds managed by 27 different specialist property investment managers.

	Sector	Fund size/market capitalisation $m	Investment allocation %	Investment value $m
Unlisted property funds / syndicates				
APGF Diversified	Diversified	141.6	1.4	2.5
APGF Facility Agreement	Diversified	*	1.3	2.5
APN Champion Retail Fund[1]	Retail	31.4	4.3	8.0
APN/UKA Poland Retail Fund	Retail	118 .0	4.1	7.8
Austgrowth Property Syndicate No.22 (St Kilda Road)	Office	39.3	2.0	3.7
Australian Unity Retirement Notes	Retirement	24.0	1.3	2.5
Centro MCS 32	Retail	321.0	0.7	1.3
Centro MCS 33	Retail	249.0	0.9	1.7
Centro MCS 35	Retail	113.0	1.3	2.4
Centro MCS 36	Retail	314.7	1.5	2.9
ING Real Estate Direct Office[2]	Office	8.1	1.1	0.3
Investa Diversified Office Fund	Office	529.6	7.4	13.9
MAB Diversified Property Trust	Diversified	166 .0	4.3	8.0
MAB International Retail Trust	Retail	92.0	3.7	7.0
MacarthurCook Office Property Trust[3,4]	Office	72.0	3.8	7.1
MacarthurCook Retail Property Trust[4]	Retail	84.3	0.2	0.4
Macquarie Direct Property Fund	Diversified	1,092.7	2.7	5.2
Mirvac Domaine Hunter Fund	Diversified	73.5	1.6	2.9
MPG Bulky Goods Retail Trust	Retail	58.1	2.8	5.3
OFM Direct Property Trust	Diversified	106.6	4.1	7.8
Orchard Childcare Property Fund	Childcare	283.0	4.4	8.3
Orchard Commercial Office Fund	Office	638.0	3.2	6.0
Orchard Essential Healthcare Trust	Healthcare	195.1	2.9	5.4
Ray White Invest Service	Service Stations	59.2	2.4	4.4
Reed Property Trust	Retail	181.0	4.3	8.1
Reed Property Trust - Facility Agreement (Tranche 2)	Diversified	*	2.7	5.0
Reed Property Trust - Facility Agreement (Tranche 4)	Diversified	*	2.7	5.0
Reed Property Trust - Facility Agreement (Tranche 5)	Diversified	*	2.7	5.0
Rimcorp Property Trust - No. 4	Industrial	32.2	1.6	3.0
Stockland Direct Office No.3	Office	143.5	2.1	4.0
Teys Strata Mortgage Trust - Wholesale Facility	Residential	*	1.1	2.0
Teys Strata Mortgage Trust - Wholesale Facility (Tranche 2)	Residential	*	0.5	1.0
Toga Accommodation Fund	Accommodation	326.0	2.7	5.0
Trinity Property Trust	Diversified	581.4	0.3	0.6
Group listed on an exchange				
APN Regional Property Fund	Retail	82.7	1.0	1.9
APN/UKA European Retail Property Group	Retail	140.9	0.4	0.8
Australian Education	Other	93.1	0.6	1.2
Centro Retail Group	Retail	685.9	0.3	0.6
Challenger Kenedix Japan	Retail	127.6	0.9	1.7
Cromwell Group	Diversified	566.9	0.6	1.1
ING Real Estate Community Living	Other	178.6	0.6	1.1
ING Real Estate Entertainment Fund	Entertainment	113.6	0.4	0.8
MacarthurCook Asian Real Estate Securities Fund	Diversified	16.5	0.8	1.6
MacarthurCook Industrial Property Fund	Industrial	66.9	3.8	7.1
Macquarie DDR Trust	Retail	381.1	0.1	0.2
Mariner America Property Income Trust	Office	66.0	0.4	0.7
Mirvac Industrial Trust	Industrial	99.8	0.6	1.1
Mirvac PFA Diversified Property Trust	Diversified	165.0	4.3	8.1
Orchard Industrial Fund	Industrial	117.3	0.7	1.4
Prime Trust and Aged Care	Retirement	255.9	0.5	0.9
Reckson NY Office Trust	Office	69.8	0.6	1.1
Rubicon Europe	Diversified	54.5	0.3	0.5
Rubicon Japan	Diversified	38.3	0.3	0.5

[#] Weighted average lease expiry for the Fund stands at 5.9 years.
* These are short term investments for which the terms and conditions are commercially sensitive.

Fund ownership of vehicle %	2007/08 forecast tax-advantaged component %	Term expiry	Number of properties	Weighted average lease duration by income (years)#
4.6	100	Open Ended	8	3.5
*	*	2008	*	*
25.5	80	2013	16	13.6
5.9	65	2011	1	2.2
19.0	85	2011	1	2.8
10.4	N/A	2012	3	N/A
0.6	45	2010	15	5.3
1.5	70	2011	6	4.0
4.1	72	2012	3	4.1
1.8	70	2012	30	4.6
18.6	60	2008	-	2.2
5.4	100	Open Ended	15	3.8
10.8	70	2010	11	3.9
18.8	90	2014	6	7.2
33.8	100	Open Ended	3	1.5
15.5	100	Open Ended	2	1.9
0.7	86.7	Open Ended	16	4.7
13.4	28.5	2008	6	3.9
19.7	100	2013	3	5.7
19.6	90	2010	4	2.7
4.0	100	Open Ended	225	7.0
2.0	100	Open Ended	11	3.3
5.6	100	2012	13	22.6
18.6	0	2011	12	6.3
11.0	100	Open Ended	9	8.7
*	*	2008	*	*
*	*	2008	*	*
*	*	2008	*	*
19.7	90	2013	2	3.9
6.7	100	2014	5	3.6
*	*	2008	*	*
*	*	2008	*	*
5.7	100	2010	7	-
0.1	0	Open Ended	25	3.8
9.1	100	Listed on BSX	6	6.9
0.6	77	Listed on ASX	36	7.4
1.4	25	Listed on ASX	421	13.1
0.1	74	Listed on ASX	460	6.0
1.5	71	Listed on ASX	20	16.6
0.2	79	Listed on ASX	27	5.3
0.6	96	Listed on ASX	126	10.0
0.7	55	Listed on ASX	55	13.0
9.4	0	Listed on ASX	-	-
15.7	66	Listed on ASX	24	5.4
0.1	54	Listed on ASX	81	7.2
1.1	100	Listed on ASX	7	8.0
1.2	63	Listed on ASX	76	4.1
4.9	100	Listed on BSX	20	6.1
1.2	100	Listed on ASX	28	11.3
0.4	100	Listed on BSX	49	7.0
1.5	100	Listed on ASX	24	4.8
1.1	100	Listed on ASX	8	8.2
1.3	100	Listed on ASX	22	2.2

[1] As at June 2008, the APN Champion Retail Fund was still in the process of completing a capital raising. We anticipate that the Fund's exposure to this investee fund will decrease to the investment guideline levels, upon completion of the capital raising, in the early part of the 2008/09 financial year.
[2] The Fund's investment in ING Real Estate Direct Office is below the minimum size requirement due to the investee fund being progressively wound up and capital distributions being made.
[3] The Fund's level of investment in this investee fund has been unchanged during the financial year but has increased as a proportion of the investee fund due to a reduction in units on issue in the investee fund.
[4] The Fund is waiting upon finalisation of June 2008 accounts for these investee funds. However, in the current climate it is expected that the gearing ratio of these funds will exceed the Fund's investment guidelines. The Fund is monitoring this situation.

Investment Portfolio
Continued

The properties

The Fund invests in property funds which, in turn, own and manage a wide range of properties. Below is a brief snapshot of some of the properties owned by the Fund's unlisted property trust investments (based on the Fund's holdings as at 30 June 2008).

Property fund	Investa Diversified Office Fund
Property description	310 Pitt Street, Sydney NSW
Major tenant	Telstra Corporation Limited
Lease expiry	4.4 years (by weighted average)
Valuation	$182.0 million
Valuation yield	6.25%
Occupancy	100%

Property fund	Mirvac PFA Diversified Property Trust
Property description	Civic Tower, 66-68 Goulburn Street, Sydney NSW
Major tenant	Publishing and Broadcasting Limited
Lease expiry	August 2016, except Level 15, which expires May 2016
Valuation	$67.4 million
Valuation yield	6.75%
Occupancy	100%

Property fund	Over Fifty Direct Property Trust
Property description	35 Spring Street, Melbourne Vic
Major tenant	State Department of Treasury & Finance
Lease expiry	July 2010
Valuation	$39.25 million
Valuation yield	7.75%
Occupancy	100%

Property fund	APN/UKA Poland Retail Fund
Property description	Manhattan Shopping Centre, Gdansk Poland
Major tenant	Albert Supermarket
Lease expiry	December 2013
Valuation	€71.8 million
Valuation yield	6.75%
Occupancy	95%

Property fund	Reed Property Trust
Property description	Silver @ the Exchange, 194 Varsity Lakes, Gold Coast Qld
Major tenant	Gold Coast City Council
Lease expiry	November 2011
Valuation	$25.85 million
Valuation yield	7.25%
Occupancy	100%

Property fund	MAB International Retail Trust
Property description	Eastfield Village, Charlotte, North Carolina USA
Major tenant	Lowes Food
Lease expiry	September 2020
Valuation	$19 million
Valuation yield	7.25%
Occupancy	94.0%

Board of Directors

Mr Richard M Haddock Age 58
BA, LLB, FAIM, FAICD, FFin

Independent Chairman and Non-Executive Director since 22 December 2003

Acting Chairman of the Audit, Risk and Compliance Committee from 20 April 2007 to 1 September 2007.

After an initial career as a lawyer, Richard spent over 20 years in the investment banking industry with BNP Paribas. From 1988 until 2001 he was Deputy General Manager for Australia, a position directly responsible for the investment banking, treasury, funds management and stockbroking activities of BNP Paribas. Richard was previously Chairman of Cashcard Australia Limited, Deputy Chairman of BNP Paribas Investment Management (Australia) Limited, a Director of AXA Insurance (Australia) Limited, a Director of Colonial First State Private Capital Limited and Chairman of its Audit Committee and a committee member of the Salvation Army Red Shield Appeal.

Richard is currently a Director of Tishman Speyer Australia Limited and Chairman of its Audit Committee, Chairman of Centacare, a Director of SCS Superannuation Pty Ltd, Director of Retirement Villages Group R.E. Limited, Director of Retirement Villages Australia Limited and Honorary Treasurer of Caritas Australia.

Mr Craig M Dunstan Age 47
BComm, LLB, MBA, FFin

Managing Director and Chief Investment Officer since 22 December 2003

The founder and a significant shareholder of MacarthurCook Limited, Craig has held senior management positions with the National Mutual and Lend Lease Groups prior to his appointment as General Manager of Financial Services and Chief Investment Officer of Australian Unity in 1995. He resigned from Australian Unity in 2002 to establish MacarthurCook.

In his time at Australian Unity Craig established Australian Unity Funds Management Limited and was responsible for its management and growth to the point it managed over $1 billion of assets including over $800 million of property related assets.

Craig has been a Director of Australian Unity Funds Management Limited, York Capital Group Limited, Waltus Investments Australia Limited, Acorn Capital Limited and Permanent Friendly Society Limited and a member of the Investment Committee and Compliance Committee of Australian Unity. He was also a member of the Marketing and Distribution Board Committee of the Investment and Financial Services Association and a Councillor of the Association of Permanent Building Societies.

Craig is currently a member of the Board of the Asian Public Real Estate Association and a director of Kinloch Funds Management Limited and Kinloch Funds Limited.

Mr Nicholas G Basile Age 53
BA, AIAA, SA Fin, GAICD

Non-Executive Director since 1 September 2007

Nick has over 25 years of financial services and investment management experience. He is currently Managing Director of Ascalon Capital Managers Limited and previously held various positions within St. George Bank, including roles as General Manager Investments and Insurance, in which he was responsible for St. George Margin Lending, Advance Asset Management, St. George Investment Solutions, St. George's General and Life Insurance businesses and St. George Private Bank.

Nick has also held the positions of Head of Commonwealth Investment Management; Executive Director of Investments for Legal & General Australia; and Investment Manager and Director for Lend Lease Investment Management.

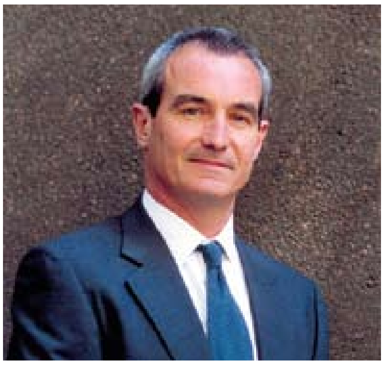
Nick is a Director of Alleron Investment Management Limited, Above the Index Asset Management Pty Limited, Continuum Capital Management Pty Limited, One Vue Limited, Fortuna Funds Management Limited, H3 Global Advisors Pty Limited, Huntley Consultancy Pty Limited, Millhouse IAG Pty Limited, Sigrun Asset Management Pty Limited and the Ascalon group of companies.

Mr Geoff Coffey Age 60
FCPA, ACIS, DipFP, ACIM, GAICD

Independent Non-Executive Director since 26 September 2007

Geoff has extensive experience in finance, investment, construction and infrastructure. Formerly General Manager Development and Investment with the John Holland Group. His other previous positions include Finance Director at Azon Limited, General Manager Finance at Atlas Steel Limited and Chief Financial Officer at McConnell Dowell Limited. Geoff was previously a director of the Australian Council for Infrastructure Development.

Geoff is currently a Director of Pacific Hydro Limited, Chairman of Utilities of Australia Pty Ltd, a Non-Executive Director of Forestry Tasmania and the Tasmanian Irrigation Development Board and Chairman of Ceos Pty Limited.



Mr A Hugh Gurner Age 52
BA, FAICD

Non-Executive Director since 22 December 2003

Member of the Audit, Risk and Compliance Committee since 5 May 2003.

Hugh has over 20 years experience in corporate finance and the financial services industry, having held senior roles in the analysis of ASX-listed companies and trusts operating in the property development and property trust sectors.

Hugh was a founding executive director of Citadel Pooled Development Limited, an ASX-listed venture and development capital company.

Ms Jane Tongs Age 48
FCA, FCPA, AICD, BBus, MBA

Independent Non-Executive Director since 26 September 2007

Chairman of MacarthurCook Limited's Audit, Risk and Compliance Committee since 26 September 2007.

Jane has significant experience in corporate governance and financial services particularly within insurance, funds management and superannuation.

A former partner with PricewaterhouseCoopers, Jane is an independent non-executive director of a number of companies. These include Chairman of Netwealth Investments Limited and director of Workcover SA, Run Limited, LCM Healthcare Limited, Centacare and Leadership Victoria. Jane chairs the Audit and Risk Management Committees for Netwealth, Run, Workcover SA and Centacare.

WELL-DIVERSIFIED PORTFOLIO

DURING THE YEAR, THE FUND'S DIVERSIFICATION INCREASED ACROSS SECTORS AND GEOGRAPHIC LOCATIONS. THE FUND'S INVESTMENTS ARE DIVERSIFIED ACROSS 27 PROPERTY INVESTMENT MANAGERS AND 53 LISTED AND UNLISTED PROPERTY FUNDS.

Corporate Governance Statement

Introduction

MacarthurCook Fund Management Limited ("the Responsible Entity") as responsible entity for the Fund and its Board of Directors are committed to following sound corporate governance practices that provide an appropriate framework for delivering the Fund's business objectives for the benefit of unitholders and key stakeholders. In doing so, the Responsible Entity and the Fund's corporate governance policies follow the requirements of the Corporate Governance Principles and Recommendations (the Principles) issued by the ASX Corporate Governance Council (the Council), having regard to the nature and size of the Fund's business and practice within the financial community generally.

A description of the Fund's main corporate governance policies is set out below.

Principle 1

Lay solid foundations for management and oversight

Primary responsibility for the management and oversight of the Fund rests with the Board, whose overall role is to build long term sustainable value for the Fund's unitholders, while respecting the interests of all stakeholders.

In order to fulfill this role, the Board is responsible for the overall corporate governance of the Responsible entity and the Fund, including formulating its strategic direction and monitoring the business objectives, and setting remuneration. The Board delegates day to day management of the Fund's affairs to the Managing Director of the Responsible Entity and senior executives.

The performance of senior executives is reviewed annually against key performance indicators that are set at the start of the previous year.

The Board has adopted a Charter which formalises its practices, and can be viewed on the website of MacarthurCook. In broad terms, the Board Charter clarifies the respective roles of the Board and senior management and assists in decision making processes through the identification of a schedule of powers reserved solely for the Board. In accordance with the Board Charter, the Board is chaired by an independent, non-executive Director, and comprises a majority of independent, non-executive Directors who bring a diverse range of management skills and experience to the Fund.

Board processes

To assist in the execution of its oversight and management responsibilities, the Board has established a number of Board Committees – an Audit, Risk and Compliance Committee, a Nomination Committee and a Remuneration Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis and report back to the Board on their activities through the presentation of reports and minutes of committee meetings.

The Board has also established an appropriate and ethical framework for the management of the Fund, including a system of internal controls and a business risk management process.

The Board currently holds monthly scheduled meetings, plus strategy meetings and extraordinary meetings at such times as may be required during the year.

An agenda for the meetings is determined to ensure that certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate.

Principle 2

Structure the Board to add value

The membership of the Board, its activities and composition are subject to periodic review by the Nomination Committee. Directors are initially appointed by the Board and may be subject to re-election by unitholders at the next general meeting. The appropriateness of the mix of skills and experience of Directors to comprise an effective Board for the Fund is reviewed regularly by the Nomination Committee.

The retirement of Directors by rotation helps ensure that, although a retiring Director may be re-elected there is regular opportunity for the Board composition to be scrutinized by unitholders, in addition to regular internal assessment of the Board composition and skills. The term of office of each Director is set out in the Directors' Report.

The Board currently comprises six members, being five Non-Executive Directors and one Executive Director.

The Board has assessed the independence of its Non-Executive Directors according to the definition contained within the Principles and has concluded that four of the six members of the Board are independent. Those independent Directors are Mr Richard Haddock (Chairman), Mr Geoff Coffey, Mr Hugh Gurner and Ms Jane Tongs. The skills, experience and expertise of these Directors are set out in the Directors' Report following this Corporate Governance Statement.

Non-Executive Directors meet periodically without any executive management to ensure that there is full and frank discussion amongst Directors of issues affecting the Fund.

The Board undertakes an annual review of the performance of staff and Directors. All Directors and senior executives are encouraged to attend professional education courses relevant to their roles. Directors are given access to continuing professional education courses and development programs as requested and in consultation with the Chairman.

Each Director has the right to access all relevant information in respect of the Fund and to make appropriate enquiries of senior management. Subject to prior consultation with the Chairman, a Director may seek independent professional advice from a suitably qualified advisor.

Principle 3

Promote ethical and responsible decision making

The Board actively promotes ethical and responsible decision making.

Code of Conduct

The Board has adopted a Code of Conduct that applies to all Directors, management and employees of the Fund. This Code addresses expectations for conduct in the following areas:

- securities trading;
- communications;
- conflicts of interest;
- responsibility to suppliers and customers;
- laws and regulations;
- employment; and
- adherence to policies and procedures.

Whistleblowers protection program

The Board has established a Whistleblower Policy, which supports and implements the aims of the Whistleblowers Protection Act 2001. The purpose of this policy is to protect those who report misconduct or non-compliance with the law, MacarthurCook policies or unethical, unfair or dishonest dealing. MacarthurCook's commitment to a culture of corporate compliance and ethical behaviour is seen as a benefit to everyone who has contact with the MacarthurCook Group.

All MacarthurCook Directors, officers, employees and contractors are encouraged to report any instance of the following conduct involving a MacarthurCook officer, employee or contractor:

- unethical conduct;
- unfair or dishonest conduct;
- fraud;
- corruption; and
- breaches of any law, including:
  - violence or threatened violence;
  - bullying;
  - theft;
  - drug dealing or drug use;
  - discrimination;
  - sexual harassment;
  - unsafe work places, systems or practices; and
  - damage to property.

MacarthurCook will protect employees who make such disclosures from reprisal or detrimental action following the disclosure.

Share trading policy

The Board is committed to ensuring that the Fund, its Directors and staff comply with their legal obligations as well as conducting their business in a transparent and ethical manner. Directors and staff (including their immediate family or any entity for which they control investment decisions) must ensure that any trading in securities issued by the Fund is undertaken within the framework set out in this Policy.

The Policy reflects the insider trading provisions of the Corporations Act 2001, such that Directors and management are prohibited from trading in securities of the Fund and any fund controlled by the Fund whilst in possession of unpublished price sensitive information. Subject to any knowledge or circumstances that impose a specific prohibition on some or all Directors and management trading, as a general policy, price sensitive information is deemed to be in the public domain once a reasonable time (generally 48 hours) has elapsed following an announcement to allow the market to absorb the contents of the announcement. For reporting of financial results under the ASX's periodic disclosure requirements, the general rule adopted by the Fund is to restrict trading by Directors and staff for a period of 6 weeks before the announcement of the results.

In addition, the Board regularly reviews the Fund's circumstances, business operations and strategic initiatives to assess whether any Directors or staff may be in possession of unpublished price sensitive information which requires that a general or specific prohibition on trading in securities be imposed.

Principle 4

Safeguard integrity in financial reporting

The Board requires the Managing Director and the Chief Financial Officer to provide a written statement that the financial statements of the Fund present a true and fair view, in all material respects, of its financial position and operational results. In addition, confirmation is provided that all relevant accounting standards have been appropriately applied.

Audit, Risk and Compliance Committee

The Board has established an Audit, Risk and Compliance Committee, which provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Fund's financial reporting, internal controls structure, risk management systems and external audit functions. The Committee meets at least four times per year.

The Board has adopted a formal Charter for the Committee to assist in carrying out its duties.

The members of the Audit, Risk and Compliance Committee are:

- Ms Jane Tongs – Chairman (Non-Executive Director);
- Mr Richard Haddock (Non-Executive Director); and
- Mr Hugh Gurner (Non-Executive Director).

At any given time, the Committee must comprise no less than two independent Directors as selected by the Board. All the Committee members are financially literate.

The Audit, Risk and Compliance Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations. The Committee has full access to all books, records, facilities and personnel of the Fund, as well as the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties.

The Audit, Risk and Compliance Committee Charter can be viewed on the MacarthurCook website.

Financial reporting

The Board relies on management for day to day monitoring of the internal controls within the Fund. Financial performance is monitored on a regular basis by management who report to the Board at the scheduled Board meetings and through Audit, Risk and Compliance Committee meetings.

Principle 5

Make timely and balanced disclosure

The Board is committed to the promotion of investor confidence by providing full and timely information to all unitholders and market participants about the Fund's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the ASX Listing Rules.

The Fund has policies and procedures to ensure that it meets the continuous disclosure obligations and a copy of the Continuous Disclosure Policy is on the MacarthurCook web site at www.macarthurcook.com.au.

Principle 6

Respect the rights of unitholders

The Board fully supports unitholder participation at meetings and works to ensure that communications with unitholders are effective and clear.

Information is communicated to unitholders via the Annual report, disclosures and announcements made to the ASX, Notices and Explanatory Memorandum for the Annual General Meeting (AGM), the AGM itself, occasional letters from the Chairman or the Managing Director, and the MacarthurCook website, which has a dedicated section for the Fund's unitholders containing copies of all the foregoing communications, including historical data.

The Fund intends to make available at the AGM a lead partner from the Fund's auditors, to answer questions at the AGM about the conduct of the audit and the content of the Auditor's Report.

Principle 7

Recognise and manage risk

Risk management

Unitholder value will be optimised where risk and opportunities are matched to financial resources. The Board and management regularly review (where necessary, in conjunction with external professional consultants) procedures in respect of compliance with, and the maintenance of, statutory, legal, ethical and environmental obligations. The Fund has a range of policies for the oversight and management of material business risks and a summary of those policies is on the Fund's web site.

The Board requires the Managing Director and the Chief Financial Officer to report to it on the effectiveness of the Fund's management of its material business risks in conjunction with the review of the half year and full year financial results. The Board also receives assurances from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal controls and that the system is operating effectively in all material respects in relation to financial reporting risks.

Compliance

The Fund has a Head of Legal and Compliance and a dedicated Compliance Manager, who are responsible for reporting to the Board on compliance issues and recommending ways in which the Fund may improve its systems and compliance monitoring.

As noted under Principle 4, the Audit, Risk and Compliance Committee is responsible for overseeing the Fund's financial reporting, internal controls structure and risk management systems and making recommendations to the Board as and when appropriate.

Principle 8

Remunerate fairly and responsibly

The Managing Director and senior executives receive salary packages which may include performance-based components designed to reward and motivate. Non-Executive Directors receive fees agreed on an annual basis by the Board, based on recommendations made by the Remuneration Committee, and are remunerated from a maximum amount set by unitholders. There are no retirement schemes in place for Non-Executive Directors.

Remuneration Committee

The primary role of the Remuneration Committee is to assist the Board in discharging its responsibilities regarding remuneration and human resources requirements of the Fund. In particular, the Remuneration Committee ensures that remuneration packages are set at levels that attract and retain employees capable of managing and growing the Fund.

It also reviews and approves executive total remuneration packages and terms of employment annually, having regard to performance, relevant comparative information and independent expert advice.

The Remuneration Committee comprises the following members:

- Mr Richard Haddock – Chairman (Non-Executive Director);
- Mr Hugh Gurner (Non-Executive Director).

Financial Report
for the year ended 30 June 2008

MacarthurCook Property Securities Fund (ARSN 111 442 150)

Directors' Report
for the year ended 30 June 2008

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 year ended 30 June 2008 and the Auditor's Report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and of the Fund at the date of this report is Level 4, 30 Collins Street, Melbourne, Victoria.

Directors

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

Mr Richard M Haddock Age 58
BA, LLB, FAIM, FAICD, F Fin

Independent Chairman and Non-Executive Director

After an initial career as a lawyer, Richard spent over 20 years in the investment banking industry with BNP Paribas. From 1988 until 2001 he was Deputy General Manager for Australia, a position directly responsible for the investment banking, treasury, funds management and stockbroking activities of BNP Paribas. Richard was previously Chairman of Cashcard Australia Limited, Deputy Chairman of BNP Paribas Investment Management (Australia) Limited, a Director of AXA Insurance (Australia) Limited, a Director of Colonial First State Private Capital Limited and Chairman of its Audit Committee and a committee member of the Salvation Army Red Shield Appeal.

Richard is currently a Director of Tishman Speyer Australia Limited and Chairman of its Audit Committee, Chairman of Centacare, a director of SCS Superannuation Pty Ltd and Honorary Treasurer of Caritas Australia.

Acting Chairman of MacarthurCook Limited's Audit, Risk and Compliance Committee from 20 April 2007 to 1 September 2007.

Chairman and Non-Executive Director since 22 December 2003.

Mr Craig M Dunstan Age 47
BComm, LLB, MBA, F Fin

Managing Director

The founder and a significant shareholder of MacarthurCook Limited, Craig has held senior management positions with the National Mutual and Lend Lease Groups prior to his appointment as General Manager of Financial Services and Chief Investment Officer of Australian Unity in 1995. He resigned from Australian Unity in 2002 to establish MacarthurCook.

In his time at Australian Unity Craig established Australian Unity Funds Management Limited and was responsible for its management and growth to the point it managed over $1 billion of assets including over $800 million of property related assets.

Craig has been a Director of Australian Unity Funds Management Limited, York Capital Group Limited, Waltus Investments Australia Limited, Acorn Capital Limited and Permanent Friendly Society Limited and a member of the Investment Committee and Compliance Committee of Australian Unity. He was also a member of the Marketing and Distribution Board Committee of the Investment and Financial Services Association and a Councillor of the Association of Permanent Building Societies. Craig is currently a member of the Board of the Asian Public Real Estate Association and a director of Kinloch Funds Management Limited and Kinloch Funds Limited.

Managing Director and Chief Investment Officer since 22 December 2003.

Mr Nicholas Basile Age 53
BA, AIAA, SA Fin, GAICD

Non-Executive Director

Nick has over 25 years of financial services and investment management experience. He is currently Managing Director of Ascalon Capital Managers Limited and previously held various positions within St. George Bank, including roles as General Manager Investments and Insurance, in which he was responsible for St. George Margin Lending, Advance Asset Management, St. George Investment Solutions, St. George's General and Life Insurance businesses and St. George Private Bank.

Nick has also held the positions of Head of Commonwealth Investment Management; Executive Director of Investments for Legal & General Australia; and Investment Manager and Director for Lend Lease Investment Management.

Nick is a Director of Alleron Investment Management Limited, Above the Index Asset Management Pty Limited, Continuum Capital Management Pty Limited, One Vue Limited, Fortuna Funds Management Limited, H3 Global Advisors Pty Limited, Huntley Consultancy Pty Limited, Millhouse IAG Pty Limited, Sigrun Asset Management Pty Limited and the Ascalon group of companies.

Non-Executive Director since 1 September 2007.

Mr Geoff Coffey Age 60
FCPA, ACIS, DipFP, ACIM, GAICD

Non-Executive Director

Geoff has extensive experience in finance, investment, construction and infrastructure. Formerly General Manager Development and Investment with the John Holland Group. His other previous positions include Finance Director at Azon Limited, General Manager Finance at Atlas Steel Limited and Chief Financial Officer at McConnell Dowell Limited. Geoff was previously a Director of the Australian Council for Infrastructure Development.

Geoff is currently a Director of Pacific Hydro Limited, Chairman of Utilities of Australia Pty Ltd, a Non-Executive Director of Forestry Tasmania and the Tasmanian Irrigation Development Board and Chairman of Ceos Pty Limited.

Independent Non-Executive Director since 26 September 2007.

Mr Hugh Gurner Age 52
BA, FAICD

Non-Executive Director

Hugh has over 20 years experience in corporate finance and the financial services industry, having held senior roles in the analysis of ASX-listed companies and trusts operating in the property development and property trust sectors.

Hugh was a founding executive director of Citadel Pooled Development Limited, an ASX-listed venture and development capital company.

Member of the Audit, Risk and Compliance Committee since 5 May 2003.

Non-Executive Director since 22 December 2003.

Ms Jane Tongs Age 48
FCA, FCPA, AICD, BBus, MBA

Non-Executive Director

Jane has significant experience in corporate governance and financial services particularly within insurance, funds management and superannuation.

A former Partner with PricewaterhouseCoopers, Jane is an independent Non-Executive Director of a number of companies. These include Chairman of Netwealth Investments Limited and director of Workcover SA, Run Limited, LCM Healthcare Limited, Centacare and Leadership Victoria. Jane chairs the Audit and Risk Management Committees for Netwealth, Run, Workcover SA and Centacare.

Chairman of MacarthurCook Limited's Audit, Risk and Compliance Committee since 26 September 2007.

All Directors have been in office since the start of the financial year to the date of this report with the exception of Mr Coffey and Ms Tongs who were both appointed 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 Limited (ASX) and the Singapore Exchange Limited (SGX).

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

The Fund did not have any employees during the year.

Review and results of operations

The operating result for the year ended 30 June 2008 was a net loss of $41,823,000 (2007 net profit: $34,279,000). This result includes an unrealised loss on investments of $63,808,000 (2007 unrealised gain: $17,506,000) which reflects the recent global fall in securities markets generally and financial services and real estate securities in particular. Distributions paid and payable for the year ended 30 June 2008 were 10.5 cents per unit (2007: 9.5 cents per unit).

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

Performance

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

	ASX listed Units		SGX listed Units	
	Year ended 30 June 2008 %	Year ended 30 June 2007 %	Year ended 30 June 2008 %	Period ended 30 June 2007 %
Distribution return	6.5	10.2	7.6	4.3
Growth return	(66.4)	8.5	(47.6)	9.6
Total return	**(59.9)**	**18.7**	**(40.0)**	**13.9**

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 year ended 30 June 2008. The market price of the Fund's Units (as represented by the closing bid price) on the ASX at 30 June 2008 was $0.365 (30 June 2007: $1.085. The market price of the Fund's Units on the SGX at 30 June 2008 was SGD$0.665 (30 June 2007: SGD$1.361).

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. Reinvestment of distributions is not available to Singaporean Unitholders whose registered address with The Central Depository (Pte) Limited is outside Australia.

Value of the Fund's assets

The Fund's total assets were valued at $204,564,000 as at 30 June 2008 (2007: $235,167,000) in accordance with the accounting policies set out in Note 3 of the Financial Report. At 30 June 2008, the net tangible asset value was 76.2 cents per unit (2007: 111.3 cents per unit). As a result of the uncertainty in securities markets and listed real estate securities in particular, the unit price has fallen below the fair value of its underlying assets and represents a discount to the net tangible assets of 52.1% (2007: 2.5%). The net tangible asset calculation excludes the Deferred Units on issue.

Fees paid to the Responsible Entity

The Responsible Entity and its associates were paid fees and reimbursement of expenses out of the Fund's assets during the year as follows:

	2008 $	2007 $
Management fees	1,072,809	952,599
Expenses incurred by the Responsible Entity on behalf of the Fund in accordance with the Constitution	482,356	418,271

Distributions

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

	2008		2007	
	$000	Cents per unit	$000	Cents per unit
Quarter ended 30 September (Interim) – paid	3,831	2.6250	2,907	2.3750
Quarter ended 31 December (Interim) – paid	4,649	2.6250	2,915	2.3750
Quarter ended 31 March (Interim) – paid	4,666	2.6250	3,447	2.3750
Quarter ended 30 June (Final) – payable	4,666	2.6250	3,456	2.3750
	17,812	**10.5000**	**12,725**	**9.5000**

The Fund's Distribution Reinvestment Plan was suspended for the quarters ended 31 March 2008 and 30 June 2008.

Directors' interests

The relevant interest of each Director and Director Related Parties of the Responsible Entity in the Fund's unit capital, at the date of this report, are set out below:

Number of units held	2008	2007
Mr Richard M Haddock	162,109	117,869
Mr Craig M Dunstan	53,207	21,156
Mr A Hugh Gurner	65,438	65,438

The Directors are not entitled to any share based payments.

Interests of the Responsible Entity and associates

Details of holdings in the Fund by the Responsible Entity, other funds operated by the Responsible Entity and other related parties are set out below:

2008 Entity / Person	Relationship	Unit holding (000)	Units issued (000)	Units redeemed (000)
MacarthurCook Fund Management Ltd	Responsible Entity	4,262	5,262	1,000
MacarthurCook Diversified Property Income Fund	Common Responsible Entity	3,372	1,259	-
MacarthurCook Ltd	Responsible Entity's Parent Company	629	629	471
Mr Richard M Haddock	Director	162	146	99
Mr Craig M Dunstan	Director	53	32	-
Mr A Hugh Gurner	Director	65	-	-
		8,543	**7,328**	**1,570**

2007 Entity / Person	Relationship	Unit holding (000)	Units issued (000)	Units redeemed (000)
Arc Funds Management Ltd	Related Responsible Entity	-	-	472
MacarthurCook Ltd	Responsible Entity's Parent Company	472	472	-
MacarthurCook Diversified Property Income Fund	Common Responsible Entity	2,113	820	-
Mr Richard M Haddock	Director	115	11	-
Mr Craig M Dunstan	Director	21	1	-
Mr A Hugh Gurner	Director	65	26	-
		2,786	**1,330**	**472**

The Responsible Entity also holds 1,752,605 Deferred Units in the Fund at 30 June 2008 (2007: 1,752,605) paid to $0.00001 cent. A Deferred Unit carries no voting rights and no right to participate in any distribution from the Fund until it converts into an Ordinary Unit. The Deferred Units will only convert into Ordinary Units on the terms set out in the Fund's Constitution. Performance fees are paid to the Responsible Entity by converting a number of Deferred Units into Ordinary Units as outlined in Note 3(g).

Significant changes in the state of affairs

During the year, the Fund offered a 1 for 3 Renounceable Rights Issue to 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 $AUD1.05 ($SGD1.32), with net proceeds of $AUD32.05 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 loan facility with OCBC was redrawn in tranches of $12 million and $8 million respectively in order to take advantage of investment opportunities. As at 30 June 2008, the facility was drawn to $63 million.

The Responsible Entity announced in May 2008 that the Fund's debt facility had been renewed for a further year until May 2009. In accordance with the renewal, the Responsible Entity has committed to pay down the facility to $50 million by 31 March 2009 from expected investment maturities.

The Distribution Reinvestment Plan was suspended for the quarters ended 31 March 2008 and 30 June 2008.

Other than the matters discussed above, there have been no other changes in the state of affairs of the Fund that occurred during the financial year.

Likely developments

The Fund will continue to pursue its investment policy through active investment selection.

Further information about likely developments in the operations of the Fund and the expected results of those operations in future financial years has not been included in this Report because disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Environmental regulation

The Fund's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation.

Events subsequent to balance date

On 25 July 2008, the Fund repaid $5 million of its OCBC cash advance facility, as part of an amortisation process agreed with OCBC.

Other than above, there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and 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.

Indemnities and insurance premiums for officers or auditors

Indemnification

Under the Fund's Constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Fund has not indemnified any Auditor of the Fund.

Insurance premiums

No insurance premiums are paid out of the Fund's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Audit, Risk and Compliance Committee or the Auditors of the Fund.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 32 and forms part of the Directors' Report for the year ended 30 June 2008.

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998, as amended, and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Richard Haddock
Chairman

Melbourne, 27 August 2008

Auditor's Independence Declaration

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

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2008 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrea Waters
Partner

Melbourne

27 August 2008

Income Statement

for the year ended 30 June 2008

	Note	2008 $000	2007 $000
INVESTMENT INCOME			
Distribution income		27,038	15,770
Interest income		466	323
Placement fee income		450	2,030
Net change in fair value of investments	4	(63,063)	20,757
Other income		412	495
Net investment income/(loss)		**(34,697)**	**39,375**
EXPENSES			
Responsible Entity fees	16(b)	1,073	953
Administration expenses		656	423
Borrowing costs		5,397	3,720
Total expenses		**7,126**	**5,096**
Net profit/(loss)		**(41,823)**	**34,279**
Distributions paid and payable	6	17,812	12,725
Undistributed profit/(loss)	7	**(59,635)**	**21,554**
EARNINGS PER UNIT ATTRIBUTABLE TO UNITHOLDERS:			
Basic earnings per Unit (cents)	14	(24.97)	25.60
Diluted earnings per Unit (cents)	14	(24.71)	25.27

The Income Statement is to be read in conjunction with the Notes to the Financial Statements set out on pages 37 to 50.

Statement of Changes in Equity

for the year ended 30 June 2008

	Unitholders' funds		Undistributed profit/(loss)		Total equity	
	2008 $000	2007 $000	2008 $000	2007 $000	2008 $000	2007 $000
OPENING BALANCE	136,547	115,369	25,368	3,814	161,915	119,183
Net profit/(loss) for year	-	-	(41,823)	34,279	(41,823)	34,279
TRANSACTIONS WITH UNITHOLDERS						
Applications						
Ordinary Units	33,602	21,178	-	-	33,602	21,178
Issue costs	(475)				(475)	
Distributions paid/payable	(17,812)	-	-	(12,725)	(17,812)	(12,725)
Closing balance	**151,862**	**136,547**	**(16,455)**	**25,368**	**135,407**	**161,915**

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Financial Statements set out on pages 37 to 50.

Balance Sheet
as at 30 June 2008

	Note	2008 $000	2007 $000
ASSETS			
Cash and cash equivalents	15(a)	11,169	3,121
Financial assets held at fair value through profit or loss:			
Listed property securities	9	32,192	53,554
Unlisted property securities	9	155,988	173,961
Interest rate swap	9	268	-
Receivables	8	4,947	4,518
Prepaid interest		-	13
Total assets		**204,564**	**235,167**
LIABILITIES			
Financial liabilities measured at amortised cost			
Distribution payable	6	4,666	3,456
Payables	10	1,491	1,796
Interest bearing liabilities	11	63,000	68,000
Total liabilities		**69,157**	**73,252**
Net assets		**135,407**	**161,915**
EQUITY			
Undistributed income/(loss)		(16,455)	25,368
Unitholders' funds		151,862	136,547
Total equity	**7**	**135,407**	**161,915**

The Balance Sheet is to be read in conjunction with the Notes to the Financial Statements set out on pages 37 to 50.

Statement of Cash Flows

for the year ended 30 June 2008

	Note	2008 $000	2007 $000
CASHFLOWS FROM OPERATING ACTIVITIES			
Distributions received		26,354	14,691
Interest received		479	436
Placement fees received		563	2,109
Other income received		412	231
Management fees paid		(1,076)	(953)
Other expenses paid		(484)	(624)
Net cash inflow from operating activities	15(b)	**26,248**	**15,890**
CASHFLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(48,573)	(73,969)
Proceeds on sale of investments		23,949	31,415
Net cash outflow from investing activities		**(24,624)**	**(42,554)**
CASHFLOWS FROM FINANCING ACTIVITIES			
Interest and other costs of finance paid		(5,397)	(3,820)
Proceeds from rights issue		32,047	-
Proceeds from public offer		-	22,783
Proceeds from borrowings		20,000	40,800
Repayment of borrowings		(25,000)	(15,000)
Issue and further raising costs		(475)	(4,021)
Distributions paid[1]		(14,751)	(11,656)
Net cash inflow from financing activities		**6,424**	**29,086**
Change in cash balance during the year		8,048	2,422
Cash at the beginning of the year		3,121	699
Cash at the end of the year		**11,169**	**3,121**

[1] Distributions paid is net of $1,555,437 (2007: $1,693,135) which was reinvested under the Fund's Distribution Reinvestment Plan. The Distribution Reinvestment Plan has been suspended since quarter ended 31 March 2008.

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements set out on pages 37 to 50.

Notes to the Financial Statements

for the year ended 30 June 2008

1. Reporting Entity

The Fund is a registered Managed Investment Scheme under the Corporations Act 2001. The Financial Report of the Fund is for the year ended 30 June 2008. The Financial Report was authorised for issue by the Directors of the Responsible Entity on 27 August 2008.

2. Basis of preparation

(a) Statement of compliance

The Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB), and the Corporations Act 2001. The Financial Report of the Fund complies with International Financial Reporting Standard's (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

(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, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect are recognised in Note 3(d) Financial Instruments.

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Income and expenses

Revenue and expenses are brought to account on an accruals basis except where stated otherwise.

Distribution income

For all listed and unlisted securities, distribution income is recognised at the date the securities are quoted ex-distribution.

Interest income

Interest income is recognised in the Income Statement as it accrues, using the effective interest rate method.

Placement fee income

Placement fee income is recognised when the Fund becomes unconditionally entitled to the fee.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(b) Receivables

Receivables include accrued income, any unsettled sales of securities and GST.

(c) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at balance date.

The distribution amount payable to investors as at year end is recognised separately on the Balance Sheet. Purchases of securities are recorded on trade date and normally settle within three business days. Purchases of securities that are unsettled at reporting date are included in payables.

(d) Financial instruments

(i) Classification

The financial assets and financial liabilities at fair value through profit or loss comprise financial instruments designated at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold, investments in listed and unlisted property securities, and interest rate swaps.

The fair value through profit or loss classification is in accordance with AASB 139 *Financial Instruments: Recognition and Measurement.* The fair value through profit or loss classification is available for the majority of the financial assets and financial liabilities held by the Fund as the Fund's performance is evaluated on a fair value basis and information about the Fund is provided on that basis to the directors of the Responsible Entity.

Financial assets that are classified as receivables include accrued income from investments.

Financial liabilities that are not at fair value through profit or loss include balances due to deferred trade settlement and payables.

(ii) Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed their part of the contract, or the contract is a derivative contract not exempted from the scope of AASB 139.

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Income Statement.

Financial assets and liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

(iv) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid price, whilst financial liabilities are priced at current asking price.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

The fair value of interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Investments in unlisted managed investment schemes are recorded at the exit price as reported by the managers of such schemes.

(v) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with AASB 139.

The Fund uses the weighted average method to determine realised gains and losses on derecognition of financial assets not at fair value.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(vi) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

Derivative financial instruments

The Responsible Entity uses interest rate swaps, which are derivative financial instruments, to hedge its exposure to interest rate risk arising from use of its debt facilities. 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 immediately in the Income Statement.

(e) Distributions and taxation

In accordance with the Fund Constitution and applicable taxation legislation, the Fund distributes its taxable income in full to the Unitholders who are presently entitled to the income. As the Fund fully distributes its taxable income, it is not subject to income tax.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to Unitholders and are retained in the Fund to be offset against any current or future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to the Unitholders.

Distributions to Unitholders are made net of any applicable withholding tax. Distributions to Singapore Unitholders are the Singapore dollar (SGD) equivalent of the Australian distribution, net of exchange and other transaction costs incurred in converting the distribution to SGD.

(f) Goods and services tax

Management fees, custody fees and other expenses are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). Receivables and payables are stated in the Balance Sheet with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability, respectively in the Balance Sheet. Cash flows are included in the Statement of Cash Flows with the amount of GST included.

(g) Performance fees

The Fund accrues a Performance Fee where the Fund outperforms the S&P/ASX200 Property Trust Accumulation Index. The Responsible Entity waives such part of the Performance Fee as is necessary so that the Performance Fee payable in any year is capped at the lesser of $2 million or 0.50% per annum of the Fund value for each financial year since the last Performance Fee was paid.

(h) Segment reporting

The Fund does not engage in either diverse business segments nor invest in asset classes within a particular geographical segment, which are subject to risks and rewards that are different from those of other segments.

(i) Change in net assets attributable to Unitholders

Non-distributable income, which may comprise unrealised changes in the fair value of investments, net capital losses, tax-deferred income, accrued income not yet assessable and non-deductible expenses are reflected in the Income Statement as undistributed profit/(loss).

These items are included in the determination of distributable income in the period for which they are assessable for taxation purposes.

(j) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Fund in the period of initial application. They are available for early adoption at 30 June 2008 but have not been applied in preparing this financial report:

- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Fund's 30 June 2010 financial statements. The Fund has not yet determined the potential effect of the revised standard on the Fund's disclosures.
- AASB 8 *Operating segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]* are applicable to annual reporting periods beginning on or after 1 January 2009. The Fund has not adopted these standards early. These standards specify changes to the requirements of segment disclosures. Application of these standards will not affect any of the amounts recognised in the financial statements.

4. Gains and losses from financial assets and liabilities designated at fair value through profit and loss

	2008 $000	2007 $000
DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS		
Net realised gains/(losses) on securities:		
Listed securities	(334)	1,339
Unlisted securities	1,079	1,912
	745	**3,251**
Net unrealised gains/(losses) on securities:		
Listed securities	(52,265)	4,124
Unlisted securities	(11,811)	13,382
	(64,076)	**17,506**
Derivative financial instruments[1]	268	-
Net gains/(losses) from financial assets and liabilities designated at fair value through profit and loss	**(63,063)**	**20,757**

Gains and losses presented above do not include interest income, distribution income and placement fee income.

[1] On 6 November 2007, the Fund entered into an interest rate swap whereby the Fund pays Oversea-Chinese Banking Corporation a fixed interest rate of 7.55% on a notional amount of $40 million and receives the floating rate at the time of payment for a period of 3 years.

5. Auditors' remuneration

	2008 $000	2007 $000
AUDIT SERVICES		
Auditors of the Fund – KPMG		
Audit and review of the financial reports	45,680	33,500
Other regulatory audit services (compliance plan)	5,265	4,500
	50,945	**38,000**
OTHER SERVICES		
Auditors of the Fund – KPMG		
	9,000	18,000
Due diligence services relating to the Singapore Stock Exchange listing capitalised in the Balance Sheet	-	55,705
	59,945	**111,705**

6. Distributions paid and payable

	2008		2007	
	$000	**Cents per Unit**	**$000**	**Cents per Unit**
Quarter ended 30 September (Interim) – paid	3,831	2.6250	2,907	2.3750
Quarter ended 31 December (Interim) – paid	4,649	2.6250	2,915	2.3750
Quarter ended 31 March (Interim) – paid	4,666	2.6250	3,447	2.3750
Quarter ended 30 June (Final) – payable	4,666	2,6250	3,456	2.3750
	17,812[1]	**10.5000**	**12,725**	**9.5000**

[1] As the Fund made a net loss for the year, distributions paid/payable during the year are distributions of capital.

7. Equity

	2008		2007	
	No. of Units 000	**$000**	**No. of Units 000**	**$000**
Opening balance	147,288	161,915	123,595	119,183
Applications/(Redemptions)				
Ordinary Units (a)	32,225	33,602	23,693	24,538
Issue costs (b)	-	(475)	-	(3,360)
Total movement	32,225	33,127	23,693	21,178
Change in net assets attributable to Unitholders	-	(59,635)	-	21,554
Closing balance	**179,513**	**135,407**	**147,288**	**161,915**

(a) 30,648,607 Ordinary Units were issued as a result of a 1 for 3 Renounceable Rights Issue and Public Offer in October 2007. 1,576,748 Ordinary Units were issued as a result of the reinvestment of distributions pursuant to the Distribution Reinvestment Plan (2007: 1,693,135). The Distribution Reinvestment Plan has been suspended since the quarter ended 31 March 2008.

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

8. Receivables

	2008 $000	2007 $000
Accrued income	4,851	4,243
Unsettled trades	-	65
GST receivable	94	95
Placement fees	2	115
Total receivables	**4,947**	**4,518**

9. Financial assets and liabilities

The following table details the categories of financial assets and liabilities held by the Fund at the reporting date:

ASSETS		
Financial assets at fair value through profit and loss		
Designated at fair value through profit and loss upon initial recognition		
Listed property securities	32,192	53,554
Unlisted property securities	155,988	173,961
Interest rate swap	268	-
Total designated at fair value through profit and loss upon initial recognition	188,448	227,515
Total financial assets at fair value through profit and loss	**188,448**	**227,515**
Loans and receivables (including cash)	**16,116**	**7,639**
Total financial assets	**204,564**	**235,154**
LIABILITIES		
Financial liabilities measured at amortised cost	**69,157**	**73,252**
Total financial liabilities	**69,157**	**73,252**

10. Payables

Deferred trade settlement	940	1,440
Accrued expenses	412	303
GST payable	42	50
Withholding tax payable	97	-
Sundry creditors	-	3
Total payables	**1,491**	**1,796**

11. Interest bearing liabilities

At 30 June 2008, the Fund had a fully drawn cash advance (revolving) facility with Oversea-Chinese Banking Corporation Limited (“OCBC”) of $63 million (2007: $68 million). At 30 June 2008, the facility was fully drawn. The facility is repayable in full by 15 May 2009 unless extended by mutual agreement between OCBC and the Responsible Entity and is secured by a fixed and floating charge over the assets and rights of the Fund. The Responsible Entity has agreed to a loan amortisation program that reduces the facility to $50 million by 31 March 2009. The Fund repaid $5 million on 25 July 2008 and is required to repay a further $3 million by 31 December 2008 and $5 million by 31 March 2009. It is expected that the amortisation program will be met by investment maturities or the sale of listed securities.

The interest rate applicable to the loan is BBSY plus 1.25% margin per annum. The facility is subject to a loan to value ratio covenant not exceeding 30.0%. Based on the balance sheet at 30 June 2008, the loan to value ratio was 30.8%, however, due to the loan repayment of $5 million made on 25 July 2008, the loan to value ratio has been lowered to below 30% thereby avoiding any breach under the OCBC facility.

11. Interest bearing liabilities cont.

At 30 June 2008, the Fund had an interest rate hedge expiring 6 November 2010 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 63.5% hedged (2007: Nil).

12. Commitments and contingent assets and liabilities

(a) Placement fee income

The Fund invests in a number of unlisted property securities. As part of the investment, the responsible entity of a number of these securities has agreed to pay the Fund a placement fee. The payment of some of these fees is contingent upon the Fund continuing to hold the relevant investment until future points in time. A contingent asset of $0.8 million relates to such placement fees (2007: $0.1 million).

(b) Reimbursement fee

In accordance with the Fund's Constitution and subject to the proper performance of its duties, as at 30 June 2008 the Responsible Entity would be entitled to a reimbursement fee of $800,000 (2007: $1.2 million) if it is 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.

13. 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 real estate 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 real estate outside Australia. The Fund does not look through the underlying investments of its investee funds in determining segment disclosures.

14. Earnings per Unit

	2008 $000	2007 $000
Net operating profit ($'000)	(41,823)	34,279
Weighted average number of ordinary Units ('000)	167,472	133,904
Basic earnings per Unit (cents)	**(24.97)**	**25.60**
Weighted average number of ordinary and deferred Units ('000)	169,224	135,657
Diluted earnings per Unit (cents)	**(24.71)**	**25.27**

15 (a). Cash and cash equivalents

Current deposits with banks	11,169	3,121
	11,169	**3,121**

15 (b). Reconciliation of cash flows from operating activities

Net operating profit/(loss)	(41,823)	34,279
Add/(less) non-cash items:		
Net unrealised (gain)/loss on:		
Investments	64,076	(17,506)
Derivative financial instruments	(268)	-
Net realised (gain)/loss on investments	(745)	(3,251)
Change in assets and liabilities during the year		
Increase/(decrease) in payables	106	(777)
(Increase)/decrease in receivables	(495)	(675)
Add: Borrowing costs	5,397	3,820
Net cash provided by operating activities	**26,248**	**15,890**

16. Related parties

Responsible Entity

The Responsible Entity of 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 Responsible Entity is entitled to a Management fee of 0.45% per annum of the Fund Value which is calculated based on gross asset value in accordance with the Fund Constitution.

(a) Remuneration of Directors and key management personnel

The Fund does not employ personnel in its own right. The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered to be the key management personnel.

The Directors and Executives of the Responsible Entity, being key management personnel, are:

- Richard Haddock – Independent Chairman and Non-Executive Director
- Craig Dunstan – Managing Director
- Nicholas Basile – Non-Executive Director
- Geoff Coffey – Non-Executive Director
- Hugh Gurner – Non-Executive Director
- Jane Tongs – Non Executive Director
- Simon Grant – Chief Executive Officer
- Chris Nunn – Chief Financial Officer

The Fund does not pay any compensation directly to any of the key management personnel of the Responsible Entity.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(b) Responsible Entity fees and other transactions

	2008 $	2007 $
Management fees paid and payable by the Fund	1,072,809	952,599
Fund expenses reimbursed to the Responsible Entity	482,356	418,271

In accordance with the Fund Constitution, the Responsible Entity is reimbursed for all expenses reasonably and properly incurred in connection with the Fund or in performing its obligations under the Fund's Constitution.

At balance date, $338,972 (2007: $302,621) was owing to the Responsible Entity and included in Payables.

(c) Related party transactions

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 buy or sell Units in 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.

Related party investments held by the Fund

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.

16. Related parties cont.

Details of the Fund's investments in other funds operated by the Responsible Entity are set out below.

30 June 2008 Entity	Units held	Net fair value $000	Interest held %	Units purchased (000)	Units sold (000)	Distribution received/ receivable $000
MacarthurCook Asian Real Estate Securities Fund	4,712,000	1,555	9.4	-	-	24
MacarthurCook Industrial Property Fund (Stapled Securities)[1]	15,233,590	7,084	15.6	4,327	-	817
MacarthurCook Industrial Property Fund (Underwriter Units)	-	-	-	-	1,400	11
MacarthurCook Office Property Trust (Wholesale Units)	10,258,376	7,080	33.8	-	-	528
MacarthurCook Retail Property Trust (Underwriter Units)	-	-	-		4,431	106
MacarthurCook Retail Property Trust (Wholesale Units)	3,411,485	445	15.5	3,411	-	102
		16,164				**1,588**

30 June 2007 Entity	Units held	Net fair value $000	Interest held %	Units purchased (000)	Units sold (000)	Distribution received/ receivable $000
MacarthurCook Asian Real Estate Securities Fund	4,711,990	4,712	9.4	4,712	-	-
MacarthurCook Industrial Property Fund (Wholesale Units)	10,906,590	12,306	16.5	-	-	1,025
MacarthurCook Industrial Property Fund (Underwriter Units)	1,400,000	1,400	2.1	-	-	50
MacarthurCook Office Property Trust (Wholesale Units)	10,258,376	10,252	27.4	-	-	874
MacarthurCook Retail Property Trust (Underwriter Units)	4,430,837	4,431	19.6	4,431	-	157
		33,101				**2,106**

[1] MacarthurCook Industrial Property Fund Wholesale Units converted to Stapled Securities upon listing on the ASX on 5 December 2007.

The Fund holds 10.26 million (33.8%) 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 Stapled Securities in the MacarthurCook Asian Real Estate Securities Fund (ASX code: MSA) upon MSA 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 MSA. This income yield is in addition to any income distributions that the Fund may receive from MSA.

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

On 31 July 2007, the Fund redeemed $1.4 million Underwriter Units in MacarthurCook Industrial Property Fund.

On 2 October 2007, the Fund restructured its investment in MacarthurCook Retail Property Trust by redeeming its 4.4 million Underwriter Units and reinvesting the proceeds into 3.4 million Wholesale Units.

On 10 October 2007, MacarthurCook Fund Management Limited underwrote the 1 for 3 Renounceable 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 1 for 3 Renounceable 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 a Renounceable Rights Issue and Public Offer.

Units in the Fund held by related parties

Details of holdings in the Fund by the Responsible Entity, other funds operated by the Responsible Entity and other related parties are set out below:

30 June 2008 Entity	**Relationship**	**Unit holding (000)**	**Interest held %**	**Units issued (000)**	**Units redeemed (000)**	**Distribution paid/payable $000**
MacarthurCook Fund Management Ltd	Responsible Entity	4,262	2.37	5,262	1,000	362
MacarthurCook Diversified Property Income Fund	Common Responsible Entity	3,372	1.88	1,259	-	318
MacarthurCook Ltd	Responsible Entity's Parent Company	629	0.35	629	471	50
Mr Richard M Haddock	Director	162	0.09	146	99	16
Mr Craig M Dunstan	Director	53	0.03	32	-	4
Mr A Hugh Gurner	Director	65	0.04	-	-	6
		8,543	**4.76**	**7,328**	**1,570**	**756**

30 June 2007 Entity						
Arc Funds Management Ltd	MacarthurCook Group Responsible Entity	-	-	-	472	22
MacarthurCook Fund Management Ltd	Responsible Entity	472	0.32	472	-	22
MacarthurCook Diversified Property Income Fund	Common Responsible Entity	2,113	1.43	820	-	167
Mr Richard M Haddock	Director	115	0.08	11	-	11
Mr Craig M Dunstan	Director	21	0.01	1	-	2
Mr A Hugh Gurner	Director	65	0.04	26	-	4
		2,786	**1.88**	**1,330**	**472**	**228**

At 30 June 2008, the Responsible Entity also holds 1,752,605 Deferred Units (2007: 1,752,605) paid to $0.00001 cent. A Deferred Unit carries no voting rights and no right to participate in any distribution from the Fund until it converts into an Ordinary Unit. The Deferred Units will only convert into Ordinary Units on the terms set out in the Fund's Constitution. Performance fees are paid to the Responsible Entity by converting a number of Deferred Units into Ordinary Units. Performance fees are detailed in Note 3(g).

Put and call option

On 29 June 2006, the Fund granted a put option to the holder of Vendor Units in the MacarthurCook Office Property Trust. The Vendor Units were acquired by the holder as a result of a transaction that enabled the MacarthurCook Office Property Trust to acquire a property in Canberra from the holder.

The put option would require the Fund to purchase up to 14 million Vendor Units in the MacarthurCook Office Property Trust at $1 per Unit if the vendor exercises their option after 29 June 2008.

At the date of this report, there were 375,000 Vendor Units outstanding held by one Unitholder who acquired the Units from the original Vendor. The new Unitholder exercised their option and put the 375,000 Units in the MacarthurCook Office Property Trust to the Fund on 12 August 2008.

17. Financial instruments

The following disclosures in relation to the various risks of the Fund's portfolio have been based on the Fund's direct holdings. The Fund's financial instruments can comprise listed and unlisted equity investments in other funds that it intends to hold for an indefinite period of time and interest rate swaps in accordance with its published investment strategy.

Asset allocation as between the various types of financial instruments detailed above is determined by the Fund Manager who manages the investment of the assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund Manager.

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Fund is exposed are market risk, credit risk and liquidity risk.

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Board has established an Audit Risk and Compliance Committee which is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities.

The Responsible Entity's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund Manager, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Risk and Compliance Committee receive regular risk management reports from the Fund Manager. Reports from the Fund Manager include details of the controls it has in place to monitor compliance with the Fund's investment strategy and training and personnel management standards and procedures.

The Audit Risk and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

(a) Capital risk management

The Responsible Entity manages the Fund's capital to ensure that it will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of the debt and equity balance.

The Responsible Entity uses interest rate swaps, which are derivative financial instruments, to hedge its exposure to interest rate risk arising from use of its debt facilities. See Note 11 for further details. Other than in this respect, the Fund's overall strategy remains unchanged from 2007.

The capital structure of the Fund consists of debt, which includes borrowings disclosed in Note 11, cash and cash equivalents, and equity. The Fund is not subject to externally imposed capital requirements other than to ensure that its debt levels do not exceed the covenants in respect to loan to valuation ratio set down by the debt facility agreement.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Fund's income or the value of its holdings of financial instruments. Market risk embodies the potential for both losses and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objectives. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the investment guidelines as outlined in the Fund's initial product disclosure statement.

Currency risk

The Fund's assets and liabilities are denominated in Australian dollars. Whilst the Fund itself has only Australian dollar denominated investments, there may be some potential impact on the returns of the Fund based upon the effectiveness of the currency hedging strategies employed by the managers of those funds that own overseas assets.

Price risk

Price risk is the risk that the value of the Fund's investment portfolio will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Fund's financial instruments are carried at fair value with fair value changes recognised in the Income Statement, all changes in market conditions will directly affect net investment income.

This risk is managed by ensuring that all activities are transacted in accordance with the Fund's investment policy and within approved limits. Price risk is mitigated by the construction of a diversified portfolio of investments by underlying fund manager, real estate sector and geographically.

Price sensitivity analysis

Under normal circumstances the Fund will invest in listed and unlisted real estate securities and the allocation at each year has been as follows:

	% of investment assets	
	2008 $000	**2007 $000**
Listed real estate securities	17.1	23.5
Unlisted real estate securities	82.9	76.5

The following table illustrates the effect on net profit from possible changes in price risk that were reasonably possible based on the risk that the Fund was exposed to at reporting date:

		Effect on			
		Net profit		Equity	
	Change in variable +/-	**2008 $000**	**2007 $000**	**2008 $000**	**2007 $000**
Listed property securities (equity)	25%	8,048	13,389	8,048	13,389
Unlisted property securities (equity)	10%	13,549	16,196	13,549	16,196
		21,597	**29,585**	**21,597**	**29,585**

Net gains/(losses) on financial assets held at fair value through profit or loss

	2008 $000	**2007 $000**
Net unrealised gains/(losses) on financial assets designated as at fair value through profit or loss	(63,808)	17,506
Net realised gains/(losses) on financial assets designated as at fair value through profit or loss	745	3,251
Net gains/(losses) on financial assets designated as at fair value through profit or loss	(63,063)	20,757

Net gains/(losses) on financial liabilities held at fair value through profit or loss

Net unrealised gains/(losses) on financial assets designated as at fair value through profit or loss	-	-
Net realised gains/(losses) on financial assets designated as at fair value through profit or loss	-	-
Net gains/(losses) on financial liabilities designated as at fair value through profit or loss	-	-

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's activities expose it to the financial risk of changes in interest rates. Floating rate instruments expose the Fund to cash flow risk, whereas fixed rate instruments expose the Fund to fair value interest rate risk.

17. Financial instruments cont.

The tables below detail the Fund's exposure to interest rate risk at the Balance Sheet date by the earlier of contractual maturities or re-pricing.

30 June 2008		Interest bearing				
	Weighted average interest rate (% pa)	**Less than 1 year $000**	**1-5 years $000**	**5+ years $000**	**Non interest bearing $000**	**Total $000**
FINANCIAL ASSETS						
Cash and cash equivalents	7.32%	11,169	-	-		11,169
Receivables		-	-	-	4,947	4,947
Investments		-	-	-	188,448	188,448
FINANCIAL LIABILITIES						
Payables		-	-	-	(1,491)	(1,491)
Distributions payable		-	-	-	(4,666)	(4,666)
Interest bearing liabilities	7.78%	(66,846)	-	-	-	(66,846)
Total		**(55,677)**	**-**	**-**	**187,238**	**131,561**
30 June 2007						
FINANCIAL ASSETS					-	
Cash and cash equivalents	5.66%	3,121	-	-	-	3,121
Prepaid interest		-	-	-	13	13
Receivables		-	-	-	4,518	4,518
Investments		-	-	-	227,515	227,515
FINANCIAL LIABILITIES						
Payables		-	-	-	(1,796)	(1,796)
Distributions payable		-	-	-	(3,456)	(3,456)
Interest bearing liabilities	6.96%	(8,622)	(67,980)	-	-	(76,602)
Total		**(5,501)**	**(67,980)**	**-**	**226,794**	**153,313**

Interest rate sensitivity

The sensitivity analysis below has been determined based on the Fund's exposure to interest rates at the reporting date and stipulated change taking place at the beginning of the year and held constant throughout the reporting period, in the case of instruments that have floating interest rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(i) Fair value interest rate sensitivity

The following table illustrates the effect on net profit and equity from possible changes in market risk that were reasonably possible based on the risk the Fund was exposed to at reporting date:

		Effect on			
		Net profit		Equity	
	Change in variable +/-	**2008 $000**	**2007 $000**	**2008 $000**	**2007 $000**
Interest rate risk	100bps	912	-	912	-

(ii) Cash flow interest rate sensitivity

The following table illustrates the effect on net profit from possible changes in cash flow interest rate risk that were reasonably possible based on the risk the Fund was exposed to at reporting date:

		Effect on			
		Net profit		Equity	
	Change in variable +/-	2008 $000	2007 $000	2008 $000	2007 $000
Interest rate risk	100bps	630	680	630	680

The methods and assumptions used to prepare the sensitivity analysis have not changed during the year.

The Fund has managed its exposure to interest rate risk on its borrowings by entering into an interest rate swap to fix the level of interest on $40 million of its interest bearing liabilities for a period of 3 years from November 2007. The Responsible Entity monitors interest rate movements carefully for its affect on Fund performance.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's unlisted property securities are considered to be long-term investments which have a variety of investment terms ranging from one to six years. These investments are not readily realisable other than at the redemption dates of the relevant fund. The Fund's listed property securities are considered to be readily realisable as they are all listed on the Australian Securities Exchange.

The following tables summarise the maturity profile of the Fund's financial liabilities. The tables have been populated based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

2008	**Less than 1 year $000**	**1-5 years $000**	**5+ years $000**	**Total $000**
LIABILITIES				
Distribution Payable	4,666	-	-	4,666
Interest rate swaps	-	-	-	-
Interest bearing liabilities	63,000	-	-	63,000
Accounts payable	1,491	-	-	1,491
Total	**69,157**	**-**	**-**	**69,157**

2007				
LIABILITIES				
Distribution Payable	3,456	-	-	3,456
Interest rate swaps	-	-	-	-
Interest bearing liabilities	5,000	63,000	-	68,000
Accounts payable	1,796	-	-	1,796
Total	**10,252**	**63,000**	**-**	**73,252**

17. Financial instruments cont.

(d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation or commitment that it has entered into with the Fund.

At 30 June 2008, the following financial assets were exposed to credit risk: facility agreements with underlying unlisted securities, interest rate swaps and other receivables. The total carrying amount of financial assets exposed to credit risk amounted to $25,715,000 (2007: $16,531,000).

The carrying amount of financial assets best represent the maximum credit risk exposure at the balance sheet date.

The Fund's only interest rate swap is with its debt facility provider Oversea-Chinese Banking Corporation and is subject to a standard IDSA agreement.

Substantially all of the cash held by the Fund is held with National Australia Bank. Bankruptcy or insolvency of the bank may cause the Fund's rights with respect to the cash held to be delayed or limited. The Fund monitors its risk by monitoring the financial position of the bank through its earnings releases. If the credit quality or the financial position of the bank deteriorates significantly the Fund Manager will move the cash holdings to another bank.

(e) Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments are disclosed in Note 3(d)(iv) of the Summary of significant accounting policies.

At 30 June 2008, the carrying amounts of debt and equity investments for which fair values were determined directly, in full or in part, by reference to published price quotations amounted to $32,192,000 (2007: $53,554,000). The carrying amounts of debt and equity investments for which fair values were determined using valuation techniques amounted to $155,988,000 (2007: $173,961,000).

At 30 June 2008, the carrying amounts of derivative financial assets and derivative financial liabilities for which fair values were determined directly, in full or in part, by reference to published price quotations amounted to $268,000 and $nil, respectively (2007: $nil and $nil, respectively). The carrying amounts of derivative financial assets and derivative financial liabilities for which fair values were determined using valuation techniques amounted to $nil and $nil, respectively (2007: $nil and $nil, respectively).

(f) Specific instruments

Interest rate swaps

The Responsible Entity uses an interest rate swap, which is a derivative financial instrument, to hedge its exposure to cash flow interest rate risk arising from use of its debt facilities. A swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows.

Interest rate swap agreements may increase or decrease the Fund's exposure to long-or short-term interest rates. The value of the Fund's swap positions would increase or decrease depending on the changes in value of the underlying rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's investments and its share price. The Fund's ability to engage in certain swap transactions may be limited by tax considerations.

The Fund's ability to realise a profit from such transactions will depend on the ability of the financial institutions with which it enters into the transactions to meet their obligations to the Fund. If a counterparty's creditworthiness declines, the value of the agreement would be likely to decline, potentially resulting in losses. If a default occurs by the other party to such transaction, the Fund will have contractual remedies pursuant to the agreements related to the transaction, which may be limited by applicable law in the case of a counterparty's insolvency. Under certain circumstances, suitable transactions may not be available to the Fund, or the Fund may be unable to close out its position under such transactions at the same time, or at the same price, as if it had purchased comparable publicly traded securities.

18. Events subsequent to reporting date

Apart from the above, there has not arisen in the interval between the end of the financial period and the date of this Report any other item, transaction or event of a material and 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.

Directors' Declaration

for the year ended 30 June 2008

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 33 to 50 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 30 June 2008 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 Standards and the Corporations Regulations 2001; and

(b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 2 (a); and

(c) 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 Haddock
Chairman

MacarthurCook Fund Management Limited

Melbourne, 27 August 2008

Independent Auditor's Report

Independent auditor's report to the Unitholders of MacarthurCook Property Securities Fund

Report on the financial report

We have audited the accompanying financial report of MacarthurCook Property Securities Fund (the Fund), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 18 and the directors' declaration set out on page 51.

Directors' responsibility for the financial report

The directors of MacarthurCook Fund Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the 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. In note 2(a), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australia Accounting Interpretations) to present a view which is consistent with our understanding of the Fund's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion:

(a) the financial report of MacarthurCook Property Securities Fund is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Fund's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

KPMG

Andrea Waters
Partner

Melbourne

27 August 2008

Unitholder Information
as at 31 August 2008

Range of units

Range	Total holders	Units	% issued capital
1 – 500	63	13,249	0.01
501 - 1,000	25	18,036	0.01
1,001 – 5,000	348	1,250,198	0.70
5,001 – 10,000	802	6,598,403	3.71
10,001 – 100,000	2,586	79,684,584	44.83
100,001 – 9,999,999,999	188	90,196,620	50.74
Total	**4,012**	**177,761,090**	**100.00**

Unmarketable parcels

	Minimum parcel size	Holders	Units
Minimum $500 parcel at $0.35 per unit	1,429	106	53,643

Substantial unitholders

Rank	Name	Units held at end of period	% issued capital
1.	The Central Depository (Pte) Limited	20,751,453	11.67

Top 20 unitholders

	Name	Units	% issued capital
1.	The Central Depository (Pte) Limited	20,751,453	11.67
2.	ANZ Nominees Limited Cash Income A/C	7,560,145	4.25
3.	J P Morgan Nominees Australia Limited	7,171,396	4.03
4.	MacarthurCook Fund Management Limited	3,761,905	2.12
5.	Perpetual Trustee Co Limited MCK Diver Prop Inc Fnd A/C	3,372,109	1.90
6.	Fortis Clearing Nominees P/L Settlement A/C	3,354,357	1.89
7.	Ms Thelma Joan Martin-Weber	1,666,666	0.94
8.	Cambooya Pty Limited	1,524,250	0.86
9.	Bryan Welch Pty Ltd Bryan Welch S/F A/C	1,500,000	0.84
10.	Mr Peter Russell Sauerberg Ms Heather Geddes Nye Nyberg Super Fund A/C	1,117,754	0.63
11.	Mr Robert Otto Albert	1,000,000	0.56
12.	Brancourt Superannuation Nominees Pty Ltd MA & JJ Brancourt S/F A/C	796,674	0.45
13.	Rainbow Red Pty Ltd	750,000	0.42
14.	T M T Development Co Pty Ltd	732,680	0.41
15.	Purnell Holdings Grouped	700,000	0.39
16.	Epona Investments Pty Ltd	637,922	0.36
17.	MacarthurCook Limited	628,644	0.35
18.	Austitalia Investment Pty Ltd	606,928	0.34
19.	W & J Marshall Pty Ltd Blade Rollover & S/F A/C	558,333	0.31
20.	MacarthurCook Fund Management Ltd	500,000	0.28
Total		**58,691,216**	**33.00**

Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary Units

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

Deferred Units

As at 30 June 2008, the Responsible Entity held 1,752,605 Deferred Units. Each Deferred Unit carries the rights and restrictions set out below.

A Deferred Unit carries no right to participate in any distribution from the Fund until it converts to a Unit.

(a) Each Deferred Unit entitles the holder:

(i) to receive a copy of any notices or other document sent to holders of Units; and

(ii) to attend any meeting of Unitholders.

(b) A Deferred Unit carries no voting rights until it converts to a Unit.

A Deferred Unit carries no rights to participation in any distribution or return to Unitholders on the winding up of the Fund.

Investors' Summary

Unitholder value

The primary objective of the MacarthurCook Property Securities Fund is to provide a high tax effective distribution to unitholders.

The table on page 60 provides a summary of the Fund's key financial results.

Below is a table showing returns to unitholders over the past year whose units are listed on the ASX:

	1 year %
Distribution return	6.5%
Price growth	(66.4%)
Total unitholder return	(59.9%)

Below is a table showing returns to unitholders over the past year whose units are listed on the SGX:

	1 year %
Distribution return	7.6%
Price growth	(47.6%)
Total unitholder return	(40.0%)

Unit liquidity

During the 2008 financial year approximately 51.1 million units were traded on the ASX representing approximately 30.42% of the weighted average number of units on issue during the year.

During the 2008 financial year, approximately 9.1 million units were traded on the Singapore Exchange representing approximately 58.9% of the average number of units on issue during the year.

Distribution and distribution policy

The distribution for the 2008 financial year was 10.5c per unit. On 19 June 2008, it was announced the Fund's forecast distribution for the 2009 financial year had been reduced from 10.5c per unit to 7.0c per unit

Unitholder enquiries

Unitholders with enquiries are welcome to access information by any of the following methods:

- By contact with the unit registry: Computershare Investor Services Pty Ltd

  Please quote your Security Reference Number (SRN) or Holder Identification Number (HIN) when dealing with the unit registry.
- Via the MacarthurCook website: www.macarthurcook.com.au
- By contact with the Responsible Entity:

  Unitholders are welcome to contact the Responsible Entity at any time and speak to the Company.

  Australia
  Warren Boothman
  Head of Institutional Business
  Telephone: (03) 9660 4555
  Facsimile: (03) 9639 1440

  Singapore
  Sue-Lyn Yeoh
  Institutional Business Manager
  Telephone: +65 6309 1054
  Facsimile: +65 6534 3942

Stock exchange listings

ASX: MacarthurCook Property Securities Fund units are listed on the Australian Securities Exchange and reported in the "Industrial" section of daily newspapers (ASX code: MPS).

SGX: MacarthurCook Property Securities Fund units are listed on the Singapore Exchange and reported in the daily newspapers (SGX code: MacCookPSF).

Electronic payment of distribution

The Fund offers the electronic payment of distributions, which is now in use by the majority of our unitholders. Unitholders may nominate a bank, building society or credit union account for the payment of dividends by direct credit.

Payments are electronically credited on the distribution payment date and confirmed by mailed advice.

Distribution Reinvestment Plan

The Fund's Distribution Reinvestment Plan ("Plan") was in operation for the first-half distribution payments during the 2008 financial year. Unitholders may obtain a copy of the rules of the Plan from www.macarthurcook.com.au.

Unitholders wishing to change their participation status (should it be reactivated during the 2009 financial year) must complete an election form in accordance with the Plan rules.

Company website

www.macarthurcook.com.au

The Company website offers the following features:

- Investor relations page, enabling unitholders to access unit price and corporate governance information and browse Fund announcements. In order to obtain and update information in relation to their unitholdings, unitholders can go to the unit registry link and by entering the unitholder name, address and SRN or HIN at the prompt, unitholders will gain access to this service.
- News service providing up to date information on recent Fund activities and items of interest.
- Access to annual reports. The annual report can be downloaded as a PDF electronic file.
- Feedback service to enhance communication between the company and its unitholders.

Anticipated Unitholders' timetable **(refer to the ASX website for updated announcements and dates)**	
Register closes for first quarter distribution 2009	28 September 2008
Unitholder update	22 October 2008
First quarter distribution payment	24 October 2008
Half-year result announcement	24 February 2009
Full year result and distribution announcement	26 August 2009

Securities Exchange Announcements

This section summarises the Company announcements made to the ASX and the SGX during the period from 1 July 2007 to the date of this Report. Full details are available through the ASX, SGX or MacarthurCook websites.

ASX announcements

August 2008

Substitute contents page for financial report

Preliminary Final Report and full year financial results

New appointments

July 2008

Portfolio update June 2008

Distribution letter sent to unitholders

Dividend details

New appointments

June 2008

Distribution for quarter ending 30 June 2008

MacarthurCook response to AMP Capital Investors

MacarthurCook IOOF strategic alliance

MacarthurCook notes AMP Capital as substantial holder

May 2008

MPS renewal of debt facility

Focus newsletter issue

April 2008

Distribution letter sent to unitholders

Distribution and estimated tax components confirmation

Change of Director's interest notice

Ceasing to be a substantial holder

MacarthurCook appoints additional company secretary

March 2008

Fund update sent to unitholders

Change of Director's interest notice

Distribution for quarter ending 31 March 2008

Half year results presentation

February 2008

Half yearly report and half year accounts

Becoming a substantial holder

Distribution letter sent to unitholders

Change of Director's interest notice

Appendix 3B

January 2008

Market update December 2007

Change of Director's interest notice

Distribution Reinvestment Plan issue price

December 2007

Update on debt position and Centro exposure

Additional acquisitions

Record date for distribution

October 2007

Change of Director's interest notice

Change of Director's interest notice

Appendix 3B DRP

DRP issue price September 2007

Distribution to SGX listed unitholders

Unitholder meeting – Chairman's address

Notification of despatch of statements to unitholders

Cleansing notice (secondary sale)- renounceable rights issue

Appendix 3B - renounceable rights issue

Statistics of the renounceable rights issue

Further cleansing notice - renounceable rights issue

Renounceable rights issue - notification of shortfall

Unitholders' update meeting

Appendix 3X - initial Director's interest notice x 2

MacarthurCook appoints additional company secretary

September 2007

Renounceable rights issue-despatch of rights issue document

Further cleansing notice - renounceable rights issue

Distribution for quarter ending 30 September 2007

2007 Annual Report

Singapore Exchange approval in-principle

Initial Director's interest notice

Director appointment

Renounceable rights issue - letter despatched to unitholders

Rights issue document

Amendment to Constitution

Appendix 3B

Cleansing notice

Renounceable rights issue

Company secretary appointment

August 2007

Full year statutory accounts

Appendix 3B DRP

No direct exposure to the US sub-prime mortgage market

July 2007

Change of Director's interest notice

DRP price issue June 2007

SGX announcements

August 2008

Financial results

New appointments

July 2008

Portfolio update

Distribution letter

Announcement of appointment of company secretary

June 2008

Distribution for quarter ending 30 June 2008

MacarthurCook response to AMP Capital Investors

MacarthurCook IOOF strategic alliance

MacarthurCook notes AMP Capital as substantial holder

May 2008

MPS renewal of debt facility

Focus newsletter issue 6

April 2008

Distribution letter sent to unitholders

Notice of ceasing to be a substantial holder

Change of Director's interest notice

Distribution and estimated tax components confirmation

MacarthurCook appoints additional company secretary

March 2007

Fund update sent to unitholders

Change of Director's interest notice

Distribution for quarter ending 31 March 2008

Half year results presentation

February 2008

Half year results to 31 December 2007

Notice of substantial shareholding

Distribution letter sent to unitholders

Change of Director's interest notice

January 2008

Market update December 2007

Appendix 3Y - change of Director's interest notice

Distribution Reinvestment Plan issue price

December 2007

Update on debt position and Centro exposure

Additional acquisitions

Record date for distribution

October 2007

Dividend Reinvestment Plan issue price September 2007

Appendix 3B DRP

Change of Director's interest notice

Change of Director's interest notice

Distribution to SGX listed unitholders

Unitholder meeting - Chairman's address

Notification of despatch of statements to unitholders

Statistics - renounceable rights issue

Renounceable rights issue - appendix 3B

Renounceable rights issue - cleansing notice

July 2007

Notice of a Director's (including a director who is a substantial shareholder) interest and change in interest

MPS DRP issue price June 2007

Four Year Financial Performance Summary

Year ended 30 June	2008	2007	2006	2005*
FINANCIAL PERFORMANCE				
Revenue from ordinary activities ($m)	(34.7)	39.4	17.6	5.5
Total expenses ($m)	(7.1)	(5.1)	(3.1)	(1.3)
Net profit/(loss) ($m)	(41.8)	34.3	14.5	4.2
Distributions paid and payable ($m)	17.8	12.7	11.5	3.5
FINANCIAL POSITION				
Total assets ($m)	204.6	235.2	171.6	99.0
Total liabilities ($m)	69.2	73.3	52.4	32.0
Unitholders' equity ($m)	135.4	161.9	119.2	67.0
Number of units on issue – end of year ($m)	177.8	145.5	121.8	70.2
Net tangible assets backing per unit (cents)	76.1	111.3	97.8	95.4
KEY PERFORMANCE MEASURES				
Earnings per unit (cents)	(25.0)	25.6	13.4	6.0
Distribution per unit (cents)	10.5	9.5	10.5	4.9
Proportion of distribution tax-advantaged (%)	71.6	65.5	91	75
Capital growth per unit (%) (ASX listed units)	(66.4)	8.5	(7.67)	10
Total return (%)	(59.9)	18.7	2.5	14.9
Debt to gross assets (%)	30.8	28.9	24.6	27.5
Unit price – end of year ($)	0.375	1.07	1.0	1.1
Number of investors	4,129	4,507	3,838	2,735

* 2005 figures restated due to changes in accounting policy required by Australian equivalent of International Financial Reporting Standards.

Corporate Directory

Responsible Entity

MacarthurCook Fund Management Limited
ABN 79 004 956 558

Head Office and Registered Office

Level 4, 30 Collins Street
Melbourne VIC 3000
Australia

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Fax: +61 3 9639 1440
Email: mail@macarthurcook.com.au

Singapore Office

1 Raffles Place
#21-01 OUB Centre
Singapore 048616

Telephone: +65 6309 1050
Fax: +65 6534 3942
Email: email@macarthurcook.com.sg

Directors of the Responsible Entity

Mr Richard M Haddock
Independent Chairman and Non-Executive Director

Mr Craig M Dunstan
Managing Director

Mr Nick G Basile
Non-Executive Director

Mr Geoff Coffey
Non-Executive Director

Mr A Hugh Gurner
Independent Non-Executive Director

Ms Jane Tongs
Independent Non-Executive Director

Company Secretary

Richard Hobson

Auditors

KPMG
147 Collins Street
Melbourne VIC 3000

Compliance Plan Auditor

Andrea Waters
Partner
KPMG
147 Collins Street
Melbourne VIC 3000

Securities Exchanges

Australian Securities Exchange Limited (ASX)
Melbourne VIC 3000

Singapore Exchange Limited (SGX)
Singapore 068804

Securities Exchanges Codes

MPS (ASX)
MacCookPSF (SGX)

Unit Registrar

Australia
Computershare Investors Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Telephone: +61 3 9415 4349
Toll free (within Australia): 1300 728 429

Singapore
Boardroom Corporate & Advisory Services Pte. Ltd.
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MACARTHURCOOK
INTERNATIONAL REAL ESTATE INVESTMENT MANAGERS