MACARTHUR COOK

A member of AIMS Financial Group

MacarthurCook Limited - International Real Estate Fund Manager

26 February 2010 **ASX Code : MPS**

SGX Code: MacCookPSF

MacarthurCook Property Securities Fund- Update

Half Year Results to 31 December 2009

The Responsible Entity of the MacarthurCook Property Securities Fund (the "Fund"), MacarthurCook Fund Management Limited, provides the following information:

- Summary of the unaudited financial results ending 31 December 2009

Change of Auditor and release of audited accounts

On 4 February 2010, the Responsible Entity announced that following a tender process, it is proposed that there be a change in auditor from KPMG to Deloitte Touché Tohmatsu.

As a result of a technical error with the provision of information to the Australian Securities and Investments Commission (ASIC) relating to the change in auditors, ASIC declined the resignation of KPMG and the appointment of Deloitte. The Responsible Entity is working with ASIC, KPMG and Deloitte to finalise outstanding issues regarding the change in auditors.

Unfortunately this will result in the Responsible Entity being unable to lodge with the ASX, Appendix 4D or audited Half Year report by 26 February 2010.

The Responsible Entity would like to advise that while the release of today's half year results summary is unaudited, it is confident that the audit approval and release of Appendix 4D and audited Half Year report will be generally consistent with the information provided in this release.

Suspension of trading

The technical problem associated with the transition in auditors and the corresponding inability to issue Appendix 4D and the audited Half Year report within the time required by the ASX Listing Rules will result in the Fund's units being suspended on the ASX from 1 March 2010 until this audited financial information can be released. It is anticipated that the units will also be suspended on the SGX during the same period.

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The Responsible Entity will seek to have the audited accounts released as soon as possible and anticipates this will take approximately one week. Following the release of Appendix 4D and audited Half Year report, the suspension of trading should be immediately lifted.

The Responsible Entity has released a summary of the unaudited results in order to keep investors informed about the Fund and allay any concerns that the delay in the release of the accounts relates to any performance issues for the Fund.

The Responsible Entity regrets this situation and is working diligently to rectify the issue to enable the completion of the audit process and the recommencement of trading of the units in the Fund.

For further information, contact:

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About MacarthurCook:

MacarthurCook Limited is a subsidiary of the AIMS Financial Group (AIMS) and specialises in the investment management of direct property, real estate securities and mortgage assets.

MacarthurCook and AIMS manage over A$1.1 billion on behalf of over 21,000 investors as at 30 June 2009 and are the investment managers for AIMS-AMP Capital Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Exchange. The MacarthurCook Industrial Property Fund is listed on the ASX. The AIMS-AMP Capital Industrial REIT is listed on the Singapore Exchange. The RMR Asia Pacific Real Estate Fund is listed on the American Stock Exchange.

About AIMS Financial Group:

Established in 1991, AIMS Financial Group is an Australian company with a solid track record and enviable reputation in the mortgage and securitisation markets. It has expanded to become an international financial group focusing on funds management, real estate investment, securitisation and mortgage lending.

AIMS is a 100% Australian owned business that has operated in Australia for nearly 20 years. AIMS started in Australia with only two staff and today have in excess of 100 staff in Australia. AIMS has been very active in introducing international investors into the Australian real estate market. During this time AIMS has attracted over $1 billion of investment from its international clients to invest in Australian direct property. In the last 8 years to 2007, AIMS has raised directly and indirectly approximately A$3 billion in funds from the Australian capital markets, with most of the RMBS (Residential Mortgage Backed Securities) rated AAA by both Standard & Poors and Fitch Ratings.

With offices across Australia and China and highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group bridges the gap between Australia and China in various markets, especially in real estate, resources, technology, infrastructure, banking and financial services.

26 February 2010

ASX Code : MPS

Exchange Announcement

SGX: MacCookPSF

MacarthurCook Property Securities Fund
Half Year Results to 31 December 2009

MacarthurCook Fund Management Limited, as Responsible Entity of the MacarthurCook Property Securities Fund (the "Fund"), announces the Fund's unaudited results for the half year to 31 December 2009.

Unaudited Financial results summary for the half year ended 31 December 2009

Income Statement ($ million)	**Half Year to 31 December 2009**	**Half Year to 31 December 2008**
Distribution and interest income	2.17	6.92
Other income	0.17	0.52
Profit/(loss) on sale of investments	(0.11)	(2.87)
Total expenses	(3.18)	(3.32)
Net profit/(loss) before unrealised change in value of investments and derivatives	(0.95)	1.25
Unrealised change in fair value of investments and derivatives	(6.33)	(31.60)
Net profit/(loss)	(7.28)	(30.35)
Balance Sheet ($ million)	**Half Year to 31 December 2009**	**Half Year to 31 December 2008**
Total assets	104.96	152.00
Net assets	62.14	100.06

Summary Statistics	**Half Year to 31 December 2009**	**Half Year to 31 December 2008**
Number of Units on issue (excluding deferred units)	182.02	178.77
Distribution per Unit (cents)	nil	2.75
NTA per Unit (cents) #	0.34	0.56

The NTA includes mark to market valuations for listed investments and valuations based on the information for unlisted investments provided by third-party managers.

Key Highlights

- Reduction in debt
- Sale of investments in REITs above the carrying value as at 30 June 2009

Industry Commentary

Australia has avoided a technical recession and expectations regarding potential increases in unemployment are now significantly lower than was previously forecast. Government stimulus packages and lower interest rates in the earlier part of 2009 have had positive impacts on consumer confidence and retail spending, which has led to better than expected economic growth.

In November 2009 the Reserve Bank indicated "the nation's economy will expand at more than three times the pace forecast in August". It further noted that GDP would rise 1.75% this year (2009) and 3.25% in 2010. Three months prior to this the Reserve Bank had been forecasting GDP to rise 0.5% in 2009 and 2.25% in 2010.

This general improvement in the economy was also reflected by stronger returns for the Australian REIT (A-REIT) market. Total returns from A-REITs increased on average 23.9% for the half year ending 31 December 2009. This recovery in the A-REIT market has been in part generated by a significant recapitalisation of the sector with over $14 billion raised, which has significantly reduced concerns regarding gearing.

The unlisted property fund market has continued to experience significant challenges. Properties within the underlying direct property funds invested in by the Fund fell on average 7% for the six months ending 31 December 2009, although it is noteworthy that such falls are significantly less than would have been anticipated six months prior.

Notwithstanding, the falls in property valuations have continued to place further pressure on gearing for many unlisted funds, resulting in many Responsible Entities continuing to have to suspend distributions and redemptions and deferring termination dates for funds. Refinancing of debt also remains very difficult, particularly with higher costs of debt and an inability to easily recapitalise.

While individual property valuations will continue to fluctuate due to property specific issues such as lease expiries, market consensus is increasingly moving towards a view that for those properties that have been valued as at the half year, we are likely to see a period of greater stabilisation.

Commercial property market update

Office markets

As expected, office markets have been significantly impacted by the global financial crisis ("GFC"), although they have not fallen to the same degree as expected or seen in the last recession. The GFC has significantly impacted the financial services sectors and correspondingly the Sydney and Melbourne markets. Although vacancies levels have increased in these markets, they have not increased to the levels expected with vacancy rates in Sydney and Melbourne anticipated being approximately 8.5% and 5.3% respectively, early in the 2010 calendar year.

The resources states such as Western Australia and Queensland have also been impacted by the GFC, with slowing economic growth, new supply and concerns regarding the level and sustainability of growth in China.

Notwithstanding, office markets have been more robust than anticipated, with unemployment not increasing as much as expected and much of the new supply earmarked to be developed, having been placed on hold due in particular to the difficulty in financing new developments.

Retail markets

For the retail market, the resilience of this sector during economic downturns has again been demonstrated during the GFC. This has in part been due to fiscal and monetary stimulus packages introduced by the government and Reserve Bank, in the form of lower interest rates and payments to consumers to stimulate buying and enhance consumer confidence. These factors have had a positive impact on retail sales.

With interest rates now increasing and government stimulus packages being scaled back; there are increasing signs that this may limit a strong performance for retail property over the next twelve months. However with the continued improvement in economic conditions overall, this should underpin further steady returns for retail property.

Industrial property

Property valuations for industrial property have fallen on average 15%-20% since the GFC commenced, which has been much lower than during the last recession where average falls were in excess of 35%.

One of the factors which has helped reduce the impact on industrial property has been the relatively lower cost of industrial property compared to office and retail property, which has ensured steady demand from private investors for industrial property up to $15 million in value. In the last twelve months, over 55% of industrial property has been acquired by private buyers and this has also in part been driven by a reduced reliance from this type of investor on debt financing.

Tenant demand during the last six months has again remain subdued although inquiry rates are increasing following the start of the 2010 calendar year and the pick up in economic growth and activity. Forecast increased economic growth is a positive indicator for industrial property and coupled with higher interest rates, which should reduce the risk of significant new supply; should provide a more positive outlook for industrial property.

Management of the Fund

Following the new debt facility which was entered into in July 2009, the focus for the management of the Fund has been to seek to selectively sell a range of underlying investments in order to progressively reduce debt in the Fund, while seeking to protect unitholder value.

The Responsible Entity has sold a number of investments in Real Estate Investment Trusts (REIT's), which has allowed debt in the Fund to be reduced from $44.5 million as at 30 June 2009 to $41.0 million as at 31 December 2009.

During the period, there was a reduction in the weighting to the following REITs:

- Sale of the investment in Cambridge Industrial REIT
- Sale of the investment in MacarthurCook Industrial REIT
- Partial sale of the investment in Challenger Kenedix Japan Trust

No investments in unlisted funds were able to be redeemed during the period.

In the 2009 Annual Report for the Fund, there were a number of underlying investment funds listed that were due to be wound up by this point in time. Due to the difficult market conditions this has not been possible, which has further reduced the ability of the Responsible Entity to reduce its weighting to unlisted property funds.

Notwithstanding, the Responsible Entity continues to be in discussion with the managers of underlying funds to seek to expedite the ability to redeem investments. In addition, the Responsible Entity also continues to assess the ability to sell a number of these investments through secondary markets.

Financial results

Distribution and interest income decreased 69% to $2.17 million from the previous corresponding period, due to the substantial reduction in income received from underlying investments.

The Funds NTA was $0.34 as at 31 December 2009, which was down $0.05 from the NTA as at 30 June 2009 ($0.39). The NTA of the unlisted funds decreased on average by 7% during the half year. A primary contributing factor to this was the write-down in the value of the Funds three preferred equity holdings in the RP Trust (formerly known as the Reed Property Trust) by $8.25 million or from $1.00 per unit to RP Trust's latest NTA of $0.45 per unit. The Directors have determined for accounting purposes that these investments are impaired. These write-downs do not prejudice in any way, any legal right to pursue repayment of the original value of these investments..

The Fund had a net loss of $7.28 million for the half year ending 31 December 2009, compared to a loss of $30.35 million for the previous corresponding period. Before the unrealised change in value of investments and derivatives, the net loss was $0.95 million for the half year ending 31 December 2009, compared to a profit of $1.25 million for the previous corresponding period.

Debt management

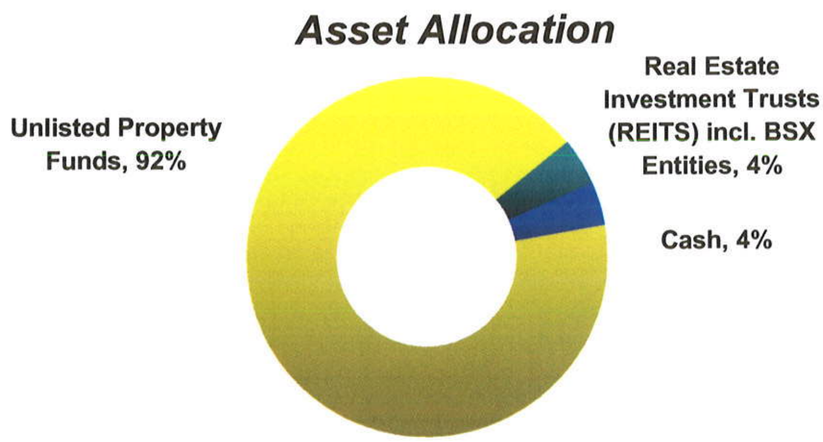
During the period, the Responsible Entity used the proceeds from disposals of investments in REITs to further reduce debt to $41.0 million representing 39% of total assets as at 31 December 2009. Look-through gearing, including gearing at the Fund level and underlying investment level, was approximately 75% as at 31 December 2009 (based on information provided to the Responsible Entity by third party managers).

Under the debt facility, which was entered into in July 2009, the facility is required to be progressively repaid.

While some debt has been repaid during the period, with few remaining investments in REITs and a very limited ability to redeem investments in unlisted funds, this continues to be very challenging to manage.

The Responsible Entity continues to work very closely with the Bank in this regard and is currently meeting the requirements of the debt facility.

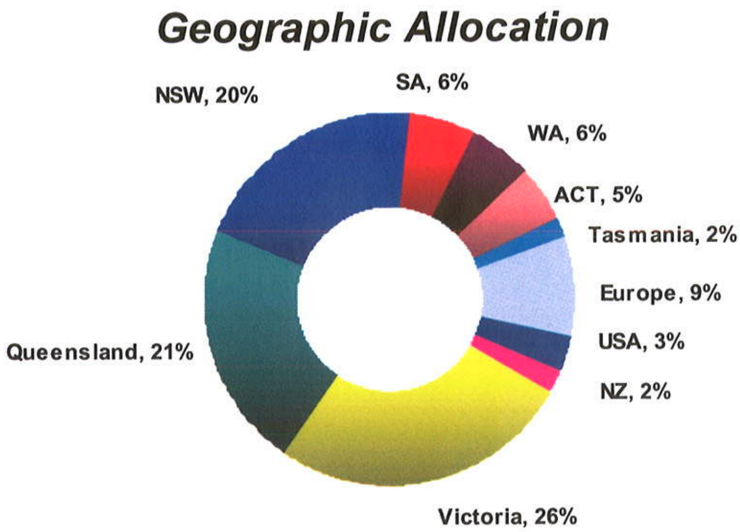
Asset Allocation: Underlying Geographic, Sector and Asset Exposure



The asset allocation to REITs has decreased since the end of the last financial year, due to the sale of a number of investments in REITs and the re-classification of the Mirvac PFA Diversified Property Trust investment from a listed to an unlisted fund.

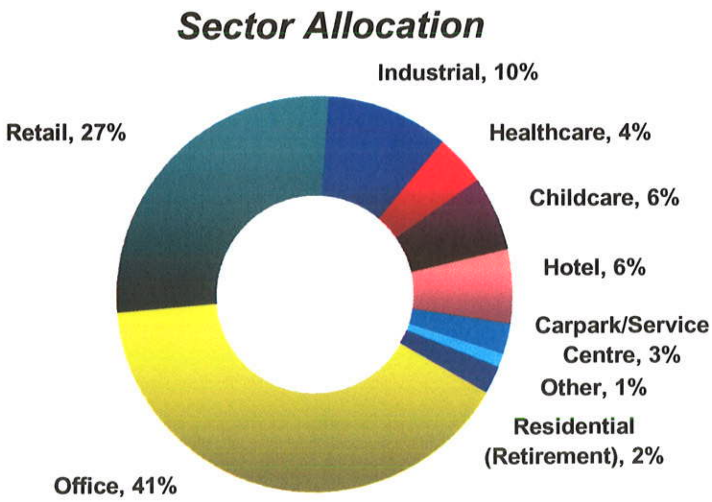
During the half year the Responsible Entity sold its holdings in the two Singapore-listed REITs (Cambridge Industrial REIT and the MacarthurCook Industrial REIT) and reduced its exposure to the ASX-listed Challenger Kenedix Japan Trust.

Geographic, Sector and Asset Exposure (by % of Fund Investments)



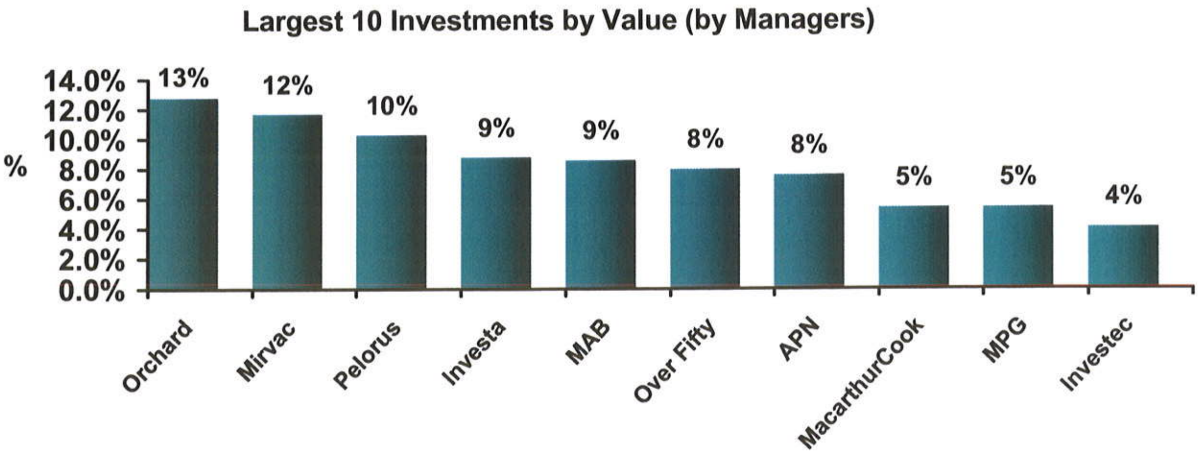
The exposure to Asia was reduced to less than 1% following the sale of a number of REITs with Asian property investments.

The weightings to Europe and the US also further reduced, as asset values in these regions on average fell by more than property values in Australia.



The sale of the investments in both the Singapore REITs and Challenger Kenedix Japan Trust, resulted in a reduction in the weighting towards industrial and retail property respectively, with the office sector increasing.

There was an increase in the weighting towards the healthcare and childcare sectors, following an increase in the NTA's recorded by the Orchard Essential Healthcare Fund and Orchard Childcare Fund in the six-months to 31 December 2009.



The exposure to Mirvac more than doubled since June 2009, due to the Mirvac PFA Diversified Property Trust de-listing from the BSX in July 2009, which gave rise to a significant increase in the value of that Fund (which is now priced at NTA).

Reductions in exposure to APN and APGF were due to reductions in the respective NTAs of funds managed by the fund managers. The reduction to MacarthurCook was predominantly due to the sale of the units held in the MacarthurCook Industrial REIT during the period.

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