AIMS
MACARTHURCOOK
A Member of AIMS Financial Group

24 February 2011 **ASX Code : MPS**

MacarthurCook Property Securities Fund Update
Half Year Results to 31 December 2010

MacarthurCook Fund Management Limited, the Responsible Entity of the MacarthurCook Property Securities Fund (**"Fund"**), announces the Fund's results for the half year to 31 December 2010.

Financial results summary for the half year ended 31 December 2010		
Income Statement ($ million)	**Half Year to 31 December 2010**	**Half Year to 31 December 2009**
Distribution and interest income	1.91	2.17
Other income	0.12	0.17
Profit/(loss) on sale of investments	0.46	(0.11)
Total expenses	(2.53)	(3.18)
Net profit/(loss) before unrealised change in value of investments and derivatives	(0.05)	(0.95)
Unrealised change in fair value of investments and derivatives	(3.54)	(6.33)
Net profit/(loss)	(3.59)	(7.28)

Balance Sheet ($ million)	Half Year to 31 December 2010	Half Year to 31 December 2009
Total assets	87.17	104.96
Net assets	57.49	62.14

Summary Statistics	Half Year to 31 December 2010	Half Year to 31 December 2009
Number of Units on issue (excluding deferred units) ($ million)	193.51	180.26
Distribution per Unit (cents)	nil	nil
NTA per Unit (cents) #	0.30	0.34

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

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MacarthurCook Group
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MacarthurCook Investment Managers Limited
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MacarthurCook Real Estate Funds Limited
ABN 32 126 766 167 AFSL No: 318261

Executive Summary

- Following the sale of the Fund's interest in the MacarthurCook Industrial Property Fund (MIF) for total consideration of $5.8 million, the Fund is now 96% invested in unlisted or illiquid property securities funds;
- The Fund has been able to repay part of its outstanding debt through asset sales and investment redemptions;
    - The OCBC debt facility, which has been extended to 31 December 2011, has been repaid from $35.6 million to $28.6 million;
    - This represents a fund level gearing of 34% and a look through gearing of 70.5%;
    - As at 21 February 2011, the Fund has $4.3m in cash and $3.0 million in an Interest Reserve Account with OCBC. These funds will be used to repay OCBC debt in accordance with the revised repayment schedule;
- The Fund's NTA per unit was $0.30 as at 31 December 2010, which was down $0.02 from the NTA per unit as at 30 June 2010 ($0.32). The fall in NTA per unit was largely due to a write down in value of:
    - APN/UKA Poland Retail Trust by $1.2 million to zero;
    - APN Champion Retail Fund from $5.9 million to $4.4 million; and
    - RP Trust from $8.6 million to $6.7 million; (the unit price for the RP Trust is as of 30 November 2010)
    - These write downs were marginally offset by valuation increases totalling $1.7 million;
- The Fund recorded a net loss of $3.6 million for the half year ending 31 December 2010, compared to a net loss of $7.3 million for the previous corresponding period;
- Distribution income decreased 13.5% from $2.1 million to $1.8 million compared to the previous corresponding period, due to fewer investments and suspended distributions in the underlying investments;
- As at 31 December 2010, the Fund's unit price was $0.105, a rise of 10.5% compared to the Fund's unit price of $0.095 at 30 June 2010;
- The Manager is completing an assessment on the current status and future direction of the Fund. Any proposal arising from the outcome of this process will be communicated to all investors in due course.

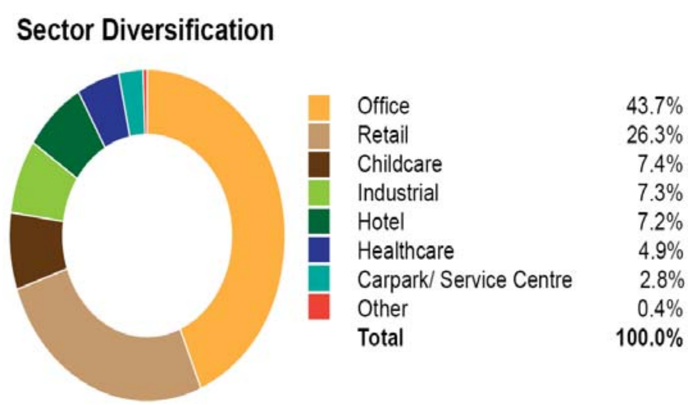
Portfolio Update

- Valuation increases totalling $1.7 million have arisen from Investa Diversified Office Fund ("IDOF"), Centro MCS 35, Centro MCS 36 and the MacarthurCook Office Property Trust;
- The sale of 310 - 320 Pitt Street, Sydney, in which IDOF had a 50% interest has reduced IDOF's borrowings to 44% and facilitated the reinstatement of distributions at a forecast level of 1.5 cents per quarter commencing, December 2010;
- The assets in the Orchard Essential Healthcare Trust have been sold to Vital Healthcare, providing a return of capital of $4.03 million, 6% discount to the Fund's carrying value at 30 June 2010;

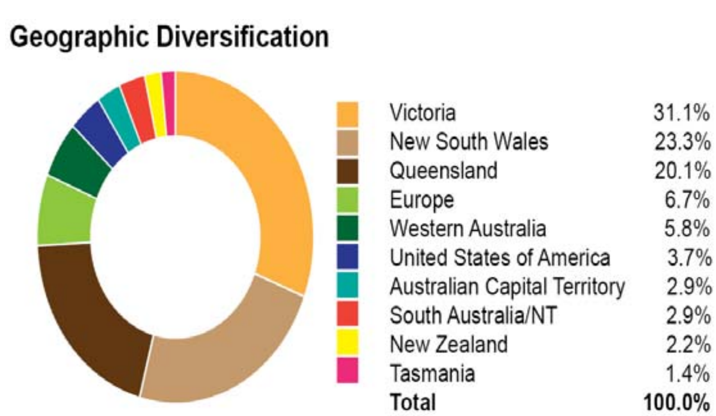
- Ray White Invest Service Centre Trust is expected to complete its asset sale program during the second half of 2011 and the wind-up of the fund;
- MAB Diversified Property Fund has commenced selling assets and will proceed to a wind-up of the fund, by March 2012;
- Domaine Hunter Fund is selling assets with the wind-up of the fund expected to be completed by June 2012;
- The Fund continues to pursue redemption of its interest in the RP Trust (formerly known as the Reed Property Trust). A trial date has been set down for March 2011;
- The Responsible Entity continues to pressure managers of the underlying funds to seek to expedite the ability to redeem investments and continues to assess the ability to sell a number of the Fund's investments.

Asset Allocation: Underlying Geographic, Sector and Asset Exposure

Following the sale of the investment in the MIF, weightings in the industrial property sector have reduced, with increase weightings to the retail and office sector.



The Fund continues to be well diversified throughout the Australia. The Fund's interest in the APN/UKA Poland Retail Trust and APN Champion Retail Fund has resulted in a lower weighting towards Europe due to a fall in asset value across the board.



Summary of the Investment Portfolio

A summary of the Fund's portfolio of listed (BSX), unlisted and preferred equity investments values as at 31 December 2010.

Listed Investment (BSX)	Carrying Value ($m)	Portfolio Weightings
APN Regional Property Fund	0.32	0.38%
Unlisted Investments		
APN Champion Retail Fund	4.39	5.19%
APN/UKA Poland Retail Trust	0.00	0.00%
Austgrowth Property Syndicate #23	1.68	1.99%
Orchard Childcare Property Trust	6.24	7.38%
Centro MCS 32	0.48	0.57%
Centro MCS 33	1.05	1.24%
Centro MCS 35	0.73	0.86%
Centro MCS 36	0.71	0.84%
Orchard Commercial Office Fund	2.45	2.89%
Domaine Hunter Fund	1.15	1.36%
APGF Diversified Property Fund	1.05	1.24%
Orchard Essential Healthcare Trust	4.12	4.88%
Investa Diversified Office Fund	9.41	11.13%
MAB Diversified Property Trust	5.75	6.80%
MAB International Retail Trust	1.19	1.41%
MacarthurCook Office Property Trust	2.71	3.20%
APGF Diversified Property Trust	10.91	12.91%
MPG Bulky Goods Retail Trust	5.32	6.30%
Over Fifty Direct Property Trust	6.96	8.24%
Ray White Invest Service	2.14	2.53%
RP Trust#	0.81	0.95%
RP Trust - Facility (Tranche 1)#	1.52	1.80%
Rimcorp Property Trust - No. 4	2.28	2.70%
Stockland Direct Office Trust No.3	2.00	2.37%
Toga Accommodation Fund	4.15	4.91%
Trinity Property Trust	0.41	0.49%
Preferred Equity Agreements		
RP Trust - Facility (Tranche 2)#	1.54	1.82%
RP Trust - Facility (Tranche 4)#	1.54	1.82%
RP Trust - Facility (Tranche 5)#	1.54	1.82%
TOTAL	**84.54**	**100.00%**

Note: #Values are recorded as at 30 November 2010.

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<u>About MacarthurCook</u>:

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

MacarthurCook and AIMS manage over A$1.5 billion on behalf of over 20,000 Investors/borrowers as at 21 December 2010 and are the investment managers for the 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. AIMS also manages, in a joint-venture arrangement with AMP Capital, the AIMS-AMP Capital Industrial REIT in Singapore.

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

<u>About AIMS Financial Group</u>:

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 significant investment in Australian direct property from its international clients. Since 1999, 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.

MACARTHURCOOK
A Member of AIMS Financial Group

APPENDIX 4D
HALF YEAR REPORT
Period Ending 31 December 2010

MACARTHURCOOK PROPERTY SECURITIES FUND
ABN 17 229 685 861

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period

Half-year Report for the six months ended 31 December 2010.

2. Results for announcement to the market

The following results for the six months to 31 December 2010 are being compared with the previous corresponding period to 31 December 2009.

			31 December 2010 $'000		31 December 2009 $'000
Revenue from ordinary activities	NM*	to	(1,038)	from	(4,107)
Loss from ordinary activities after tax attributable to unitholders	NM*	to	(3,591)	from	(7,284)
Net loss for the period attributable to unitholders	NM*	to	(3,591)	from	(7,284)

* Percentage change is not meaningful

The above results have been significantly impacted by unrealised loss of $3,540,000 (loss as of December 2009: $7,398,000) on the Fund's investment portfolio. The unrealised loss has arisen from the fall in the value of underlying unlisted property security fund investments.

3. Overview of the Results

	31 December 2010 $'000	**31 December 2009 $'000**
Distribution, interest, placement fee and other income	2,039	2,337
Operating expenses	(2,553)	(3,177)
Operating profit	**(514)**	**(840)**
Realised gain/(loss) on sale of investments	463	(113)
Unrealised loss on investments	(3,540)	(7,398)
Net change in fair value of derivatives	-	1,067
Net loss from financial assets and liabilities designated at fair value through profit and loss	**(3,077)**	**(6,444)**
Decrease in net assets attributable to unitholders/Total comprehensive income	**(3,591)**	**(7,284)**

For further details on these results, refer to the accompanying condensed financial report.

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APPENDIX 4D
HALF YEAR REPORT
Period Ending 31 December 2010

MACARTHURCOOK PROPERTY SECURITIES FUND
ABN 17 229 685 861

4. Net tangible assets per security

31 December 2010	**31 December 2009**
29.7 cents per unit	34.1 cents per unit

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

Not applicable.

6. Distributions

	Half-year to 31 December 2010		
		Cents per unit	Date paid / payable
Quarter ended 30 September (Interim)	-	-	-
Quarter ended 31 December (Interim)	-	-	-
	-	**-**	

7. Distribution Reinvestment Plan

Not applicable.

8. Associates & joint venture entities

Not applicable.

9. Accounting standards applied to foreign entities

Not applicable.

10. Audit dispute or qualification

None.

MACARTHURCOOK PROPERTY SECURITIES FUND

CONDENSED FINANCIAL REPORT
31 DECEMBER 2010

MACARTHURCOOK PROPERTY SECURITIES FUND
CONDENSED FINANCIAL REPORT
FOR SIX MONTHS ENDED 31 DECEMBER 2010

Contents

MACARTHURCOOK PROPERTY SECURITIES FUND
DIRECTORS' REPORT
CONDENSED FINANCIAL REPORT
FOR SIX MONTHS ENDED 31 DECEMBER 2010

The Directors of MacarthurCook Fund Management Limited (ABN 79 004 956 558 and AFS licence No. 258052), the Responsible Entity of MacarthurCook Property Securities Fund ("the Fund"), present their report, together with the Financial Report of the Fund for the half-year ended 31 December 2010 and the Auditor's review report thereon. This Condensed Financial Report should be read in conjunction with the MacarthurCook Property Securities Fund Update dated 24 February 2011.

The Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Fund are Level 16, Central Square, 323 Castlereagh Street, Sydney, New South Wales.

Directors

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

Name	***Period of Directorship***
Mr George Wang (Executive Chairman)	Director since 14 July 2009 and Executive Chairman since 7 August 2009.
Mr Antony Wood (Non-Executive Director)	Director since 7 August 2009.
Mr Mark Thorpe-Apps (Executive Director)	Director since 28 August 2009, resigned 27 August 2010.
Mr Chris Langford (Non-Executive Director)	Director since 17 September 2009.
Mr David van Aanholt (Executive Director and Chief Executive Officer)	Executive Director since 23 June 2010, resigned 16 August 2010; Chief Executive Officer since 17 May 2010, resigned 16 August 2010.
Mr Richard Nott (Non-executive Independent Director and Chairman of the Audit, Compliance and Risk Committee)	Non-executive Independent Director and Chairman of the Audit, Compliance and Risk Committee since 5 August 2010.

Principal Activities

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

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

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

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

The Fund did not have any employees during the period.

MACARTHURCOOK PROPERTY SECURITIES FUND
DIRECTORS' REPORT
CONDENSED FINANCIAL REPORT
FOR SIX MONTHS ENDED 31 DECEMBER 2010

Results and Review of Operations

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

The operating result for the financial half-year ended 31 December 2010 was a net loss of $3,591,000 (Dec 2009: net loss $7,284,000). This result includes an unrealised loss on investments of $3,540,000 (Dec 2009: unrealised loss $7,398,000). The result was largely due to the continued fall in the value of underlying investments in unlisted property funds exposed to the European and US commercial property market. The reduction in the loss from 31 December 2009 reflects the stabilisation of property markets across Australia following the bottom of the downturn. No distributions were paid and payable for the period ended 31 December 2010 (2009: nil).

Performance

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

	ASX listed units		SGX listed units	
	Half-year to 31 December 2010	Half-year to 31 December 2009	Half-year to 31 December 2010	Half-year to 31 December 2009
	%	%	%	%
Distribution Return	-	-	-	-
Growth Return	**10.53**	(10.91)	**50.00**	(7.41)
Total Return	**10.53**	(10.91)	**50.00**	(7.41)

The distribution return is calculated on the basis of the gross distribution to Unitholders before deducting any withholding tax, which may be applicable. The growth return relates to the movement in bid price on the respective ASX and SGX for the half-year to 31 December 2010. The market price of the Fund's Units (as represented by the closing bid price) on the ASX at 31 December 2010 was $0.105 (30 June 2010: $0.095). The market price of the Fund's Units on the SGX at 31 December 2010 was SGD$0.135 (30 June 2010: SGD$0.090).

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 $87,168,000 as at 31 December 2010 (30 June 2010: $98,073,000). At 31 December 2010, the net tangible asset value was $0.297 cents per unit (30 June 2010: $0.316 cents per unit).

Distributions

No distributions have been made for the half year ended 31 December 2010 (2009: nil).

Significant Changes in the State of Affairs

On 16 September 2010, the Fund disposed of its entire holding (15.23 million units) in the MacarthurCook Industrial Property Fund, realising $5.8 million.

The Fund also received a partial return of capital (of $0.15 cents per unit) for a total consideration amount of $1.17 million from its investment in the Over Fifty Direct Property Trust. The capital returns assisted the Fund in reducing the OCBC debt facility from $35.65 million to $28.65 million, representing an LVR of 34% as at 31 December 2010. Given the underlying investments also have gearing, the effective LVR of the Fund on a look-through basis is circa 70%. This look-through gearing estimate is based on data provided by the underlying fund managers which is up to six months old.

A 12 month extension was secured to the Fund's existing debt facility with OCBC during June 2010. The facility now expires on 31 December 2011 with a revised debt amortisation program.

The Fund has a significant investment in the RP Trust (formerly known as the Reed Property Trust). The majority of this investment is held in preferred equity units. The redemption dates for the units were November and December 2008. Additional fee income has accrued since the original redemption dates were not met.

Legal proceedings commenced in May 2010 in the Supreme Court against RFML Limited, the responsible entity of the RP Trust, and the trust itself. The trial date has been set for the month of March 2011 and the process is currently undergoing a discovery phase.

Events Subsequent to Balance Date

In February, the Fund redeemed its investment in the Orchard Essential Healthcare Property Trust, an unlisted property trust with exposure to the property healthcare sector in Australia. The redeemed price was $0.925 cents per unit (a 6% discount to the Fund's carrying value at 31 December 2010) for a total consideration of $4.03 million.

During this period, the Fund also received the second return of capital instalment from its investment in the Over Fifty Direct Property Trust ($0.15 cents per unit) for a total consideration of $1.17 million. The Fund's remaining interest in the trust is $5.80 million.

Other than the matters discussed 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.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 6 and forms part of the Directors' Report for the half-year to 31 December 2010.

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.

Mr George Wang
Executive Chairman
MacarthurCook Fund Management Limited
Sydney

23 February 2011

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

To: the directors of MacarthurCook Fund Management Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2010 there have been:

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

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

KPMG

KPMG

Darren Scammell
Partner

Melbourne

23 February 2011

MACARTHURCOOK PROPERTY SECURITIES FUND

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR SIX MONTHS ENDED 31 DECEMBER 2010

	31 Dec 2010 $'000	31 Dec 2009 $'000
Investment income		
Distribution Income	1,844	2,141
Interest income	70	25
Placement Fee Income	125	157
Realised gain/(loss) on sale of investments	463	(113)
Unrealised loss on investments	(3,540)	(7,398)
Net change in fair value of derivatives	-	1,067
Other Income	-	14
Total Investment Loss	**(1,038)**	**(4,107)**
Expenses		
Responsible Entity fees	212	291
Administration expenses	272	259
Borrowing costs	2,063	2,618
Transaction costs	6	9
Total expenses	**2,553**	**3,177**
Loss attributable to unitholders	**(3,591)**	**(7,284)**
Finance costs attributable to unitholders		
Distributions to unitholders	-	-
Change in net assets attributable to unitholders/Total comprehensive income	**(3,591)**	**(7,284)**

The Condensed Statement of Comprehensive Income is to be read in conjunction with the notes to the Condensed Financial Statements set out on pages 11 to 14

MACARTHURCOOK PROPERTY SECURITIES FUND
CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR TO 31 DECEMBER 2010

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments: Presentation. As such the Fund has no equity and no items of changes in equity have been presented for the current or comparative period.

The Condensed Statement of Changes in Equity is to be read in conjunction with the notes to the Condensed Financial Statements set out on pages 11 to 14

MACARTHURCOOK PROPERTY SECURITIES FUND
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	31 December 2010 $ '000	30 June 2010 $ '000
Assets			
Cash and cash equivalents		1,979	2,278
Receivables		647	687
Financial assets held at fair value through profit or loss:			
Listed property securities	4	319	5,651
Unlisted property securities	4	84,223	79,786
Financial assets carried at cost	4	-	9,671
Total assets		**87,168**	98,073
Liabilities (excluding liabilities attributable to unitholders)			
Payables		1,034	823
Interest bearing liabilities	5	28,650	35,650
Financial liabilities held at fair value through profit or loss:			
Interest rate swap	5	-	525
Total liabilities (excluding net assets liabilities attributable to unitholders)		**29,684**	36,998
Net assets attributable to unitholders - liabilities	3	**57,484**	61,075

The Condensed Statement of Financial Position is to be read in conjunction with the notes to the Condensed Financial Statements set out on pages 11 to 14

MACARTHURCOOK PROPERTY SECURITIES FUND
CONDENSED STATEMENT OF CASH FLOWS
FOR SIX MONTHS ENDED 31 DECEMBER 2010

	31 Dec 2010 $ '000	31 Dec 2009 $ '000
Cashflows from operating activities		
Distributions received	1,891	2,703
Interest received	70	25
Placement fees received	107	157
Other income received	25	27
Responsible Entity fees paid	(213)	(212)
Other expenses	(72)	(356)
Net cash inflow from operating activities	**1,808**	**2,344**
Cashflows from investing activities		
Proceeds on sale of investments	6,965	4,313
Net cash inflow/(outflow) from investing activities	**6,965**	**4,313**
Cashflows from financing activities		
Interest and other finance costs	(2,072)	(2,731)
Repayment of borrowings	(7,000)	(3,500)
Net cash (outflow)/inflow from financing activities	**(9,072)**	**(6,231)**
Change in cash balance during the half-year	(299)	426
Cash at the beginning of the half-year	2,278	2,593
Cash at the end of the half-year	**1,979**	**3,019**

The Condensed Statement of Cash Flows is to be read in conjunction with the notes to the Condensed Financial Statements set out on pages 11 to 14

1 Reporting Entity

MacarthurCook Property Securities Fund ("the Fund") is a registered Managed Investment Scheme under the Corporations Act 2001. The Condensed Financial Report of the Fund is for the six months ended 31 December 2010. The Condensed Financial Report was authorised for issue by the Directors of the Responsible Entity on 23 February 2011.

2 Basis of Preparation

(a) Statement of Compliance

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

The Condensed Financial Report does not include all of the information required for a full annual Financial Report, and should be read in conjunction with the Annual Financial Report of the Fund as at and for the year ended 30 June 2010.

(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 indicated.

(c) Significant Accounting Policies

The accounting policies applied by the Fund in this Condensed Financial Report are the same as those applied by the Fund for the year ended 30 June 2010.

(d) Going Concern

The Fund's Facility, which has been extended to 31 December 2011, is required to be repaid in full through an agreed debt repayment schedule. The Fund is currently complying with its obligations. However, this is dependent on the Fund's ability to continue to redeem or sell sufficient assets. Many of the Fund's underlying investments have suspended redemption facilities and it is uncertain if or when these will be reactivated.

2 Basis of Preparation (continued)

(d) Going Concern (continued)

Management is of the view there are reasonable grounds to prepare these financial statements on a going concern basis. The loan to valuation ratio (LVR) is 34% as at 31 December 2010. Management is exploring and assessing all available options to repay the Facility. In the event the Facility cannot be repaid in full, or refinanced through a new lender, by the Facility maturity date, the Fund may have to liquidate some or all of its assets. Under these circumstances, the assets' realisable value may be substantially below those stated in these financial statements. Management will continue to assess the Fund's going concern status and any material changes will be reported to the market as necessary.

3. Net assets attributable to unitholders

	31 December 2010 No. of Units '000	31 December 2010 $ '000	31 December 2009 No. of Units '000	31 December 2009 $ '000
Opening balance	193,508	61,075	182,015	69,419
Applications	-	-	-	-
Change in net assets attributable to Unitholders	-	(3,591)	-	(7,284)
Closing balance	**193,508**	**57,484**	182,015	62,135

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

4. Financial assets and liabilities

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

	31 December 2010	30 June 2010
	$'000	$'000
Assets		
Financial assets at fair value through profit or loss		
Designated at fair value through profit or loss upon initial recognition		
Listed property securities	319	5,651
Unlisted property securities (*)	84,223	79,786
Total financial assets at fair value through profit or loss	84,542	85,437
Loans and receivables (including cash)	2,626	2,965
Financial assets carried at cost	-	9,671
Total financial assets	**87,168**	**98,073**
Liabilities		
Financial liabilities at fair value through profit or loss	-	525
Financial liabilities measured at amortised cost	29,684	36,473
Total financial liabilities	**29,684**	**36,998**

(*) Due to the unavailability of one of the security valuations from the fund manager as at 31 December 2010, MPS has used the most recent valuation in determining the value of the following investment as at 31 December 2010:

Fund	NTA date	NTA/unit	Value at 30 November 2010
		$	$'000
Reed Property Trust	30 November 2010	0.3074	6,942
			6,942

5. Interest bearing liabilities

On 31 December 2010, the Fund had a fully drawn cash advance (revolving) facility of $28.65 million with OCBC (30 June 2010: $35.65 million).

On 18 June 2010 the Fund's finance facility ('Facility') with the Oversea-Chinese Banking Corporation Limited (OCBC) was extended to 31 December 2011. The extension is in the form of a variation to the original Facility Agreement dated 15 May 2006.

5. Interest bearing liabilities (continued)

The facility is subject to the following repayment schedule as at 31 December 2010:

- $0.85 million on 31 March 2011;
- $1.85 million on 30 June 2011;
- $1.30 million on 30 September 2011;
- $24.65 million on 31 December 2011.

The facility margin remains at 4.00%. The existing line fee of 0.35% will increase through step up to 0.60% on 1 January 2011, 0.85% on 1 April 2011 and 1.10% on 1 July 2011.

The ability of the Fund to comply with the debt amortisation program is dependent on the scheduled maturity and anticipated redemptions of particular unlisted investments. Many unlisted property trusts have suspended redemption facilities.

The bank's consent will be required prior to payment of distributions and the Responsible Entity's management fees will be partially deferred, pending the achievement of the debt amortisation program milestones. Given these terms and the significant reduction in income being received by the Fund, the Responsible Entity has determined that it is necessary to continue to suspend distributions until the debt can be significantly reduced or repaid.

The loan is secured by a fixed and floating charge over the assets and rights of the Fund.

At 29 December 2010, the Fund had closed the position of its interest rate swap.

6. Commitments and Contingent Assets and Liabilities

(a) Placement fee income

The Fund invests in a number of unlisted property securities for which a placement fee is receivable, contingent upon holding the securities until a specified date. A contingent asset of $252,750 relates to such placement fees (2009: $397,750) over the three year period to 2013.

7. Related parties

In September 2010, the Fund disposed of 15.23 million units in MacarthurCook Industrial Property Fund. The units were all disposed of at the average price of $0.3804 per unit and realised $5.80 million in total.

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

8. Events Subsequent to Reporting Date

In February, the Fund redeemed its investment in the Orchard Essential Healthcare Property Trust, an unlisted property trust with exposure to the property healthcare sector in Australia. The redeemed price was $0.925 cents per unit (a 6% discount to the Fund's carrying value at 31 December 2010) for a total consideration of $4.03 million.

During this period, the Fund also received the second return of capital instalment from its investment in the Over Fifty Direct Property Trust ($0.15 cents per unit) for a total consideration of $1.17 million. The Fund's remaining interest in the Trust is $5.80 million.

Other than the matters discussed above, there have been no events subsequent to balance date which would have a material effect on the Fund's financial statements at 31 December 2010.

MACARTHURCOOK PROPERTY SECURITIES FUND
DIRECTORS' DECLARATION
FOR SIX MONTHS ENDED 31 DECEMBER 2010

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 11 to 14 are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of the Fund as at 31 December 2010 and of its performance for the six month period ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and

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

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

Mr George Wang
Executive Chairman
MacarthurCook Fund Management Limited
Sydney

23 February 2011

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

Report on the financial report

We have reviewed the accompanying condensed financial report of MacarthurCook Property Securities Fund, (the Scheme) which comprises the condensed statement of financial position as at 31 December 2010, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes 1 to 8 comprising a summary of accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of MacarthurCook Fund Management Limited (the Responsible Entity) are responsible for the preparation of the condensed financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the condensed financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the condensed financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the condensed financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Scheme's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of MacarthurCook Property Securities Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

(a) giving a true and fair view of the Scheme's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty regarding the funding position of the Fund

Without qualification to our review conclusion, we draw attention to note 2(d) to the condensed financial statements. The Fund is dependent on the ongoing provision of its loan facilities. We note that the existing loan facilities of the Fund expire on 31 December 2011. As disclosed in Note 2(d), the Responsible Entity (MacarthurCook Fund Management Limited) has been considering a numbers of options to refinance or repay the existing loan facilities. However, the outcome of these options cannot presently be determined with certainty. In the event that replacement financing cannot be obtained a sell down of assets may need to occur to repay debt and sales values achieved may not reflect fair value.

KPMG

KPMG

Darren Scammell
Partner

Melbourne

23 February 2011