

**Performance (Distribution Reinvested)**

	1 m	3m	6m
Hi Q	-7.0%	-10.3%	-8.8%
S&P/ASX 300 Prop Accum	-6.6%	-13.0%	-8.5%

**Funds Under Management**

Hi Q	\$25,286,715	100.0%
LPT Index	\$6,069,141	24.0%
LPT Active	\$6,942,956	27.5%
Unlisted Property	\$6,024,751	23.8%
Financial Structures	\$6,249,867	24.7%

**Fund Debt**

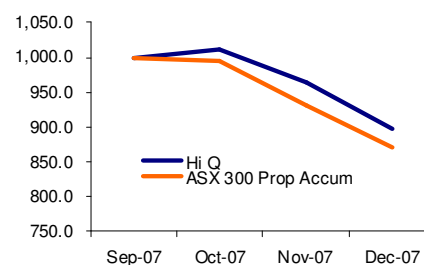
Amount	\$5,355,133
LVR	21.2%

**Distribution Yield**

	Hi Q	S&P/ASX 300 Prop Accum
30-Jun-07	10.63%	6.00%
30-Sep-07	10.63%	5.70%
31-Dec-07	10.63%	6.10%

**Fund Overview**

- Hi Q's distribution yield continues to be at a significant premium to the property index and physical property. The inherent strength of Hi Q is its ability to deliver a premium income over the property index with capital stability linked to the property index. The distributions have been maintained and capital stability provided with the fund outperforming the index.
- Over the quarter, Hi Q's unit price decline corresponded with the market, which was exacerbated in December as the US subprime crises hit our shores, particularly Centro Properties Group and other highly geared trusts.
- It is important to note that the market decline has not affected Hi Q's level of income or unit holder distribution.**
- The December distribution of 2.675 cents per unit has been paid. This is in accordance with our monthly communication and forecast announcements.
- Hi Q's sub-portfolios are well positioned. The Active LPT and unlisted portfolio continues to provide strong defensive returns. The Active LPT portfolio of traditional LPT's currently provides Hi Q with a strong income yield of 8.5%

**Monthly Performance (Dec quarter\*)**

\* rebased 100 = Sep-07

**Financial Structures Portfolio (% of Hi Q)**

	Barrier	Yield	Kick-In	Value	% Hi Q
WOKI 1 - MCW, DRT, MGR	83.0%	15.3%	Yes	\$ 1,899,232	7.5%
WOKI 2 - WDC, GPT, SGP, MCW, MOF	83.0%	16.8%	Yes	\$ 2,441,728	9.6%
WOKI 3 - WDC, GPT, SGP, CFX, MOF	80.0%	15.5%	Yes	\$ 1,892,680	7.5%
S&P / ASX Property Trust Index Short Call					0.1%

**Cash Distribution (cpu)**

Annual Forecast	10.63
December Distribution (1 Oct to 31 Dec)	2.6575

**Top 5 LPT Positions (% of Hi Q portfolio)**

Westfield Group	10.3%
GPT Group	3.3%
ING Real Estate Community Living Group	3.0%
Stockland Group	3.0%
MacarthurCook Property Securities Fund	2.5%

**Unlisted Property (% of Hi Q portfolio)**

Orchard Essential Healthcare	6.2%
Tankstream Property Investments Fund	8.2%
REED Property Trust	9.4%

together with an IRR of 14%. Furthermore, the portfolio trades at a 14% discount to appraised valuation, highlighting the inherent growth of the portfolio.

- For the next six months, Hi Q is expected to strongly benefit from revaluations of its unlisted portfolio, forecast growth in its Active portfolio and pricing improvements in the underlying LPT's of each WOKI basket.
- We are continuously looking for investment opportunities that will enhance Hi Q's NAV.
- The fundamentals of the LPT sector remain robust. Based on UBS estimates, gearing, interest cover and debt maturity of the LPT sector now stands at 42%, 3.2x and 3.8 years respectively. Given the current pricing correction, income yields of LPT's have vastly improved.
- Commencing the December quarter, the distribution reinvestment plan will be suspended. This is to ensure unit holder income and capital growth are maximised.

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