

Performance (Distribution Reinvested)

	1 m	3m	6m
Hi Q	-13.7%	-23.5%	-18.7%
S&P/ASX 300 Prop Accum	-14.3%	-25.2%	-17.8%

Funds Under Management

Hi Q	\$22,340,501	100.0%
LPT Index	\$0	0.0%
LPT Active	\$5,767,820	25.8%
Unlisted Property	\$5,970,400	26.7%
Financial Structures	\$5,602,281	25.1%
Cash	\$5,000,000	22.4%

Fund Debt

Amount	\$906,960
LVR	4.1%

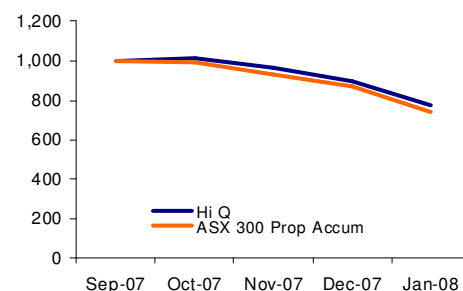
Distribution Yield

	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

- Equity markets were negative in January continuing the December market correction. The S&P / ASX 300 Property Accumulation Index delivered a negative return of 14.3% together with general equities which fell 11%.
- The downturn continues to be driven by fears of a US recession spreading to the global economy, higher domestic interest rates and the Centro fallout.
- ReCap's response has been to:
 1. Establish a healthy cash reserve of \$5 million through the strategic disposal of Hi Q's Index portfolio. The Fund retains its Index exposure via the WOKI portfolio.
 2. Take profits on Hi Q's short call option by closing out the Fund's position.
- This defensive positioning is highly advantageous as it
 1. Preserves the capital of Hi Q during a period of high volatility.

Monthly Performance (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	\$ 1,675,884	7.5%
WOKI 2 - WDC, GPT, SGP, MCW, MOF	83.0%	16.8%	Yes	\$ 2,200,037	9.9%
WOKI 3 - WDC, GPT, SGP, CFX, MOF	80.0%	15.5%	Yes	\$ 1,726,360	7.7%

Cash Distribution (cpu)

Annual Forecast	10.63
March Forecast Distribution (1 Jan to 31 Mar)	2.6575

Top 5 LPT Positions (% of Hi Q portfolio)

ING Real Estate Community Living Group	2.9%
Multiplex Acumen Property Fund	2.3%
MacarthurCook Property Securities Fund	2.2%
Australian Education Trust	1.9%
Mirvac Industrial Trust	1.6%

Unlisted Property (% of Hi Q portfolio)

Orchard Essential Healthcare	7.0%
Tankstream Property Investments Fund	9.3%
REED Property Trust	10.4%

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