

Funds Under Management

Hi Q	\$28,016,440	100.0%
LPT Index	\$6,635,925	23.7%
LPT Active	\$4,951,079	17.7%
LPT Active Plus	\$2,822,191	10.1%
Unlisted Property	\$6,274,890	22.4%
Financial Structures	\$7,332,355	26.1%

Fund Debt

Amount	\$5,286,322
LVR	18.9%

Hi Q NAV (31-Oct-07)

WOKI's - at cost ¹	\$0.9089
WOKI's - at redemption price ²	\$0.9060

Cash Distribution

Annual forecast	10.63¢
Forecast December distribution (1 Oct to 31 Dec)	2.6575¢
Forecast Distribution payment date	8 Jan 2008

Top 5 LPT Positions (% of Hi Q)

Westfield Group	9.1%
GPT Group	3.2%
ING Real Estate Community Living Group	3.1%
Stockland Group	2.9%
MacarthurCook Property Securities Fund	2.7%

Unlisted Property (% of Hi Q)

Orchard Essential Healthcare	5.6%
Tankstream Property Investments Fund	7.5%
REED Property Trust	9.3%

Financial Structures Portfolio (% of Hi Q)

	Barrier	Yield	Kick in	Value	% Hi Q
WOKI 1 – MCW, DRT, MGR	83%	15.3%	No	\$2.3M	8.2%
WOKI 2 – WDC, GPT, SGP, MCW, MOF	83%	16.8%	Yes	\$2.6M	9.3%
WOKI 3 – WDC, GPT, SGP, CFX, MOF	80%	15.5%	No	\$2.3M	8.2%
S&P / ASX 200 Property Trust Index short call					0.4%

¹ This is the adjusted NAV with the non-active WOKI's (1 & 3) at cost and the active WOKI (2) at market value. This is effectively the redemption price if you chose to remain invested for the suggested minimum investment period.

² This is the redemption price if you choose to exit the Fund today inclusive of transaction costs.

Fund Overview

- During the month, Hi Q made its final unlisted investment. The Fund invested \$2.5 million in the REED Property Trust, which finalised the PDS forecast unlisted portfolio allocation of 20%.
- This investment is expected to provide an estimated annualised return in its first year of 26% to the Fund and may potentially increase the annual distribution forecast to 11%.
- The remainder of the unlisted portfolio is performing well, returning an annualised return of 18% to Hi Q. The growth in our unlisted portfolio will greatly assist the Fund in achieving its capital growth objectives.
- The December distribution of 2.675 cents per unit is forecast to be paid on 8 January 2008. This reflects an annualised yield of 10.63% and our PDS forecast.
- Commencing the December quarter, the distribution reinvestment plan will be suspended. This is to ensure we maximise unit holder income and capital growth.
- The LPT and financial structures portfolios continue to perform well and to expectations. Hi Q's forecast is unchanged.

Disclaimer. The Real Estate Capital Partners Hi Q Fund (ARSN 123 384 985) is offered by Real Estate Capital Partners Managed Investments Limited (RECPMIL) (ACN 115 913 810, AFSL 299074). You should read the Product Disclosure Statement (PDS) in full before making a decision to invest in the Fund. This information is general information only and does not take into account your individual objectives, financial situation or needs. We recommend investors consult a licensed financial adviser prior to investing in the Fund. Neither RECPMIL nor any associate, guarantees or makes any representations as to the performance of the Fund, the repayment of capital, income payments or any particular rate of capital or income return. Investments in the Fund are not deposits with or liabilities of RECPMIL. Units in the Fund offered in this PDS will be issued only after a valid completed application form, issued with the PDS, has been accepted by RECPMIL.

Contact Real Estate Capital Partners 1800 648 328 or visit www.recap.com.au