

**Funds Under Management**

Hi Q	\$30,451,559	100%
Comprising		
LPT Index	\$7,088,395	24.0%
LPT Active	\$5,276,037	17.9%
LPT Active Plus	\$3,006,710	10.2%
Unlisted Property	\$3,736,562	12.7%
Financial Structures	\$7,925,163	26.8%
Cash	\$2,500,000	8.4%

**Fund Debt**

Amount	\$3,418,692
LVR	11.6%

**Cash Distribution**

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

**Fund Overview**

- During the month Aegis Property Research gave a Recommended rating to Hi Q. The report stated
  - a) *The Fund offers an attractive mix of enhanced income and capital growth prospects. It encapsulates a distinct market view and the strategy is likely to outperform in flattish market conditions.*
  - b) *An attractive mix of relatively high yield and capital growth prospects with the structural derivation of both return components based on a distinct view of the relative value of property segments.*
  - c) *The strategy is effect reflects a relative value play, with the Fund enabling investors to go long the capital gain prospects of the unlisted property and smaller LPT segment while generating enhanced yield from the larger LPT segment, where pricing / valuation risks are viewed by the manager as material.*
- The Aegis Property Research report is available from our web site [www.recap.com.au](http://www.recap.com.au).
- The December distribution of 2.675 cpu is forecast to be paid on 8 January 2008. This reflects an annualised yield of 10.63% and our PDS forecast.
- We are finalising due diligence on a number of unlisted property investments. These will lift Hi Q's unlisted property exposure to our targeted 20%. Our current unlisted portfolio is performing well with the combined investments providing an annualised return of 17.4%.
- The remaining LPT and financial structures portfolio continue to perform well and to expectations. Hi Q's forecast is unchanged.

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

Westfield Group	9.4%
ING Real Estate Community Living Group	3.1%
GPT Group	3.0%
Stockland Group	2.7%
MacarthurCook Property Securities Fund	2.6%

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

Orchard Essential Healthcare	5.3%
Tankstream Property Investments Fund	7.4%

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

	Barrier	Yield	Kick in	Value	% Hi Q
WOKI 1 – MCW, DRT, MGR	83%	15.3%	No	\$2.3M	7.9%
WOKI 2 – WDC, GPT, SGP, MCW, MOF	83%	16.8%	Yes	\$2.9M	10.1%
WOKI 3 – WDC, GPT, SGP, CFX, MOF	80%	15.5%	No	\$2.3M	7.8%
S&P / ASX 200 Property Trust Index short call					1.0%

**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](http://www.recap.com.au)**