

**Current Performance (%)**

	1 m	3 m	1 yr	3 yr	Since Inception
REIF	1.6	1.7	18.6	23.6	29.1
Benchmark	1.4	3.4	14.1	25.4 <sup>1</sup>	27.3 <sup>1</sup>

**Portfolio Volatility (12 month rolling)**

REIF	5.0%
S&P / ASX 300 Property Trust Accumulation Index	5.5%

**Distribution, Unit Price and NAV per Unit**

	Dist (¢)	Buy (\$)	NAV (\$)	Yield (%)
30 June	3.900	1.8768	1.8684	8.4
31 July	N/a*	1.7614	1.7535	9.0
31 August	N/a*	1.8401	1.8318	8.7
30 Sept	3.966	1.8790	1.8706	8.5

\* Distributions are paid quarterly

**Performance & Market Commentary**

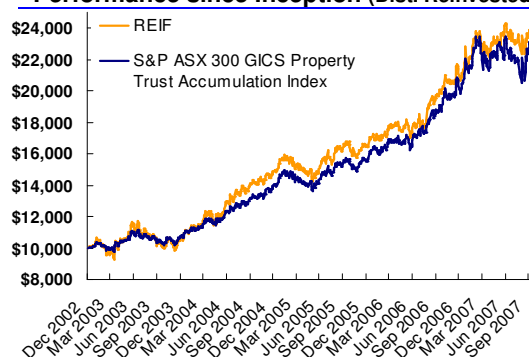
- In September, REIF rose 1.6% to bring the annualised performance to 18.6%. REIF's performance was above our weighted benchmark, although less than the S&P / ASX LPT index which increased 2.3% in September.
- The S&P / ASX LPT Index is currently offering an estimated FY08 cum-adjusted DPU yield of 5.7%. This is well below the distribution yield of REIF at 8.5%.
- The September quarterly distribution of 3.966cpu was paid Monday 8<sup>th</sup> October.
- The rise over September has resulted in the LPT sector now trading at a 3.4% premium to market value, which is a significant improvement over the record discount of 9.1% in August 2007. The five year average is for the market to trade at a discount to market value of 2.2%. We expect a period of consolidation over the next month.
- REIF continues to have an over weight exposure to unlisted and Active LPT's (70.1%). This provides a strong defensive geared LPT portfolio with lower

<sup>1</sup> S&P / ASX 300 Property Trust Accumulation Index

**Fund Debt**

Amount	\$36.9M
LVR	30.4%
Amount Hedged	75.7%
Average Duration	1.8yr
Swap Rate	6.5%

**Performance since Inception (Dist. Reinvested)**



**Funds Under Management**

REIF	\$121.7M
Comprising;	
LPT Index	\$36.2M 29.7%
LPT Active	\$51.0M 41.8%
LPT Active Plus	\$1.4M 1.2%
Unlisted	\$32.9M 27.1%
Cash	\$0.2M 0.2%

**Top 5 LPT Positions**

Westfield	12.6%
GPT Group	5.6%
DB RReef	4.1%
Macquarie Office	3.6%
Stockland	3.4%
Portfolio Balance	70.7%

volatility than the Index, but with enhanced income levels of 2.8 percentage points above the S&P / ASX LPT Index.

- Over the month, the strongest sub-sectors were Industrials up 4.3%, Diversified (+3.0%) International (+2.5%), and Staples (+2.4%), which of each outperformed the LPT sector. Real Estate Managers and Developers (-0.8%), Office (+0.8%) and Retail (+1.0%) each underperformed the sector.
- ING Industrial (+7.3%), GPT (+6.7%), Stockland (+4.8%) were the best performing LPTs. While Centro Properties (-10%), Bunnings Warehouse (-6.0%) and B&B Japan (-4.7%) were the bottom three performers.
- The Global Property Investors Index increased over the month of September by 2.0%. Australia and continental Europe were the worst performers globally. The best performers were Hong Kong (+13.8%), Singapore (+11.8%) and New Zealand (+9.8%).