

Current Performance (%)

	1 m	3 m	1 yr	3 yr	Since Inception
REIF	-0.3	4.8	17.3	22.3	28.4
Benchmark	0.6	4.9	14.0	23.9 ¹	26.7 ¹

Portfolio Volatility (12 month rolling)

REIF	5.7%
S&P / ASX 300 Property Trust Accumulation Index	6.1%

Distribution, Unit Price and NAV per Unit

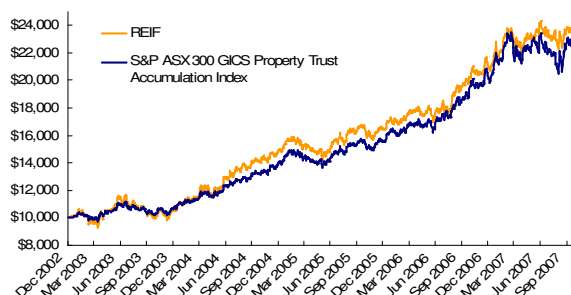
	Dist (¢)	Buy (\$)	NAV (\$)	Yield (%)
30 June	3.900	1.8768	1.8684	8.4%
30 Sept	3.966	1.8790	1.8706	8.5%
31 Oct	N/a	1.8258	1.8176	8.7%

* Distributions are paid quarterly

Fund Debt

Amount	\$36.9M
LVR	30.7%
Amount Hedged	75.8%
Average Duration	1.8yr
Swap Rate	6.5%

Performance since Inception (Dist. Reinvested)



Funds Under Management

REIF	\$121.8M	
Comprising;		
LPT Index	\$35.7M	29.3%
LPT Active	\$49.8M	40.8%
LPT Active Plus	\$1.4M	1.1%
Unlisted	\$34.1M	28.0%
Cash	\$0.8M	0.8%

Top 5 LPT Positions

Westfield	12.9%
GPT Group	5.0%
DB RReef	3.7%
Macquarie Office	3.7%
Centro Retail	3.5%
Portfolio Balance	71.2%

Performance & Market Commentary

- During October, REIF outperformed the S&P ASX 300 Property Trust Accumulation Index. This reflected the Funds conservative approach in a volatile market as evidenced in REIF's volatility of 5.7% versus the Index of 6.1%.
- REIF maintained a defensive position in October strengthened by an increase in unlisted investment in the FKP Active Plus Fund. Whilst dilutive at investment, over FY08, the annualised IRR of 14% is accretive.
- The defensive position of REIF is reflected in an overweight position in REIF's Active LPT portfolio and unlisted property. This was accretive to income, with REIF returning 8.7%, but dilutive for Octobers total return.
- The Fund's strong defensive stance is particularly advantageous in the current volatile market. The lower volatility of REIF is complimented with an enhanced income level of three percentage points above the Index.
- Over the year, REIF's return remains above the benchmark. We are continually reviewing our investment allocations to ensure the Fund offers an attractive income with a total return correlated to the Index.
- Over the month, the strongest sub-sectors were Real Estate Managers and Developers up 6.7%. The remaining sectors declined namely Retail (-0.1%), Office (-0.2%), Industrial (-0.3%), Diversified (-0.9%) and leaders (-0.9%).
- ING Real Estate Community was the strongest performer for the month up 9%, followed by Macquarie Leisure up 6.2% and Mirvac Group up 6.1%. The bottom three performers were Rubicon America (-8.7%) General Property Trust (-8.0%) and Australian Education Trust (-5.5%).
- The Australian market has fully factored the Reserve Bank's 25bp rise in interest rates and the prospect for further interest rises in 2008. Notwithstanding the reasonableness of current valuations and the prospect of lower US interest rates, market sentiment remains cautious.

¹ S&P / ASX 300 Property Trust Accumulation Index