

Funds Under Management

Hi Q	\$29,850,889	100%
Comprising		
LPT Index	\$7,540,181	25.3%
LPT Active	\$6,352,006	21.3%
LPT Active Plus	\$2,541,967	8.5%
Unlisted Property	\$1,565,615	5.2%
Financial Structures	\$7,627,212	25.5%
Cash	\$4,223,908	14.2%

Fund Debt

Amount	\$2,241,891
LVR	9.5%

Cash Distribution

Annual forecast	10.63¢
June distribution (25 May to 30 June)	1.0775¢
Distribution payment date	20 July 2007

Fund Overview

- The investment objectives of Hi Q are to achieve a high level of sustainable income with a high conviction towards capital preservation. Hi Q's objective recognises the defensive characteristics of property and the income rich nature of this asset class.
- The \$25M Hi Q capital raising formally closed on 25 May with the proceeds allocated and predominately invested as outlined in the PDS.
- A small portion of the portfolio allocation remains to be invested and this will be finalised in the September quarter.
- We confirm the full year cash distribution forecast is unchanged at 10.63 cents per unit. The pro-rata June quarterly distribution is 1.0775 cents for the period 25 May to 30 June 2007. The distribution excludes the interest earned by Hi Q investors during the application period, which will be paid with the June distribution on 20 July 2007.
- Tax statements will be available mid-September once the Fund has received all of its tax statements from its underlying portfolio.
- The market outlook for Australian LPT's is forecast to be moderate at 8% - 10% over

Top 5 LPT Positions (% of Hi Q)

Westfield Group	8.2%
GPT Group	2.9%
ING Real Estate Community Living Group	2.7%
Stockland Group	2.6%
Mirvac Industrial Trust	2.2%

Unlisted Property (% of Hi Q)

Orchard Essential Healthcare	5.2%
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Financial Structures Portfolio (% of Hi Q)

WOKI 1 – WDC, GPT, SGP, MCW, MOF (Kick in 83%)	9.7%
WOKI 2 - WDC, GPT, SGP, CFX, MOF (Kick in 80%)	7.6%
WOKI 3 – MCW, DRT, MGR (Kick in 83%)	7.3%
S&P / ASX 200 Property Trust Index short call	0.9%

FY08. Positive contributions are expected from:

- Merger and acquisition activity (including higher levels of ASX equity issuance),
 - Continuing strong equity inflows from domestic and global funds that are generally underweight property,
 - Bond rates trading within a 6.10% - 6.30% band is expected to have a neutral impact, and
 - Direct market fundamentals remaining favourable.
- The Hi Q forecasts contained in the PDS reflect this moderate market outlook.
 - Further investment in Hi Q is available to existing and new unit holders. Please contact Linden Toll on 1800 648 328 if you wish to take advantage of this offer.
 - We have commissioned Aegis Property Research to undertake a review of our invested portfolio. This review is expected to be available later this month.

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