

**Current Performance (%)**

	1 m	3 m	1 yr	3 yr	Since Incept
REIF	4.5	-1.1	22.2	23.9	29.3
Benchmark	2.9	-0.9	14.7	24.6*	26.7*

**Portfolio Volatility (12 month rolling)**

REIF	4.4%
S&P ASX Index	5.2%

**Distribution, Unit Price and NAV per Unit (\$)**

	Dist (¢)	Buy	NAV	Yield
30 Jun	3.900	1.8768	1.8684	8.4%
31 July	N/a*	1.7614	1.7535	9.0%
31 Aug	N/a*	1.8401	1.8318	8.5%

\* Distributions are paid quarterly

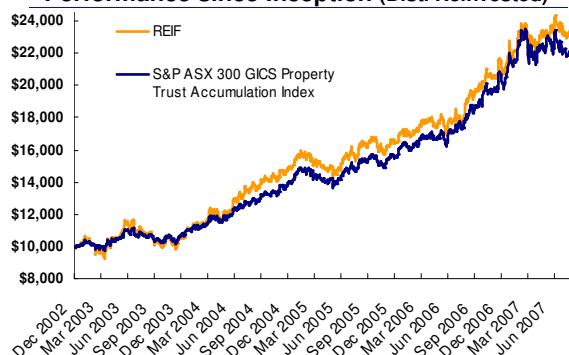
**Fund Debt**

Amount	\$36.9M
LVR	31.1%
Amount Hedged	75.7%
Average Duration	1.8 yr
Swap Rate	6.45%

**Funds Under Management**

REIF	\$117.0M	
Comprising;		
LPT Index	\$33.2M	28.4%
LPT Active	\$47.9M	41.0%
LPT Active Plus	\$1.4M	1.2%
Unlisted	\$33.2M	28.3%
Cash	\$1.3M	1.1%

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



**Top 5 LPT Positions**

Westfield	12.2%
GPT Group	5.2%
DB RReef	4.3%
Macquarie Office	3.7%
Macquarie Countrywide	3.4%
Portfolio Balance	71.2%

**Performance & Market Commentary**

- In August, REIF rose 4.5% to bring the annualised performance to 22.2%. This was strongly above our weighted benchmark although less than the S&P/ASX index which increased 7.8% in August.
- During the month, REIF increased its unlisted exposure by acquiring an interest in the Sydney Park Hyatt Hotel Group. The investment is a growth opportunity driven by the sectors improved returns and the possible sale of the asset.
- The over weight exposure to unlisted and Active LPT's (70.5%) resulted in a stronger defensive and lower volatility LPT portfolio that continues to provide enhanced income levels.
- After the ASX market fall in late July, Australian LPTs outperformed early in August before closely tracking the broader equities market.
- Over the month, the strongest sub-sectors were LPT Leaders up 10.1%, Industrial (+9.8%), Retail (+9.7%), International (+9.2%) and Staples (+9.2%). Each sub-sector outperformed the LPT index. The remaining sub-sectors also provided positive returns; Office (+1.8%), Real Estate Managers & Developers (+3.5%) and Diversified (+6.9%), although at levels under the sector.
- WDC (+12.7%), SGP (+11.1%) and GMG (+10.9%) were the best performing LPTs as investors reversed last months falls. RNY (-12.9%), REU (-10.7%) and CSF (-5.6%) were the bottom three performers
- The Global Property Investors Index increased over the month of August (+4.4%). Australia was the best performer globally, followed by US and Canada (+6.1%) and the UK (+4.7%). New Zealand (-10.9%), Singapore (-8.5%) and Hong Kong (-7.4%) were the worst performers.
- The LPT sector is currently offering an estimated FY08 cum-adjusted DPU yield of 5.7%. This is well below the distribution yield of REIF at circa 8.5%.
- The low yield of the LPT sector supports our view that there is further growth in the sector and we will adjust our investment allocations and strategies accordingly.

\* S&P ASX 300 GIC's Property Trust Accumulation Index.