MacarthurCook Fund Management Limited
("MacarthurCook") (ABN 79 004 956 558)
is the Responsible Entity of the
MacarthurCook Property Securities Fund
(ARSN 111 442 150)

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 728 429
(outside Australia) 61 3 9415 4349
Facsimile 61 3 9473 2500
web.queries@computershare.com.au
www.computershare.com

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MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

24 July 2008

Dear Investor

MacarthurCook Property Securities Fund

MacarthurCook Fund Management Limited, as responsible entity (the Manager) of the MacarthurCook Property Securities Fund ("the Fund"), encloses your distribution advice for the quarter ended 30 June 2008.

Distributions

A distribution will be payable for investors on the register at the record date of 30 June 2008. The distribution for the quarter ending 30 June 2008 is 2.625 cents per unit (cpu), resulting in a total distribution of 10.5 cpu for the financial year ending June 2008.

For the financial year ending June 2009, the Manager has a target distribution of 7.0 cpu, comprising 1.75 cpu paid quarterly. The proposed reduction in distribution from the previous financial year is a result of:

- Distributions being reduced on a number of the Fund's underlying investments; and
- Increased borrowing costs on the Fund's new debt facility.

This target distribution has been based on the estimated sustainable operating cash flow from the underlying investments of the Fund.

Distribution Reinvestment Plan ("DRP")

The DRP will not be in operation for this distribution. The DRP will be reviewed over the next quarter as to whether it will be re-opened for the September 2008 distribution.

Investment Update

In May 2008 the Fund's investment in the ING Real Estate Direct Office Fund was redeemed, as the sole asset in the underlying Fund had been sold. This should deliver a strong capital gain for the Fund. Consistent with our capital management program, we will be allocating a majority of the net proceeds to debt reduction in order to lower the Fund's loan-to-valuation ratio which currently stands at 29%[1] . The debt reduction program will continue from the divestment of other holdings which are nearing maturity.

Property Market Commentary

Industrial property

Australian industrial property has performed strongly over recent years; however, since early 2008 business confidence has fallen due to the world wide credit crunch. Higher interest rates have resulted in a flattening of industrial sales activity and a general weakening in investment yields, but to a lesser extent in Western Australia and Queensland. However, increasing rental levels due to fixed percentage increases in leases have mitigated the weakening in investment yields.

The Perth and Brisbane markets are expected to be the stronger performing markets driven by robust demand as a result of strong state economies and the resources demand, especially from China.

[1] As at 31 March 2008

Office property

Underpinned by firm domestic demand, increased migration, rising commodity prices and employment growth the Australian office sector remains robust. The office sector is exhibiting strong fundamentals including low vacancies, firm demand and limited speculative short term supply.

Office vacancy levels are effectively zero in Perth and Brisbane given the expansion in office space requirements on the back of their respective strong economies, fueled by the resources sector. Perth has less proposed and approved supply than Brisbane going forward.

From this juncture, Sydney is displaying superior growth prospects given low forecast supply, however this will be curbed to a degree given the downturn in global markets, which may negatively impact the space demanded within the city centre.

Retail property

The retail sector is expected to remain relatively sound for premium assets despite negative retail sales growth domestically in April, which has prompted the onset of mid-year sales a month or two earlier than usual.

Rising petrol prices and mortgage rates are having a substantial negative impact on the consumer with evidence also emerging that retailers in the major shopping destinations are beginning to fall behind on their rental payments.

We note that currently the supermarket-based centres are outperforming the centres which have a large exposure to discretionary spending. Contrary to this on a retailer-specific basis is JB Hi-Fi, which continues to deliver increased earnings, indicating that electronic retailers may be currently shielded from overall slowing in retail sales growth.

Further Information
If you have any questions about your distribution or your investment, please telephone our unit registry, Computershare Investor Services on 1300 728 429, outside Australia +61 3 9415 4349.

Yours faithfully

Mario Saccoccio
Fund Manager
MacarthurCook Property Securities Fund
MacarthurCook Fund Management Limited