

31 August 2009

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

**MacarthurCook Industrial Property Fund (ASX Code: MIF)
Results for Year to 30 June 2009**

Please find attached the following documents relating to the 2009 financial year results:

- Appendix 4E
- Financial statements

Yours faithfully



Sarah Christensen
Company Secretary

APPENDIX 4E
Preliminary Final Report
Period Ending on or after 30 June 2009

MACARTHURCOOK INDUSTRIAL PROPERTY FUND

A.R.S.N. 114 263 688

RESULTS FOR ANNOUNCEMENT TO THE MARKET

1. Reporting Period

Preliminary final report for the financial year to 30 June 2009.

2. Results for announcement to the market

				30 June 2009
				\$'000
2.1 Net revenue/(expense) from ordinary activities	down	>100%	to	(29,448)
2.2 Profit / (loss) from ordinary activities (see 2.5 below)	down	>100%	to	(40,032)
2.3 Net profit / (loss) attributable to unitholders (see 2.5 below)	down	>100%	to	(40,032)

2.4 Distributions:

Distributions paid and payable		2009	2008
Quarter ended		Cents per Unit	Cents per Unit
30 September 2007			
Retail Units		-	2.2937
Wholesale Units		-	2.3693
Underwriter Units		-	0.7800
Units			
31 December 2007		-	2.1550
31 March 2008		-	2.1258
30 June 2008		-	1.8125
30 September 2008		1.8125	-

2.5 Net expense from ordinary activities includes a net loss of \$46,841,000 arising from items as listed below:

	\$'000
Unrealised loss on investment properties	24,298
Realised loss on sale of investment properties	1,737
Net change in fair value of financial derivatives	4,068
Net change in fair value of listed securities	11,232
Net loss on foreign exchange	5,050
Impairment loss on rental income receivables	456
	46,841

APPENDIX 4E
Preliminary Final Report
Period Ending on or after 30 June 2009

MACARTHURCOOK INDUSTRIAL PROPERTY FUND

A.R.S.N. 114 263 688

3. Income Statement

See attached Financial Statements

4. Balance Sheet

See attached Financial Statements

5. Statement of Cash flows

See attached Financial Statements

6. Distributions

Refer to section 2.4. For further information refer attached Financial Statements (Note 9: Distributions Paid and Payable).

7. Details of Distribution Reinvestment Plan

The Distribution Reinvestment Plan ('DRP') was in operation for all distributions during the period.

8. A statement of undistributed income showing movements

	30 June 2009 \$'000
Undistributed income at beginning of financial period	6,322
Net profit / (loss) attributable to unitholders	(40,032)
Distributions paid and payable	(1,772)
Undistributed income / (loss) at end of financial period	(35,482)

9. Net tangible assets per security

30 June 2009

Net tangible asset per security \$0.6351

10. Entities over which control has been gained or lost during the period

Not applicable.

11. Details of associates and joint venture entities

Not applicable.

12. Other significant information

See attached ASX announcement.

13. Accounting standards applied to foreign entities

Not applicable.

APPENDIX 4E
Preliminary Final Report
Period Ending on or after 30 June 2009

MACARTHURCOOK INDUSTRIAL PROPERTY FUND

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14. Commentary on results

See attached ASX announcement.

14.1 EPU	30 June 2009 Weighted Average
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Basic EPU (cents)	(40.86)
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EPU (excluding net losses (as per 2.5 above))

Basic EPU (cents)	6.94
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14.2 Returns to unitholders including distribution & buybacks

Other than distributions paid (refer to section 2.4 above and Note 9 – Distributions Paid and Payable per attached Financial Statements) there has been no other returns to unitholders.

14.3 Significant features

Refer to Income Statement in attached Financial Statements.

14.4 Segment information

Refer to Note 15 – Segment information in attached Financial Statements.

14.5 Trends in performance

See attached ASX announcement.

14.6 Other factors

See attached ASX announcement.

15. Whether accounts have been audited or subject to review

The Financial Statements upon which this report is based have been audited.

16. Likely audit dispute or qualification

Not applicable.

17. Actual audit dispute or qualification

None.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
ARSN 114 263 688

Financial Report

for the year ended 30 June 2009

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Financial Report
for the year ended 30 June 2009

Contents	Page
Directors' Report	1
Auditor's Independence Declaration	12
Income Statement.....	13
Statement of Changes in Equity.....	14
Balance Sheet.....	15
Statement of Cash Flows	16
Notes to the Financial Statements.....	17
Directors' Declaration.....	44
Independent Auditor's Report.....	45

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report
for the year ended 30 June 2009

The Directors of MacarthurCook Fund Management Limited (ABN 79 004 956 558 and AFS Licence No. 258052), the Responsible Entity of MacarthurCook Industrial Property Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2009 and the Auditor's Report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and of the Fund at the date of this report is Level 4, 30 Collins Street, Melbourne, Victoria.

Directors

The Directors of the Responsible Entity during or since the end of the financial year are:

<i>Name and qualifications</i>	<i>Age</i>	<i>Experience and special responsibilities</i>
Mr George Wang BE Executive Chairman	47	George is the founding CEO of AIMS Financial Group and an active participant in both the Australian and Chinese financial services industries. George came to Australia from China 20 years ago and founded AIMS Financial Group 2 years later. In its eighteen years life, AIMS has evolved into a diversified financial services group, active in the areas of lending, securitisation, investment banking, real estate funds management and properties, resources, high-tech and infrastructure investment.

In the course of developing AIMS Financial Group into a significant financial services group in Australia, George has developed a strong skill base in the areas of securitisation, real estate funds management, structured finance and innovative financial product development.

George has developed an extensive business network in both Australia and China.

In China, George is active in the Chinese financial sector; he is an advisor for a number of Chinese Government bodies and Government agencies. He holds the position of Deputy President of the International Trade Council of China, a constituent body of China Council for the Promotion of International Trade.

In Australia, George Wang is the President of the Australia-China Finance & Investment Council. As the President of Australia-China Finance & Investment Council, George has been laying the foundation for the financial bridge between Australia and China for many years.

George is currently the Executive Director of AIMS Financial Group and Non-Executive Director of Asia Pacific Exchange Limited.

Director since 14 July 2009 and Executive Chairman since 7 August 2009.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Directors (continued)

<i>Name and qualifications</i>	<i>Age</i>	<i>Experience and special responsibilities</i>
<p>Mr Tony Wood BSc (Hons), FRICS, FAPI Non-Executive Director</p>	<p>52</p>	<p>Tony's career extends over 25 years, beginning in the United Kingdom with relocations firstly to South Africa and then in 1986 to Australia. Key roles have included Director, Jones Lang Wootton (now Jones Lang LaSalle) and progressed through senior fiduciary positions in the funds management divisions of BZW-Mirvac, BT Funds Management and Record Investments. In 2005 Tony founded the Blaxland Group and he is presently its Managing Director.</p> <p>Tony's experience integrates best practice in the fundamentals of real estate investment with management of listed as well as unlisted funds. He has worked across a range of international markets including Australia, Asia and Europe.</p> <p>Non-Executive Director since 7 August 2009.</p>
<p>Mr. Mark Thorpe-Apps MAF, BBus Executive Director</p>	<p>40</p>	<p>Mark has over 15 years experience in funds management and financial services. Mark was a founding member of Pengana Capital, an established boutique fund management group. Mark headed Pengana's property securities team and grew funds under management from \$3 million to over \$1 billion. Mark was Head of Funds Management at Sama Dubai (based in Dubai). He has held senior property fund management roles with Bankers Trust and Lend Lease. He holds a business degree with majors in finance and marketing as well as a master's degree in applied finance.</p> <p>Executive Director since 28 August 2009.</p>
<p>Mr Simon Grant BComm, LLB, FCIS Executive Director</p>	<p>48</p>	<p>Simon has a successful background in the financial services industry and has held the roles of Managing Director of SAI Private Group and Group General Manager of Australian Unity before jointly founding the financial advisory firm Kingfisher Financial Services. He also has significant business experience in overseas markets.</p> <p>Simon is a director of MacarthurCook Fund Management Limited, MacarthurCook Investment Managers Limited and MacarthurCook Real Estate Funds Limited and is a non-executive director and chairman of Audit Committee of St Kilda Saints Football Club Ltd.</p> <p>Simon holds a Bachelor of Commerce and a Bachelor of Laws (University of Melbourne) and he is also a Fellow of the Institute of Chartered Secretaries (and former Victorian Branch Counsellor and former Chairman of its National Legislation Review Committee).</p> <p>Executive Director since 10 March 2009.</p> <p>Resigned as a Director on 28 August 2009.</p>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Directors (continued)

<i>Name and qualifications</i>	<i>Age</i>	<i>Experience and special responsibilities</i>
<p>Mr Richard M Haddock BA, LLB, FAIM, FAICD, FFin</p> <p>Independent Chairman and Non-Executive Director</p>	<p>59</p>	<p>After an initial career as a lawyer, Richard spent over 20 years in the investment banking industry with BNP Paribas. From 1988 until 2001 he was Deputy General Manager for Australia, a position directly responsible for the investment banking, treasury, funds management and stockbroking activities of BNP Paribas. Richard was previously Chairman of Cashcard Australia Limited, Deputy Chairman of BNP Paribas Investment Management (Australia) Limited, a Director of AXA Insurance (Australia) Limited, a Director of Colonial First State Private Capital Limited and Chairman of its Audit Committee and a committee member of the Salvation Army Red Shield Appeal.</p> <p>Richard is currently a Director of Tishman Speyer Australia Limited and Chairman of its Audit Committee, Chairman of Centacare, Chairman of Commonwealth Managed Investments Ltd, a director of SCS Superannuation Pty Ltd, a director of the Retirement Village Group, a director of and Honorary Treasurer of Caritas Australia.</p> <p>Chairman and Non-Executive Director since 22 December 2003.</p> <p>Resigned as a Director on 7 August 2009.</p>
<p>Ms Jane Tongs FCA, FCPA, AICD, BBus, MBA</p> <p>Non-Executive Director</p>	<p>49</p>	<p>Jane has significant experience in corporate governance and financial services particularly within insurance, funds management and superannuation.</p> <p>A former Partner with PricewaterhouseCoopers, Jane is an independent Non-Executive Director of a number of companies. These include Chairman of Netwealth Investments Limited and director of Workcover SA, Run Limited, LCM Healthcare Limited, Centacare and Leadership Victoria. Jane chairs the Audit and Risk Management Committees for Netwealth, Run, Workcover SA, LCM Healthcare and Centacare.</p> <p>Chairman of MacarthurCook Limited's Audit, Risk and Compliance Committee since 26 September 2007.</p> <p>Independent Non-Executive Director since 26 September 2007.</p> <p>Resigned as a Director on 7 August 2009.</p>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Directors (continued)

<i>Name and qualifications</i>	<i>Age</i>	<i>Experience and special responsibilities</i>
<p>Mr Craig M Dunstan BComm, LLB, MBA, FFin Managing Director</p>	<p>49</p>	<p>The founder of MacarthurCook Limited, Craig has held senior management positions with the National Mutual and Lend Lease Groups prior to his appointment as General Manager of Financial Services and Chief Investment Officer of Australian Unity in 1995. He resigned from Australian Unity in 2002 to establish MacarthurCook.</p> <p>Managing Director and Chief Investment Officer since 22 December 2003.</p> <p>Resigned as a Director on 13 July 2009.</p>
<p>Mr Nicholas G Basile BA, AIAA, SA Fin, GAICD Non-Executive Director</p>	<p>54</p>	<p>At the date of his resignation, Nick had over 26 years of financial services and investment management experience. He was Managing Director of Ascalon Capital Managers Limited. He was also a Director of Alleron Investment Management Limited, Above the Index Asset Management Pty Limited, Continuum Capital Management Pty Limited, One Vue Limited, Fortuna Funds Management Limited, H3 Global Advisors Pty Limited, Huntley Consultancy Pty Limited, MillhouseLAG Pty Limited, Sigrun Asset Management Pty Limited, and the Ascalon group of companies.</p> <p>Non-Executive Director since 1 September 2007.</p> <p>Resigned as a Director on 19 December 2008.</p>
<p>Mr Geoff W Coffey FCPA, ACIS ACIM, GAICD, Dip FP Non-Executive Director</p>	<p>61</p>	<p>Geoff has extensive experience in finance, investment, construction and infrastructure. Formerly General Manager Development and Investment with the John Holland Group. His other previous positions include Finance Director at Azon Limited, General Manager Finance at Atlas Steel Limited and Chief Financial Officer at McConnell Dowell Limited. Geoff was previously a director of the Australian Council for Infrastructure Development.</p> <p>Geoff is currently a Director of Pacific Hydro Limited, Chairman of Utilities of Australia Pty Ltd, a Non-Executive Director of Forestry Tasmania and the Tasmanian Irrigation Development Board and Chairman of Ceos Pty Limited.</p> <p>Independent Non-Executive Director since 26 September 2007.</p> <p>Resigned as a Director on 14 July 2009.</p>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Directors (continued)

<i>Name and qualifications</i>	<i>Age</i>	<i>Experience and special responsibilities</i>
Mr A Hugh Gurner BA (Legal Studies), FAICD	53	Hugh has over 20 years experience in corporate finance and the financial services industry, having held senior roles in the analysis of ASX-listed companies and trusts operating in the property development and property trust sectors.
Non-Executive Director		Hugh was a founding executive director of Citadel Pooled Development Limited, an ASX-listed venture and development capital company.
		Member of MacarthurCook Limited's Audit, Risk and Compliance Committee since 5 May 2003.
		Independent Non-Executive Director since 22 December 2003.
		Resigned as a Director on 14 July 2009.

Principal activities

The Fund is a listed registered managed investment scheme domiciled in Australia.

The Fund is listed on the Australian Securities Exchange Limited (ASX) (ASX code: MIF).

The investment objective of the Fund is to provide investors with the opportunity for regular quarterly income and long term capital growth, from investing in a diversified portfolio of industrial property located both in Australia and internationally.

Review and Results of Operations

The operating result for the financial year ended 30 June 2009 was a net loss of \$40,032,000 (2008: net profit \$5,390,000), due mainly to a net loss of \$46,841,000 (2008: \$370,000 net gain) on the following items. If these items are excluded, the underlying operating result shows a net profit of \$6,809,000 (2008: net profit of \$5,020,000).

	2009	2008
	\$'000	\$'000
Unrealised (loss) / gain on investment properties	(24,298)	5,743
Realised loss on sale of investment properties	(1,737)	(107)
Net change in fair value of financial derivatives	(4,068)	964
Net change in fair value of listed securities	(11,232)	(2,202)
Net (loss) / gain on foreign exchange	(5,050)	472
Impairment loss on rental income receivables	(456)	-
Compensation for disposal fees to the Responsible Entity	-	(1,800)
Compensation for lower management fees to the Responsible Entity	-	(2,700)
	<u>(46,841)</u>	<u>370</u>

All amounts in this financial report are presented in Australian dollars, which is the Fund's functional currency unless otherwise stated.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Review and Results of Operations (continued)

Performance

The performance of the Fund is represented by the aggregation of the percentage capital growth and percentage distribution of income to Australian registered Unitholders, in the following table:

	Year ended 30 June	
	2009	2008
	%	%
Distribution return	1.38	5.43
Growth return	(65.59)	(58.79)
Total return	<u>(64.21)</u>	<u>(53.36)</u>

The distribution return is calculated on the basis of the gross distribution to Unitholders before deducting any withholding tax which may be applicable. The growth return relates to the movement between the closing bid price at 30 June 2008 of \$0.465 and the closing bid price on the ASX on 30 June 2009 of \$0.16. As of 26 August 2009, the bid price has increased to \$0.245.

The above returns have been calculated after fees and assuming reinvestment of distributions within Australia, in accordance with IFSA Standard 6.00 *Product Performance – calculation and presentation of returns*.

The Fund paid distributions totalling 1.8125 cents per Unit during the year on the closing Unit price at 30 June 2008 of \$0.465 which, excluding the impact of the re-investment of distributions, represents a return of 3.90%.

The negative growth return of 65.59% is largely a result of the market volatility stemming from the global financial crisis. The substantial sell-off of property and financial services securities has resulted in many securities trading at substantial discounts to their net asset backing. Since the year end, the Fund has had positive growth return of 53.13%, up to 26 August 2009.

Value of the Fund's assets

The Fund's total assets were valued at \$137.2 million as at 30 June 2009 (2008: \$191.0 million) in accordance with the accounting policies set out in Note 3 of the financial statements. At 30 June 2009, the Net Tangible Asset ("NTA") value was 63.51 cents per Unit (30 June 2008: 106.45). As a result of the uncertainty in securities markets and listed property securities in particular, the unit price has fallen below the fair value of the Fund's underlying assets and represents a discount to the NTA of 75% (30 June 2008: 56.33%). Based on the bid price of \$0.245, as at 26 August 2009, this discount would be reduced to 61%.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Review and Results of Operations (continued)

Fees paid to the Responsible Entity

During the year, the Responsible Entity and its associates were paid fees and reimbursement of expenses out of the Fund's assets in accordance with provisions of the Fund Constitution, as follows:

	2009	2008
	\$	\$
Management fees paid and payable by the Fund	1,039,334	1,206,586
Fund expenses reimbursed to the Responsible Entity	327,527	398,722

Distributions

Distributions paid or payable in respect of the year were:

	2009		2008	
	\$'000	Cents per unit	\$'000	Cents per unit
Units (from August 2008)	1,772	1.8125	-	-
Listed stapled securities (to August 2008)	-	-	5,258	6.09
Retail units (to September 2007)	-	-	565	2.29
Wholesale units (to September 2007)	-	-	968	2.37
Underwriter units (to September 2007)	-	-	11	0.78
Total distributions	<u>1,772</u>		<u>6,802</u>	

The stapled securities were unstapled on 29 August 2008 and from that day each stapled security holder holds 1 unit and 1 option for each stapled security previously held. The Units and Options are separately quoted and traded on the ASX. Option holders have the right but not the obligation to purchase a Unit at \$1.10 between 1 September 2008 and the option expiry date of 31 August 2009. At the expiry date of the options, 97,794,695 will lapse, if none are exercised before the expiry date.

Directors' Interests

At the date of this report, no Directors or Director Related Parties of the Responsible Entity held any interest in the Fund's unit capital.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Review and Results of Operations (continued)

Interest of the Responsible Entity and associates

Details of holdings in the Fund by the Responsible Entity, other funds operated by the Responsible Entity and other related parties are set out below:

Year ended 30 June 2009 Entity/ person	Relationship	Units held '000	Interest Held %	Units purchased '000	Units Sold '000	Distribution paid / payable \$'000
MacarthurCook Fund Management Limited	Responsible Entity	6,142	6.26	7,057	7,972	128
MacarthurCook Property Securities Fund	Related Fund	15,234	15.53	-	-	276
MacarthurCook Diversified Property Income Fund	Related Fund	1,657	1.69	-	-	30
Mr Richard M Haddock	Director	223	0.23	17	-	4
Mr Craig M Dunstan	Director	50	0.05	-	-	1
		<u>23,306</u>	<u>23.76</u>	<u>7,074</u>	<u>7,972</u>	<u>439</u>

Year ended 30 June 2008 Entity/ person	Relationship	Stapled Securities holding '000	Interest Held %	Units converted to Stapled Securities '000	Stapled Securities issued '000	Stapled Securities redeemed '000	Distribution paid / payable \$'000
MacarthurCook Fund Management Limited	Responsible Entity	7,057	7.20	1,400	7,057	(1,400)	313
MacarthurCook Property Securities Fund	Related Fund	15,234	15.60	10,907	4,327	-	1,093
MacarthurCook Diversified Property Income Fund	Related Fund	1,657	1.70	1,417	240	-	129
Mr Richard M Haddock	Director	423	0.43	273	150	-	30
Mr Craig M Dunstan	Director	50	0.10	36	14	-	4
		<u>24,421</u>	<u>25.03</u>	<u>14,033</u>	<u>11,788</u>	<u>(1,400)</u>	<u>1,569</u>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Significant Changes in the State of Affairs

Market conditions for real estate investment trusts such as this Fund, continue to be difficult as a result of the global financial crisis.

With equity and debt funding continuing to be difficult and/or expensive to obtain, property values continuing to decline and some tenants feeling the pressure of a more subdued economic environment, the focus of the management of the Fund has been to strengthen the Fund's balance sheet to withstand further deterioration in the economic environment.

The Fund sold three properties during the year (61 Brandl Street, Eight Mile Plains, 31A-55 Kenyon St & 18-52 Bunya St, Eagle Farm and 28 Bullockhead St, Sumner Park, all located in Queensland) for a total consideration of \$22.08 million, which was a strong result in the current climate. They were previously valued at \$23.55 million, resulting in a loss on sale (net of selling expenses) of \$1.74 million. The sale price of \$22.08 million represents a gain of \$3.74 million compared with the original acquisition costs of \$18.34 million.

The sharp and unprecedented decline in the Australian dollar relative to the Singapore dollar during the half year to 31 December 2008, resulted in the decision to close out the Fund's foreign currency borrowings relating to the Fund's investment in the Singapore Stock Exchange listed MacarthurCook Industrial REIT. The closing out of this currency hedge has been the main reason for the Fund incurring a realised loss on foreign exchange of \$5.8 million and has resulted in an increase in the Fund's level of borrowings. Despite this, the Fund continues to satisfy all its loan conditions.

The Fund has a current loan facility from National Australia Bank with a facility expiry date of 31 August 2010. The loan facility has reduced from \$84 million at 30 June 2008 to \$70 million at 30 June 2009.

The Fund's current borrowings represent a loan to value ratio of approximately 55.6% of direct property assets, which is within the Fund's covenanted maximum loan to value ratio under the facility of 62.5%. The gearing for the Fund including all listed securities is approximately 53.5%.

In order to preserve the favourable current interest margin to the Fund and avoid this significant and ongoing cost which would significantly impact distributions over a sustained period, management needed to look for other sources of funding to complete the capital works at 16 Rodborough Road, Frenchs Forest.

Accordingly, it was decided that it is in the best long-term interests of Unitholders to withhold the normal distribution payments in December 2008, March 2009 and June 2009 in order to fund these works and to further reduce debt. As a consequence, distributions were suspended. Subject to market conditions, it is expected to recommence distributions for the quarter ending 30 September 2009.

On 30 October 2008, in order to reduce debt and assist in funding capital works, the Fund sold a portion of its investment in listed securities, realising a loss of \$1.77 million.

On 29 August 2008, the listed stapled securities were unstapled and option holders have the right but not the obligation to purchase a Unit at \$1.10 from 1 September 2008 up to the expiry date of 31 August 2009. At the expiry date of the options, 97,794,695 will lapse, if none are exercised before the expiry date.

Other than the matters discussed above, there have been no other significant changes in the state of affairs of the Fund that occurred during the financial year.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

Likely developments

The Fund will continue to pursue its investment policy through active investment selection.

Further information about likely developments in the operations of the Fund and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Fund.

Environmental regulation

The Fund owns industrial properties. The activities undertaken on these properties are subject to environmental regulations. Primary responsibility for compliance with these regulations rests with the tenants of the properties.

The Fund's operations are not subject to any significant environmental regulation under Commonwealth, State or Territory legislation.

Events subsequent to balance date

On 14 July 2009, AIMS Securities Holdings Pty Ltd ("AIMS Securities") became the ultimate holding company of the Responsible Entity and as at the date of this report, AIMS Securities and other entities controlled by Mr. George Wang owned 91.68% of MacarthurCook Limited, the immediate holding company of the Responsible Entity. On 25 August 2009, AIMS Securities announced that it would seek to compulsorily acquire the remaining shares in MacarthurCook.

As at the date of these accounts less than half of the Directors of the Responsible Entity are "external directors" for the purposes of S601JA of the Corporations Act. The Responsible Entity is actively seeking additional external directors to join the Board, but has been unable to do so within the 14 day period prescribed in the Corporations Act. However, the Responsible Entity has received relief from the Australian Securities and Investments Commission that it has until 18 September 2009 to satisfy the external director requirement or appoint a compliance committee.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

Indemnities and insurance premiums for officers or auditors

Under the Fund's Constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund. The Fund has not indemnified any auditor of the Fund.

Insurance premiums

No insurance premiums are paid out of the Fund's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Audit, Risk and Compliance Committee or the auditors of the Fund.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

Directors' Report (continued)

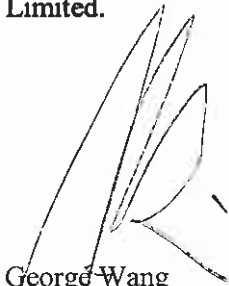
Auditor's Independence Declaration

The Auditor's Independence Declaration is set out on page 12 and forms part of the Directors' Report for the year ended 30 June 2009.

Rounding of amounts

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998, as amended, and in accordance with that Class Order, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors of MacarthurCook Fund Management Limited.



George Wang
Executive Chairman
Melbourne
31 August 2009



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of the directors of MacarthurCook Fund Management Limited, the responsible entity of the MacarthurCook Industrial Property Fund.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Darren Scammell
Partner

Melbourne

31 August 2009

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

INCOME STATEMENT
for the year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
Investment income			
Rental Income		15,061	14,955
Interest income		107	662
Dividend income		1,769	364
Unrealised (loss) / gain on investment properties	4	(24,298)	5,743
Realised loss on sale of investment properties		(1,737)	(107)
Net change in fair value of listed securities	5	(11,232)	(2,202)
Net change in fair value of financial derivatives	5	(4,068)	964
Net (loss) / gain on foreign exchange		(5,050)	472
Net investment income		(29,448)	20,851
Expenses			
Property outgoings		3,065	2,736
Responsible Entity fees	20	1,039	1,207
Administration expenses		484	456
Borrowing costs	14	5,441	6,280
Brokerage costs		-	58
Other expenses		99	224
Impairment loss on rental income receivables	10	456	-
Compensation for disposal fees to the Responsible Entity		-	1,800
Compensation for lower management fees to the Responsible Entity		-	2,700
Total expenses		10,584	15,461
Net (loss) / profit before finance costs		(40,032)	5,390
Finance costs			
Distributions paid and payable	7	-	1,544
Net (loss) / profit		(40,032)	3,846
Earnings per unit attributable to Unitholders:			
Basic earnings per unit (cents)	16	(40.86)	6.37
Diluted earnings per unit (cents)	16	(40.86)	6.37

The Income Statement should be read in conjunction with the Notes to the Financial Statements set out on pages 17 to 43.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Unitholders' Funds		Undistributed Income		Total Equity	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	97,508	-	6,322	-	103,830	-
Transfer from net assets attributable to Unitholders upon listing	-	65,887	-	7,734	-	73,621
Net (loss) / profit for the year	-	-	(40,032)	3,846	(40,032)	3,846
Transactions with Unitholders						
Applications						
Listed stapled securities	-	34,301	-	-	-	34,301
Issue costs	23	(2,828)	-	-	23	(2,828)
Units issued under distribution re-investment plan	235	148	-	-	235	148
Distributions paid/payable	-	-	(1,772)	(5,258)	(1,772)	(5,258)
Closing balance	97,766	97,508	(35,482)	6,322	62,284	103,830

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements set out on pages 17 to 43.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

BALANCE SHEET

As at 30 June 2009

	Note	2009 \$'000	2008 \$'000
Assets			
Cash and cash equivalents		3,467	3,280
Loans and receivables			
Receivables	10	1,899	1,744
Financial assets held at fair value through profit or loss:			
Derivative financial instruments	11	-	1,840
Listed securities	11	6,171	17,952
Investment properties	4	124,765	165,199
Prepayments		851	1,004
Total assets		<u>137,153</u>	<u>191,019</u>
Liabilities			
Financial liabilities held at fair value through profit or loss:			
Interest bearing liabilities	11,15	70,000	83,928
Derivative financial instruments	11	2,227	-
Financial liabilities measured at amortised cost:			
Payables	13	2,642	1,493
Distributions payable	7	-	1,768
Total liabilities		<u>74,869</u>	<u>87,189</u>
Net assets		<u>62,284</u>	<u>103,830</u>
Equity			
Unitholders' Funds		97,766	97,508
(Accumulated loss)/ undistributed income		(35,482)	6,322
Total equity	8	<u>62,284</u>	<u>103,830</u>

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements set out on pages 17 to 43.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

STATEMENT OF CASH FLOWS
for the year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Rental income received		14,326	15,376
Distributions received		1,831	-
Interest received		107	662
Property outgoings paid		(3,650)	(2,736)
Responsible Entity fees paid ^(a)		(428)	(1,263)
Other expenses paid		(590)	(5,405)
Net cash inflow from operating activities	19	11,596	6,634
Cash flows from investing activities			
Proceeds from sale of investment properties		21,813	11,200
Acquisition of investment properties		-	(10,894)
Costs associated with acquisition of investment properties		-	(122)
Purchase of listed securities		-	(20,096)
Proceeds from sale of listed securities		1,272	-
Brokerage paid on purchase of listed securities		-	(58)
Capital expenditure paid		(5,966)	-
Net cash inflow / (outflow) from investing activities		17,119	(19,970)
Cash flows from financing activities			
Proceeds from applications by Unitholders		-	30,927
Proceeds from borrowings		27,384	239
Repayment of borrowings		(47,709)	(8,061)
Interest and other costs of finance paid		(4,514)	(6,280)
Issue costs		(384)	-
Distributions paid ^(b)		(3,305)	(6,084)
Net cash flows (used in) / generated from financing activities		(28,528)	10,741
Change in cash balance during the year		187	(2,595)
Cash at the beginning of the year		3,280	5,875
Cash and cash equivalents at end of year		3,467	3,280

(a) Responsible Entity Fees paid during the year were net of a refund on input tax of \$450,000 relating to compensation fees paid to the Responsible Entity in financial year ended 30 June 2008.

(b) Distributions paid is net of \$234,675 (2008: \$479,377) which was reinvested under the Fund's distribution reinvestment plan.

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements set out on pages 17 to 43.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1. Reporting Entity

The Fund is a registered Managed Investment Scheme under the Corporations Act 2001. The Financial Report of the Fund is for the year ended 30 June 2009. The Financial Report was authorised for issue by the Directors of the Responsible Entity on 31 August 2009.

2. Basis of preparation

(a) Statement of compliance

The Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board ("AASB"), and the Corporations Act 2001. The Financial Report of the Fund complies with International Financial Reporting Standard's ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

(b) Functional and presentation currency

The Financial Report is presented in Australian dollars, which is the Fund's functional currency.

The Fund is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998, as amended, and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect are recognised in Note 3(d) financial instruments and Note 4 Investment properties.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Income and expenses

Revenue and expenses are brought to account on an accruals basis except where stated otherwise.

Interest income

Interest income and expense are recognised in the Income Statement as they accrue, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Rental income

Lease income from operating leases with a fixed yearly increase is recognised on a straight-line basis over the lease term.

Distribution income

For all listed and unlisted securities, distribution income is recognised at the date the securities are quoted ex-distribution.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

(b) Receivables

Receivables may include amounts for rent, interest and fund distributions and are stated at their amortised cost less impairment losses. Rent and fund distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in note 3(a) above. With the exception of fund distributions, which can be received as late as 90 days after the right to receive payment is established, amounts are generally received within 30 days of being recorded as receivables.

Sales of securities are recorded on trade date and normally settled within three business days. Sales of securities that are unsettled at reporting date are included in receivables.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies (continued)

(c) Payables

Payables include liabilities and accrued expenses owing by the Fund which are unpaid as at the balance sheet date.

The distribution amount payable to Unitholders as at the reporting date is recognised separately on the Balance Sheet. Purchases of securities are recorded on trade date and normally settled within three business days. Purchases of securities that are unsettled at the reporting date are included in payables.

(d) Financial instruments

(i) Classification

The Fund designates all its equity investments into the “fair value through profit or loss” category.

The financial assets and financial liabilities at fair value through profit or loss comprise financial instruments designated at fair value through profit or loss upon initial recognition. These include investments in listed securities and interest rate swaps.

The fair value through profit or loss classification is in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The fair value through profit or loss classification is available for the majority of the financial assets and financial liabilities held by the Fund, as the Fund’s performance is evaluated on a fair value basis and information about the Fund is provided on that basis to the directors of the Responsible Entity.

Financial assets that are classified as loans and receivables include accrued income from investments.

Financial liabilities that are not at fair value through profit or loss include balances due to deferred trade settlement and payables. These are held at amortised cost.

(ii) Recognition

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial assets are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed their part of the contract, or the contract is a derivative contract not exempted from the scope of AASB 139.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Income Statement.

Financial assets and liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

(iv) Fair value measurement principles

The fair value of derivative financial instruments, that are not exchange traded, is based on valuation techniques at the balance sheet date without any deduction for estimated future selling costs. The fair value of interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair values of equity investments are determined based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid price.

If a quoted market price is not available on a recognised stock exchange or from a broker / dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(v) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with AASB 139.

The Fund uses the historical cost method to determine realised gains and losses on derecognition of financial assets not at fair value.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(vi) Specific instruments

Cash and cash equivalents

Cash is comprised of current deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

Derivative financial instruments

The Responsible Entity uses interest rate swaps, which are derivative financial instruments, to hedge its exposure to interest rate risk arising from use of its debt facilities. In accordance with its investment strategy, the Fund does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement.

(e) Distributions and taxation

In accordance with the Fund Constitution and applicable taxation legislation, the Fund distributes its taxable income in full to the Unitholders who are presently entitled to the income. As the Fund fully distributes its taxable income, it is not subject to income tax.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to Unitholders and are retained in the Fund to be offset against any current or future realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to the Unitholders.

Distributions to Unitholders are made net of any applicable withholding tax.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies (continued)

(f) Goods and services tax

Management fees, custody fees and other expenses are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC). Receivables and payables are stated in the Balance Sheet with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as an asset or liability, respectively in the Balance Sheet. Cash flows are included in the Statement of Cash Flows with the amount of GST included.

(g) Performance fees

The Responsible Entity may become entitled to a Performance Fee based upon performance criteria assessed on an annual basis. The Performance Fee is calculated as 10.25% (including GST) of the amount by which the average annual rate of return calculated over the 3 preceding Financial Years, exceeds 20% per annum.

(h) Segment reporting

A segment is a distinguishable component of the Fund that is engaged in either a business segment or based on the Fund's asset classes within a particular geographical segment, based on the geographical location of the assets, which is subject to risk and rewards that are different from those of other segments.

(i) Change in net assets attributable to Unitholders

Non-distributable income, which may comprise unrealised changes in the fair value of investments, net capital losses, tax-deferred income, accrued income not yet assessable and non-deductible expenses, is reflected in the Income Statement as a change in net assets attributable to Unitholders.

These items are included in the determination of distributable income in the period for which they are assessable for taxation purposes.

(j) Foreign currency translation

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian Dollars at the foreign currency closing exchange rate ruling at the balance sheet date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian dollars at the foreign currency closing exchange rates ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit and loss and derivative financial instruments are included in net gain/ (loss) on foreign exchange. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the income statement.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. Summary of significant accounting policies (continued)

(k) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Fund in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report:

- Revised AASB 101 Presentation of Financial Statements introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Fund’s 30 June 2010 financial statements. The Responsible Entity has not yet determined the potential effect of the revised standard on the Fund’s disclosures.

- AASB 8 *Operating segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]* are applicable to annual reporting periods beginning on or after 1 January 2009. The Fund has not adopted these standards early. These standards specify changes to the requirements of segment disclosures. Application of these standards will not affect any of the amounts recognised in the financial statements. The Responsible Entity has not yet determined the potential effect of the revised standard on the Fund’s disclosures

(l) Change in accounting policy

Upon official quotation of the Fund on 5 December 2007, Unitholders’ Funds have been reclassified as equity, rather than as a liability as was appropriate when the Fund was unlisted.

(m) Investment properties

Investment properties are initially recognised at cost, including any acquisition costs, in accordance with AASB 140. Investment properties are subsequently stated at fair value at each balance date with any gain or loss arising from a change in fair value recognised in the Income Statement.

4. Investment properties

Investment properties are comprised of land and buildings and plant and equipment held for the purpose of letting to produce rental income and for potential capital appreciation.

Fair value

When assessing fair value, the directors consider the discounted cash flow of the investment property, market capitalisation techniques and sales of similar investment properties. Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

4. Investment properties (continued)

Fair value (continued)

- (a) a willing, but not anxious, buyer and seller on an arms length basis;
- (b) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the investment property and the state of the market for similar properties;
- (c) that the investment property will be reasonably exposed to the market;
- (d) that no account is taken of the value or other advantage or benefit to the buyer, additional to market value, that is incidental to ownership of the investment property being valued; and
- (e) that it only takes into account instructions given by the Responsible Entity and is based on all the information that the valuer needs for the purposes of the valuations being made available by, or on behalf of the Responsible Entity.

The Responsible Entity has an internal valuation process for determining the fair value at each reporting date. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values individual properties at least once every two calendar years on a rotation basis or on a more regular basis if considered appropriate and as determined by management in accordance with the Fund's approved valuation policy. These external valuations are taken into consideration when determining the fair value of the investment properties. As at 30 June 2009, nine of the investment properties were revalued by independent valuers and the remaining two properties, 127-161 Cherry Lane, Laverton North and 71-93 Whitehorse Road, Clayton, were valued internally by the Responsible Entity.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rental income to arrive at the property valuation.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Fund holds it to earn rental income or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

(a) Reconciliation of carrying amounts

	2009 \$'000	2008 \$'000
Balance at 1 July	165,199	160,145
Acquisitions	-	9,861
Disposals	(23,550)	(10,933)
Capital expenditure	7,414	383
Fair value adjustments	(24,298)	5,743
Balance at 30 June	<u>124,765</u>	<u>165,199</u>

In 2008, property acquisitions included fees paid to the Responsible Entity of \$188,300 based on 2% of the acquisition price of the properties in accordance with the Fund Constitution.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

4. Investment properties (continued)

(b) Details of investment properties

	Settlement Date	Latest Valuation Date	\$'000	Fair value \$'000
30 June 2009				
7 Modal Cres, Canning Vale, WA	09-Mar-04	30-Jun-09	13,500	13,500
300-310 Treasure Rd, Welshpool, WA	09-Mar-04	30-Jun-09	15,700	15,700
17-19 Leadership Way, Wangara, WA	10-Mar-04	30-Jun-09	7,000	7,000
71-93 Whitehorse Rd, Clayton VIC	31-Mar-04	30-Jun-09	20,100	20,100
127-161 Cherry Ln, Laverton North, VIC	21-Apr-04	30-Jun-09	10,500	10,500
16 Rodborough Rd, Frenchs Forest, NSW	03-Mar-06	30-Jun-09	20,000	20,000
310-314 Invermay Rd, Mowbray, TAS	15-Jun-06	30-Jun-09	1,300	1,300
253-293 Georgetown Rd, Rocherlea, TAS	15-Jun-06	30-Jun-09	7,100	7,100
44-46 Mandarin St, Villawood, NSW	20-Jun-06	30-Jun-09	16,200	16,200
22 Rodborough Rd, Frenchs Forest, NSW	05-Sep-06	30-Jun-09	7,500	7,500
9-13 Titanium Court, Crestmead, QLD	21-Aug-07	30-Jun-09	7,000	7,000
Less : Straight lining of operating lease rental income				(1,135)
			<u>125,900</u>	<u>124,765</u>

30 June 2008				
28 Bullockhead St, Sumner Park, QLD	05-Mar-04	30-Jun-08	11,200	11,200
7 Modal Cres, Canning Vale, WA	09-Mar-04	30-Jun-08	16,000	16,000
300-310 Treasure Rd, Welshpool, WA	09-Mar-04	30-Jun-08	16,800	16,800
17-19 Leadership Way, Wangara, WA	10-Mar-04	30-Jun-08	8,000	8,000
71-93 Whitehorse Rd, Clayton VIC	31-Mar-04	30-Jun-08	24,250	24,250
127-161 Cherry Ln, Laverton North, VIC	21-Apr-04	30-Jun-08	10,400	10,400
61 Brandl Street, Eight Mile Plains, QLD	04-Nov-04	30-Jun-08	7,750	7,750
16 Rodborough Rd, Frenchs Forest, NSW	03-Mar-06	30-Jun-08	15,750	15,750
310-314 Invermay Rd, Mowbray, TAS	15-Jun-06	30-Jun-08	1,500	1,500
253-293 Georgetown Rd, Rocherlea, TAS	15-Jun-06	30-Jun-08	8,300	8,300
44-46 Mandarin St, Villawood, NSW	20-Jun-06	30-Jun-08	21,700	21,700
22 Rodborough Rd, Frenchs Forest, NSW	05-Sep-06	30-Jun-08	10,000	10,000
31A-55 Kenyon St, & 18-52 Bunya St, Eagle Farm QLD	21-Dec-06	30-Jun-08	5,400	5,400
9-13 Titanium Court, Crestmead, QLD	21-Aug-07	30-Jun-08	9,200	9,200
Less : Straight lining of operating lease rental income				(1,051)
			<u>166,250</u>	<u>165,199</u>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

4. Investment properties (continued)

(c) Key valuation assumptions

The table below illustrates the key valuation assumptions used in the determination of the fair values of the investment properties.

	2009	2008
Weighted average capitalisation rate (%)	9.4	8.1
Weighted average lease expiry by income (Years)	5.6	5.4
Vacancy by income (%)	16.0	2.0

5. Gains and losses from financial assets and liabilities designated at fair value through profit and loss

	2009 \$ '000	2008 \$ '000
Designated at fair value through profit or loss:		
Net realised gains/(losses):		
Listed securities	(1,766)	-
	<u>(1,766)</u>	<u>-</u>
Net unrealised gains/(losses):		
Listed securities	(9,466)	(2,202)
Financial derivatives	(4,068)	964
	<u>(13,534)</u>	<u>(1,238)</u>
Net gains/(losses) from financial assets and liabilities at fair value through profit or loss	<u>(15,300)</u>	<u>(1,238)</u>

Gains and losses presented above do not include interest income and distribution income.

6. Auditor's remuneration

	2009 \$	2008 \$
Audit services		
Auditors of the Fund – KPMG		
Audit and review of financial statements	49,097	42,209
Other regulatory audit services (compliance plan)	5,260	5,260
	<u>54,357</u>	<u>47,469</u>
Other services		
Auditors of the Fund – KPMG		
Taxation services	4,250	7,000
	<u>4,250</u>	<u>7,000</u>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

7. Distributions paid and payable

	2009		2008	
	\$'000	Cents per unit	\$'000	Cents per unit
Retail units				
September quarter distribution paid	-	-	565	2.2937
Wholesale units				
September quarter distribution paid	-	-	968	2.3693
Underwriter units				
September quarter distribution paid	-	-	11	0.7800
Units/ Stapled securities				
September quarter distribution paid	1,772	1.8125	-	-
December quarter distribution paid	-	-	1,421	2.1550
March quarter distribution paid	-	-	2,069	2.1258
June quarter distribution payable	-	-	1,768	1.8125
	<u>1,772</u>		<u>6,802</u>	

8. Equity

	2009	2009	2008	2008
	No.	\$'000	No.	\$'000
	'000		'000	
Opening balance - Listed stapled securities	97,539	103,830	-	-
Transfer from Unitholders' Funds on listing Applications	-	-	65,638	73,621
Stapled securities	-	-	31,641	34,301
Issue costs	-	23	-	(2,828)
Units issued under distribution re-investment plan	-	-	260	148
Transfer out of Listed stapled securities upon unstapling	(97,539)	(103,853)	-	-
Closing balance - Listed stapled securities	<u>-</u>	<u>-</u>	<u>97,539</u>	<u>105,242</u>
Transfer into Units upon unstapling	97,539	103,853	-	-
Units issued under distribution re-investment plan	534	235	-	-
Change in net assets attributable to Unitholders	-	(41,804)	-	(1,412)
Closing balance	<u>98,073</u>	<u>62,284</u>	<u>97,539</u>	<u>103,830</u>
Transfer into Options upon unstapling	<u>97,539</u>	<u>-</u>	<u>-</u>	<u>-</u>

The stapled securities were unstapled on 29 August 2008 and from that day each stapled security holder holds 1 unit and 1 option for each stapled security previously held. The Units and Options are separately quoted and traded on the ASX. Option holders have the right but not the obligation to purchase a Unit at \$1.10 between 1 September 2008 and the option expiry date of 31 August 2009.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

9. Unitholders' funds

	2009 No. '000	2008 No. '000	2009 \$'000	2008 \$'000
Wholesale units				
Opening balance	-	40,506	-	40,592
Applications	-	287	-	335
Units issued upon reinvestment of distributions	-	116	-	135
Transfer to Equity upon listing on ASX	-	(40,909)	-	(41,062)
Closing balance	-	-	-	-
Retail units				
Opening balance	-	24,091	-	24,083
Applications	-	467	-	544
Units issued upon reinvestment of distributions	-	171	-	198
Transfer to Equity upon listing on ASX	-	(24,729)	-	(24,825)
Closing balance	-	-	-	-
Underwriter units				
Opening balance	-	1,400	-	1,400
Redemptions	-	(1,400)	-	(1,400)
Closing balance	-	-	-	-
Undistributed income				
Opening balance	-	-	-	7,734
Transfer to Equity upon listing on ASX	-	-	-	(7,734)
Closing balance	-	-	-	-
Total closing balance	-	-	-	-

10. Receivables

	2009 \$'000	2008 \$'000
Rental income receivables	718	330
Impairment loss ¹	(456)	-
Net rental income receivables	262	330
Straight-line effect of operating lease rental income ²	1,135	1,051
Other receivables	502	363
	1,899	1,744

Movements in impairment loss during the year :

	2009 \$'000	2008 \$'000
Balance at 1 July	-	-
Impairment loss recognised	456	-
Balance at 30 June	456	-

¹ The impairment loss relates to an amount of rental income receivable from Sumner Park that is deemed to be irrecoverable.

² Rental income adjustment for straight-lining of fixed rent increases over the term of the lease.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

10. Receivables (continued)

The ageing of the rental income receivables at the reporting date was:

	Gross	Impairment	Gross	Impairment
	2009	loss	2008	loss
	\$'000	\$'000	\$'000	\$'000
30 days or less	322	78	330	-
Past due 31 - 90 days	190	188	-	-
More than 90 days	206	190	-	-
	718	456	330	-

11. Financial assets and liabilities

The following table details the categories of financial assets and liabilities held by the Fund at the reporting date:

	2009	2008
	\$ '000	\$ '000
Assets		
Financial assets at fair value through profit and loss		
<i>Designated at fair value through profit and loss upon initial recognition</i>		
Listed securities	6,171	17,952
Financial derivatives	-	1,840
<i>Total designated at fair value through profit and loss upon initial recognition</i>	<u>6,171</u>	<u>19,792</u>
Total financial assets at fair value through profit and loss	<u>6,171</u>	<u>19,792</u>
Loans and Receivables (including cash)	<u>5,366</u>	<u>5,024</u>
Total financial assets	<u>11,537</u>	<u>24,816</u>
Liabilities		
Financial liabilities at fair value through profit or loss	72,227	83,928
Financial liabilities measured at amortised cost	<u>2,642</u>	<u>3,261</u>
Total financial liabilities	<u>74,869</u>	<u>87,189</u>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

12. Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the Financial Statements are as follows:

	2009 \$'000	2008 \$'000
Within one year	10,305	12,546
Later than one year but not later than 5 years	33,158	36,895
Later than 5 years	21,285	11,077
	<u>64,748</u>	<u>60,518</u>

13. Payables

	2009 \$'000	2008 \$'000
Trade creditors	344	513
Accrued expenses	2,066	696
Amount due to Responsible Entity	232	284
Total payables	<u>2,642</u>	<u>1,493</u>

14. Borrowing costs

	2009 \$'000	2008 \$'000
Interest on borrowings	4,207	6,250
Other borrowing costs	1,234	30
Total borrowing costs	<u>5,441</u>	<u>6,280</u>

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

15. Interest bearing liabilities

	2009	2008
	\$'000	\$'000
Cash advance	70,000	44,586
Bank bills	-	39,540
Unexpired discount on bank bills	-	(198)
Balance at end of year	70,000	83,928

At 30 June 2009, the Fund had a Multicurrency Loan Facility Agreement (the "debt facility") with National Australia Bank ("NAB"), expiring on 31 August 2010. The debt facility of \$70 million was fully drawn as at 30 June 2009. The debt facility is secured by a first registered mortgage over the investment properties and a fixed and floating charge over the assets and undertakings of the Fund.

The interest rate on this debt is the applicable BBSY BID plus 0.25% margin. A line fee of 0.40% per annum is payable on the facility limit. As at 30 June 2009, the loan to value ratio was 55.6% of direct property assets (30 June 2008: 50.6%), which is within the Fund's covenanted maximum loan to value ratio under the facility of 62.5%. As a result of its interest rate risk management strategy, the Fund has entered into interest rate swaps to pay fixed and receive floating (BBSY BID) from the swap counterparty. The swaps have an amortising profile with the longest dated swap maturing in March 2014. As at 30 June 2009, the debt was fully hedged at a weighted average fixed rate of 6.14%. Given the recent declines in interest rates, at 30 June 2009 the Fund showed a liability of \$2.227 million in respect of financial derivatives (2008: asset of \$1.840 million), which is not reflected in the above loan to value ratio.

16. Earnings per unit

	2009	2008
Net (loss) / profit before finance costs (\$'000)	(40,032)	5,390
Weighted average number of Units ('000)	97,977	84,652
Basic earnings per Unit (cents)	(40.86)	6.37
Weighted average number of Units and dilutive Options ('000) ⁽¹⁾	97,977	84,652
Diluted earnings per Unit (cents)	(40.86)	6.37

⁽¹⁾ The Options are not considered dilutive for 2009, and so have been excluded from the weighted average number of Units for the purpose of diluted earnings per Unit.

17. Contingent assets and liabilities and commitments

There are no contingent assets, liabilities or commitments as at June 2009 (2008: \$6.5m commitment).

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

18. Segment information

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Fund invests in direct property, a listed REIT and derivative financial instruments. Details of the Fund's exposure to direct properties and listed real estate investment trusts are detailed in Notes 11 and 4, respectively.

19. Reconciliation of cash flows from operating activities

	2009	2008
	\$'000	\$'000
(Loss) / profit from operating activities before finance costs	(40,032)	5,390
Add/ (less) non-cash items:		
Net unrealised loss / (gain) on:		
Investment properties	24,298	(5,743)
Listed investments	9,466	2,202
Net realised loss on sale of:		
Investment properties	1,737	107
Listed investments	1,766	-
Net realised exchange loss / (gain)	5,050	(472)
Change in assets and liabilities during the year		
Derivative financial instruments	4,068	(964)
Borrowing costs	5,441	6,280
Impairment loss on rental income receivables	456	-
Decrease / (increase) in receivables	(482)	(587)
(Decrease) / increase in payables	(172)	421
Net cash provided by operating activities	11,596	6,634

20. Related parties

Responsible Entity

The responsible entity of the MacarthurCook Industrial Property Fund is MacarthurCook Fund Management Limited (ABN 79 004 956 558) whose immediate holding company is MacarthurCook Limited (ABN 64 009 110 463). MacarthurCook Limited is incorporated in Australia.

(a) Remuneration of Directors and key management personnel

The Fund does not employ personnel in its own right. The Fund is required to have an incorporated responsible entity to manage the activities of the Fund and this is considered to be the key management personnel.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

20. Related parties (continued)

(a) Remuneration of Directors and key management personnel (continued)

The Directors and Executives of the Responsible Entity who held positions in the twelve months to 30 June 2009, being key management personnel, are:

Richard Haddock - Independent Chairman and Non-Executive Director (resigned 7 August 2009)
 Craig Dunstan - Managing Director (resigned 13 July 2009)
 Nicholas Basile - Non-Executive Director (resigned 19 December 2008)
 Geoff Coffey - Non-Executive Director (resigned 14 July 2009)
 Hugh Gurner - Non-Executive Director (resigned 14 July 2009)
 Jane Tongs - Non-Executive Director (resigned 7 August 2009)
 Simon Grant - Executive Director from 10 March 2009 to 28 August 2009 and Chief Executive Officer Australia and America
 Russell Bullen – Head of Real Estate
 Chris Nunn - Chief Financial Officer (resigned 5 September 2008)
 Grant Earney - Chief Financial Officer (appointed 12 January 2009)
 Sarah Christensen - Head of Legal & Compliance and Company Secretary (appointed 1 September 2008)

The Fund does not pay any compensation directly to any of the key management personnel of the Responsible Entity.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

(b) Responsible Entity's fees and other transactions

	2009	2008
	\$	\$
Management fees paid and payable by the Fund	1,039,334	1,206,586
Fund expenses reimbursed to the Responsible Entity	327,527	398,722

In accordance with the Fund Constitution, the Responsible Entity is reimbursed for all expenses reasonably and properly incurred in connection with the Fund or in performing its obligations under the Fund Constitution.

The Responsible Entity charges an annual management fee of 0.65% per annum of the total assets (excluding listed securities) of the Fund, calculated monthly.

At balance sheet date, \$231,512 (2008: \$284,032) was owing to the Responsible Entity and included in trade and other payables.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

20. Related parties (continued)

(c) Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time Directors of the Fund, or its director-related entities, may buy or sell units in the Fund. These investments or sales are on the same terms and conditions as those entered into by other Fund investors and are subject to corporate governance policies of the MacarthurCook Group.

Related party investments held by the Fund

The Fund may purchase and sell units in other approved funds managed by the Responsible Entity in the ordinary course of business at application and redemption prices calculated in accordance with the constitution of those funds or at market prices where the Fund is listed. Details of the Fund's investments in other funds operated by the Responsible Entity or a related party are set out below.

Entity	Units held '000	Net fair value \$'000	Interest Held %	Units purchased '000	Units sold '000	Distributions received/ receivable \$'000
30 June 2009						
MacarthurCook Industrial REIT	22,000	6,171	8.26	-	4,000	1,769
30 June 2008						
MacarthurCook Industrial REIT	26,000	17,952	10.00	26,000	-	364

Units in the Fund held by related parties

Details of holdings in the Fund by the Responsible Entity, other funds operated by the Responsible Entity and other related parties are set out below:

Year ended 30 June 2009 Entity/ person	Relationship	Units held '000	Interest held %	Units purchased '000	Units sold '000	Distribution paid / payable \$'000
MacarthurCook Fund Management Limited	Responsible Entity	6,142	6.26	7,057	7,972	128
MacarthurCook Property Securities Fund	Related Fund	15,234	15.53	-	-	276
MacarthurCook Diversified Property Income Fund	Related Fund	1,657	1.69	-	-	30
Mr Richard M Haddock	Director	223 ⁽¹⁾	0.23	17	-	4
Mr Craig M Dunstan	Director	50	0.05	-	-	1
		23,306	23.76	7,074	7,972	439

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

20. Related parties (continued)

(c) Related party transactions (continued)

Units in the Fund held by related parties (continued)

Year ended 30 June 2008 Entity/ person	Relationship	Stapled Securities holding '000	Interest held %	Units converted to Stapled Securities '000	Stapled securities issued '000	Stapled securities redeemed '000	Distribution paid/payable \$'000
MacarthurCook Fund Management Limited	Responsible Entity	7,057	7.20	1,400	7,057	(1,400)	313
MacarthurCook Property Securities Fund	Related Fund	15,234	15.60	10,907	4,327	-	1,093
MacarthurCook Diversified Property Income Fund	Related Fund	1,657	1.70	1,417	240	-	129
Mr Richard M Haddock	Director	423	0.43	273	150	-	30
Mr Craig M Dunstan	Director	50	0.10	36	14	-	4
		24,421	25.03	14,033	11,788	(1,400)	1,569

⁽¹⁾ Interests of Richard Haddock's siblings have been excluded from these figures since these indirect interests do not constitute "relevant interests" for the purposes of section 608 of the Corporations Act. This applies to the financial year ended 30 June 2009 only.

21. Financial instruments

The following disclosures in relation to the various risks of the Fund's portfolio have been based on the Fund's direct holdings. The Fund's financial instruments are comprised of listed securities and interest rate swaps and is in accordance with its published investment strategy.

Asset allocation between the various types of financial instruments detailed above, is determined by the Fund's Fund Manager who manages the investment of the assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund Manager.

The Fund's investing activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Fund is exposed are market risk, credit risk and liquidity risk.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Board has established an Audit, Risk and Compliance Committee which is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Responsible Entity's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund Manager, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit, Risk and Compliance Committee receives regular risk management reports from the Fund's Manager. Reports from the Fund Manager include details of the controls it has in place to monitor compliance with the Fund's investment strategy and training and personnel management standards and procedures.

The Audit, Risk and Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

(a) Capital risk management

The Responsible Entity manages the Fund's capital to ensure that it will be able to continue as a going concern while maximising the return to Unitholders through the optimisation of the debt and equity balance.

The capital structure of the Fund consists of debt, which includes borrowings disclosed in Note 15, cash and cash equivalents, and equity. The Fund is not subject to externally imposed capital requirements other than to ensure that its debt levels do not exceed the covenants in respect to the loan to valuation ratio contained in the debt facility agreement.

The Responsible Entity uses interest rate swaps, which are derivative financial instruments, to hedge its exposure to interest rate risk arising from use of its debt facilities. See note 15 for further details. The Fund's overall strategy remains unchanged from 2008.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. Market risk embodies the potential for both losses and gains. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(b) Market risk (continued)

The Fund's strategy on the management of investment risk is driven by the Fund's investment objectives. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the investment guidelines as outlined in the Fund's initial product disclosure statement.

Currency risk

The Fund is exposed to currency risk on its investments, receivables and liabilities that are denominated in a currency other than its functional currency (Australian dollars).

The Fund's strategy on the management of currency risk is driven by the Fund's investment objectives. The Fund's currency risk is managed on a daily basis by the Fund Manager and the Responsible Entity's Chief Financial Officer in accordance with the investment guidelines as outlined in the Fund's product disclosure statement. The Funds total net exposure to fluctuations in foreign currency exchange rates at the balance sheet date was as follows:

	Fair value 2009 AUD \$'000	Fair value 2008 AUD \$'000
Assets		
Singapore dollars	6,644	17,952

Sensitivity analysis

A 5% strengthening of the Australian dollar against the Singapore dollar at 30 June 2009 would have increased/ (decreased) the net profit and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2009 \$'000	2008 \$'000
5% increase	(322)	(855)
5% decrease	343	945

Price risk

Price risk is the risk that the value of the Fund's investment portfolio will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Fund's financial instruments are carried at fair value with fair value changes recognised in the Income Statement, all changes in market conditions will directly affect net investment income.

This risk is managed by ensuring that all activities are transacted in accordance with the Fund's investment policy and within approved limits.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(b) Market risk (continued)

Price sensitivity analysis

A 10% increase in the market price of the listed securities at the reporting date would have increased the equity and reduced the loss on net investment income by \$617,137 (2008: an increase of \$1,795,167 in equity and net investment income); an equal change in the opposite direction would have reduced the equity and increased the loss on net investment income by an equal but opposite amount.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Fund's activities expose it to the financial risk of changes in interest rates. Floating rate instruments expose the Fund to cash flow risk, whereas fixed rate instruments expose the Fund to fair value interest rate risk.

The tables below detail the Fund's exposure to interest rate risk at the balance sheet date by the earlier of contractual maturities or re-pricing.

	Weighted average interest rate % p.a.	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Non interest bearing \$'000	Total \$'000
30 June 2009							
Financial assets							
Cash and cash equivalents	2.88%	3,467	-	-	-	-	3,467
Financial assets held at fair value through profit or loss		-	-	-	-	6,171	6,171
Receivables		-	-	-	-	1,899	1,899
Financial liabilities							
Interest bearing liabilities	3.49% ⁽¹⁾	-	-	(70,000)	-	-	(70,000)
Payables		-	-	-	-	(2,642)	(2,642)
Derivative financial instruments		-	-	-	-	(2,227)	(2,227)
Total		3,467	-	(70,000)	-	3,201	(63,332)

⁽¹⁾ Including the effect of interest rate derivatives and line fees, the weighted average cost of debt is 6.91%.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(b) Market risk (continued)

Interest rate risk (continued)

	Weighted average interest rate % p.a.	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000	Non interest bearing \$'000	Total \$'000
30 June 2008							
Financial assets							
Cash and cash equivalents	7.02%	3,280	-	-	-	-	3,280
Financial assets held at fair value through profit or loss		-	-	-	-	19,792	19,792
Receivables		-	-	-	-	1,744	1,744
Financial liabilities							
Interest bearing liabilities	7.81%	-	(39,540)	(44,388)	-	-	(83,928)
Payables		-	-	-	-	(1,493)	(1,493)
Distributions payable		-	-	-	-	(1,768)	(1,768)
Total		3,280	(39,540)	(44,388)	-	18,275	(62,373)

Interest rate sensitivity

The sensitivity analyses below have been determined based on the Fund's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period, in the case of investments that have floating interest rates. A 100 basis points ("bps") increase or decrease represents management's assessment of the reasonably possible change in interest rates.

(i) Fair value interest rate sensitivity

The following table illustrates the effect on net profit and equity from possible changes in fair value interest rate risk that were reasonably possible based on the risk the Fund was exposed to at the reporting date:

	Change in variable +/-	Effect on			
		Net profit		Equity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Interest rate risk	100bps	1,453	1,654	1,453	1,654

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(b) Market risk (continued)

Interest rate sensitivity (continued)

(ii) Cashflow interest rate sensitivity

The following table illustrates the effect on net profit and equity from possible changes in market risk that were reasonably possible based on the risk the Fund was exposed to at the reporting date:

	Change in variable +/-	Effect on			
		Net profit		Equity	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Interest rate risk	100bps	667	807	667	807

The methods and assumptions used to prepare the sensitivity analysis have not changed during the year.

The Fund has managed its exposure to interest rate risk on its borrowings by entering into a series of interest rate swaps, details of which are disclosed in note 15.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as and when they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Responsible Entity prepares an annual budget and associated cashflow forecast and manages the Fund's liquidity by taking account of known commitments before recommending distribution payments to Unitholders. In addition the Fund's investments in listed securities are considered to be readily realisable as they are listed on the Singapore Securities Exchange.

The following tables summarise the maturity profile of the Fund's financial liabilities. The tables have been populated based on the undiscounted cash flows of financial liabilities using the earliest date on which the Fund can be required to pay. The tables include both interest and principal cash flows.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(c) Liquidity risk (continued)

	Contractual cash flows \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	5+ years \$'000
30 June 2009					
Liabilities attributable to Unitholders					
Accounts payable	(2,642)	(2,642)	-	-	-
Interest bearing liabilities	(70,000)	-	-	(70,000)	-
Derivative financial instruments	(2,227)	(264)	(1,264)	(699)	-
	<u>(74,869)</u>	<u>(2,906)</u>	<u>(1,264)</u>	<u>(70,699)</u>	<u>-</u>
30 June 2008					
Liabilities attributable to Unitholders					
Accounts payable	1,493	-	1,493	-	-
Distribution payable	1,768	1,768	-	-	-
Interest bearing liabilities	83,928	-	39,540	44,388	-
	<u>87,189</u>	<u>1,768</u>	<u>41,033</u>	<u>44,388</u>	<u>-</u>

(d) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge its obligation or commitment that it has entered into with the Fund. At the balance sheet date, the following financial assets were exposed to credit risk: rental receivables and other receivables. The total carrying amount of financial assets exposed to credit risk amounted to \$1.220 million (2008: \$2.170 million). The carrying amount of financial assets best represents the maximum credit risk exposure at the balance sheet date.

The credit risk associated with rental income is managed by initial due diligence on tenants creditworthiness and by the ongoing management of third party property managers. In addition, the Fund has bank guarantees in place for several of the properties which provide indemnity for 3 to 12 months rent in the event of rent default by tenants. All the deposits with banks of the Fund are held by National Australia Bank, a financial institution with a Standard & Poors rating of AA. Bankruptcy or insolvency of the bank may cause the Fund's rights with respect to the cash held to be delayed or limited. If the credit quality or the financial position of the bank deteriorates significantly the Fund Manager will move the deposits to another bank.

(e) Estimation of fair values

The major methods and assumptions used in estimating the fair values of financial instruments are disclosed in note 3(d)(iv) of the Summary of Significant Accounting Policies section.

At 30 June 2009, the carrying amounts of equity investments for which fair values were determined directly by reference to published price quotations amounted to \$6.171 million (2008: \$17.952 million).

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. Financial instruments (continued)

(e) Estimation of fair values (continued)

At 30 June 2009, the carrying amounts of derivative financial assets and derivative financial liabilities for which fair values were determined using valuation techniques amounted to \$nil and \$2.227 million respectively (2008: \$1.840 million and \$nil respectively).

None of the fair values of the Fund's derivative financial assets and liabilities were determined by reference to published price quotations.

(f) Specific instruments

Interest rate swaps

The Responsible Entity uses interest rate swaps, which are derivative financial instruments, to hedge its exposure to cash flow interest rate risk arising from use of its debt facilities. A swap involves the exchange by the Fund with another party of their respective commitments to pay or receive cash flows.

Interest rate swap agreements may increase or decrease the Fund's exposure to long or short-term interest rates. The value of the Fund's swap positions would increase or decrease depending on the changes in the underlying rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Fund's investments. The Fund's ability to engage in certain swap transactions may be limited by tax considerations.

The Fund's ability to realise a profit from such transactions will depend on the ability of the financial institutions with which it enters into the transactions to meet their obligations to the Fund. If a counterparty's creditworthiness declines, the value of the agreement would be likely to decline, potentially resulting in losses. If a default occurs by the other party to such transaction, the Fund will have contractual remedies pursuant to the agreements related to the transaction, which may be limited by applicable law in the case of a counterparty's insolvency. Under certain circumstances, suitable transactions may not be available to the Fund, or the Fund may be unable to close out its position under such transactions at the same time, or at the same price, as if it had purchased comparable publicly traded securities.

Forward exchange contracts

Forward exchange contracts are commitments either to purchase or sell a designated currency at a specified future date for a specified price and will be settled in cash at the end of the contract. Forward exchange contracts are individually traded over-the-counter contracts. Forward exchange contracts result in credit exposure to the counterparty.

Forward exchange contracts result in exposure to market risk based on changes in market prices relative to contracted amounts. Market risks arise due to the possible movement in foreign currency exchange rates. The Fund enters into forward exchange contracts to hedge its exposure to the income derived from its investments denominated in Singapore dollars.

MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

22. Events subsequent to reporting date

On 14 July 2009, AIMS Securities Holdings Pty Ltd (“AIMS Securities”) became the ultimate holding company of the Responsible Entity and as at the date of this report, AIMS Securities and other entities controlled by Mr. George Wang owned 91.68% of MacarthurCook Limited, the immediate holding company of the Responsible Entity. On 25 August 2009, AIMS Securities announced that it would seek to compulsorily acquire the remaining shares in MacarthurCook.

As at the date of these accounts less than half of the Directors of the Responsible Entity are “external directors” for the purposes of S601JA of the Corporations Act. The Responsible Entity is actively seeking additional external directors to join the Board, but has been unable to do so within the 14 day period prescribed in the Corporations Act. However, the Responsible Entity has received relief from the Australian Securities and Investments Commission that it has until 18 September 2009 to satisfy the external director requirement or appoint a compliance committee.

Other than the matter discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Fund, the results of those operations, or the state of affairs of the Fund, in future financial years.

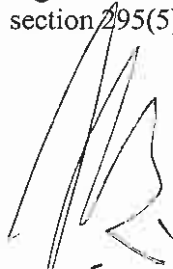
MACARTHURCOOK INDUSTRIAL PROPERTY FUND
(ARSN 111 263 688)

DIRECTORS' DECLARATION

In the opinion of the Directors of the Responsible Entity:

- (a) the financial statements and notes thereto as set out on pages 17 to 43 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Fund as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, including the Australian Accounting Interpretations, and the Corporations Regulations 2001.
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a)
- (c) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 295(5) of the Corporations Act 2001.



George Wang
Executive Chairman
MacarthurCook Fund Management Limited
Melbourne
31 August 2009



Independent auditor's report to the unitholders of MacarthurCook Industrial Property Fund

Report on the financial report

We have audited the accompanying financial report of MacarthurCook Industrial Property Fund (the Scheme), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 22 and the directors' declaration set out on page 44.

Directors' responsibility for the financial report

The directors of MacarthurCook Fund Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting



Standards (including the Australian Accounting Interpretations) a view which is consistent with our understanding of the Scheme's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of MacarthurCook Industrial Property Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Scheme's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

Darren Scammell
Partner

Melbourne

31 August 2009