

MacarthurCook Limited – International Real Estate Fund Manager

10 May 2010

ASX Code : MIF

MacarthurCook Industrial Property Fund – Letter to Unitholders

Please find attached a copy of correspondence mailed to MacarthurCook Industrial Property Fund unitholders today.

For further information, contact:

Mr Dustine Pang
Company Secretary
MacarthurCook Fund Management Limited
Ph: +61 2 9215 2813

MacarthurCook Limited ABN 64 009 110 463
MacarthurCook Fund Management Limited
ABN 79 004 956 558 AFS Licence No: 258052
MacarthurCook Investment Managers Limited
ABN 45 099 054 074 Licence No: 225357 SEC No: 801-66388
MacarthurCook Real Estate Funds Limited ABN 32 126 766 167 AFSL No: 318261

Melbourne Head Office: Level 4, 30 Collins Street, Melbourne Victoria 3000 Australia
PO Box 18070 Collins Street East, Melbourne Victoria 8003 Australia
Client Services: 1300 655 197 Telephone: +613 9660 4555 Facsimile: +613 9639 1440
Sydney Office: Level 16, Central Square, 323 Castlereagh Street, Sydney NSW 2000 Australia
Telephone: +612 9217 2727 Facsimile: +612 9281 7611
Email: mail@macarthurcook.com.au Website: www.macarthurcook.com.au

Melbourne

Sydney

Beijing

Shanghai

Tianjin

Guangzhou

Hong Kong

Singapore

About MacarthurCook:

MacarthurCook Limited is a subsidiary of the AIMS Financial Group (AIMS) and specialises in the investment management of direct property, real estate securities and mortgage assets.

MacarthurCook and AIMS manage over A\$1.1 billion on behalf of over 21,000 investors as at 30 June 2009 and are the investment managers for AIMS-AMP Capital Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Exchange. The MacarthurCook Industrial Property Fund is listed on the ASX. The AIMS-AMP Capital Industrial REIT is listed on the Singapore Exchange. The RMR Asia Pacific Real Estate Fund is listed on the American Stock Exchange.

About AIMS Financial Group:

Established in 1991, AIMS Financial Group is an Australian company with a solid track record and enviable reputation in the mortgage and securitisation markets. It has expanded to become an international financial group focusing on funds management, real estate investment, securitisation and mortgage lending.

AIMS is a 100% Australian owned business that has operated in Australia for nearly 20 years. AIMS started in Australia with only two staff and today have in excess of 100 staff in Australia. AIMS has been very active in introducing international investors into the Australian real estate market. During this time AIMS has attracted significant investment in Australian direct property from its international clients. In the last 8 years to 2007, AIMS has raised directly and indirectly approximately A\$3 billion in funds from the Australian capital markets, with most of the RMBS (Residential Mortgage Backed Securities) rated AAA by both Standard & Poors and Fitch Ratings.

With offices across Australia and China and highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group bridges the gap between Australia and China in various markets, especially in real estate, resources, technology, infrastructure, banking and financial services.

MacarthurCook Fund Management Limited
("MacarthurCook") (ABN 79 004 956 558) (AFSL 258052)
is the Responsible Entity of the
MacarthurCook Industrial Property Fund
(ARSN 104 606 573)

000001 000 MIF
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

MacarthurCook Industrial Property Fund (ASX code MIF)

We are writing to you as the Responsible Entity (MacarthurCook Fund Management Limited- "MCKFM"), which is responsible for the management of your Fund (MacarthurCook Industrial Property Fund - "the Fund"), to make you aware of an important announcement which has been made regarding your Fund.

The Responsible Entity of your Fund recently announced to the ASX that it has received an offer from HRPT Properties Trust ("Offer") to acquire all of the units in your Fund. If unitholders approve the Offer and the scheme is implemented, you will receive cash of approximately \$0.41 per unit. Further details of the Offer are contained in the attached ASX announcement.

We are writing to all investors to make them aware of this Offer as well as provide a summary of the related ASX announcement and address some questions which have been asked by investors since the announcement was made.

Since AIMS Financial Group acquired control of MCKFM in August 2009, the Fund has been significantly improved. During this period distributions have been re-instated, the Net Tangible Assets per unit (NTA) of the Fund has increased, gearing has been reduced and the unit price has almost doubled from approximately \$0.17 to \$0.31, immediately prior to announcing the Offer.

The Responsible Entity has also been exploring a range of additional value-enhancing alternatives and has recently received the proposal offering unitholders approximately \$0.41 cash per unit. The Offer price is 36% above the 10 day volume weighted average price prior to announcement of the Offer. The NTA of the Fund is \$0.67 per unit as at 31 December 2009.

A Special Board Committee (SBC), comprising 3 members of the Board of the Responsible Entity, was formed to consider the proposal and believe this Offer is worthy of consideration by unitholders. The Responsible Entity has engaged an independent expert to make an assessment of the Offer which will assist unitholders make an informed decision. A formal recommendation from the SBC will also be provided to unitholders after receipt of the independent expert's report.

The Responsible Entity currently anticipates sending a copy of the independent expert's report, along with a Notice of Meeting and Explanatory Memorandum to unitholders in early July 2010. The Responsible Entity is intending to hold a unitholder meeting to vote on the proposal at the end of July 2010. If the required number of Fund unitholders (at least 75% of votes cast by those entitled to vote on the proposal) support the Offer, all unitholders will receive approximately \$0.41 cash for each of their units in the Fund.

The Explanatory Memorandum will provide you with greater detail about the Offer and also outline other options which have already been considered by the Responsible Entity to enhance investors' returns, such as winding up the Fund. While the SBC has considered other alternatives, it believes that the Offer may be attractive to Fund unitholders who are seeking certainty of cash consideration at a significant premium to the unit price prior to announcement of the Offer.

No action is required by you at this time but should investors be considering selling their investment prior to the receipt of the Explanatory Memorandum, the Responsible Entity recommends that investors seek independent financial advice.

A copy of the ASX announcement is attached, which provides further detail regarding the offer and highlights some of the conditions which are required to be fulfilled for the proposal to proceed. Further information is contained in the Scheme Implementation Agreement dated 3 May 2010 and is available via the ASX or MacarthurCook website (www.macarthurcook.com.au).

For your information, we have also enclosed some recent correspondence from a major unitholder in the Fund regarding its voting intentions with respect to the proposal.

If you have any questions regarding this Offer prior to receiving the additional information, please contact your financial adviser or ring our client services line on 1300 655 197.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Wood', written in a cursive style.

Tony Wood
Chairman, Special Board Committee
MacarthurCook Fund Management Limited

ASX Announcement 3/5/2010
MacarthurCook Industrial Property Fund

CASH OFFER RECEIVED

The Responsible Entity of the MacarthurCook Industrial Property Fund (the "Fund"), MacarthurCook Fund Management Limited ("MCKFM"), announces that it has received a proposal ("Proposal") from HRPT Properties Trust, a publicly traded U.S. real estate investment trust, or REIT, which is listed on the New York Stock Exchange under the symbol "HRP" ("HRP").

Details of the Proposal

The Proposal involves Fund unitholders receiving a cash price of approximately \$0.41 per unit. This is comprised of a cash offer by HRP to acquire 100% of the units in the Fund for \$0.40 per unit and an estimated special distribution of no less than \$0.01 per unit¹. The Proposal would be executed via a trust scheme and is conditional on (among other things) unitholder approval, relevant approvals from the Foreign Investment Review Board and receipt of tax rulings from the Australian Tax Office. If the Proposal is successful, the underlying portfolio will continue to be managed by MCKFM on behalf of HRP.

Background

Since AIMS Financial Group acquired control of MCKFM in August 2009, the Responsible Entity has been actively pursuing a range of alternatives to maximise unitholder value and reduce the gap between the Fund's net tangible asset backing per unit and the current market trading price of the Fund's units. This process led to the Board having discussions with HRP who conducted extensive due diligence on the Fund and submitted the Proposal.

Special Board Committee

A Special Board Committee ("SBC") was formed to consider the Proposal due to the ongoing management arrangements proposed between HRP and MCKFM. The SBC is comprised of Tony Wood (independent director), Chris Langford (independent director) and Mark Thorpe-Apps (executive director, funds management).

The SBC has determined that the Proposal is worthy of consideration by the Fund's unitholders. The SBC believes that the Proposal may be attractive to unitholders as it provides a cash exit at a 36% premium to the Fund's 10 day volume weighted average price to 30 April 2010.

Accordingly, the Responsible Entity has entered into a scheme implementation agreement (attached) with HRP to enable the Proposal to be put to the Fund's unitholders for their consideration. The SBC has commissioned an independent expert to opine on whether the proposal is fair and reasonable.

The SBC has engaged Macquarie Capital Advisers as financial adviser and Blake Dawson as legal adviser.

Next steps

The SBC will provide its formal recommendation in the scheme booklet currently expected to be sent to unitholders in July, which will be accompanied by the report of the independent expert. If the independent expert concludes that the Proposal is either "fair and reasonable" or "not fair but reasonable", the SBC will recommend that unitholders vote in favour of the Proposal, subject to no superior proposal emerging. In addition, if the independent expert concludes that the Proposal is either "fair and reasonable" or "not fair but reasonable", any SBC members who hold or have a relevant interest in and control over Fund units will vote those units in favour of the Proposal, subject to no superior proposal emerging.

¹ The special distribution is based on the estimated cash balance of the Fund at the time of the completion of the transaction. This amount may change but will be no less than \$0.01 per unit.

The scheme booklet will contain details of the unitholder meeting to be indicatively scheduled for late July at which unitholders will vote on the Proposal. If the Proposal is approved by unitholders, it is expected that it will be implemented by mid- August.

Regardless of the outcome of the Proposal or the unitholder meeting, Fund unitholders will receive the quarterly distribution for the period ending 30 June 2010 which is estimated to be 0.5 cents per unit, consistent with previous market guidance.

Should you have any queries, please contact:

Mr Tim Allerton
City Public Relations
Ph: +61 (02) 9267 4511
Ph: +61 (0) 412 715 707

Mr Dustine Pang
Company Secretary
MacarthurCook Fund Management Ltd
Ph: +61 (02) 9215 2813

About MacarthurCook:

MacarthurCook Limited is a subsidiary of the AIMS Financial Group (AIMS) and specialises in the investment management of direct property, real estate securities and mortgage assets.

MacarthurCook and AIMS manage over A\$1.1 billion on behalf of over 21,000 investors as at 30 June 2009 and are the investment managers for AIMS-AMP Capital Industrial REIT, MacarthurCook Industrial Property Fund, MacarthurCook Office Property Trust, MacarthurCook Mortgage Fund, Advance Mortgage Fund, MacarthurCook Property Securities Fund, Advance Property Securities Fund and the RMR Asia Pacific Real Estate Fund.

The MacarthurCook Property Securities Fund is listed on the ASX and the Singapore Exchange. The MacarthurCook Industrial Property Fund is listed on the ASX. The AIMS-AMP Capital Industrial REIT is listed on the Singapore Exchange. The RMR Asia Pacific Real Estate Fund is listed on the American Stock Exchange.

About AIMS Financial Group:


Established in 1991, AIMS Financial Group is an Australian company with a solid track record and enviable reputation in the mortgage and securitisation markets. It has expanded to become an international financial group focusing on funds management, real estate investment, securitisation and mortgage lending.

AIMS is a 100% Australian owned business that has operated in Australia for nearly 20 years. AIMS started in Australia with only two staff and today have in excess of 100 staff in Australia. AIMS has been very active in introducing international investors into the Australian real estate market. During this time AIMS has attracted significant investment in Australian direct property from its international clients. In the last 8 years to 2007, AIMS has raised directly and indirectly approximately A\$3 billion in funds from the Australian capital markets, with most of the RMBS (Residential Mortgage Backed Securities) rated AAA by both Standard & Poors and Fitch Ratings.

With offices across Australia and China and highly qualified, professional and experienced cross-cultural teams, AIMS Financial Group bridges the gap between Australia and China in various markets, especially in real estate, resources, technology, infrastructure, banking and financial services.

Real Estate Capital Partners

6 May 2010



The Directors
MacarthurCook Fund Management Limited
Level 16
Central Square
323 Castlereagh Street
Sydney NSW 2000

Dear Sirs

MacarthurCook Industrial Fund

Real Estate Capital Partners (No2) Pty Ltd ACN 124 684 475 as trustee of Entre M Trust and its associates (**ReCap**) controls 19.8% of MacarthurCook Industrial Property Fund (**the Fund**). The Fund announced on 3 May 2010 it has received a proposal from HRPT Properties Trust that offers Fund unitholders cash of approximately \$0.41 per unit (**the Proposal**).

ReCap is supportive of the the Fund's Special Board Committee's decision to put the Proposal to unitholders for their consideration. Based on current publicly available information, ReCap intends to vote in favour of the Proposal at the unitholder meeting in July, subject to no superior proposal emerging and ReCap's review of the information and expert's report accompanying the notice of meeting.

Yours faithfully



Andrew Saunders
Chief Executive Officer