

9 August 2011

**The Manager**  
**Company Announcement Office**  
**Australian Securities Exchange**  
**Level 4, 20 Bridge Street**  
**SYDNEY NSW 2000**

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## Market Update

Redcape Property Fund (**ASX: RPF**) (Redcape) comprises Redcape Property Trust (Trust) and Redcape Property Fund Limited.

Redcape Services Pty Limited (Manager) is the Investment Manager for the Trust, on behalf of The Trust Company (RE Services) Limited as the Responsible Entity for the Trust.

### Interest rate swap liability

As reported in a Market Update on 25 July 2011, Redcape's unaudited Interest Rate Swap (**Swap**) liability as at 30 June 2011 was \$54 million.

An effect of the current turmoil in world financial markets has been a significant reduction in the forward interest-rate curve reflecting the market's expectations of lower interest rates into the future. The Manager has calculated that this has resulted in Redcape's Swap liability increasing to approximately \$75 million as at 9 August 2011.

The market will be kept informed of material developments.

Colin Henson  
Executive Chairman  
Redcape Property Fund Limited