



ACUMEN CAPITAL PROPERTY SECURITIES FUND

ANNUAL REPORT 2004

ACUMEN CAPITAL SECURITIES LIMITED
ACN 103 736 081

MULTIPLY
CAPITAL

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Acumen Capital Property Securities Fund is a unique investment vehicle which specialises in unlisted property investments and provides liquidity through its ASX listing.

Acumen Capital Property Securities Fund (the Fund) listed on the Australian Stock Exchange in July 2003. As at 30 June 2004, the Fund had a \$111 million investment portfolio comprising 79% unlisted and 21% listed property investments.

The Fund delivers an attractive income return, significant tax-advantaged distributions and liquidity for unitholders by maintaining a highly diversified portfolio of unlisted and listed property investments.



INVESTORS IN THE FUND AT 30 JUNE 2004 OWNED A PORTFOLIO OF UNLISTED AND LISTED PROPERTY INVESTMENTS WORTH \$111 MILLION. THIS REFLECTS THE RESULTS OF OUR INITIAL CAPITAL RAISING, THE ADDITIONAL \$30 MILLION RAISED IN MAY 2004 AND THE JUDICIAL USE OF DEBT.

CHAIRMAN'S REPORT

Dear Investor,

Welcome to the first annual report for the Acumen Capital Property Securities Fund. I am proud to note that in its inaugural year, the Fund has outperformed our expectations and built a strong platform for future growth.

For the year ended 30 June 2004, investors received total income distributions of 9.4375 cents per unit, equating to an annualised yield of 9.75% on the \$1 issue price. Significantly, quarterly distributions were upgraded twice during the year. We expect distributions to be at least 50% tax-advantaged, further increasing the attraction of this high level of income.

Investors in the Fund own a portfolio of unlisted and listed property investments worth \$111 million as at 30 June 2004. This reflects the results of our Initial Public Offer (IPO), the additional \$30 million raised in May 2004 and

the judicial use of debt. The capital raised during the year was quickly put to use with the Fund making \$83 million in acquisitions over the course of the financial year.

The Fund's portfolio is well diversified across the office, retail and industrial sectors, with a small portion of the Fund invested in other areas such as storage and child care facilities. The Fund has indirect investments in 660 properties managed by 14 different managers.

In December 2003, the Multiplex Group moved to 100% ownership of Multiplex Capital Limited, which owns approximately 72% of Acumen Capital Securities Limited (the Responsible Entity and Manager of the Fund). I believe this is a significant and positive step for the Fund and its investors.



As a result of this, the Fund now has access to the added property industry and research skills of one of Australia's most experienced and well regarded property groups. Currently the Multiplex Group has property investment funds under management worth more than \$2.1 billion.

We are all excited by the Fund's significant potential as we move into our second year of operation. Our well diversified portfolio of quality unlisted property investments means that the Fund's income profile is secure and high-yielding. The Fund's listed property investments provide added diversification, liquidity, a higher return than available on cash and access to other highly regarded managers.

We are very pleased with the performance of the Fund in its first year of operation. Clearly, this strong result underscores the strength of the Fund's business model, which allows the Fund to generate high levels of tax-advantaged income for investors through a liquid and highly diversified exposure to direct property.

On behalf of the Board and our staff, I thank all investors for their support over the past year. With all these positive attributes in place and with the added resources available to the Fund from its relationship with the Multiplex Group, I believe the Fund is set to unlock even greater value for investors over the coming 2005 financial year.

Yours faithfully,

Dr Brian E Hewitt

Chairman

Acumen Capital Securities Limited



FINANCIAL HIGHLIGHTS

- Retained income was \$1.97 million, 81% greater than forecast¹
- Net profit of \$8.33 million was 11% above forecast¹
- Earnings of 12.4 cents per unit were 12% above forecast¹
- Distributions of 9.4375 cents per unit were 5% above the Initial Public Offer estimate of 9.0 cents per unit
- Net Tangible Assets (NTA) were 98 cents per unit, up 2.0% since listing
- Gearing level (net debt to total assets) was 15%

1. April 2004 Product Disclosure Statement



81%



11%



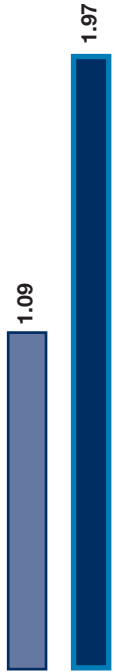
12%



5%



2%



Retained Income (\$m)



Net Profit (\$m)



Earnings per Unit (cents per unit)



Distributions (cents per unit)



Net Tangible Assets (cents per unit)

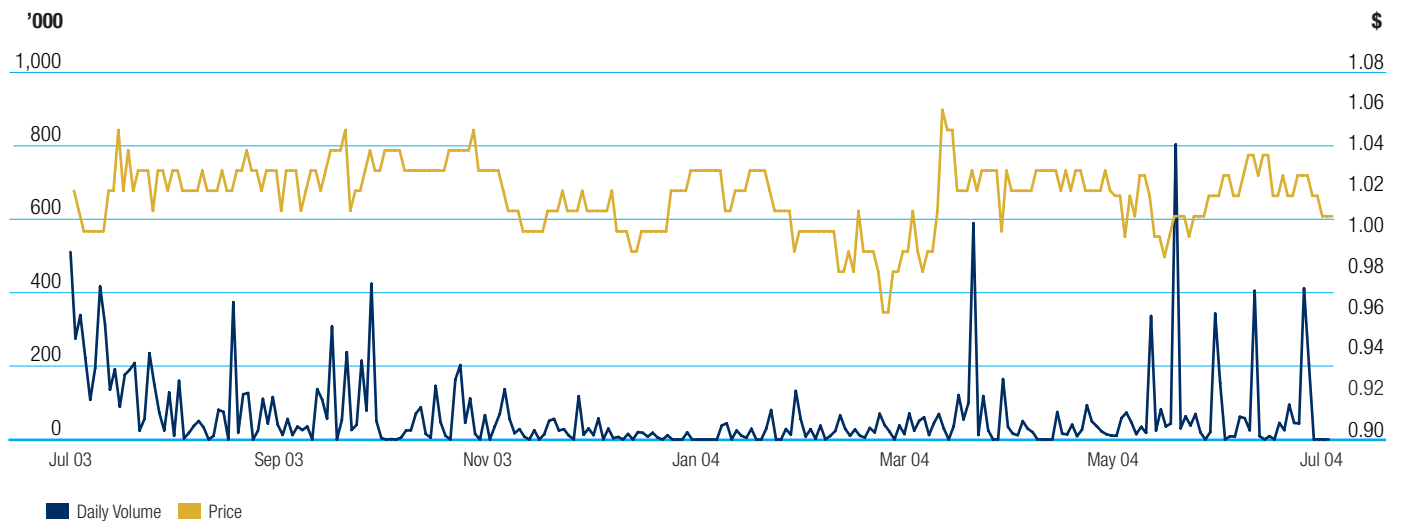
IPO estimate

April 2004 PDS forecasts

Actual as at 30 June 2004

Fund Performance

ACF's total return for the year ended 30 June 2004 was 10.65%.



JULY
Successful completion of IPO capital raising of \$40 million

REVIEW OF THE YEAR

JUL **03** **AUG** **SEP** **OCT**

Successfully completed IPO raising of \$40 million;

Acquisition of a \$24.7 million portfolio of units in unlisted property trusts;

The Fund listed on the ASX on 8 July 2003 (code: ACF) with an initial market capitalisation of \$64.7 million;

Further Fund investments were made:

- \$9.5 million in Investa 5th Commercial Trust; and
- \$8.0 million in Trafalgar Platinum Fund No 12.

Appointment of Dr Brian Hewitt as Chairman;

Further investments of:

- \$5 million in the ASX listed Macquarie Countrywide Property Trust;
- \$3 million in Centro Property Syndicate No. 8; and
- \$1 million in James Fielding Childcare Fund Series One.

Announced a distribution of 2.2500 cents per unit (annualised yield of 9.0% based on \$1 issue price).

DEC
Multiplex moved to 100% ownership of Multiplex Capital Limited

MAY
Completed capital raising for a further \$30 million

NOV

DEC

JAN 4

FEB

MAR

APR

MAY

JUN

Further investments of:
 – \$2 million in APN National Storage Trust; and
 – \$0.8 million in James Fielding Industrial Fund.

Multiplex Group moved to 100% ownership of Multiplex Capital Limited (previously Acumen Capital Limited);
 Acumen Capital team relocated from Perth to Sydney;
 Released half year results with total revenue of \$2.4 million and retained income of \$0.6 million;
 Investment of \$9.5 million in Investa 6th Commercial Trust fully funded by CBA loan facility;
 Announced a distribution of 2.3125 cents per unit, a 3% increase on the previous quarter and an annualised yield of 9.25% based on \$1 issue price.

Investment of \$16.4 million in Westpac FAL Property Trust part funded by Westpac loan facility.

Announced a distribution of 2.4375 cents per unit, up 5% on the previous quarter, and an annualised yield of 9.75% based on the \$1 issue price.

Completed capital raising for a further \$30 million from a combined Entitlement Offer (1 for 3) and Placement Offer.

Appointment of Tim Spencer as Fund Manager;
 Major new investments:
 – \$17.1 million in a diverse portfolio of 10 listed property securities; and
 – \$10 million in the unlisted Cromwell Diversified Property Trust;
 Announced a distribution of 2.4375 cents per unit and an annualised yield of 9.75% based on \$1 issue price.



FUND HIGHLIGHTS:

- \$111 MILLION INVESTMENT PORTFOLIO COMPRISING 79% UNLISTED AND 21% LISTED PROPERTY INVESTMENTS;
- WEIGHTED AVERAGE PROPERTY YIELD OF 9.02%;
- STRONG DIVERSIFICATION ACROSS THREE ASSET CLASSES, FIVE PROPERTY SECTORS, NINE GEOGRAPHICAL AREAS, 14 PROVEN PROPERTY MANAGERS AND 660 PROPERTIES;
- WEIGHTED AVERAGE LEASE TERM TO EXPIRY OF 6.5 YEARS.

MANAGING DIRECTOR'S REPORT

Overview

The 2004 financial year contained many positives for investors in the Acumen Capital Property Securities Fund. The Fund's ability to source quality investment opportunities in a very competitive property market, and to secure strong rental and fee income, meant the Fund exceeded expectations for both net profit and distributions and delivered a total return of 10.65% (annualised) for the financial year.

I believe the success of the Fund's capital raisings and its relationship with the Multiplex Group place it in a strong position to continue this solid performance.

Financial results

The Financial Highlights section (see pages 4 and 5) illustrates how strongly the Fund performed in its first year of operation. Of particular note, retained income was 81% higher than forecast, reflecting conservative management and the success of the Fund's fee generating activities.

Also, total distributions of 9.4375 cents per unit were 5% higher than the IPO estimate of 9.0 cents per unit. Approximately 50% of that income carried tax-advantaged status.

The Fund

Unlisted Property Investments

As at 30 June 2004, the Fund had an \$88.1 million portfolio of unlisted property investments, spread between 21 unlisted property vehicles

and nine individual managers. This gives investors a more diversified and liquid exposure to some of the highest quality properties and managers in the Australian unlisted property trust sector than they could otherwise achieve individually. Typically, the unlisted sector offers low volatility and generates a relatively high level of tax-advantaged income.

Listed Property Investments

As at 30 June 2004, the Fund had a \$22.7 million portfolio of listed property investments spread between 12 individual investments and 11 managers. These listed investments provide a number of strategic advantages for the Fund. Listed investments give the Fund access to quality properties and property managers not currently represented in the unlisted market. Most importantly, the Fund's listed holdings are a powerful portfolio management tool. They offer good liquidity if the Fund decides to sell these holdings to fine-tune its diversification or take advantage of new unlisted investment opportunities. Listed property investments also generate higher yields than cash investments. The Fund also maintained a 4% allocation to cash as at 30 June 2004.

As the chart below shows, both unlisted and listed property trusts (S&P/ASX 300 Property Accumulation Index) delivered better risk/return trade-offs than the major equity market index over the past five years. A blend of the two property segments creates additional advantages for investors, thanks to the negative correlation of unlisted funds with other asset classes.

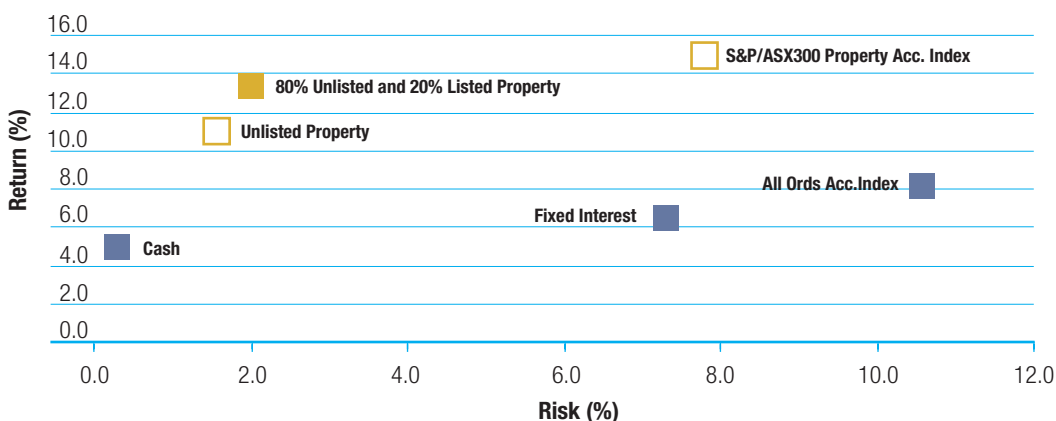
Diversification

As at the end of June 2004, the Fund had invested in 21 unlisted property investments and 12 listed property investments. As the charts on page 10 indicate, the Fund is highly diversified across sectors, regions, properties, tenants and managers, which serves to further reduce risk and enhance return.

The Fund has a strong presence in the outperforming retail sector, an overweight position in industrial property and a counter-cyclical overweight position in office property. This counter-cyclical approach reflects the Fund's belief that the outlook for office property is gradually improving – supply is in check, tenant enquiry levels are rising and leading indicators of office demand suggest a likely increase in net space absorption. In the second quarter of 2004, net absorption in the Sydney Central Business District increased for the first time since the third quarter of 2001.

Asset Class Risk / Return Trade-Off

5 years to June 2004



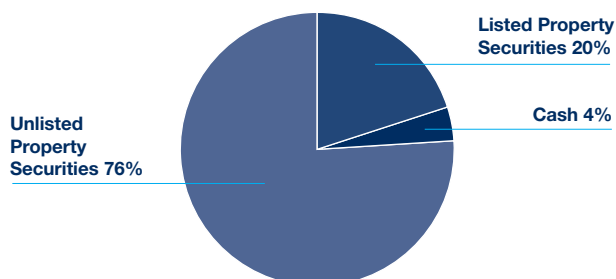
Source: S&P/ASX 300 Property Acc. Index, Mercer Unlisted Property Trust Index, IRESS

Fund snapshot (at 30 June 2004)

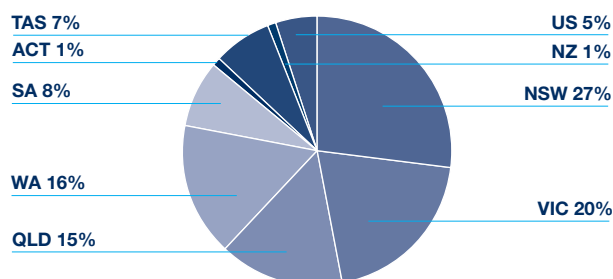
Market capitalisation	\$96 million
Total assets	\$119 million
Listing date	8 July 2003
Net Tangible Assets (NTA) per unit	\$0.98
Portfolio weighted average property yield	9.0%
Average lease term	6.5 years
Fund gearing (net debt to total assets)	15% (30% short term limit)
Management fee	0.5% of gross asset value (including GST)
Performance fee	20% of benchmark* outperformance
Management Expense Ratio (MER)	0.70%
Tax-advantaged distributions	At least 50%
Distributions paid	Quarterly

* S&P/ASX 200 Property Accumulation Index

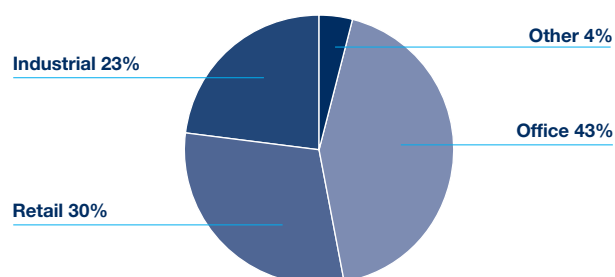
ASSET ALLOCATION



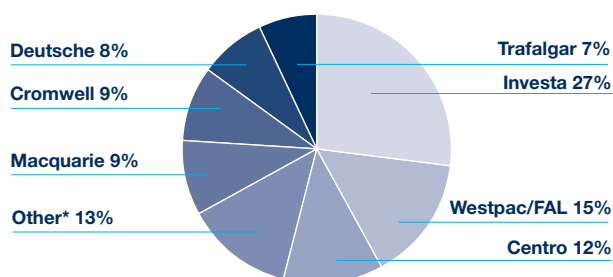
GEOGRAPHICAL DIVERSIFICATION



SECTOR ALLOCATION



MANAGER DIVERSIFICATION



* Includes APN, James Fielding, Australand, Ronin, Valad, Galileo and Multiplex/Acumen.

Investments in Unlisted Property Funds

Current Investments	Investment Allocation (%)	Value at Market (\$)	Yield On Cost (%)	Number of Properties	Ownership of Investment Vehicle (%)	Weighted Average Lease Expiry* (years)	Tax-Advantaged* (%)
Unlisted							
Deutsche – Abbotsford Property Trust	0.5	584,040	10.6	1	6.3	3.9	14
Deutsche – Gordon Property Trust	2.4	2,727,312	9.9	1	7.5	3.2	6
Deutsche – Northgate Property Trust	5.3	6,063,200	10.2	1	14.6	2.9	25
Centro – Kidman Park Property Trust	1.9	2,186,581	7.7	1	11.2	8.9	30
Centro – Roselands Property Trust	6.5	7,432,250	10.2	1	13.6	3.2	50
Centro – Property Syndicate No 8	2.6	3,000,000	8.2	2	2.2	8.5	67
Investa – Collins Property Trust	3.1	3,568,253	8.3	1	24.1	2.2	100
Investa – Brisbane Commercial Trust	2.9	3,345,300	10.8	2	15.4	4.2	66
Investa – North Sydney Property Trust	0.4	455,814	8.3	1	2.7	3.6	100
Investa – Fourth Commercial Trust	0.0	25,474	9.8	3	0.1	7.3	100
Investa – Fifth Commercial Trust	7.7	8,856,936	9.2	4	19.1	5.0	79
Investa – Sixth Commercial Trust	7.5	8,645,000	9.0	4	19.0	3.4	100
Investa – First Industrial Trust	1.1	1,266,300	10.0	6	5.3	2.9	68
Investa – Second Industrial Trust	1.1	1,290,620	9.5	5	5.2	3.8	84
FAL Property Trust	14.2	16,400,000	8.3	6	19.9	9.3	100
Trafalgar – Platinum Fund No. 12	7.0	8,020,000	8.7	3	23.0	10.8	100
James Fielding Industrial Fund	0.7	800,000	9.0	3	4.9	4.3	72
James Fielding Childcare Fund Series One	0.8	900,000	9.7	31	7.4	9.0	72
APN National Storage	1.7	2,000,000	9.0	20	3.2	13.8	88
Acumen Capital – 186 St Georges Terrace	0.4	515,000	9.9	1	9.5	3.7	100
Cromwell Diversified Property Trust	8.7	10,000,000	9.0	14	5.9	7.8	100
Unlisted Total/Weighted Average	76.5	88,082,080	9.0	111	15.0	6.4	79

Investments in Listed Property Securities

Listed							
Australand Property Group	2.6	2,962,170	10.3	26	0.2	7.9	12
Ronin Property Group	2.6	2,960,600	8.5	12	0.3	4.2	43
Macquarie Goodman Industrial Trust	2.6	3,000,480	7.9	112	0.1	4.5	52
Investa Property Group	2.6	3,003,000	8.5	40	0.1	4.3	35
Galileo Shopping America Trust	0.8	974,115	9.4	50	0.3	7.9	68
James Fielding Group	0.1	89,743	8.5	12	0.0	5.6	54
Macquarie Countrywide Trust	4.5	5,160,000	8.5	124	0.5	11.8	37
Macquarie DDR Trust	0.9	999,100	9.0	22	0.1	5.4	85
Macquarie Pro-Logis	0.8	963,050	10.0	88	0.1	4.9	60
Multiplex Group	0.6	688,000	8.1	20	0.0	7.9	31
Prime Retail Group	0.9	988,200	8.9	32	0.3	3.9	49
Valad Property Group	0.8	947,310	9.9	11	0.4	3.9	15
Listed Total/Weighted Average	19.7	22,735,767	8.9	549	0.3	6.8	39
Cash	3.8	4,372,744					
Total Portfolio/Weighted Average	100.0	115,190,592	9.0	660	12.0	6.5	71

* Latest stated or Manager estimate

The Fund's unlisted investments provide exposure to 111 properties and its listed investments assets provide exposure to another 549 properties.

The Fund invests with 14 managers including Investa, Westpac, Centro, Macquarie and Cromwell. The Fund undertakes careful analysis of all managers before any capital is invested, taking into account the management experience and performance, as well as the fundamental strengths of the underlying offer.

Fee and commission income

Overall, the unlisted property sector has grown significantly over the past few years with net assets now worth \$6 billion (approximately 9% of the size of the listed property trust sector). Investors have become more selective, creating an opportunity for the Fund to utilise its size to earn fee and commission income in return for taking cornerstone investment positions in quality new issues that meet the Fund's rigorous investment selection criteria.

Since listing in July 2003, the Fund has earned \$3 million in fee and commission income. This income, equivalent to 3.2 cents per unit, is used to fund new unlisted or listed acquisitions and maintain the Fund's high income distributions.

Multiplex Group

In December 2003, the Multiplex Group moved to 100% ownership of Multiplex Capital Limited (previously Acumen Capital Limited), which owns approximately 72% of Acumen Capital Securities Limited.

Multiplex Capital now manages more than \$2.1 billion in property investment funds. Fund investors will be able to benefit from the synergies, cost savings and strong product flows available from being part of the Multiplex Group. Multiplex is one of Australia's leading property groups, with operations in Australia, New Zealand, the United Kingdom and the Middle East.

Investment process

In the interests of maintaining strong corporate governance, the Fund undertakes a rigorous, arm's length investment process. A separate Investment Review Committee is responsible for asset allocation, investment strategy, review of investment proposals, performance monitoring and risk management. Recommended proposals are then presented to the four directors of the Manager's board, three of whom are independent.

We have further boosted our investment management capability through the appointment of Tim Spencer as the Fund's dedicated Fund Manager. Tim has more than 10 years experience in the property industry and will work with me and the other members of Multiplex Capital to maintain and enhance the Fund's performance.

Outlook

The Fund's outlook is very positive. The Australian economy remains robust and the opportunities for the Fund are significant.

Over the past year, the Fund's unique business model has begun to demonstrate its value and we expect even greater successes over the next financial year.

I would like to thank all investors for their support over the past year and look forward to sharing another year of growth and success with you.



Rob Rayner
Managing Director
Acumen Capital Securities Limited



INVESTMENT PROFILE

THE FUND MADE \$83 MILLION OF UNLISTED AND LISTED INVESTMENTS DURING THE YEAR, INCREASING THE FUND'S DIVERSIFICATION ACROSS SECTORS, REGIONS, PROPERTIES, TENANTS AND MANAGERS.

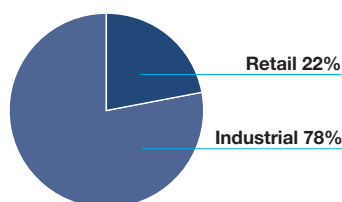
INVESTMENT PROFILE: UNLISTED



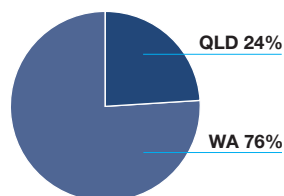
FAL Property Trust

Portfolio allocation	14%
Fund net assets	\$76m
FY04 yield (on cost)	8.3%
Weighted average lease expiry	9.3yrs

Sector allocation



Geographical allocation



Investment description

FAL Property Trust owns a portfolio of neighbourhood shopping centres, "Cash and Carry" branches and distribution centres. Almost 90% of the Trust's rental income is derived from Foodland Associated Ltd (ASX code: FOA), the third largest supermarket operator in Australia and second largest operator in New Zealand. Income is secured through long lease terms. Industrial asset rents are reviewed to CPI annually and market every five years, and cannot reduce. Retail asset rents are reviewed to market every three years and cannot reduce. The Trust has the first right of refusal to acquire further FAL assets as they are constructed.

Manager description

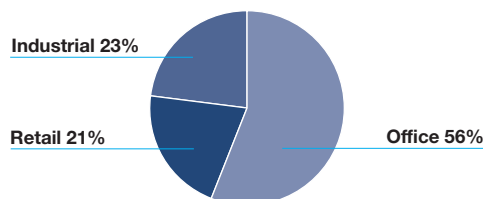
The Trust manager, Westpac Funds Management Ltd, is part of the Westpac Wealth Management division, an indirectly wholly owned subsidiary of Westpac Banking Corporation. Westpac had global assets of \$234 billion as at 31 March 2004 and is ranked in the top 10 listed companies by market capitalisation on the ASX. Asset management for the industrial assets is carried out by Foodland Associated Ltd.



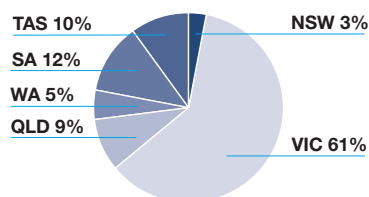
Cromwell Diversified Property Trust

Portfolio allocation	9%
Fund net assets	\$154m
FY04 yield (on cost)	9.0%
Weighted average lease expiry	7.8yrs

Sector allocation



Geographical allocation



Investment description

The Trust's portfolio consists of six office properties including the \$133 million, A-grade, 700 Collins St, Melbourne property (to be acquired on completion in September 2004) and a range of B-grade assets. The four industrial assets range from office/warehouses to woolstores and the five cinema properties are anchored by Village Cinemas in large regional locations. The Trust is underpinned by quality tenants (40% of income is sourced from Government tenants and 41% from publicly listed tenants), security of income (through fixed increases on long term leases) and the diversified nature of the properties.

Manager description

The manager, Cromwell Property Securities Ltd (CPS), is a wholly owned subsidiary of Cromwell Corporation, a public company listed on the ASX with assets under management of \$350 million. The directors and senior executives of Cromwell have significant property industry experience. Of Cromwell's 11 public offers, four are exceeding prospectus forecasts, six are meeting forecasts and only one is marginally underperforming.

INVESTMENT PROFILE: UNLISTED



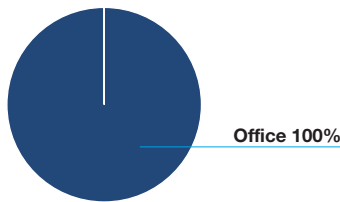
Investa – Fifth Commercial Trust



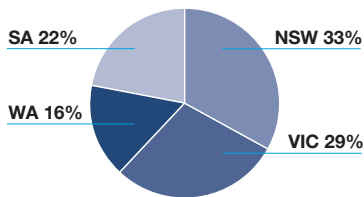
Investa – Sixth Commercial Trust

Portfolio allocation	8%
Fund net assets	\$46m
FY04 yield (on cost)	9.2%
Weighted average lease expiry	5.0yrs

Sector allocation



Geographical allocation



Investment description

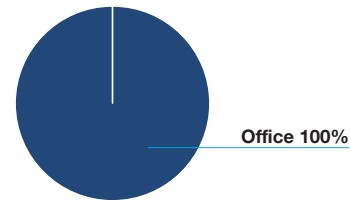
The Trust's well diversified portfolio comprises 50% interests in three A-grade office properties (Melbourne, Adelaide and a new office property recently completed at North Ryde, Sydney) as well as B-grade office property in Perth. The tenant profile is strong with the Ministry of Finance generating 45% of net income, Telstra 30% and Contract Pharmaceutical Services of Australia Ltd (CPSA) 25%. Rental reviews are fixed at 3.0% pa or CPI.

Manager description

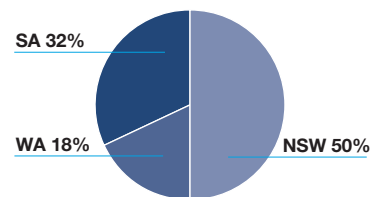
The manager is part of the Investa Property Group, an experienced ASX-listed, fully integrated property investment manager with funds under management of \$5 billion. In addition to the management of its own portfolio, Investa manages a number of property funds and syndications on behalf of retail and wholesale investors.

Portfolio allocation	8%
Fund net assets	\$44m
FY04 yield (on cost)	9.0%
Weighted average lease expiry	3.4yrs

Sector allocation



Geographical allocation



Investment description

This unlisted Trust's portfolio comprises 100% interests in three office properties in Brisbane, Adelaide and Parramatta, and a 12.5% indirect interest in a Sydney CBD office property. The Trust has a strong tenant profile, with GE Capital, Westpac, KPMG, the Commonwealth Government and the Brisbane Club accounting for 78% of rental income. The Trust's Brisbane asset is a leasehold (expiring 2063) from the Brisbane Club which in turn occupy a third of the building. Rent reviews are 3% fixed or CPI.

Manager description

The manager is part of the Investa Property Group, an experienced ASX-listed, fully integrated property investment manager with funds under management of \$5.0 billion. In addition to the management of its own portfolio, Investa manages a number of property funds and syndications on behalf of retail and wholesale investors.

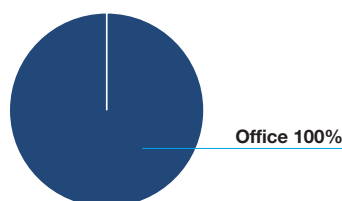
INVESTMENT PROFILE: UNLISTED



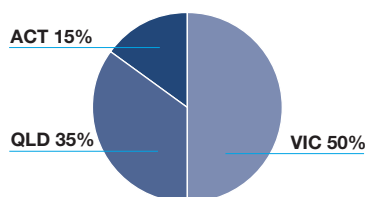
Trafalgar – Platinum Fund No 12

Portfolio allocation	7%
Fund net assets	\$33m
FY04 yield (on cost)	8.7%
Weighted average lease expiry	10.8yrs

Sector allocation



Geographical allocation



Investment description

The Trust's portfolio comprises three commercial properties in three states. The Melbourne Broadcast Centre, Docklands, Victoria (A-grade office space, a studio and technical area) is 100% leased to Seven Network (Operations) Ltd on a triple net lease for 15 years. The Thiess Centre, South Brisbane, Queensland is an A-grade tower close to the CBD. The property is 100% leased to Thiess Pty Ltd on a triple net lease for a term of 10 years. The Public Trustee Building, Canberra, ACT contains 5,500 square metres of B-grade office space and is leased to various ACT Government departments.

Manager description

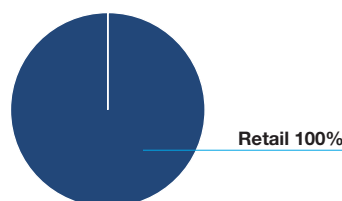
Trafalgar Managed Investments manages the Trust and is a specialist fund manager focusing on direct property and property-related security investments. Trafalgar's investment philosophy is to create unique transactions and align its interests with investors by co-investing in transactions. Trafalgar currently has more than \$200 million in assets under management.



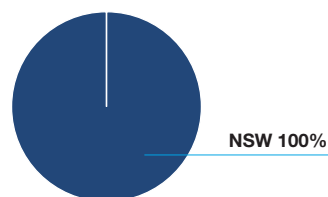
Centro - Roselands Property Property Trust

Portfolio allocation	7%
Fund net assets	\$52m
FY04 yield (on cost)	10.2%
Weighted average lease expiry	3.2yrs

Sector allocation



Geographical allocation



Investment description

Roselands Shopping Centre comprises a three-level fully enclosed major regional shopping centre. Gross lettable area is 61,576 square metres, with 3,600 parking bays. The property is located in the south western suburbs of Sydney, approximately 15 kilometres from the CBD, in a densely populated residential area. Population within the primary catchment area is 105,000, with a further 178,000 in the secondary area. Major retailers include Myer, Target, Coles and Woolworths Food for Less. There are 183 speciality retailers, including many with a national presence.

Manager description

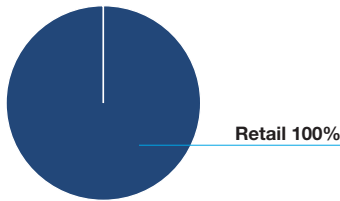
The manager is part of Centro Properties Group (ASX: CEP) a property investment organisation that specialises in the ownership, management and development of retail properties throughout Australia and overseas. Following its acquisition of the MCS Property business, Centro has retail property under management of nearly \$6 billion.



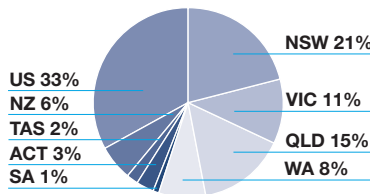
Macquarie Countrywide Trust

Portfolio allocation	5%
Fund net assets	\$870m
FY04 yield (on cost)	8.5%
Weighted average lease expiry	11.8yrs

Sector allocation



Geographical allocation



Investment description

Macquarie Countrywide Trust (ASX: MCW) offers exposure to a diversified portfolio of 128 supermarket-based centres in Australia, New Zealand and the United States. Income security is high with approximately 75% of income derived from major tenants specialising in non-discretionary retail sales. The Trust plans to continue to pursue additional acquisitions both domestically and in the United States through its joint venture partnership with Regency Realty, a leading owner, operator and developer of United States grocery based shopping centres.

Manager description

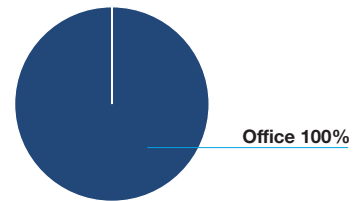
The Trust's external manager, Macquarie Countrywide Management Ltd, is wholly owned by the ASX listed Macquarie Bank Ltd and part of Macquarie Bank's Property Group. This Group manages over \$10 billion. The Bank's entire funds management division has in excess of \$32 billion in funds under management and administration across a range of asset classes.



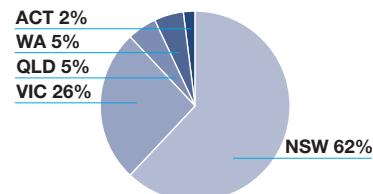
Investa Property Group

Portfolio allocation	3%
Fund net assets	\$2,581m
FY04 yield (on cost)	8.5%
Weighted average lease expiry	4.3yrs

Sector allocation



Geographical allocation



Investment description

Investa Property Group (ASX: IPG) is a listed stapled security, comprising one of Australia's largest office trusts and a property company which undertakes management of the Trust, property development and property management. The Group has significant property investments (40 assets valued at \$3.7 billion), a syndication business (\$500 million in funds under management), a wholesale business (\$350 million in funds under management), a development business (\$169 million landbank) and a corporate property services business (servicing Westpac Banking Corporation and Suncorp Metway).

Manager description

Investa Properties Ltd is the manager of the Trust and part of the Investa Property Group (IPG). IPG is an ASX listed, fully integrated property investment manager, development manager and property funds manager with funds under management of almost \$5 billion. In addition to the management of its own portfolio, Investa manages a number of property funds and syndications on behalf of retail and wholesale investors.

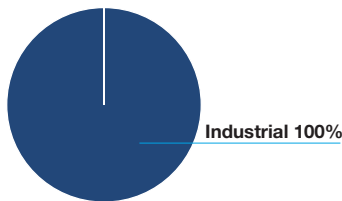
INVESTMENT PROFILE: LISTED



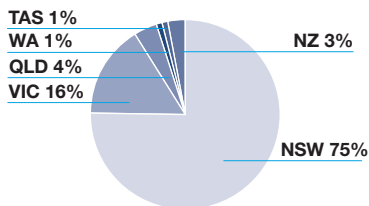
Macquarie Goodman Industrial Trust

Portfolio allocation	3%
Fund net assets	\$2,180m
FY04 yield (on cost)	7.9%
Weighted average lease expiry	4.5yrs

Sector allocation



Geographical allocation



Investment description

Macquarie Goodman Industrial Trust (ASX: MGI) is the largest industrial trust in Australia with a portfolio of 112 properties. Its core assets include a diverse mix of business parks, industrial estates, office parks and warehouse/distribution centres. The property portfolio is valued at \$3.5 billion and the assets are located throughout Australia and New Zealand. The portfolio contains significant development upside.

Manager description

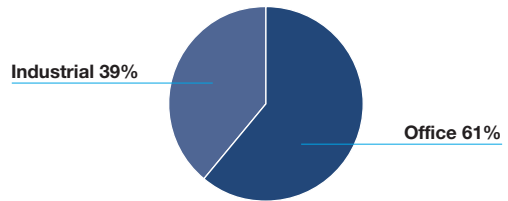
The Trust's external manager (Macquarie Goodman Funds Management Ltd), is wholly owned by the ASX listed Macquarie Goodman Management Ltd and associated with the Macquarie Bank's Property Group. This Group manages over \$10 billion. The Bank's entire funds management division has in excess of \$32 billion in funds under management and administration across a range of asset classes.



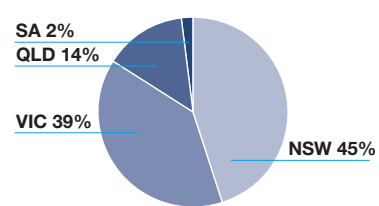
Australand Property Group

Portfolio allocation	3%
Fund net assets	\$1,260m
FY04 yield (on cost)	10.3%
Weighted average lease expiry	7.9yrs

Sector allocation



Geographical allocation



Investment description

Australand Property Group (ASX: ALZ) has a market capitalisation of approximately \$1.3 billion. ALZ is one of Australia's major diversified property groups with activities covering residential land, housing and apartment developments, the provision of commercial and industrial facilities, ownership of income producing properties, and management of Australand Wholesale Trusts. ALZ has recently broadened its earnings base into industrial/commercial development and property investment.

Manager description

The Trust's manager, Australand Property Ltd is part of the Australand Property Group. Australand Property Group is one of Australia's most experienced diversified property groups. Some of Australand Property Group's subsidiaries have been involved in property development for nearly 80 years.



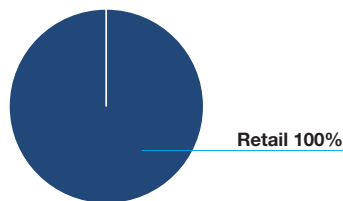
Galileo Shopping America Trust

Macquarie DDR Trust

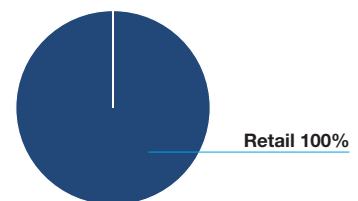
Portfolio allocation	1%
Fund net assets	\$410m
FY04 yield (on cost)	9.4%
Weighted average lease expiry	7.9yrs

Portfolio allocation	1%
Fund net assets	\$699m
FY04 yield (on cost)	9.0%
Weighted average lease expiry	5.4yrs

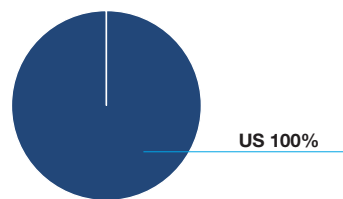
Sector allocation



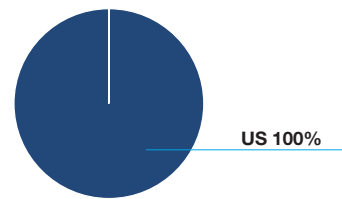
Sector allocation



Geographical allocation



Geographical allocation



Investment description

Galileo Shopping America Trust (ASX: GSACA) is a listed property trust with an effective 90% interest in 42 power, community and neighbourhood retail shopping centres located throughout the United States. The Trust focuses on consumers' needs for convenient access to everyday items and the attraction of "category killer" anchors at power centres. Sales growth at power and community centres continues to outpace the mall based competition. Tenant and covenant diversification is strong. The Trust's joint venture partner, CBL & Associates, is the sixth largest owner and manager of retail property in the US and provides asset management and development opportunities for the Trust.

Manager description

Galileo Funds Management Limited is the responsible entity of Galileo Shopping America Trust and provides fund and asset management services. It is owned and controlled by Managing Director Neil Werrett (formerly of the AMP listed property trust business) and interests associated with him. Its subsidiary, Galileo Advisory LLC, is part owned by Galileo's US based partner CBL & Associates and provides advice to both the US REIT and the Joint Venture Company. Galileo Funds Management Limited currently has US\$500 million in assets under management.

Investment description

Macquarie DDR Trust (ASX: MDT) is a listed property trust with an effective 83% interest in a portfolio of 22 power and community shopping centres in the United States. These large open-air shopping centres attract local customers with a focus on convenience and value, and concentrate on everyday needs and home improvement products (rather than the more volatile luxury goods). The Trust's core strength is its relationship with Developers Diversified Realty Corporation, a Real Estate Investment Trust (REIT) listed on New York Stock Exchange, and joint venture management partner.

Manager description

The Trust's external manager (Macquarie DDR Management Ltd) is a subsidiary of a US limited liability company, which is in turn a joint venture between Macquarie Bank Ltd and Developers Diversified Realty Corporation. Macquarie Bank's entire funds management division has in excess of \$32 billion in funds under management and administration across a range of asset classes.

IN AUGUST 2002 THE AUSTRALIAN STOCK EXCHANGE ESTABLISHED A CORPORATE GOVERNANCE COUNCIL (CGC). IN MARCH 2003 THE CGC PUT FORWARD A NUMBER OF BEST PRACTICE RECOMMENDATIONS.

CORPORATE GOVERNANCE

Best practice recommendations

In August 2002 the Australian Stock Exchange established a Corporate Governance Council (CGC) and in March 2003 the CGC put forward a number of best practice recommendations.

These best practice recommendations are embodied in 10 principles and have been broadly adopted by the ASX and the financial community generally.

The Board of Acumen Capital Securities Limited is supportive of the recommendations represented by the principles and has adopted a series of Corporate Governance Policies which seek to apply the principles to the extent relevant to the Fund.

The 10 principles as set out by the Corporate Governance Council are set out following for information of unitholders. It should be noted that the principles are intended as guidelines

only and that they may not be practically applicable to all entities.

Ten principles established by the Corporate Governance Committee

An organisation should:

1. Lay solid foundations for management and oversight
2. Structure the Board to add value
3. Promote ethical and responsible decision making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Encourage enhanced performance
9. Remunerate fairly and responsibly
10. Recognise the legitimate interests of stakeholders.

Introduction

The Directors of Acumen Capital Securities Limited, the Responsible Entity of the Fund, strongly support the establishment and ongoing development of good corporate governance for the Responsible Entity and the Fund.

The Responsible Entity and the Fund operate in accordance with the principles of good corporate governance as set out by the CGC and to the extent required by the ASX Listing Rules. The Directors have adopted a number of policies and practices which focus on accountability, risk management and ethical conduct.

The Statement sets out the corporate governance practices (in place as at the date of this report and throughout the year) which comply with the recommendations of the CGC unless otherwise stated.

Corporate Governance Council Recommendation 1

Role of the Board of Directors

The role of the Board is to build long term sustainable value for its securityholders whilst respecting the interests of its stakeholders.

In order to fulfil this role, the Board is responsible for the overall corporate governance of the Responsible Entity and the Fund including formulating its strategic direction, setting remuneration and monitoring the performance of Directors and Senior Executives. The Board relies on Senior Executives to assist it in approving and monitoring expenditure, ensuring the integrity of internal controls and management information systems and monitoring and approving financial and other reporting. Since the end of the financial year the Board has adopted a Charter which formalises existing practices and can be viewed on the Fund website.

In broad terms the Board Charter clarifies the respective roles of the Board and senior management and assists in decision making processes through the identification of a schedule of powers reserved solely for the Board.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of Board Committees – an Audit Committee, a Compliance Committee and an Investment Committee.

These committees have written mandates and operating procedures, which are reviewed on a regular basis.

The Board has also established an appropriate and ethical framework for the management of the Responsible Entity and the Fund including a system of internal controls and a business risk management process.

The full Board currently holds eight scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may arise.

An agenda for the meetings has been determined to ensure certain standing information is addressed and other items which are relevant to reporting deadlines and/or regular review are scheduled when appropriate. The agenda is regularly reviewed by the Chairman, the Managing Director and the Company Secretary.

Corporate Governance Council Recommendation 2

Board Composition

The Responsible Entity's Constitution provides that the number of Directors shall not be less than three and not more than 12. There is no requirement for any share holding qualification.

The membership of the Board, its activities and composition are subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, background experience and achievement, compatibility with other Board members, credibility within the Responsible Entity's scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

Directors are initially appointed by the Board and may be subject to re-election by shareholders at the next general meeting.

The Board is presently comprised of four members being three non-executive and one executive.

The Board has assessed the independence of its Non-executive Directors according to the definition contained within the ASX Corporate Governance Guidelines and has concluded that three of the four members of the Board are independent.

Those independent Directors are Dr Brian Hewitt (Chairman), Mr Rex Bevan and Mr Brian Motteram. The skills, experience and expertise of these individuals are set out in the Directors' Report on pages 26 to 30.

The Board does not have a separate Nomination Committee as the selection and appointment process for Directors is carried out by the full Board. The Responsible Entity and the Fund are not of a sufficient size to warrant a separate committee.

Corporate Governance Council Recommendation 3

Ethical and Responsible Decision Making

The Board actively promotes ethical and responsible decision making.

Code of Conduct

The Board has adopted a Code of Conduct that applies to all Directors and management of the Responsible Entity and the Fund. This Code addresses expectations for conduct in the following areas:

- confidential information;
- whistle-blowing;
- rights of securityholders;
- privacy;
- security trading;
- communications;
- conflicts of interest;
- responsibility to suppliers and customers;
- gifts and bribes;
- laws and regulations;
- employment; and
- adherence to policies and procedures.

Security Trading Policy

The Board is committed to ensuring that the Responsible Entity and the Fund, its Directors and management comply with their legal obligations as well as conducting their business in a transparent and ethical manner. Directors and management (including their immediate family or any entity for which they control investment decisions), must ensure that any trading in securities issued by the Fund is undertaken within the framework set out in this Policy.

The Policy does not prevent Directors (including their immediate family or any entity for which they control investment decisions) from participating in any share plan or share offers established or made by the Fund, provided that at the time the individual is not in possession of any price sensitive information, not otherwise generally available to all unitholders.

The Board has a policy which prohibits trading in the securities of the Fund by Directors and management unless written consent is obtained from the Managing Director.

The Board is currently considering the employment of trading windows and black out periods to provide guidance to Directors and management.

Corporate Governance Council Recommendation 4

Integrity in Financial Reporting

Managing Director and Chief Financial Officer

The Board requires the Managing Director and Chief Financial Officer to provide a written statement that the financial statements of the Fund present a true and fair view, in all material aspects, of the financial position and operational results. In addition, confirmation is provided that all relevant accounting standards have been appropriately applied.

Audit Committee

The Board established an Audit Committee shortly after listing which was comprised of all Non-executive Directors of the Board.

Subsequent to the financial year end the Board has adopted a formal Charter for the Audit Committee to assist it in carrying out its duties.

The Company Secretary facilitates and participates in Audit Committee meetings.

The members of the Audit Committee are:

- Mr Brian Motteram, B Bus CA Chairman (Non-executive Director);
- Mr Rex Bevan, B Econ (Hons) MBA (Non-executive Director); and
- Dr Brian Hewitt, B E (Hons), PhD MBA (Non-executive Director).

The Audit Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to review findings and assist with Board recommendations.

The number of Audit Committee meetings and attendees is set out in the Directors' Report on page 28.

The Audit Committee Charter can be viewed on the Fund website.

Financial Reporting

The Board relies on management to monitor the internal controls within the Responsible Entity and the Fund. Financial performance is monitored on a regular basis by the Fund's management who report to the Board via the Managing Director at the scheduled Board Meetings and through Audit Committee meetings.

Corporate Governance Council Recommendation 5

Timely and Balanced Disclosure

The Board are committed to the promotion of investor confidence by providing full and timely information to all securityholders and market participants about the Fund's activities and to comply with the continuous disclosure requirements contained in the Corporations Act 2001 and the Australian Stock Exchange Listing Rules.

Subsequent to the end of the financial year the Board has adopted a Continuous Disclosure Policy which formally sets out the processes that Directors and management must follow. The policy is intended to ensure compliance with continuous disclosure requirements and to act as a guide. The Continuous Disclosure Policy can be viewed on the Fund website.

Corporate Governance Council Recommendation 6

Rights of Securityholders

Communications

The Board fully supports securityholder participation at general meetings and works to ensure that communications with securityholders are effective and clear.

In addition to electronic communication via the ASX website and the Acumen Capital website, the Fund publishes a newsletter called Investment Acumen in May and November. This document is available in both hard copy form and on the Fund website.

Corporate Governance Council Recommendation 7

Recognise and Manage Risk

Risk Management

Shareholder value will be optimised where risk and opportunities are matched to financial resources. The Board and management regularly review (where necessary in conjunction with external professional consultants) procedures in respect of compliance with and the maintenance of statutory, legal, ethical and environmental obligations.

Investment Committee

The Investment Committee meets to consider all investment decisions made by the Fund prior to recommending them to the Board for approval. The Investment Committee is responsible for monitoring investments made against the performance criteria set down by each proponent and ensuring the investments are made in accordance with the strategy formulated by the Board.

The Investment Committee is comprised of all Directors and the Fund Manager.

Compliance Committee

As required by law, the Responsible Entity has prepared and lodged with ASIC a Compliance Plan for the Fund which sets out the measures that the Responsible Entity must apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution. A separate Compliance Committee oversees the compliance with the Plan.

Members of the Compliance Committee are:

- Mr Kevin Neville
(Independent External Chairman);
- Mr Greg Goodman
(Independent External);
- Mr Robert Rayner
(Managing Director); and
- Mr Paul Harvey
(Compliance Manager of the Ultimate Parent Entity of the Responsible Entity).

The Compliance Committee meets on a regular basis and reports to the Board on adequacy of Fund compliance.

Corporate Governance Council Recommendation 8

Encourage Enhanced Performance

Performance Review

The Board proposes to undertake an annual review of the performance of management and Directors. For the year ended 30 June 2004 no review was undertaken due to the short time that has passed since listing. Due to this timing a formal process for performance evaluation has not been adopted.

Education

All executives and Directors are encouraged to attend professional education courses relevant to their roles.

Directors are given access to continuing professional education courses and development programs as requested and in consultation with the Chairman.

Independent Professional Advice and Access to Information

Each Director has the right to access all relevant information in respect to the Responsible Entity or the Fund and to make appropriate enquiries of senior management.

Subject to prior consultation with the Chairman, Directors may seek independent professional advice from a suitably qualified advisor.

Corporate Governance Council Recommendation 9

Remunerate Fairly and Responsibly

The Executive Director and Senior Executives receive salary packages which may include performance based components designed to reward and motivate. Non-executive Directors receive fees agreed on an annual basis by the Board.

There is currently no provision for the issuing of securities to executives.

Remuneration Committee

The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance monitors, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover.

The Board has not created a separate Remuneration Committee. However, the Board considers that the Responsible Entity and the Fund are not currently of a size, nor are their affairs of such complexity, to justify a separate Remuneration Committee.

The Board will engage independent advisors to assist in the review of remuneration for Senior Executives and Directors.

Corporate Governance Council Recommendation 10

Recognise the Legitimate Interests of Stakeholders

The Board acknowledges the rights of stakeholders and has adopted a Code of Conduct (refer Principle 3) in line with the recommendations of this Recommendation 10.

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FINANCIAL

REPORT

FOR THE PERIOD ENDED 30 JUNE 2004

ACUMEN CAPITAL PROPERTY SECURITIES FUND

DIRECTORS' REPORT

For the period ended 30 June 2004

The Directors of Acumen Capital Securities Limited ("the Responsible Entity"), the responsible entity of Acumen Capital Property Securities Fund ("the Fund"), present their report together with the financial report of the Fund, for the period from registration on 17 April 2003 to 30 June 2004 ("the Period") and the auditor's report thereon.

Responsible Entity

The registered office and principal place of business of the Responsible Entity and the Fund is 1 Kent Street, Sydney.

Directors

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

Brian Hewitt, BE (Hons) PhD MBA

Non-executive Chairman

Brian brings to the Board a depth of experience in the areas of project management, corporate development, strategic management, property development and corporate governance.

Prior to his appointment to the Board of the Responsible Entity, Brian served as Chief Executive Officer and Managing Director of Clough Limited from the time of its listing in 1998. He held senior management, executive and Board positions with the Clough group of companies for over 25 years.

Brian is now also a non-executive director of the Water Corporation of Western Australia and the listed PCH Group. He is also Chairman of the Advisory Board of Georgiou Group Pty Ltd.

Brian is active on a number of Western Australia State Government advisory committees, is currently the vice-president of the Western Australia Chamber of Commerce and Industry and is a Councillor of Curtin University.

Brian has been a Director and Chairman since 14 August 2003, he is aged 60.

Robert Rayner, B Bus CA ASIA

Managing Director

Robert has been involved in property and property funds management for more than 15 years and has extensive property and financial experience both in the unlisted and listed sectors of the funds management industry.

This experience has been gained through his previous employment within the Armstrong Jones (now ING Investment Management Limited) unlisted and listed property trust business.

Within the Armstrong Jones property funds management business he was the fund manager for unlisted and listed property trust portfolios with total property assets exceeding \$500 million.

Since October 2000, Robert has been Managing Director of Multiplex Capital Limited (formerly Acumen Capital Limited) the parent entity of the Responsible Entity.

He is responsible for both the growth and development of that business, along with the ultimate responsibility for the performance of the funds that Acumen Capital has under management.

Robert graduated from Curtin University with a Bachelor of Business, is a Chartered Accountant and has completed a Graduate Diploma in Applied Finance and Investment with the Securities Institute of Australia.

Robert has been a Director since inception of the Fund, he is aged 37.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

DIRECTORS' REPORT

For the period ended 30 June 2004

Brian Motteram, B Bus CA

Non-executive Director

Brian has worked in the area of finance and accounting for in excess of 30 years. He has worked for international accounting firms, in his own private practice and, for the last 18 years, in private enterprise in both the mining and property industries.

Brian has spent the past eight years as an executive of the Hawaiian Group of companies in positions of Chief Financial Officer and later Finance Director. He is currently involved in Hawaiian's mezzanine lending and property development activities.

The Hawaiian Group was a founding shareholder of Multiplex Capital Limited and Brian played a key role in this process.

Brian holds a Bachelor of Business and is a Chartered Accountant.

Brian has been a Director since inception of the Fund, he is aged 51.

Rex Bevan, B Econ (Hons) MBA

Non-executive Director

Rex has many years business experience in the areas of financial management, investment banking and the provision of economic and investment advice.

From 1983 to 1987, Rex was the Western Australian Manager and Associate Director for the investment bank Capel Court Corporation Limited, where he specialised in providing corporate financial advice.

Since 1988 he has filled a number of roles within Western Pacific Portfolio Planning Pty Ltd, including Research Manager, and later Managing Director.

Rex was an original shareholder and from 1994 to 1998 a director of the master trust operator, Flexiplan Australia Limited, prior to its acquisition by MLC.

Rex holds the degrees of Bachelor of Economics (Honours) and Master of Business Administration, both from the University of Western Australia.

Rex has been a Director since inception of the Fund, he is aged 60.

Stephen Dixon, B Bus CPA

Executive Director

Stephen has over 13 years' experience in the funds management industry both in Australia and overseas. Prior to joining the Responsible Entity, Stephen was Managing Director of Guardian Funds Management Limited and was responsible for the strategic direction and growth of the Flexi Property Fund.

Stephen was a founding Director of the Responsible Entity and the Fund Manager having been appointed on 11 February 2003. He resigned on 16 February 2004 for personal reasons. The Board is very grateful for the tremendous contribution Stephen made during the development of the Fund and wishes him well in his future endeavours.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

DIRECTORS' REPORT

For the period ended 30 June 2004

Directors' meetings

Director	Board Meetings		Audit Committee Meeting	
	A	B	A	B
Dr Brian Hewitt	13	15	1	1
Mr Robert Rayner	16	16	1	1
Mr Brian Motteram	15	16	1	1
Mr Rex Bevan	14	16	1	1
Mr Stephen Dixon	8	11	–	1

A – number of meetings attended.

B – number of meetings held during the time the Director held office during the Period.

Principal activities

The Fund is a registered managed investment scheme domiciled in Australia and is listed on the Australian Stock Exchange (ASX code: ACF).

The investment activities of the Fund continued to be in accordance with the investment policy as outlined in the original Product Disclosure Statement for the Fund, dated 29 May 2003.

The key asset categories are unlisted property securities, listed property securities, direct property and cash.

The Fund did not have any employees during the year.

There have been no significant changes in the nature of the Fund's activities during the Period.

Review of operations

Results

At the end of the 2004 financial year, the Fund owned a diverse portfolio of unlisted and listed property assets worth \$111 million. The Fund's portfolio is diversified across the office, retail and industrial sectors; over 14 different managers; and across every State of Australia (as well as both the United States and New Zealand).

As at the end of June 2004, the Fund had exceeded forecasts made in the PDS dated 23 April 2004 for net profit, undistributed income, distribution levels, income yield and net tangible assets. Investors received an income distribution of 7.0 cents per unit (paid) and 2.4375 cents per unit (unpaid). Based on the distribution rate of 2.4375 cents per unit in the March and June quarters, the Fund achieved an annualised yield of 9.75% calculated on the issue price of \$1.00.

Total quarterly distributions paid or payable in respect of the Period were \$6,361,591.

The Fund's net profit for the current year was \$8,330,667.

Actual 30 June 2004

Net profit (\$ million)	8.331
Closing Undistributed Income (\$ million)	1.969
2004 Distributions (cpu)	9.438

ACUMEN CAPITAL PROPERTY SECURITIES FUND

DIRECTORS' REPORT

For the period ended 30 June 2004

Units on issue

The movement in units on issue of the Fund for the Period was as follows:

	2004
Units issued during the Period	95,019,707
Units on issue as at 30 June	95,019,707
	\$'000
Value of total fund assets as at 30 June	118,658

The basis for valuation of the Fund's assets is disclosed in Note 1 to the financial statements.

Interests of the Responsible Entity

The following fees were paid to the Responsible Entity out of Fund property during the Period:

- Responsible Entity fees paid directly by the Fund \$711,917
- Reimbursable expenses \$5,500.

The Responsible Entity has not held any units in the Fund during the Period.

Directors' interests

The relevant interests of each Director of Acumen Capital Securities Limited in the unit capital of the Fund at the date of this report are set out below.

	Number held
Dr Brian Hewitt	2,000
Mr Robert Rayner	200,825
Mr Brian Motteram	220,000
Mr Rex Bevan	659,344

Derivatives and other financial instruments

The Fund's investments and trading activities expose it to changes in interest rates and equity market variations as well as credit and liquidity risk.

The Responsible Entity has approved policies and procedures in each of these areas to manage these exposures.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

DIRECTORS' REPORT

For the period ended 30 June 2004

State of affairs

In the opinion of the Responsible Entity there were no significant changes in the state of affairs of the Fund since listing on the Australian Stock Exchange on 8 July 2003.

Likely developments

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

Further information about likely developments in the operations of the Fund and the expected results of those operations in future 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's operations are not subject to any significant environmental regulation under either Commonwealth, State or Territory legislation.

Events subsequent to balance date

For reporting periods starting on or after 1 July 2005, the Fund must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. The Responsible Entity is in the process of analysing the effect of the convergence to IFRS on the Fund. This is likely to require the implementation of a formal plan to address significant IT system changes, financial reporting accounting policy changes, assessment of impact on current and proposed significant transaction and communication of changes to stakeholders. The likely impacts of IFRS are discussed further in Note 19.

Other than the matter discussed above, there has not arisen in the interval between the end of the Period 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 years.

Indemnities and insurance premiums for officers or auditors

Indemnification

Under the Fund Constitution the Responsible Entity, including its officers and employees, is indemnified out of the Fund 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 Compliance Committee or the auditors of the Fund.

Rounding

The Fund has applied the requirements of Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and the Directors' report have been rounded off to the nearest one thousand dollars unless otherwise stated.

Dated at Sydney this 23rd day of August 2004.

Signed in accordance with a resolution of the Directors of Acumen Capital Securities Limited.



Rob Rayner

Managing Director

Acumen Capital Securities Limited

ACUMEN CAPITAL PROPERTY SECURITIES FUND

STATEMENT OF FINANCIAL PERFORMANCE

For the period ended 30 June 2004

	Note	\$'000
Revenue		
Commissions		3,001
Distributions and dividends		6,529
Interest		404
Other revenues from ordinary activities		16
Total revenue		9,950
Expenses		
Performance fees paid to Responsible Entity	15	318
Management fees paid to Responsible Entity	15	394
Borrowing costs expense		765
Other expenses from ordinary activities		142
Total expenses		1,619
Net profit		8,331
Non-owner transaction changes in unitholders' funds		
Increase /(decrease) in asset revaluation reserve from fair value adjustments	10	255
Total changes in unitholders' funds from non-owner related transactions	13	8,586
Basic earnings per ordinary unit	3	12.40 ¢

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 34 to 44.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

STATEMENT OF FINANCIAL POSITION

As at 30 June 2004

	Note	\$'000
Assets		
Current		
Cash assets	4	4,373
Receivables	5	3,467
Total current assets		7,840
Non-current		
Investments	6	110,818
Total non-current assets		110,818
Total assets		118,658
Liabilities		
Current		
Payables	7	1,816
Provision for distributions	12	1,831
Interest bearing liabilities	8	13,600
Total current liabilities		17,247
Non-current		
Interest bearing liabilities	8	8,200
Total non-current liabilities		8,200
Total liabilities		25,447
Net assets		93,211
Unitholders' funds		
Contributed equity	9	90,987
Reserves	10	255
Undistributed income	11	1,969
Unitholders' funds	13	93,211

Net tangible asset backing per unit at 30 June 2004

98.10 ¢

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 34 to 44.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

STATEMENT OF CASH FLOWS

For the period ended 30 June 2004

	Note	\$'000
Cash flows from operating activities		
Cash receipts in the course of operations		6,289
Cash payments in the course of operations		(855)
Interest received		404
Borrowings costs paid		(663)
Net cash provided by operating activities	14(b)	5,175
Cash flows from investing activities		
Payments for investments		(110,563)
Net cash used in investing activities		(110,563)
Cash flow from financing activities		
Proceeds from issue of units		95,173
Issue costs paid		(2,681)
Proceeds from borrowings		21,800
Distributions paid to unitholders		(4,531)
Net cash provided by financing activities		109,761
Net increase/(decrease) in cash held		4,373
Cash at the beginning of the period		–
Cash at the end of the period	4	4,373

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 34 to 44.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 and the Fund's Constitution dated 4 April 2003.

It has been prepared on the basis of fair value measurement of assets except where otherwise stated.

These accounting policies have been consistently applied and are consistent with those used in the Fund's Product Disclosure Statements dated 29 May 2003 and 23 April 2004.

(b) Income and expenses

Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax ("GST") payable to the taxation authority.

Distributions and dividends

Distributions and dividends from listed equity investments are recognised when they are declared. Distributions and dividends from unlisted managed investment schemes are recognised on an accruals basis, based on the amounts estimated to be receivable at balance date.

Commissions

Commissions are accounted for on an accruals basis.

Interest income

Interest income is accounted for when earned.

Responsible Entity fees

Fees payable to the Responsible Entity are recognised as expenses as the services are received.

Borrowings costs

Borrowings costs include interest and facility fees and are expensed as they are incurred.

(c) Taxation

Under current income tax legislation the Fund is not liable for income tax provided that the taxable income, including any taxable capital gains, is fully distributed to unitholders.

The Fund fully distributes its taxable income, calculated in accordance with the Fund Constitution and applicable legislation, to unitholders who are presently entitled to income under the Constitution. Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any future realised capital gains.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

(d) Goods and services tax

Revenues, expenses and assets 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 with the amount of GST included.

The net amount of GST payable to the ATO is included in payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Use and revision of accounting estimates

The preparation of the financial report requires the making of estimates and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(f) Investments – Note 6

Investments comprise investment interests in unlisted managed property investment schemes and listed property equities held for the purpose of producing investment income.

Valuations

Investments are measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each investment does not differ materially from its fair value at the reporting date. The basis used to value investments are as follows:

Unlisted managed investment schemes

Units in unlisted managed investment schemes are stated at fair market value, which is either original acquisition price or updated net asset backing as advised by the relevant Responsible Entity (whichever is the lesser), or where a secondary market exists for that unit, the last quoted sales price at balance date.

Listed equities

The net market value of an investment for which there is a readily available market quotation is determined as the last quoted sale price as at the close of business on reporting date, less an appropriate allowance for costs expected to be incurred in realising the investments.

All investments are considered one class of asset.

Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

(g) Payables – Note 7

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

The distribution amount payable to investors as at balance date is recognised separately on the statement of financial position as unitholders are presently entitled to the distributable income as at 30 June 2004 under the Fund's Constitution.

(h) Bank loans

Bank loans are carried on the statement of financial position at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Payables". Interest is payable in arrears.

(i) Receivables – Note 5

Receivables include accrued dividend and distribution income.

(j) Earnings per unit

Basic earnings per unit (EPU) is calculated by dividing the net profit attributable to the unitholders of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary units and converting preference units and deferred units classified as ordinary shares for EPU calculation purposes), by the weighted average number of ordinary units of the Fund, adjusted for any bonus issue.

	\$
2 Auditor's remuneration	
Audit services:	
Auditors of the Fund – KPMG Australia:	
Audit and review of the financial reports	14,528
Other regulatory audit services	–
	14,528
Other services:	
Auditors of the Fund – KPMG Australia:	
Taxation services	6,885
	6,885
	21,413

These expenses have been included in other expenses in the statement of financial performance.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

3 Earnings per unit**Classification of securities as ordinary units**

All securities have been classified as ordinary units and included in basic earnings per unit, as they have the same entitlement to distributions.

There are no dilutive potential ordinary units, therefore diluted EPU has not been calculated or disclosed.

\$'000**Earnings reconciliation**

Allocation of earnings to category of ordinary unit:

Basic

Ordinary units	8,331
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Units**Weighted average number of ordinary units used as the denominator****Number for basic earnings per unit**

Ordinary units	67,184,605
----------------	------------

The period ended 30 June 2004 is the first reporting period for the Fund. An alternative calculation of EPU, based on the number of ordinary units outstanding at balance date is 8.77 cents.

\$'000**4 Cash assets**

Cash at bank	4,373
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5 Receivables

Accrued distributions	2,559
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Accrued commissions	715
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Other receivables	193
-------------------	-----

3,467

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

\$'000**6 Investments**

Investments at fair value 110,818

Material investments

Investments which are material to the total value of the Fund are:

Name of entity	Carrying value as at 30 June \$'000	Fund ownership interest held as at 30 June %
FAL Property Trust	16,400	19.9
Cromwell Diversified Property Trust	10,000	5.9
Investa – Fifth Commercial Trust	8,857	19.1
Investa – Sixth Commercial Trust	8,645	19.0
Trafalgar – Platinum Fund No 12	8,020	23.0
Centro – Roselands Property Trust	7,432	13.6
Deutsche – Northgate Property Trust	6,063	14.6
Macquarie Countrywide Trust	5,160	0.5
Investa – Collins Property Trust	3,568	24.1
Investa – Brisbane Commercial Trust	3,345	15.4

\$'000**7 Payables**

Capital-raising costs payable	1,373
Management fee payable to Responsible Entity	137
Borrowing costs payable	102
Other payables	204
	1,816

8 Interest bearing liabilities**Current**

Bank loans – secured 14(c)	13,600
Total current	13,600

Non-current

Bank loans – secured 14(c)	8,200
Total non-current	8,200
	21,800

ACUMEN CAPITAL PROPERTY SECURITIES FUND

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

	\$'000	Units
9 Contributed equity		
Balance at the beginning of the period	–	–
Initial application ⁽ⁱ⁾	62,059	64,700,000
Issue of units ⁽ⁱⁱ⁾	28,597	30,000,000
Reinvested distributions ⁽ⁱⁱⁱ⁾	331	319,707
Balance at the end of the period	90,987	95,019,707

- (i) On 30 June 2003, 64,700,000 ordinary units were issued by the Fund as part of the initial offer at \$1.00. Issue costs of \$2,641,000 were recognised as a reduction in the proceeds of the issue. These units were issued pursuant to a Product Disclosure Statement dated 29 May 2003.
- (ii) On 1 June 2004, 30,000,000 ordinary units were issued by the Fund at \$1.00. Issue costs of \$1,403,000 were recognised as a reduction of the proceeds of the issue. 21,630,000 of these units were issued as part of a one for three non-renounceable rights issue to eligible unitholders and 8,370,000 were issued as a placement offer to new investors. These units were issued pursuant to a Product Disclosure Statement dated 23 April 2004. These funds were utilised to purchase units in various unlisted and listed investment schemes, payment of issue costs, and to provide additional working capital.
- (iii) Reinvested distributions are as follows:
 September 2003 – \$93,328 (89,481 units)
 December 2003 – \$102,404 (99,040 units)
 March 2004 – \$135,740 (131,186 units).
- (iv) In accordance with the Fund Constitution each unitholder is entitled to receive distributions as declared from time to time and are entitled to one vote at unitholder meetings. In accordance with the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

\$'000

10 Reserves

Asset revaluation	255
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Asset revaluation

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with AASB 1041.

Movements during the period:

Balance at the beginning of the period	–
Net increase on valuation of investments	255
Balance at the end of the period	255

11 Undistributed income

Undistributed income at the beginning of the period	–
Net profit of the Fund	8,331
Distributions recognised during the period	(6,362)
Undistributed income at the end of the period	1,969

	Cents per unit	\$'000	Date of payment
12 Distributions			
Interim distributions paid			
September 2003	2.2500	1,456	November 2003
December 2003	2.3125	1,498	February 2004
March 2003	2.4375	1,582	May 2004
Final distribution			
June 2004 – Ordinary units	2.4375	1,585	August 2004
June 2004 – New ordinary units pro rata distribution	0.8014	241	August 2004
		6,362	

Distributions are 50% tax deferred based on the Fund Manager's estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

\$'000**13 Reconciliation of total unitholders' funds**

Total unitholders' funds at the beginning of the period	–
Total changes in interest in unitholders' funds recognised in statement of financial performance	8,586
Transactions with owners as owners:	
Contributions of equity	90,987
Distributions	(6,362)
Unitholder funds at the end of the period	93,211

14 Notes to the statement of cash flows**(a) Reconciliation of cash**

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Note	\$'000
Cash at bank	4	4,373

(b) Reconciliation of profit from ordinary activities to net cash provided by operating activities

Profit from ordinary activities	8,331
Changes in assets and liabilities during the period:	
Increase in receivables	(3,467)
Increase in payables	311
Net cash provided by operating activities	5,175

(c) Financing arrangements

The Fund has access to the following lines of credit:

Total facilities available:	
Bank loans	21,800
Bill acceptance facility	15,000
	36,800
Facilities utilised at balance date:	
Bank loans	21,800
Bill acceptance facility	–
	21,800
Facilities not utilised at balance date:	
Bank loans	–
Bill acceptance facility	15,000
	15,000

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

Bank loans

The bank loans are secured by a charge over the units acquired in the Investa Sixth Commercial Trust and the FAL Property Trust to the extent of \$9,500,000 and \$12,300,000 respectively. The non-current bank loans will be repaid by the Fund in August 2005.

The carrying amount of Investa Sixth Commercial Trust and the FAL Property Trust are \$8,645,000 and \$16,400,000 respectively.

Bank loans bear interest at the banks' prime rates plus 1.2% to 1.35%, payable quarterly. The weighted average interest rate is 6.82% at 30 June 2004.

Bill acceptance facility

The bill acceptance facility is available until 31 March 2005. This facility was unused as at 30 June 2004. This facility bears interest at the daily bank bill swap rate and incurs a facility fee of 0.2% even if undrawn.

15 Related parties**Responsible Entity**

The responsible entity of the Acumen Capital Property Securities Fund is Acumen Capital Securities Limited (ABN 13 103 736 081) whose immediate and ultimate holding companies are Multiplex Capital Limited (formerly Acumen Capital Limited, ABN 32 094 936 866) and Multiplex Limited (ABN 96 008 687 063) respectively.

Directors of Responsible Entity

The names of each person holding the position of Director of Responsible Entity during the Period were Dr B Hewitt, Mr R Rayner, Mr B Motteram, Mr R Bevan and Mr S Dixon. Mr S Dixon resigned as a Director during the Period.

Since registration of the Fund, no Director of the Responsible Entity has received or become entitled to receive any benefit because of a contract made by the Fund with a Director or with a firm of which a Director is a member, or with an entity in which the Director has a substantial interest, except at terms set out in the Fund Constitution.

Responsible Entity's remuneration

In accordance with the Fund Constitution, Acumen Capital Securities Limited is entitled to receive:

- (i) A performance fee of 20% (including GST) based on the performance of the Fund against the Benchmark Return. The Benchmark Return is the annualised compound return of the S&P/ASX200 Property Accumulation Index.
- (ii) A management fee of 0.50% per annum (including GST) of the Gross Asset Value of the Fund, payable quarterly in arrears.
- (iii) Reimbursement of expenses incurred by Acumen Capital Securities Limited on behalf of the Fund.

Set out below are the fees paid or payable by the Fund to the Responsible Entity during the year:

	\$'000
Performance fees	318
Management fees	394
Reimbursement of Fund expenses	6
Fees payable to the Responsible Entity as at balance date	137

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

Remuneration of Directors of the Responsible Entity

No amounts have been paid by the Fund directly to the Directors of the Responsible Entity. The amount of remuneration paid by the Responsible Entity and its related parties to Directors of the Responsible Entity in connection with their responsibilities for the Fund has not been disclosed. The Fund has claimed relief from these disclosures under Class Order 04/967.

Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions. From time to time Acumen Capital Securities Limited or its Director related entities may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial in nature.

Related party investments held by the Fund

The Fund had the following investments in associates of Acumen Capital Securities Limited at balance date:

	\$'000
186 St George's Terrace Property Syndicate	515
Multiplex Group	688

Related party unitholders

Multiplex Investment Funds Pty Limited held 614,608 units in the Fund at balance date.

16 Segment reporting**Business segments**

Individual business segments have been identified on the basis of grouping individual investments subject to similar risks and returns. The Fund operates in one business segment comprising investments in unlisted managed property investment schemes and listed property equities.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical source of the Fund's investment income.

The Fund operates predominantly in Australia. The Fund's investments comprise:

- unlisted registered managed investment schemes domiciled in Australia; and
- equities listed on the Australian Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

17 Financial instruments

The Fund's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
			1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000			
Financial assets								
Cash	4	4.86	4,373	–	–	–	–	4,373
Investments	6		–	–	–	–	110,818	110,818
Receivables	5		–	–	–	–	3,467	3,467
			4,373	–	–	–	114,285	118,658
Financial liabilities								
Payables	7		–	–	–	–	1,816	1,816
Interest bearing liabilities	8	6.82	–	13,600	8,200	–	–	21,800
Distributions payable	12		–	–	–	–	1,831	1,831
			–	13,600	8,200	–	3,647	25,447

(a) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of on-balance sheet financial assets and liabilities as they are marked to market. The total credit risk for on-balance sheet items including securities is therefore limited to the amount carried on the balance sheet.

The Fund minimises concentrations of credit risk by ensuring that counterparties are either recognised and reputable or are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

(b) Net fair values

The Fund's financial assets and liabilities included in current and non-current assets and liabilities on the statement of financial position are carried at amounts that approximate net fair value.

18 Commitments and contingent assets and liabilities

The Fund has no commitments or contingent assets and liabilities at 30 June 2004.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2004

19 Events subsequent to reporting date

International Financial Reporting Standards

The Australian Accounting Standards Board (“AASB”) is adopting International Financial Reporting Standards (“IFRS”) for application to reporting periods beginning on or after 1 January 2005. The AASB will issue AASB equivalents to IFRS, and Urgent Issues Group abstracts corresponding to International Financial Reporting Interpretations adopted by the International Accounting Standards Board (the “IASB”) (with the collective group of standards referred to as the “Australian IFRS Equivalents”). The adoption of the Australian IFRS Equivalents will be first reflected in the Fund’s financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

In addition to hiring external consultants to help the Responsible Entity analyse the impact of the change to Australian IFRS Equivalents on the Fund, the Responsible Entity also began establishing a project team in March 2004 to manage the transition, including training of staff and system and internal control changes necessary to gather all required financial information.

Based on the results of analysis performed by external consultants and the project team, a detailed timetable for managing the transition to Australian IFRS Equivalents has been established and is currently on schedule. Key elements within the timetable include preliminary determination of policies and procedures and assessment of the impacts for data collection purposes. Opening Australian IFRS Equivalent balance sheets will also be prepared as a part of this phase. The goal of this project is to allow for the collection of Australian IFRS Equivalent compliant data as soon as practicable.

As of 30 June 2004, the following potential impacts on the current key accounting policies of the Fund have been identified. These should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian IFRS Equivalents, as not all standards have been analysed in entirety as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons, the Fund has not yet quantified the impact of the transition to Australian IFRS Equivalents on the Fund’s financial position and reported results.

The key potential implications of the conversion to IFRS on the Fund are as follows:

- financial assets will be classified as “trading securities” and recognised in the statement of financial position at fair value, with changes in fair value during the period recognised in the statement of financial performance;
- the fair value of financial assets will be measured at “bid” price and will exclude disposal costs; and
- changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

DIRECTORS' DECLARATION

For the period ended 30 June 2004

- 1 In the opinion of the Directors of Acumen Capital Securities Limited, the Responsible Entity of Acumen Capital Property Securities Fund:
 - (a) the financial statements and notes, set out on pages 34 to 44, 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 2004 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.
- 2 The Fund has operated during the period ended 30 June 2004 in accordance with the provisions of the Fund Constitution dated 4 April 2003.
- 3 The Register of Unitholders has, during the period ended 30 June 2004, been properly drawn up and maintained so as to give a true account of the unitholders of the Fund.

Dated at Sydney this 23rd day of August 2004.

Signed in accordance with a resolution of the Directors of Acumen Capital Securities Limited:



Rob Rayner

Managing Director

Acumen Capital Securities Limited

ACUMEN CAPITAL PROPERTY SECURITIES FUND

INDEPENDENT AUDIT REPORT TO THE UNITHOLDERS



Scope

The financial report and Directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements notes 1 to 19, and the Directors' declaration, for Acumen Capital Property Securities Fund (the "Fund") for the period ended 30 June 2004.

The Directors of Acumen Capital Securities Limited, the Responsible Entity of the Fund, are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the unitholders of the Fund. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Fund's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Acumen Capital Property Securities Fund for the period ended 30 June 2004 is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2004 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



KPMG

A Dickinson

Partner

Sydney

23 August 2004



KPMG, an Australian partnership, is a member of KPMG International, a Swiss non-operating association.

ACUMEN CAPITAL PROPERTY SECURITIES FUND

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The equity holder information set out below was applicable as at 23 August 2004.

A. Distribution of ordinary units

Analysis of numbers of Unitholders by size of holding:

	Units
1 – 1,000	5,710
1,001 – 5,000	299,683
5,001 – 10,000	1,368,835
10,001 – 100,000	21,299,074
100,001 and over	72,046,405
	95,019,707

There were seven holders of less than a marketable parcel of units.

B. Unitholders

Twenty largest quoted unitholders

The names of the 20 largest holders of ordinary units are listed below:

Name	Ordinary units	
	Number held	Percentage of ordinary units
Avanteos Investments Limited	24,282,308	25.50
RBC Global Services Australia Nominees Pty Limited	16,759,079	17.60
UBS Private Clients Australia Nominees Pty Limited	13,148,487	13.81
Share Direct Nominees Pty Limited	3,528,004	3.71
Brispot Nominees Pty Limited	1,997,431	2.10
Mr Robert Otto Albert	1,000,000	1.05
Permanent Trustee Australia Limited	950,000	1.00
Multiplex Investment Funds Pty Limited	614,608	0.65
Scholle Superannuation Pty Limited	400,000	0.42
Mr Salvatore and Mrs Dina Cutuli	375,000	0.39
Mr Ian Ernest Webber	328,272	0.34
Szalmuk Nominees Pty Limited	321,583	0.34
Mr Desmond and Mrs Valmai Reck	272,500	0.29
Next Australia Pty Limited	266,000	0.28
Mr John and Mrs Irene Hughes	250,000	0.26
Kantzas Property Holdings Pty Limited	250,000	0.26
Prystar Pty Limited	250,000	0.26
Mr Kevin Skelton	245,000	0.26
Dbah Nominees Pty Limited	222,000	0.23
Mrs Judy Agoston	214,500	0.23

C. Substantial holders

There are no substantial holders in the Fund at 30 June 2004.

D. On-market buy-back

There is no current on-market buy-back.

E. Transactions during the Period

There were a total of 78 transactions relating to the purchase of securities during the Period, with total brokerage costs of \$49,310.

ACUMEN CAPITAL PROPERTY SECURITIES FUND
ASX ADDITIONAL INFORMATION

F. Summary of investments

Unlisted	Units held
Acumen Capital – 186 St George's Terrace	515,000
APN National Storage	2,000,000
Centro – Kidman Park Property Trust	1,242,376
Centro – Roselands Property Trust	5,425,000
Centro Property Syndicate No. 8	3,000,000
Cromwell Diversified Property Trust	10,000,000
Deutsche – Abbotsford Property Trust	314,000
Deutsche – Gordon Property Trust	1,623,400
Deutsche – Northgate Property Trust	2,915,000
FAL Property Trust	16,400,000
Investa – Brisbane Commercial Trust	3,717,000
Investa – Collins Property Trust	5,395,000
Investa – Fifth Commercial Trust	9,540,000
Investa – First Industrial Trust	1,407,000
Investa – Fourth Commercial Trust	28,000
Investa – North Sydney Property Trust	660,600
Investa – Second Industrial Trust	1,403,000
Investa – Sixth Commercial Trust	9,500,000
James Fielding Childcare Fund Series One	1,000,000
James Fielding Industrial Fund	800,000
Trafalgar – Platinum Fund No. 12	8,020,000
Listed	Units held
Australand Property Group	1,863,000
Galileo Shopping America Trust	1,352,937
Investa Property Group	1,540,000
James Fielding Group	32,051
Macquarie Countrywide Trust	3,000,000
Macquarie DDR Trust	970,000
Macquarie Goodman Industrial Trust	1,786,000
Macquarie Pro-Logis	935,000
Multiplex Group	200,000
Prime Retail Group	1,220,000
Ronin Property Group	2,620,000
Valad Property Group	1,041,000

CORPORATE DIRECTORY

Company Secretary

Mr Mark Pitts, B Bus CA

Registered Office

1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5700
Facsimile: (02) 9256 5001

Unit Registry

Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
Perth WA 6000

GPO Box D182
Perth WA 6840
Telephone: (08) 9323 2000

Fund

Acumen Capital Property Securities Fund
ARSN 104 341 988

Responsible Entity

Acumen Capital Securities Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5700
Facsimile: (02) 9256 5001

Auditor

KPMG
The KPMG Centre
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9335 7000
Facsimile: (02) 9299 7077

Stock Exchange

The Fund is listed on the Australian Stock Exchange under the code ACF.

