

# QUANTUM PROPERTY SYNDICATE NO.11 & QUANTUM PROPERTY TRUST NO.11 QUARTERLY REPORT - JUNE 2006

## MANAGERS OVERVIEW

On behalf of Quantum Syndicate Management Ltd, we provide this report to investors on the operations of the Quantum Property Syndicate No.11 and Quantum Property Trust No.11 for the 3 months to 30 June 2006.

Highlights for the June quarter were:

- > Net property income for the June quarter of \$157,653;
- > Net profit for the Syndicate for the June quarter of \$134,661, and for the full year to 30 June 2006 of \$588,507;
- > Net asset backing per interest at June of \$1.3542;
- > Earnings per interest for the Syndicate for the June quarter of \$0.0108, and for the full year to 30 June 2006 of \$0.0472;
- > FY07 Trust cash distributions forecast at 10% return;
- > Property Value has increased 29% to \$16.1 million; and
- > AGM is set for 25 October 2006 at 4:30pm.

## INVESTMENT PERFORMANCE

Syndicate results as at 30 June 2006:

	Actual Result	Budget Result
Net Assets	\$16,900,583	
Interests on Issue	12,480,000	
Net Asset Backing	\$1.3542	
Net Profit:		
June Quarter	\$134,661	\$159,203
YTD June 06	\$588,507	\$587,002
Earnings per Interest:		
June Quarter	\$0.0108	\$0.0128
YTD June 06	\$0.0472	\$0.0470

The Quantum Property Syndicate No.11 owns 100% of 370 Queen Street, Brisbane. Quantum Property Trust No.11 owns 25% of the Syndicate. The Trust results are published in the annual and half yearly reports, and the results presented above represent those of the Syndicate only.

Two types of interests in the property were offered, investors received either :

1. A direct interest in the Syndicate thus becoming an Owner, or
2. Units in the Trust thus becoming a unit holder

Owners have collectively borrowed to invest in the Syndicate, and pay for financing costs (annually in advance) and pay an annual guarantee fee to the Trust in consideration of the Trust providing its assets as security.



## PROPERTY RESULTS & INFORMATION

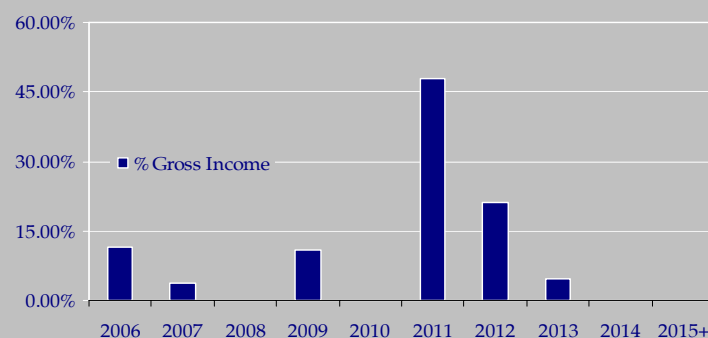
370 Queen Street, Brisbane as at 30 June 2006:

	Actual Result	Budget Result
Property Book Value	\$16,100,000	
Occupancy (by area)	100%	
Weighted Avg Lease Expiry (by income)	3.5 years	
Net Property Income:		
June Quarter	\$157,653	\$181,855
YTD June 06	\$684,109	\$686,628

The property has been revalued by Colliers to \$16.1 million in May 2006, this represents a 29% increase on the previous book value, and a 47% increase to the purchase price.

This is an excellent result for the Syndicate and highlights the quality of the property and the results of the hard work put into the leasing up of the building.

## PROPERTY LEASE EXPIRY PROFILE



## DISTRIBUTIONS TO UNIT HOLDERS

The Manager is pleased to present the following forecast cash distributions schedule for the period July 2006 to June 2007:

<i>Quarter Ending</i>	<i>Total Distribution</i>	<i>Cents per Unit</i>	<i>Status</i>
September 2006	\$78,000	2.50	
December 2006	\$78,000	2.50	
March 2007	\$78,000	2.50	
June 2007	\$78,000	2.50	
<b>Total</b>	<b>\$312,000</b>	<b>10.00</b>	

The distribution amounts above represent the surplus operating cash flows for the property, net of all leasing costs. This represents a 10% return on investors equity.

## NEWCASTLE STOCK EXCHANGE (NSX)

Please note that the Trust units are listed on the NSX. Please refer to [www.newsx.com.au](http://www.newsx.com.au) for further information regarding the Trust.

## FINANCE

Both mortgage facilities expired in June 2006, and the Manager has rolled the first mortgage facility for a further 2 years and extended the limit to repay the second mortgage. This has decreased the weighted cost of debt from 7.5% to 7.2% as the total facility now represents an LVR of only 51%.

## INVESTOR INFORMATION

The AGM for the Syndicate and Trust has been set for 25 October 2006 at 4:30pm, with the venue to be advised.

The financial accounts are currently being audited, and it is expected that the audit will be finished by the end of August 2006, at which point annual tax statements will be provided to all investors.

Further information, including past quarterly reports and other updates can be obtained from the Quantum website, [www.quantumgroup.com.au](http://www.quantumgroup.com.au) or please contact Quantum on (02) 8823 5222.



We would like to thank you for your continued support and look forward to reporting to investors over the coming financial year.

### Disclaimer:

This quarterly update does not include all the disclosures of the annual or half yearly financial reports. Accordingly, it should be read in conjunction with the annual and half yearly reports and any further announcements made by the Syndicate or Trust. The information contained in this update is intended to provide general financial information only. Quantum Syndicate Management Ltd does not warrant or represent that the information in this update is free from errors or omissions or, as no account is taken of your individual objectives, financial situation, and investment needs, is suitable for your intended use.