

QUANTUM PROPERTY SYNDICATE NO.12 & QUANTUM PROPERTY TRUST NO.12 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.12 and Quantum Property Trust No.12 for the 3 months to 30 June 2006.

Highlights for the June quarter were:

- > Net property income for the June quarter of \$529,499;
- > Net profit for the Syndicate for the June quarter of \$488,799, and for the full year to June 2006 of \$1,858,692;
- > Net asset backing per interest at June of \$1.1094;
- > Earnings per interest for the Syndicate for the June quarter of \$0.0195, and for the full year to 30 June 2006 of \$0.0742;
- > Distribution paid to Trust, 30 June 2006 (2¢ per unit);
- > FY07 Trust cash distributions forecast at 13% return;
- > Agreed terms with Otto Ristorante and Nove Cucina to extend their lease for a further five years; and
- > AGM is set for 26 October 2006 at 4:30pm.

INVESTMENT PERFORMANCE

Syndicate results as at 30 June 2006:

	<i>Actual Result</i>	<i>Budget Result</i>
Net Assets	\$27,772,534	
Interests on Issue	25,033,490	
Net Asset Backing	\$1.1094	
Net Profit:		
June Quarter	\$488,799	\$437,230
YTD June 06	\$1,858,692	\$1,738,303
Earnings per Interest:		
June Quarter	\$0.0195	\$0.0175
YTD June 06	\$0.0742	\$0.0694

The Quantum Property Syndicate No.12 owns 100% of the Wharf, Woolloomooloo. Quantum Property Trust No.12 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.

The year to date results do not include the amortisation expense for the initial syndicate establishment fee for the period July to December 2005.

PROPERTY RESULTS & INFORMATION

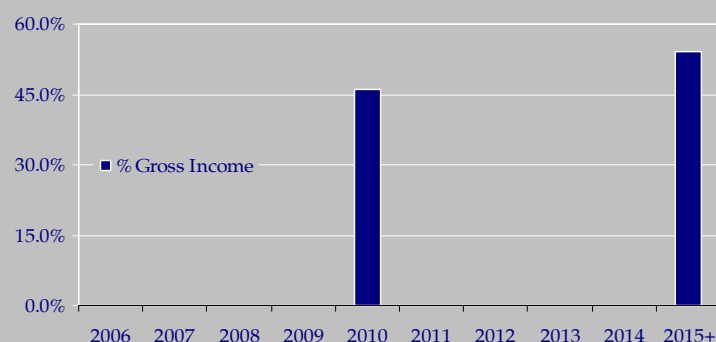
The Wharf, Woolloomooloo as at 30 June 2006:

	<i>Actual Result</i>	<i>Budget Result</i>
Property Book Value	\$24,800,000	
Occupancy (by area)	100%	
Weighted Avg Lease Expiry (by income)	6.33 years	
Net Property Income:		
June Quarter	\$529,499	\$489,638
YTD June 06	\$2,003,279	\$1,908,869

There was no major capital expenditure during the June quarter.

PROPERTY LEASE EXPIRY PROFILE

The Wharf, Woolloomooloo as at 30 June 2006:



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DISTRIBUTIONS TO UNIT HOLDERS

As per the distribution schedule detailed below a distribution of 2 cents per unit was paid on 30 June 2006.

<i>Quarter Ending</i>	<i>Total Distribution</i>	<i>Cents per Unit</i>	<i>Status</i>
September 2005	\$125,167	2.00	Paid 28/09/05
December 2005	\$125,167	2.00	Paid 30/12/05
March 2006	\$125,167	2.00	Paid 31/03/06
June 2006	\$125,167	2.00	Paid 30/06/06
Total	\$500,668	8.00	

The Manager has prepared the following forecast cash distributions 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	\$250,335	4.00	
December 2006	\$187,751	3.00	
March 2007	\$187,751	3.00	
June 2007	\$187,751	3.00	
Total	\$657,500	13.00	

The September distribution will include an additional amount of \$0.01 per unit, and the full \$0.04 will be paid once the annual turnover rent has been received in September 2006. An additional distribution may be made in the June 2007 quarter, depending on the full years trading of each of the restaurants, details regarding this will be advised in future quarterly reports.

NEWCASTLE STOCK EXCHANGE (NSX)

Please note that the Trust units are listed on the NSX. Please refer to www.newsx.com.au for further information regarding the Trust.



INVESTOR INFORMATION

The AGM for the Syndicate and Trust has been set for 26 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 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.