



Quarterly Update – 30 June 2008

**DISTRIBUTION OF 10.4 CENTS PAID FOR THE YEAR
PROPERTY VALUATION STABLE AT \$49.8M
TOTAL UNITHOLDER RETURN OF 11.8%* FOR THE YEAR**

JUNE 2008 DISTRIBUTION

- A final distribution of 2.65 cents per unit (“cpu”) has been paid by the Fund for the quarter ended 30 June 2008.
- Distributions totalling 10.40 cpu have been paid by the Fund for the full year to 30 June 2008, representing a 4.5% increase on cash distributions of 9.95 cpu paid in the previous year.
- The next distribution will be for the quarter ended 30 September 2008, payable in October 2008.
- Enclosed is your distribution payment advice statement for the quarter.
- Distributions for the year to 30 June 2008 are 100% tax deferred.

PROPERTY VALUATION

The IKEA Adelaide Store (“Property”) owned by the Fund has been independently valued at \$49.8 million at 30 June 2008.

The generally weaker property market caused a slight softening in the capitalisation rate applied by the valuer at 30 June 2008 but the effect of this was offset by the higher rental returns following the March 2008 annual review. Overall, the valuation of \$49.8 million represents a satisfactory result in the current softer market, and delivers 0.6% capital growth for investors since June 2007.

FINANCIAL INDICATORS – JUNE 2008

Following the revaluation of the Property, the Fund’s financial position at 30 June 2008 is expected to show the following indicators:

- External borrowings of \$24.4 million – a reduction of \$0.37 million since 30 June 2007.
- Loan to value ratio on the Fund’s external debt of 49.0% - down from 50.0% reported at 30 June 2007.
- Net tangible asset (NTA) backing per unit of \$1.2330 – a 1.40% increase since 30 June 2007.
- Total unitholder return* for the year of 11.80%.

**Increase in NTA backing per unit plus cash distributions for the period, based on a cost of \$1.00 per unit.*

ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the annual financial report for the period to 30 June 2008 will be lodged with ASIC before 30 September 2008. A copy of this report is available on www.lexproperty.com.au, or can be sent to you at your request.

ANNUAL TAXATION STATEMENTS

Enclosed is your annual taxation statement for the 2007/2008 tax year. You will need the information on this taxation statement to help you complete your tax return for the year to 30 June 2008.

For further information about the Fund, please visit the website at www.lexproperty.com.au. If you have any questions regarding your investment in the Fund, please do not hesitate to contact LEX Investor Services on 1800 502 464.



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