



Quarterly Update – 31 December 2008

DECEMBER 2008 DISTRIBUTION

- A cash distribution of **2.675 cents per unit** (“cpu”) has been paid by the Fund for the quarter ended 31 December 2008.
- Cash distributions for the first two quarters of the year now total 5.35 cpu and the full year forecast cash distribution remains at 10.70 cpu, which represents a 2.9% increase on the previous year.
- Enclosed is your distribution payment advice statement for the quarter.
- Distributions for the year to 30 June 2009 are forecast to be 100% tax deferred.

NET TANGIBLE ASSET VALUE

As the value of the Fund’s property at 31 December 2008 is unchanged from the independent valuation at 30 June 2008, the Fund’s gearing level of **49.0%** and net tangible asset (“NTA”) value per unit of **\$1.23** at 30 June 2008 both also remain unchanged.

Investors should note that the NTA value of \$1.23 is based on a valuation methodology adopted which the Directors consider reflects of the market value of the property. However, the underlying value of the Fund’s units may not necessarily reflect this NTA value as other market factors, such as liquidity and the impact of the current financial crisis on equity values, also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

DEBT MANAGEMENT

As previously outlined to investors, the debt management policy for the Fund is considered by the Responsible Entity to be conservative and one which positions the Fund to provide stability for investors. The Directors of the Responsible Entity again confirm that the Fund has no debt facilities which require renegotiation in the near term and other key points to note are:


- The term debt facility has a maturity date in April 2011;
- Interest expense on 100% of the debt drawn under this facility is fixed until the maturity date; and
- The loan to value ratio of the facility is 49.0% as at 31 December 2008. The Directors continue to closely monitor the value of the property and any potential impact on the Fund’s loan to value ratio covenant.

ASIC REGULATORY GUIDE 46 (“RG46”)

In accordance with ASIC’s RG46 released in September 2008, the Responsible Entity is required to disclose certain information regarding the Fund which is aimed at improving disclosure to retail investors in unlisted registered property schemes.

Under RG46, there are eight disclosure principles which apply to upfront and ongoing disclosure to investors. The Directors confirm that several of the key principles, such as gearing and distribution practices, are addressed in the Fund's Quarterly Update. However, a more comprehensive commentary on each of the eight disclosure principles has been prepared for investors and is available for viewing on our website at www.lexproperty.com.au/lrpt_fund.php.

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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