



Quarterly Update – 30 September 2008

SEPTEMBER 2008 DISTRIBUTION

- A cash distribution of 2.0625 cents per unit (“cpu”) has been paid by the Fund for the quarter ended 30 September 2008.
- This quarterly cash distribution is equivalent to annualised cash distributions totalling 8.25 cpu, which are in line with the forecast distributions for the period set out in the Product Disclosure Statement dated January 2007.
- The next distribution will be for the quarter ended 31 December 2008, payable in January 2009.
- 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.

LEASING UPDATE

- The IKEA Perth Store and perimeter buildings (Property) owned by the Fund are now fully leased.
- Perimeter tenancies (approx 2,920 sqm) are fully let with rental commencement dates ranging from 1 April to 1 September and average rents which exceed the Fund’s PDS forecast of \$270 per sqm.
- Perimeter tenants include national retailers Kathmandu and Hagemeyer Brands.

DEBT MANAGEMENT

As outlined in the Fund’s Annual Financial Report and previous Quarterly Updates, the debt management policy for the Fund is considered by the Responsible Entity to be conservative and one which provides stability for investors in light of the recent dramatic events and volatility in the global financial markets and property sector generally. The Directors of the Responsible Entity 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 February 2013;
- Interest expense on 90% of the debt drawn under this facility is fixed until the maturity date; and
- The loan to value ratio of the facility is 54.1% as at 30 June 2008 (and forecast to be 55.25% when the term facility of \$66.3 million is fully drawn).

ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Annual Financial Report for the period to 30 June 2008 was lodged with ASIC on 25 September 2008. A copy of this report is available through our website at www.lexproperty.com.au/lpf_fund.php. You may elect to receive an electronic or hard copy of the Annual Financial Report, free of charge, by contacting LEX Investor Services. Please note that, if you do not contact LEX Investor Services, you will not be automatically mailed a copy of the Annual Financial Report.

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.

A handwritten signature in black ink, appearing to read 'Nick Wyatt'.

Nick Wyatt

Managing Director

LEX Property Management Limited