



Quarterly Update – 31 December 2009

DECEMBER 2009 DISTRIBUTION

- A cash distribution of **2.125 cents per unit** (“cpu”) has been paid by the Fund for the quarter ended 31 December 2009.
- Cash distributions for the first two quarters of the year now total **4.25 cpu**, and the full year forecast remains at 8.5 cpu, which represents a 3% increase on cash distributions of 8.25 cpu paid in the previous year.
- Distributions for the year to 30 June 2010 are forecast to be 100% tax deferred.
- Enclosed is your distribution payment advice statement for the quarter.

FUND PERFORMANCE

The Directors of the Responsible Entity are pleased to confirm that the Fund remains in full compliance with banking covenants and the Directors are satisfied that the financial position of the Fund is sound, with no significant changes to operating conditions experienced during the quarter. As at 31 December, the Fund’s property value is unchanged from the independent valuation adopted at 30 June 2009 (\$113.0 million). Therefore, the following key measures are expected to remain unchanged since 30 June 2009:

- Net tangible asset backing per unit of \$1.04; and
- Gearing on the Fund’s external debt of 58.7% (bank covenant requires this to be no greater than 60%).

Investors should note that the NTA value of \$1.04 is based on a valuation methodology adopted which the Directors consider reflects 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 also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

DISCLOSURE TO INVESTORS

In accordance with ASIC’s Regulatory Guide 46 (“RG46”), the Responsible Entity has disclosed certain key principles such as gearing and distributions of the Fund in this Quarterly Update and an updated commentary on each of the eight disclosure principles is available for viewing by investors on the website at www.lexproperty.com.au/lpf_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.

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

Nick Wyatt
Managing Director
LEX Property Management Limited
18 January 2010