



Quarterly Update – 30 June 2010

JUNE 2010 DISTRIBUTION

- Cash distribution of **2.375 cents per unit** (“cpu”) paid by the Fund for the quarter ended 30 June 2010.
- Full year cash distributions of **8.75 cpu**, representing a 6.1% increase on the previous year, and an increase from the previous forecast annual distribution of 8.50 cpu set out in the March Quarterly Update.
- Distributions for the year to 30 June 2010 are 100% tax deferred.
- Your quarterly distribution payment statement is enclosed.

PROPERTY VALUATION

The IKEA Perth Store and perimeter buildings (“Property”) owned by the Fund have been independently valued at \$120.0 million at 30 June 2010.

In determining the value of the Property, the valuer applied a lower capitalisation rate reflecting a more optimistic outlook for the local Perth property market. The rental returns derived from the Property also increased due to annual reviews and the updated valuation represents a 6.2% increase from the June 2009 independent valuation of \$113.0 million.

NET TANGIBLE ASSET VALUE

Based on the Fund’s updated property value, the Fund’s unaudited net tangible asset (“NTA”) value per unit is \$1.18 at 30 June 2010 (\$1.04 last year).

Investors should note that this NTA value of \$1.18 is based on an independent property valuation. 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 current global economic conditions on equity values, may also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

DEBT RATIOS – JUNE 2010

- Gearing ratio – 55.3%
- Gearing covenant – not to exceed 60%
- Interest cover – 2.02 times
- Interest cover covenant – not to fall below 1.50 times
- External debt – \$66.3 million.

LEASING UPDATE

The IKEA Perth Store and perimeter buildings (Property) owned by the Fund are fully leased. In addition, rental income derived from the Fund’s portfolio of tenancies will increase over the lease terms based on the following annual rent review arrangements in place:

- IKEA Perth Store – annual reviews at CPI, with a market review at every 5th anniversary; and
- Perimeter tenancies – various annual review dates, with a mix of CPI-based or fixed annual percentage increases.

On this basis, property rent for the IKEA Perth Store achieved an annual increase of 2.11% with effect from 4 February 2010 and, with the long leasehold arrangements in place with Cebas Pty Ltd for the IKEA Perth Store and a weighted average lease term of 3.3 years for the perimeter tenancies, the Fund has a secure base from which to continue to pay distributions to unitholders.

DISCLOSURE TO INVESTORS

In accordance with ASIC's Regulatory Guide 46 ("RG46"), 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.

Key principles such as gearing and distribution practices are addressed 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.

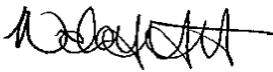
ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Fund's annual unaudited financial report for the period to 30 June 2010 will be lodged with ASIC before 30 September 2010. A copy of this report will be made available on our website, www.lexproperty.com.au as soon as it is lodged with ASIC, or can be sent to you at your request.

ANNUAL TAXATION STATEMENTS

Enclosed is your annual taxation statement for the 2009/2010 tax year. You will need the information on this taxation statement to help you complete your tax return for the year to 30 June 2010.

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.



Nick Wyatt
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LEX Property Management Limited
22 July 2010