



**LEX Property Fund
(ARSN 123 437 838)**

**Responsible Entity:
LEX Property Management Limited
(ABN 53 111 779 689)**

**Half-Year Financial Report
31 December 2010**

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DIRECTORS' REPORT

In accordance with the Corporations Act 2001 and AASB 134, the Directors of LEX Property Management Limited (ABN 53 111 779 689), the Responsible Entity of LEX Property Fund, a managed investment scheme (ARSN 123 437 838), provide this report for the half-year ended 31 December 2010.

DIRECTORS

The names of the directors of LEX Property Management Limited in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Alan W Tribe	Non Executive Director and Chairman
Nicholas C Wyatt	Managing Director
Stephen R Dixon	Director – Funds Management
Peter M Morrison	Non Executive Director

PRINCIPAL ACTIVITY

The Fund is a managed investment scheme, which was registered with ASIC on 25 January 2007. The Fund was established by the Responsible Entity for the purpose of developing a new retail centre in Perth, Western Australia which comprises a purpose-built IKEA store leased to the IKEA franchise, together with other perimeter buildings which provide additional showroom retail and office space adjacent to the IKEA Store.

REVIEW AND RESULTS OF OPERATIONS

During the period, the Fund continued to collect rental income from the tenants of the retail centre owned by the Fund and no significant asset management issues have arisen to date in relation to the property. The Fund has generated a net profit available for distribution to unitholders of \$1,934,000 in the half year to 31 December 2010 (2009: \$1,919,000).

Distributions

Cash distributions for the quarters ending 30 June 2010 and 30 September 2010 were paid in the half year to 31 December 2010.

The distribution for the quarter ended 31 December 2010 was paid on 20 January 2011. This means that total cash distributions have now been paid to unitholders for the half year ended 31 December 2010 amounting to 4.50 cents per unit which is in line with the Directors' current full year forecast cash distribution of 9.00 cents per unit. This full year forecast represents a 2.9% increase on the previous year.

Distributions for the year to 30 June 2011 are forecast to be 100% tax deferred.

Property Valuation

The Directors of the Responsible Entity have consulted with the Fund's advisers and have concluded that the property valuation for determining fair value of the Fund's property should remain unchanged at 31 December 2010 from the independent valuation of the property adopted at 30 June 2010 (\$120,000,000).

Debt Management

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 confirm that the Fund has no debt facilities which require renegotiation in the short term and other key points to note are:

- The term debt facility has a maturity date in February 2013;
- 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 55.3% as at 31 December 2010 .

Net Tangible Asset Value

As the value of the Fund’s property at 31 December 2010 is unchanged from the independent valuation at 30 June 2010, the Fund’s gearing level of 55.3% and net tangible asset (“NTA”) value per unit of \$1.18 at 30 June 2010 both also remain materially unchanged.

Investors should note that the December 2010 NTA value of \$1.18 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.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

On 20 January 2011, distribution payments totalling \$1,028,000 (2.25 cents per unit) were made to unitholders for the quarter ended 31 December 2010.

AUDITORS’ INDEPENDENCE DECLARATION

In accordance with Section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Deloitte Touche Tohmatsu, the entity’s auditors. The declaration of independence is at page 5 of this report.

ROUNDING

The amounts contained in the half-year financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Fund under ASIC Class Order 98/0100. The Fund is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors of LEX Property Management Limited.



Alan W Tribe
Chairman
Perth, 22 February 2011



Nicholas C Wyatt
Managing Director

The Board of Directors
LEX Property Management Limited As Responsible Entity for LEX Property Fund
8B Sunray Drive
Innaloo, WA 6018

22 February 2011

Dear Board Members

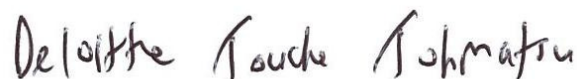
LEX Property Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of LEX Property Management Limited.

As lead audit partner for the review of the financial statements of LEX Property Fund for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Chris Nicoloff
Partner
Chartered Accountants

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	<i>Notes</i>	<i>31 Dec 2010 \$'000</i>	<i>31 Dec 2009 \$'000</i>
Continuing operations			
Revenue			
Rental income		4,913	4,801
Other property income		913	872
Interest income		32	8
Total revenue		<u>5,858</u>	<u>5,681</u>
Other property expenses		(913)	(872)
Responsible entity's fees		(336)	(288)
Administrative expenses		(124)	(104)
Profit from continuing operations before finance costs		<u>4,485</u>	<u>4,417</u>
Finance costs	3	<u>(2,551)</u>	<u>(2,498)</u>
Net profit from continuing operations attributable to unitholders of the LEX Property Fund		<u>1,934</u>	<u>1,919</u>
STATEMENT OF DISTRIBUTION			
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders of the LEX Property Fund		<u>1,934</u>	<u>1,919</u>

This statement is to be read in conjunction with the attached notes.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

		<i>31 Dec</i>	<i>30 Jun</i>
		<i>2010</i>	<i>2010</i>
	<i>Notes</i>	<i>\$'000</i>	<i>\$'000</i>
ASSETS			
Current Assets			
Cash and cash equivalents		1,476	1,648
Trade and other receivables		69	4
Total Current Assets		<u>1,545</u>	<u>1,652</u>
Non-Current Assets			
Investment property	5	<u>120,000</u>	<u>120,000</u>
Total Non Current Assets		<u>120,000</u>	<u>120,000</u>
TOTAL ASSETS		<u>121,545</u>	<u>121,652</u>
LIABILITIES			
Current Liabilities			
Trade and other payables		389	418
Distributions payable	4	<u>1,512</u>	<u>1,590</u>
Total Current Liabilities		<u>1,901</u>	<u>2,008</u>
Non-Current Liabilities			
Interest bearing borrowings	6	<u>65,629</u>	<u>65,528</u>
Total Non-Current Liabilities		<u>65,629</u>	<u>65,528</u>
TOTAL LIABILITIES		<u>67,530</u>	<u>67,536</u>
NET ASSETS		<u>54,015</u>	<u>54,116</u>
UNITHOLDERS' EQUITY			
Equity attributable to unitholder of LEX Property Fund			
Unit capital	7	38,212	38,212
Undistributed income	8	16,378	16,378
Capital distribution reserve		<u>(575)</u>	<u>(474)</u>
TOTAL EQUITY		<u>54,015</u>	<u>54,116</u>
Net tangible asset value per unit	9	<u>\$1.18</u>	<u>\$1.18</u>

This statement is to be read in conjunction with the attached notes.

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	<i>Notes</i>	<i>31 Dec 2010 \$'000</i>	<i>31 Dec 2009 \$'000</i>
Cash flows from operating activities			
Receipts from customers		5,761	5,641
Payments to suppliers		(1,066)	(759)
Payments to responsible entity		(336)	(288)
Interest received		32	8
Interest paid		(2,450)	(2,397)
Net cash flows from operating activities		<u>1,941</u>	<u>2,205</u>
Net cash flows used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Distributions paid	4	(2,113)	(1,914)
Net cash flows from financing activities		<u>(2,113)</u>	<u>(1,914)</u>
Net increase in cash and cash equivalents		(172)	291
Cash and cash equivalents at beginning of period		1,648	1,375
Cash and cash equivalents at end of period		<u>1,476</u>	<u>1,666</u>

The cash flow statement is to be read in conjunction with the attached notes.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	<i>Unit capital \$'000</i>	<i>Undistributed income \$'000</i>	<i>Capital distribution reserve \$'000</i>	<i>Total \$'000</i>
Balance at 1 July 2009	38,212	9,378	(272)	47,318
Net profit for the year	-	1,919	-	1,919
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,919	-	1,919
Capital distributions payable	-	-	(101)	(101)
Income distributions payable	-	(1,919)	-	(1,919)
Balance at 31 December 2009	38,212	9,378	(373)	47,217
Balance at 1 July 2010	38,212	16,378	(474)	54,116
Net profit for the year	-	1,934	-	1,934
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,934	-	1,934
Capital distributions payable	-	-	(101)	(101)
Income distributions payable	-	(1,934)	-	(1,934)
Balance at 31 December 2010	38,212	16,378	(575)	54,015

This statement is to be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1. CORPORATE INFORMATION

The financial report of the LEX Property Fund (“the Fund”) for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the Directors of LEX Property Management Limited (“the Responsible Entity”) on 22 February 2011.

The Fund is a managed investment scheme, with its main asset being an investment property situated on freehold land owned by the Fund in Innaloo, Western Australia.

The investment property is a new retail centre which comprises a purpose built IKEA Store, together with other perimeter buildings which provide additional showroom retail and office space adjacent to the IKEA Store. The IKEA Store is leased to Cebas Pty Ltd (“Cebas”), the IKEA franchisee for Western Australia and South Australia.

The Fund is domiciled in Australia and the principal office is located at 8B Sunray Drive, Innaloo, Western Australia, 6018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Fund as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of the Fund as at 30 June 2010.

(a) Basis of Preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 “Interim Financial Reporting” and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except where stated.

Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000) unless otherwise stated under the option available to the Fund under ASIC class order 98/0100. The Fund is an entity to which the class order applies.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Going Concern

The Fund has recorded a net profit for the half year to 31 December 2010 of \$1,934,000 (31 December 2009: \$1,919,000).

As at the reporting date, the current liabilities exceed the amount of assets by \$356,000 (30 June 2010: \$356,000). The Fund is in full compliance with all banking covenants and the directors of the Responsible Entity have prepared cash flow forecasts that indicate that the Fund will have sufficient cashflows for a period of at least 12 months from the date of this report and the Fund is expected to generate adequate revenues to meet the obligations of the Fund as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Based on the cash flow forecasts, the directors of the Responsible Entity are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) Significant accounting policies

The half-year financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2010.

(c) Changes in accounting policies

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended and are now effective. These standards have been adopted by the Fund for the period ended 31 December 2010.

Amendments/revisions of other Accounting Standards and interpretations would not impact the Fund as the Fund is not engaged or expected to be engaged in transactions noted in such amendments/revisions.

3. FINANCE COSTS

	31 Dec 2010 \$'000	31 Dec 2009 \$'000
Interest charges - banks	2,450	2,397
Amortisation of debt funding costs	101	101
	<u>2,551</u>	<u>2,498</u>

4. DISTRIBUTIONS PAID OR PAYABLE

	31 Dec 2010 \$'000	30 June 2010 \$'000
Distributions payable		
Balance brought forward	1,590	1,286
Income distributions payable to unitholders	1,934	3,958
Capital distributions payable to unitholders	101	202
Cash distributions paid to unitholders	(2,113)	(3,856)
Balance carried forward	<u>1,512</u>	<u>1,590</u>
	<i>31 Dec 2010</i>	<i>30 June 2010</i>
	<i>Cents per unit</i>	<i>Cents per unit</i>
Cash distributions paid to unitholders	<u>4.62</u>	<u>8.44</u>

Income distributions

Income distributions represent distributions from the profit attributable to unitholders of the Fund.

Capital distributions

Capital distributions relate to amortisation arising from establishment fees associated with the debt.

5. INVESTMENT PROPERTY

Reconciliation of Movements

	31 Dec 2010 \$'000	30 June 2010 \$'000
Fair value of investment property brought forward	120,000	113,000
Fair value adjustment to investment property	-	7,000
Fair value of investment property carried forward	<u>120,000</u>	<u>120,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Valuation Policy

Investment properties are carried at fair value.

Fair value is determined by a full independent valuation of property investments which are obtained at intervals of not more than three years. Notwithstanding this, the Directors of the Responsible Entity assess the carrying value at each reporting period to ensure carrying values do not differ materially from fair values. When carrying value differs from fair values, those assets are adjusted to their fair value.

The Directors have assessed the fair value of the investment property at 31 December 2010 to be \$120,000,000, which has not changed since an independent valuation report was prepared by Knight Frank Valuations (WA) as at 30 June 2010.

Valuation Methodology and Significant Assumptions

Independent valuations are carried out by a valuer who holds a relevant professional qualification and has recent experience in the location and category of the investment property.

Properties that have not been independently valued are carried at fair value by way of a Directors' valuation. The methodology and assumptions of such Directors' valuations are subject to an independent verification process.

Operating Leases

The investment property comprises a purpose-built IKEA Store in Perth, Western Australia together with other perimeter buildings. The property is constructed on freehold land which is owned by the Fund. The Fund (as lessor) has entered into long term lease arrangements with the tenant of the investment property, Cebas Pty Ltd and tenants of the other perimeter building tenancies

The key terms of operating lease arrangements for the IKEA Store are included in detail in Note 10.

6. INTEREST BEARING BORROWINGS

	<i>31 Dec 2010</i>	<i>30 June 2010</i>
	<i>\$'000</i>	<i>\$'000</i>
Non Current		
Interest bearing liabilities at amortised costs	65,629	65,528

The interest bearing liabilities expose the entity to liquidity and interest rate risks.

The fund has access to bank bill lines totalling \$66,300,000 through facility agreements with National Bank Limited ("NAB"). At 31 December 2010 there were no amounts undrawn and the position of the principal amounts is:

	<i>Date of</i>	<i>31 Dec 2010</i>	<i>30 June 2010</i>
	<i>Maturity</i>	<i>\$'000</i>	<i>\$'000</i>
Non Current			
Term Facility	04/02/13	66,300	66,300

The facility is for a period of five years following practical completion and is due to expire on 4 February 2013.

The Term Facility is secured by the following:

- A Registered Mortgage over the Property; and
- A Fixed and Floating Charge over the present and future property, assets and undertakings of the Fund.

The facility is an interest only facility with all of the interest exposure subject to an agreed schedule of fixed rates for the term of the loan.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

The Fund must maintain a loan to valuation ratio of not greater than 60%, and an interest coverage ratio of greater than 1.50 times. The Fund is in full compliance with the terms of its borrowings. No breach of the terms has been noted during the period.

7. UNIT CAPITAL

	31 Dec 2010 No. of units	30 June 2010 No. of units
Issued capital		
Fully paid units on issue	45,700,100	45,700,100
Movements in issued capital		
Balance brought forward and carried forward	45,700,100	45,700,100

The Responsible Entity monitors the adequacy of its capital, and gearing to meet debt covenants in place. The debt covenants include a maximum loan to value ratio of 60%, compared to the actual loan to value ratio of 55.3% at the reporting date.

	31 Dec 2010 \$'000	30 June 2010 \$'000
Unit Capital		
Balance brought forward and carried forward	38,212	38,212

Unit capital represents receipts from unitholders less capital raising costs incurred.

The balance of undistributed income at the end of the half-year represents the fair value adjustment to the investment property which was accounted for to date and credited to the Profit and Loss Statement after initial recognition at cost in accordance with AASB 140 "Investment Properties". This treatment is consistent with the Directors having elected to adopt the fair value method.

8. UNDISTRIBUTED INCOME

	31 Dec 2010 \$'000	30 June 2010 \$'000
At 1 July 2010		
Net profit attributable to unitholders	1,934	10,958
Income distributions payable to unitholders	(1,934)	(3,958)
At 31 December 2010		
	16,378	16,378

Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to distribute both the capital and income of the Fund. As the fair value adjustment to investment property is credited to the Profit and Loss Statement to comply with the fair value method, the Directors have deemed that such an adjustment to the Profit and Loss Statement will not be distributed to unitholders. It is therefore carried forward at the balance sheet date as an undistributed income balance.

9. NET TANGIBLE ASSET VALUE PER UNIT

	31 Dec 2010 \$'000	30 June 2010 \$'000
Net tangible assets (\$'000)	54,015	54,116
Number of units on issue used in calculation	45,700,100	45,700,100
Net tangible asset value per unit	\$1.18	\$1.18

The net tangible assets of the Fund take into account total equity of the Fund as shown in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

10. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – the Fund as lessor

The Fund has entered into long term lease arrangements for the property with Cebas Pty Ltd, the key terms of which are as follows:

- The initial term of the lease is fifteen years commencing on 4 February 2008 – the date of Practical Completion.
- Cebas has the option to renew the lease for three further periods of five years each.
- The current rent comprises property rent of approximately \$8,770,000 per annum.
- The property rent is reviewed annually to the Consumer Price Index (“CPI”), except on the market review dates when it is reviewed to market rent. The market review dates are every five years throughout the term of the lease. The rent payable following any review cannot be lower than the rent in the preceding year. The first market rent review date is 4 February 2013.
- Cebas has provided a bank guarantee in the amount equivalent to six months’ rent.
- Cebas has a first right of refusal to purchase the Property during the term.
- Cebas is responsible for all apportioned outgoings and operating costs.
- Cebas is responsible for the costs of all structural repairs caused by its actions.
- Cebas is responsible for all repairs and maintenance subject to the usual exceptions for fair wear and tear.

The Fund has also entered into lease arrangements with tenants for various tenancy areas within the other perimeter buildings.

Future minimum rentals receivable under the lease arrangements contracted at 31 December 2010 are as follows:

	<i>31 Dec 2010</i>	<i>30 Jun 2010</i>
	<i>\$’000</i>	<i>\$’000</i>
Within one year	10,048	9,902
After one year but not more than five years	37,775	37,493
More than five years	63,962	66,889
	<u>111,785</u>	<u>114,284</u>

Guarantees

Cebas has provided a bank guarantee to the Fund for an amount equivalent to six month’s rent under the terms of the lease between the Fund (as lessor) and Cebas (as lessee). The Fund is also in receipt of other bank guarantees and security deposits provided by various other tenants under the terms of leases for other perimeter buildings.

There have been no other material commitments or contingencies affecting the Fund’s Half-Year Financial Report.

11. EVENTS AFTER THE BALANCE SHEET DATE

On 20 January 2011, a cash distribution of \$1,028,000 (2.25 cents per unit) was paid to unitholders for the quarter ending 31 December 2010.

No other matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or state of affairs of the Fund in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of LEX Property Management Limited, the Responsible Entity for the LEX Property Fund ("the Fund"), I state that:

- (a) the financial statements and notes of the Fund are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Fund's financial position as at the 31 December 2010 and of its performance for the half-year ended on that date; and
 - ii. comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

For and on behalf of the board of LEX Property Management Limited.



Alan W Tribe
Chairman
Perth, 22 February 2011

Independent Auditor's Review Report to the Unitholders of LEX Property Fund

We have reviewed the accompanying half-year financial report of LEX Property Fund, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the fund as set out on pages 6 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of the LEX Property Management Limited as Responsible Entity of LEX Property Fund are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of LEX Property Fund's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of LEX Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of LEX Property Management Limited on 22 February 2011 would be in the same terms if provided to the directors as at the date of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of LEX Property Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Nicoloff

Chris Nicoloff
Partner
Chartered Accountants
Perth, 22 February 2011