



## Quarterly Update – 30 June 2011

### JUNE 2011 DISTRIBUTION

- The Fund has paid a cash distribution of **2.30 cents per unit** (“cpu”) for the quarter ended 30 June 2011.
- Full year cash distributions total **9.05 cpu**, representing a 3.4% increase on the previous year, and an increase from the previous forecast annual distribution of 9.0 cpu set out in the March Quarterly Update.
- Distributions for the year to 30 June 2011 are forecast to be **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 2011, which is unchanged from the June 2010 independent valuation. While there was an increase in the rental income, the valuer considered that there has been some softening in the property market over the last 12 months and therefore the valuer used a slightly higher capitalisation rate resulting in an unchanged valuation.

### NET TANGIBLE ASSET VALUE

The Fund’s unaudited net tangible asset (“NTA”) value per unit is \$1.18 at 30 June 2011, unchanged from 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 also need to be taken into account. Investors should therefore seek their own independent advice when considering unit values.

### DEBT RATIOS – JUNE 2011

- Gearing ratio – 55.3%
- Gearing covenant – not to exceed 60%
- Interest cover – 2.03 times
- Interest cover covenant – not to fall below 1.50 times
- External debt – \$66.3 million.

The Fund remains in full compliance with all debt facility covenants.

### LEASING UPDATE

The Property owned by the Fund is 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 5<sup>th</sup> 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 2.59% with effect from 4 February 2011 and, with the long lease arrangements in place with Cebas Pty Ltd for the IKEA Perth Store and a weighted average lease term of 2.3 years for the perimeter tenancies, the Fund has a secure base from which to continue to pay distributions to investors.

## DISCLOSURE TO INVESTORS

In accordance with ASIC's Regulatory Guide 46 ("RG46"), the Responsible Entity has disclosed certain key principles such as gearing and distribution practices 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](http://www.lexproperty.com.au/lpf_fund.php).

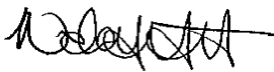
## ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Fund's annual financial report for the year ended 30 June 2011 will be lodged with ASIC before 30 September 2011. A copy of this report will be made available on the website, [www.lexproperty.com.au](http://www.lexproperty.com.au) as soon as it is lodged with ASIC, or can be sent to you at your request.

## ANNUAL TAXATION STATEMENTS

Your annual taxation statement for the 2010/2011 tax year is expected to be completed and sent to you by 31 August 2011. You will need the information on this taxation statement to help you complete your tax return for the year to 30 June 2011 and the statement will include confirmation of the tax deferred status of your annual distributions.

For further information about the Fund, please visit the website at [www.lexproperty.com.au](http://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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