



Quarterly Update – 31 March 2010

MARCH 2010 DISTRIBUTION

- A cash distribution of **2.125 cents per unit** (“cpu”) has been paid by the Fund for the quarter ended 31 March 2010.
- Cash distributions for the first three quarters of the financial year now total **6.375 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 outlined in the Fund’s last Quarterly Update, the value of the Fund’s property at 31 December 2009 remained unchanged from the independent valuation at 30 June 2009 (**\$113 million**). Based on this property valuation, the Fund’s gearing level at 31 December 2009 was **58.7%** and the NTA value per unit was **\$1.03**.

Investors should note that the NTA value of \$1.03 shown in the half yearly financial report is based on a valuation methodology adopted which the Directors consider reflects the market value of the property as at 31 December 2009. 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.

It is the Directors’ intention to have the property independently valued in June 2010 and any change in value will be reflected in the NTA value as at 30 June 2010.

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 was recently reviewed and achieved an annual increase of 2.11% with effect from 4 February 2010. With the long leasehold arrangements in place with Cebas Pty Ltd for the IKEA Perth Store and a weighted average lease term of 3.6 years for the perimeter tenancies, the Fund has a secure income base from which to continue to pay distributions to unitholders.

HALF YEAR FINANCIAL REPORTS

In accordance with statutory obligations, the half-yearly financial report of the Fund for the period ended 31 December 2009 has been lodged with ASIC. A copy of this report is available on the website at www.lexproperty.com.au/lexpf_fund.php.

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.



Nick Wyatt
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LEX Property Management Limited
21 April 2010