



## Quarterly Update – 31 March 2010

### MARCH 2010 DISTRIBUTION

- A cash distribution of **2.875 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 **8.375 cpu**.
- The full year forecast has been increased from 11.00 cpu to 11.25 cpu. The updated forecast of 11.25 represents a 5.1% increase on cash distributions of 10.70 cpu paid in the previous year.
- Distributions for the year to 30 June 2010 are forecast to be 75% 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 (**\$49 million**). The Fund’s gearing level of **49.8%** and net tangible asset (“NTA”) value per unit of **\$1.19** both also remained unchanged at 31 December 2009.

Investors should note that the NTA value of \$1.19 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 Fund’s property comprises the IKEA Adelaide Store which is fully leased. Rental income derived by the Fund will increase over the term of the lease based on the following annual rent review arrangement in place:

- IKEA Adelaide Store – annual review at CPI plus 1%, with a market review at every 5<sup>th</sup> anniversary.

On this basis, property rent for the IKEA Adelaide Store was recently reviewed and achieved an annual increase of 3.01% with effect from 14 March 2010. With the long leasehold arrangement in place with Cebas Pty Ltd for the IKEA Adelaide Store, 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/lrpt\\_fund.php](http://www.lexproperty.com.au/lrpt_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/lrpt\\_fund.php](http://www.lexproperty.com.au/lrpt_fund.php).

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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