



Quarterly Update – 30 September 2015

SEPTEMBER 2015 DISTRIBUTION

- The Fund has paid cash distributions of **3.5 cents per unit** (“cpu”) for the quarter ended 30 September 2015.
- Current forecasts for the year ending 30 June 2016 indicate that full year cash distributions of approximately **14.00 cpu** will be payable to investors.
- Distributions for the year to 30 June 2016 are currently forecast to be approximately **26% tax deferred**.
- Your quarterly distribution payment statement is enclosed or has been mailed to you.

FUND PERFORMANCE & NET TANGIBLE ASSET VALUE

The full year audited results to 30 June 2015 were published in line with details provided in the last Quarterly Update issued to investors.

The Directors of the Responsible Entity confirm that the Fund remains in full compliance with banking covenants and no significant changes to operating conditions were experienced during the quarter. The following key measures remain unchanged since 30 June 2015:

- Net tangible asset backing per unit of **\$1.385**; and
- Gearing on the Fund’s external debt of **51.0%** (bank covenant requires this not to exceed **60%**).

Investors should note that this NTA value of **\$1.385** is based on an independent property valuation as at 30 June 2015. 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.

The Fund’s forecast full year cash distribution for the current year of approximately **14.00 cpu** exceeds last year’s full year cash distributions paid (**12.75 cpu**) through the impact of a annual rental reviews and a full year impact of the reduction in the Fund’s interest costs following last year’s refinancing of the Fund’s debt facility.

LEASING UPDATE

The Property owned by the Fund is now 100% leased, with the IKEA Perth Store comprising 90.2% of the total lettable area of the Property, subject to annual reviews at CPI and a market review at each 5th anniversary. The balance of the Property comprises a number of perimeter retail and office spaces leased to tenants for various terms expiring between March 2017 and September 2020 and subject to annual fixed or CPI-based reviews. Tenants include Kathmandu, Jetts Fitness, Discount Drug Stores and Sushi WAWA.

With a weighted average lease expiry for the perimeter tenancies of 2.6 years as at 30 September 2015, and approximately 7.4 years remaining on the initial term of the lease arrangement with Cebas for the IKEA Perth Store, the Fund has a secure income base from which to continue to pay future distributions to investors.

ANNUAL FINANCIAL REPORT

In accordance with statutory obligations, the Annual Financial Report for the year ended 30 June 2015 has been lodged with ASIC.

A copy of this report is available through our website at www.lexproperty.com.au/lpf_fund.php or can be sent to you on request.

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.

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 October 2015