

THE PROPERTIES

Section 5 of the PDS contained information about the properties owned by the Fund which was current as at the date of the PDS – being 4 May 2005. On 30 June 2005 the Fund acquired an additional 11 properties (Third Stage Properties). Information concerning the acquisition of the Third Stage Properties is contained in the supplementary Product Disclosure Statement dated 3 August 2005. As explained in the PDS, when information changes but the change is not materially adverse to the Offer, the Manager can update this information on its website. The Manager has determined that changes to Section 5 due to the acquisition of the Third Stage Properties are not materially adverse to the Offer.

Set out below is Section 5 of the PDS updated to include the impact of the Third Stage Properties and also details about each of the Third Stage Properties. A paper copy of this information is available free of charge from the Manager. A reference to “Properties” includes the Third Stage Properties.

5.1 OVERVIEW

The portfolio is diverse both geographically and by sector. The portfolio is valued at NZ\$602.8 million and comprises approximately 165 tenants in 33 properties spread throughout New Zealand’s north and south islands.

The portfolio covers each of the traditional property sectors, namely retail, industrial and office property assets as well as a small exposure to car parks.



5.2 THE MAJOR TENANTS

	General Distributors Limited (GDL)	Telecom New Zealand Limited (Telecom NZ)	ASB Bank
Lease expiry	Between June 2014 and August 2024	Predominantly October 2006 through to November 2010	June 2013
Current % of property portfolio income	35.5%	14.5%	10.5%
Business description	<p>GDL is a wholly owned subsidiary of Progressive Enterprises Limited (Progressive), a subsidiary of the ASX listed Foodland Associated Limited⁽²⁾ (market capitalisation of approximately \$3.1 billion⁽¹⁾).</p> <p>Progressive is New Zealand's second largest grocery provider. GDL trades in New Zealand under the Foodtown, Countdown and Woolworths supermarket banners.</p>	<p>Telecom NZ is a wholly owned subsidiary of the largest publicly listed company on the New Zealand Stock Exchange with a market capitalisation of NZ\$11.9 billion⁽¹⁾. The parent company, which is also listed on the ASX, provides telecommunication services to New Zealand and Australian customers, generating revenues of approximately NZ\$5.4 billion per annum, and employing over 8,000 staff.</p>	<p>ASB Bank is a wholly owned subsidiary of The Commonwealth Bank Group which is one of Australia's largest domestic banking and financial services organisations with a market capitalisation of approximately \$48.4 billion⁽¹⁾.</p>
	University of Auckland	New Zealand Inland Revenue	ING
Lease expiry	Between August 2010 and July 2012	December 2008	May 2010
Current % of property portfolio income	5.6%	2.8%	1.5%
Business description	<p>The University of Auckland is New Zealand's leading university. Established in 1883, this research led, top-ranked and internationally recognised tertiary institution provides education to approximately 32,000 undergraduate students.</p>	<p>New Zealand Inland Revenue is a government body with the primary role of collecting taxes on behalf of the New Zealand government. New Zealand Inland Revenue operates from 17 cities and towns nationwide, and employs over 4,900 staff.</p>	<p>ING is a global financial institution of Dutch origin offering banking, insurance and asset management solutions to 60 million private, corporate and institutional clients in 60 countries.</p>

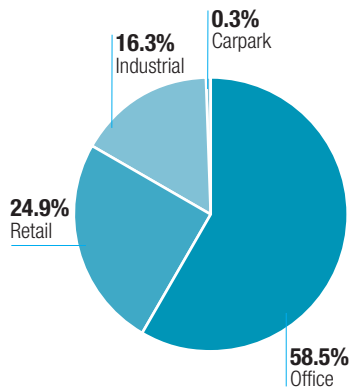
(1) As at 7 July 2005.

(2) Foodland Associated Limited has announced that it is in discussions with parties relating to the divesture of Progressive.

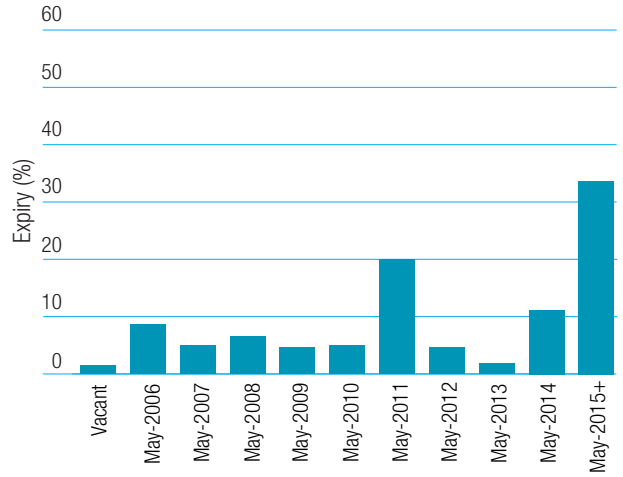
These tenants contribute approximately 70.4% of the net property income and represent an average weighted lease term across the portfolio of approximately 11.0 years (by income).

5.3 PORTFOLIO ANALYSIS

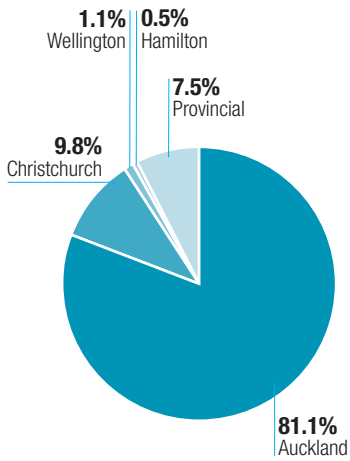
Sector Split (by value)



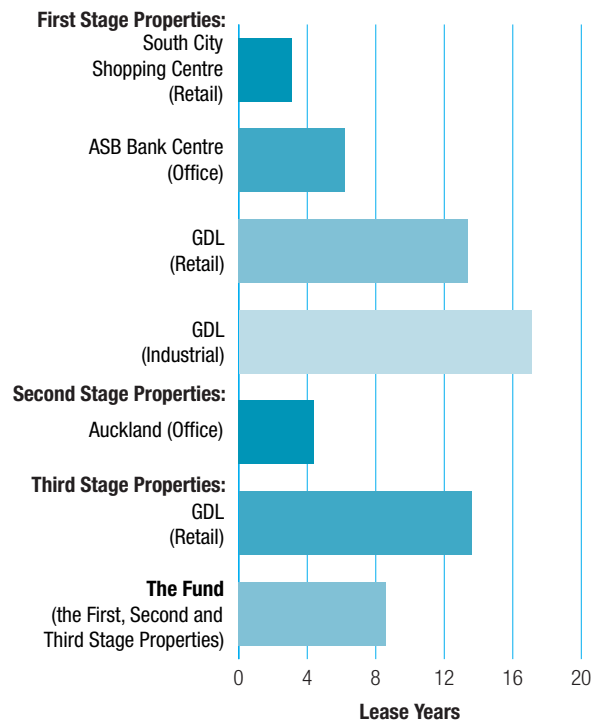
Lease Expiry Profile (by income)



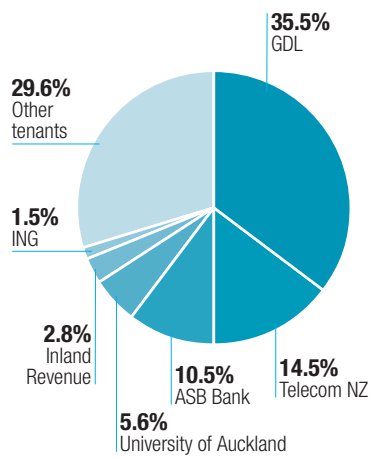
Geographic Split (by value)



Average Weighted Lease Term (by income)*



Tenant Mix (by income)



* Defined as the average number of years of net income secured by contractual lease agreements over the property.

5.4 DESCRIPTION OF FIRST STAGE PROPERTIES



ASB Bank Centre



South City Shopping Centre⁽¹⁾

Valuation Details		
Valuation	NZ\$116.5 million	
Valuer	Colliers International	
Valuation Date	31 March 2005	
Valuation per sqm of NLA	NZ\$3,483	
Valuation per sqm of land	NZ\$33,022	
Capitalisation rate (%)	8.13	
Property Details		
Net lettable area (sqm) (approx.)	33,442	
Land area (sqm) (approx.)	3,528	
Tenancy Profile		
Occupancy (%)	99	
Major Tenant		
	ASB Bank	ING
Area (sqm)	20,418	2,457
NLA (%)	61	7
Lease Expiry	June 2013	May 2010
Reviews	3 yearly to market	3 yearly to market

Location

The landmark ASB Bank Centre occupies a prominent position towards the south-western end of the Auckland CBD. The building is located on the upper end of Albert Street, and with its visual dominance of the city and the harbour, it makes an imposing contribution to Auckland's skyline. The site has frontages to Albert, Wellesley and Federal Streets and is in close proximity to key city services – the Aotea Performing Arts Centre, the Carlton Hotel and New Zealand's premier shopping thoroughfare in Queen Street.

Property description

ASB Bank Centre is a premium quality, landmark property. The building features four levels of basement parking, a prestige quality entry foyer and 30 levels of column-free office accommodation. The building has a central core allowing for tenant flexibility. Services are premium grade, including a full back-up emergency generator.

Valuation Details		
Valuation	NZ\$43.0 million	
Valuer	Colliers International	
Valuation Date	31 March 2005	
Valuation per sqm of NLA	NZ\$2,468	
Valuation per sqm of land	NZ\$1,136	
Capitalisation rate (%)	9.07	
Property Details		
Net lettable area (sqm) (approx.)	17,423	
Land area (sqm) (approx.)	37,841	
Tenancy Profile		
Occupancy (%)	100	
Major Tenant		
	The Warehouse	New World
Area (sqm)	4,921	3,073
NLA (%)	28	18
Lease Expiry	April 2010	May 2011
Reviews	3 yearly to market	3 yearly to market

Location

The property is located on the southern fringe of the Christchurch CBD and has frontages to Colombo and Durham Streets. The site has a significant profile and is well placed to serve the high volume of passing traffic from the Christchurch work force. Colombo Street is the major commercial thoroughfare from the northern suburb of St Albans to the southern suburb of Cashmere Hills.

Property description

The property comprises a refurbished single level complex with associated open car parking. The fully enclosed centre was originally constructed in the late 1990s and extended in 1999 to accommodate The Warehouse and a New World supermarket. It offers 31 specialty shops, a six-tenant food court, six kiosks and five ATMs. Additionally there are three tenancies in the Colombo Street building and four tenancies in the Durham Street building.

(1) Includes a separate building known as 573-579 Colombo Street, valued at NZ\$4.1 million.

5.4 DESCRIPTION OF FIRST STAGE PROPERTIES (continued)



Countdown Botany



Countdown Lynfield

Valuation Details	
Valuation	NZ\$15.0 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$2,571
Valuation per sqm of land	NZ\$857
Capitalisation rate (%)	8.00
Property Details	
Net lettable area (sqm) (approx.)	5,833
Land area (sqm) (approx.)	17,506
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	5,833
NLA (%)	100
Lease Expiry	August 2019
Reviews	3 yearly to market

Location

The property is located on the corner of Ti Rakau Drive to the north and Te Irirangi Drive to the east, with frontages onto both boundaries. Both these arterial roads provide access to the motorway system, with the Auckland CBD being approximately 20-25 minutes' drive time.

Property description

The property comprises a large, modern purpose built, stand alone supermarket constructed in 2003, including offices, amenities and storage. A basement car park extends below the supermarket, providing approximately 138 covered car parks with an internal ramp access to the supermarket level. A further surface level car park provides space for an additional 245 car parking bays.

Valuation Details	
Valuation	NZ\$12.75 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$2,294
Valuation per sqm of land	NZ\$847
Capitalisation rate (%)	8.38
Property Details	
Net lettable area (sqm) (approx.)	5,558
Land area (sqm) (approx.)	15,053
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	5,558
NLA (%)	100
Lease Expiry	August 2019
Reviews	3 yearly to market

Location

The property is located on the corner of Hillsborough Road and The Avenue and is located within the Auckland city suburb of Lynfield. Hillsborough Road is a main traffic thoroughfare between the northern end of the south-western motorway and the suburbs to the north and west of Lynfield.

Property description

The property comprises a large purpose built Countdown supermarket over basement car parking, a strip of several smaller tenancies and an on grade sealed car parking area. Along the southern boundary of the site there are several smaller retail tenancies with frontage to the main car park area.

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.

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5.4 DESCRIPTION OF FIRST STAGE PROPERTIES (continued)



Woolworths Grey Lynn



Countdown Porirua

Valuation Details	
Valuation	NZ\$9.1 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$2,020
Valuation per sqm of land	NZ\$812
Capitalisation rate (%)	8.00
Property Details	
Net lettable area (sqm) (approx.)	4,505
Land area (sqm) (approx.)	11,207
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	4,505
NLA (%)	100
Lease Expiry	August 2019
Reviews	3 yearly to market

Location

The property is well located on the corner of Richmond Road and Regina Street in Grey Lynn, approximately 10 minutes' drive from Auckland's CBD. Development in the immediate locality varies from older established residential properties, to more modern infill developments and some smaller pockets of light industrial and retail uses.

Property description

These premises were originally constructed in 1979 and completely refurbished in 1998 for a Woolworths branded supermarket comprising a total rentable area of 4,374 square metres together with a separate internal tenancy of 131 square metres under sublease to Unichem Pharmacy. In addition to the supermarket, there is associated warehouse and storage space over a secure staff basement car park incorporating first level offices, staff amenities and cafeteria.

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.

Valuation Details	
Valuation	NZ\$6.7 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$1,769
Valuation per sqm of land	NZ\$661
Capitalisation rate (%)	8.50
Property Details	
Net lettable area (sqm) (approx.)	3,787
Land area (sqm) (approx.)	10,143
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	3,787
NLA (%)	100
Lease Expiry	August 2016
Reviews	3 yearly to market

Location

The property is located within central Porirua, midway between the Megacentre to the north and North City Shopping Centre to the south. Porirua is approximately 20 kilometres north of Wellington City and is one of Wellington's northern most commercial centres. Situated on a predominantly level island site, the property has four frontages to Jellicoe Street, Norrie Street, Lyttleton Avenue and Parumoana Street.

Property description

The property comprises a purpose built standalone supermarket constructed in 1989 and recently refurbished to accommodate the new Countdown Supermarket design. There is provision for 228 car parks which are located within a tarsealed and landscaped car parking area around the supermarket.

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.

5.4 DESCRIPTION OF FIRST STAGE PROPERTIES (continued)



Woolworths Papakura

Valuation Details	
Valuation	NZ\$4.1 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$1,367
Valuation per sqm of land	NZ\$462
Capitalisation rate (%)	9.00
Property Details	
Net lettable area (sqm) (approx.)	2,999
Land area (sqm) (approx.)	8,878
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	2,999
NLA (%)	100
Lease Expiry	August 2016
Reviews	3 yearly to market

Location

The property is located on the eastern side of Great South Road, approximately 500 metres to the north of the main retail strip of Papakura, an older established residential locality. Papakura is approximately 40 minutes drive from the Auckland CBD.

Property description

The property comprises a single level supermarket with mezzanine amenities and offices above with on site shared car parking. Two adjoining retail premises constructed circa 1960 and subsequently joined now form the Woolworths supermarket. The remainder of the site is tar sealed, providing parking for 269 cars.

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.



Foodtown Hamilton

Valuation Details	
Valuation	NZ\$2.9 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$921
Valuation per sqm of land	NZ\$237
Capitalisation rate (%)	9.50
Property Details	
Net lettable area (sqm) (approx.)	3,148
Land area (sqm) (approx.)	12,228
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	3,148
NLA (%)	100
Lease Expiry	August 2016
Reviews	3 yearly to market

Location

The property is located on the northern corner of the intersection of Bryce and Tristram Streets on the fringe of the Hamilton City CBD. To the east of the property is the recently completed Hamilton City bus station. Tristram Street is one of the main streets in Hamilton City.

Property description

The property was originally constructed in 1981 and comprises an older style Foodtown supermarket design. The building has supplementary loading areas, storerooms and mezzanine offices and amenities. The car park provides approximately 224 level car spaces. The property is subject to a perpetually renewable lease in favour of the Property Fund (i.e. a leasehold property).

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.

5.4 DESCRIPTION OF FIRST STAGE PROPERTIES (continued)



Mangere Distribution Centre



Wiri Distribution Centre

Valuation Details	
Valuation	NZ\$61.0 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$935
Valuation per sqm of land	NZ\$455
Capitalisation rate (%)	8.38
Property Details	
Net lettable area (sqm) (approx.)	65,274
Land area (sqm) (approx.)	134,071
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	73,273
NLA (%)	100
Lease Expiry	August 2024
Reviews	3 yearly to market

Location

The property is located on the northern side of Favona Road, approximately 1.5 kilometres from the south-western motorway and approximately five minutes travel from Auckland International Airport in the suburb of Mangere. The property will benefit from increased accessibility to Manukau and Wiri with the proposed extensions and redirections of State Highway 20 to the south. The area immediately surrounding Favona Road comprises residential development and established industrial and commercial premises.

Property description

The property comprises a large integrated distribution centre and head office complex. It includes a new office building, completed to a high standard, extensive car parking and a significant area of hardstand to the rear of the site. The total building area of 65,274 square metres provides a site coverage of approximately 49%.

Valuation Details	
Valuation	
Distribution Centre	NZ\$20.75 million
Vacant Land	NZ\$1.0 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$614 ⁽¹⁾
Valuation per sqm of land	NZ\$288 ⁽¹⁾
Capitalisation rate (%)	10.25
Property Details	
Net lettable area (sqm) (approx.)	33,786
Distribution Centre (sqm) (approx.)	72,068
Vacant land (sqm) (approx.)	83,048
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	33,786
NLA (%)	100
Lease Expiry	August 2016
Reviews	3 yearly to market

Location

The property is located on the southern side of Kerrs Road, approximately one kilometre from the intersection with Great South Road, and is within close proximity to the Southern and Mangere Onehunga motorways. Auckland CBD is approximately 25 minutes drive from the property, while the Auckland International Airport is approximately 10 minutes drive to the west.

Property description

The property comprises a large scale distribution centre and warehouse with associated offices and amenities, and parking for 309 cars. There is a large area of hardstand adjacent to the warehouse. The total building area of 33,786 square metres provides a site coverage of approximately 47%. Separate to the Distribution Centre, the site also comprises vacant land over an area of 83,048 square metres which has been valued at NZ\$1.0 million by Colliers International NZ. The property is subject to a perpetually renewable lease in favour of the Property Fund (i.e. a leasehold property).

(1) Distribution Centre only.

5.4 DESCRIPTION OF FIRST STAGE PROPERTIES (continued)



Christchurch Distribution Centre

Valuation Details	
Valuation	
Distribution Centre	NZ\$13.7 million
Vacant Land	NZ\$2.0 million
Valuer	Colliers International
Valuation Date	31 March 2005
Valuation per sqm of NLA	NZ\$779 ⁽¹⁾
Valuation per sqm of land	NZ\$217
Capitalisation rate (%)	8.50
Property Details	
Net lettable area (sqm) (approx.)	17,595
Total land area (sqm) (approx.)	72,203
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
Limited Area (sqm)	General Distributors Limited 17,594
NLA (%)	100
Lease Expiry	August 2024
Reviews	3 yearly to market

Location

The property is located approximately 12 kilometres from the Christchurch CBD within the south-western suburb of Hornby. Access to the city is by way of major routes along Main South Road and Blenheim Road. The Christchurch industrial market is New Zealand's second largest (after Auckland) and serves as a central hub for the South Island.

Property description

The property was constructed in 1999 and comprises a modern, purpose built distribution centre, with associated warehouse and office facilities and car parking for 50 vehicles. The total building area of 17,595 square metres provides a site coverage of approximately 41%. Separate to the distribution centre the site also comprises vacant land over an area of 38,490 square metres which has been valued at NZ\$2.0 million by Colliers International NZ.

⁽¹⁾ Distribution Centre only.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES



Gen-i Tower



Telecom House

Valuation Details	
Valuation	NZ\$66.8 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,961
Valuation per sqm of land	NZ\$20,218
Capitalisation rate (%)	8.50
Property Details	
Net lettable area (sqm) (approx.)	22,561
Land area (sqm) (approx.)	3,304
Tenancy Profile	
Occupancy (%)	97
Major Tenant	
gen-i Ltd	
Area (sqm)	3,074
NLA (%)	14
Lease Expiry	February 2012
Reviews	3 yearly to market

Location

The property is located at 66 Wyndham Street on the corner of Federal and Hobson Streets. This is a prominent CBD location, being approximately 200 metres to the west of the Queen Street retail centre which is widely recognised as the core of the Auckland CBD. The property is also in close proximity to the Viaduct Harbour precinct and Princes Wharf which provides for a combination of entertainment areas, office accommodation, apartment dwellings and marina.

Property description

The property comprises a substantial office building which was completed in 1990. The building has 19 levels of office accommodation, ground floor retail accommodation and three basement levels of parking providing 191 car spaces. A feature of the building is the large canopy and colonnade area surrounding the ground floor and water feature on the corner of Wyndham and Hobson Streets. The upper floors of the building enjoy excellent views to the harbour and western elevation.

Valuation Details	
Valuation	NZ\$59.1 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$3,773
Valuation per sqm of land	NZ\$11,487
Capitalisation rate (%)	8.50
Property Details	
Net lettable area (sqm) (approx.)	15,665
Land area (sqm) (approx.)	5,145
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
Telecom New Zealand Limited	
Area (sqm)	15,665
NLA (%)	100
Lease Expiry	November 2010
Reviews	Annually to CPI+1% capped at 4%

Location

The property is situated to the eastern side of Hereford Street and Hopetoun Street, approximately one kilometre to the south of Auckland's CBD. The property sits 50 metres from the Karangahape Road ridge, which is a major arterial road forming the southern boundary around the CBD periphery.

Property description

The property comprises a 15 level modern office building which was completed in 1989. The building has 11 levels of office accommodation and four levels of basement parking providing 463 car spaces. The interior of the building has been extensively refurbished to a high specification, with views from all levels of the building, predominantly to the north over the CBD and Waitemata Harbour.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



SAP Centre



Uniservices House and 12 Whitaker Place

Valuation Details		
Valuation	NZ\$21.8 million	
Valuer	Colliers International	
Valuation Date	30 April 2005	
Valuation per sqm of NLA	NZ\$3,040	
Valuation per sqm of land	NZ\$5,737	
Capitalisation rate (%)	9.00	
Property Details		
Net lettable area (sqm) (approx.)	7,170	
Land area (sqm) (approx.)	3,800	
Tenancy Profile		
Occupancy (%)	100	
Major Tenant		
	American Express	Auckland Uniservices Ltd
Area (sqm)	2,225	1,675
NLA (%)	31	23
Lease Expiry	January 2007	January 2011
Reviews	3 yearly to market	3 yearly to market

Location

The property is situated on the northern side of Symonds Street, at the eastern end of the Auckland CBD. Symonds Street is a major arterial road carrying traffic between the downtown Auckland precinct and leading to the southern fringe commercial and residential areas.

Property description

The property comprises a nine level modern office building which was completed in 1989. In addition there are five levels of parking providing 233 car spaces. The office accommodation is divided between podium and office tower and is orientated to take maximum advantage of the outlook and northerly aspect. The building is well serviced with two lift banks, concierge area and standby generator.

Valuation Details		
Valuation	Uniservices House	NZ\$18.0 million
	12 Whitaker Place	NZ\$0.7 million
Valuer	Colliers International	
Valuation Date	30 April 2005	
Valuation per sqm of NLA	NZ\$2,419	
Valuation per sqm of land	NZ\$7,242	
Capitalisation rate (%)	8.89	
Property Details		
Net lettable area (sqm) (approx.)	7,729	
Land area (sqm) (approx.)	2,582	
Tenancy Profile		
Occupancy (%)	100	
Major Tenant		
	University of Auckland	
Area (sqm)	5,395	
NLA (%)	70	
Lease Expiry	October 2010	
Reviews	3 yearly to market	

Location

The properties, sharing the same site location and title, are situated on the eastern side of Symonds Street on the southern fringe of the Auckland CBD, being a short distance from the main campus of Auckland University. The properties have easy access to the main transport routes and motorway networks, with access to the southern motorway being approximately 400 metres to the south.

Property description

Uniservices House

The property comprises an 11 level office building which was completed in 1986. In addition there are three levels of basement parking providing 111 car spaces.

12 Whitaker Street

The property is a two level English suburban style dwelling constructed circa 1925. It has since been refurbished and enlarged in 1985 to provide office accommodation.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



The Telco Building



The Plaza

Valuation Details ⁽¹⁾	
Valuation⁽¹⁾	NZ\$16.6 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,111
Valuation per sqm of land	NZ\$13,344
Capitalisation rate (%)	9.00
Property Details	
Net lettable area (sqm) (approx.)	7,865
Land area (sqm) (approx.)	1,244
Tenancy Profile	
Occupancy (%)	85
Major Tenant	
Area (sqm)	University of Waikato 1,013
NLA (%)	13
Lease Expiry	December 2005
Reviews	2 yearly to market

Location

The property is situated on the south-eastern corner of Federal and Kingston Streets at the western end of the Auckland CBD. Queen Street lies approximately 200 metres to the east while Viaduct Harbour is approximately 500 metres to the north. Access to the motorway systems is provided at Fanshawe Street to the northern motorway, while access to the southern and western motorways is approximately one kilometre to the south along Hobson Street.

Property description

16 Kingston Street comprises a 17 level office building which was completed in 1989, and 60 Federal Street comprises a four level office and retail building which was completed in 1987. A basement level, which is shared between the two properties, provides parking for approximately 41 cars.

⁽¹⁾ Colliers International has valued 16 Kingston Street and 60 Federal Street as a single property.

Valuation Details	
Valuation	NZ\$11.3 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,408
Valuation per sqm of land	NZ\$3,970
Capitalisation rate (%)	9.00
Property Details	
Net lettable area (sqm) (approx.)	4,692
Land area (sqm) (approx.)	2,846
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
Area (sqm)	Telecom New Zealand Limited 3,408
NLA (%)	73
Lease Expiry	March 2008/November 2010
Reviews	On renewal to market/annually to CPI capped at 2%

Location

The property is situated to the northern side of Karangahape Road to the north-western corner of the intersection between Howe Street and Hereford Streets, on the southern fringe of the Auckland CBD. The property has considerable street frontage and enjoys significant exposure to both pedestrian and vehicle traffic. Karangahape is a major arterial road forming the southern accesses of the outer CBD periphery of Auckland.

Property description

The property comprises an historic strip shop complex completed in the early 1900s and recently subject to a major refurbishment. It contains a variety of accommodation, comprising 22 street level retail and restaurant tenancies, and two levels of high specification office space. The building also provides basement level parking for 34 cars.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



University Building



76 Symonds Street

Valuation Details	
Valuation	NZ\$10.9 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,142
Valuation per sqm of land	NZ\$8,122
Capitalisation rate (%)	9.00
Property Details	
Net lettable area (sqm) (approx.)	5,088
Land area (sqm) (approx.)	1,342
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
University of Auckland	
Area (sqm)	5,088
NLA (%)	100
Lease Expiry	July 2012
Reviews	3 yearly to market

Location

The property is situated on the eastern fringe of the Auckland CBD within a five minute walk to the centrally located Queen Street. The main campus of the University of Auckland is located a short distance away and the Auckland University of Technology is within reasonable proximity. The property has good access to main arterial roads providing links to the motorway systems and is also in close proximity to public transport facilities, including the new Britomart Transport Development.

Property description

The property comprises a nine level office tower originally completed in 1971, with seven office floors and two levels of parking providing 46 car spaces. The building was refurbished in circa 1995 for educational use. The upper office floors of the building enjoy views over the Auckland port area.

Valuation Details	
Valuation	NZ\$5.55 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,149
Valuation per sqm of land	NZ\$6,160
Capitalisation rate (%)	9.50
Property Details	
Net lettable area (sqm) (approx.)	2,582
Land area (sqm) (approx.)	901
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
University of Auckland	
Area (sqm)	2,582
NLA (%)	100
Lease Expiry	August 2010
Reviews	3 yearly to market

Location

The property is situated on the north-eastern corner of the intersection of Symonds Street, Wakefield Street and Whitaker Place, being a short distance from the main campus of Auckland University, on the southern fringe of the Auckland CBD. The property has easy access to the motorway network, with the southern motorway being approximately 400 metres to the south of the property.

Property description

The property consists of a high-rise office and car park development which was completed in 1975. The building consists of eight office floors and three levels of parking providing 60 car spaces. The upper floors of the building enjoy views to the north of Auckland CBD.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Farmer's Carpark



AIA House

Valuation Details	
Valuation	NZ\$1.55 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per car space	NZ\$33,696
Valuation per sqm of land	n/a
Capitalisation rate (%)	9.00
Property Details	
Number of car spaces	46
Land area (sqm) (approx.)	n/a
Tenancy Profile	
Occupancy (%) ⁽¹⁾	87
Major Tenant	
Number of car spaces	25
Percentage of total car spaces (%)	54
Lease Expiry	February 2012
Reviews	3 yearly to market

Location

The property is situated in a prominent central Auckland location with frontages to Wyndham Street and Hobson Street, being approximately 500 metres to the west of the central Queen Street retail centre and in close proximity to the Viaduct Harbour precinct.

Property description

The property comprises a multi-level car park building incorporating approximately 1,350 car parks and completed in the 1960s. The Property Fund has acquired 46 car parking spaces within the building. 31 car parking spaces are located on the underground basement level (contained within a single title), with the remaining 15 spaces located over levels two and three. The level two spaces are both secured and covered, and the level three spaces are secured but uncovered.

(1) Occupancy is calculated on the number of leased car spaces to the total number of car spaces held.

Valuation Details	
Valuation	NZ\$25.3 million
Valuer	Colliers International
Valuation Date	30 April 2005
Valuation per sqm of NLA	NZ\$2,671
Valuation per sqm of land	NZ\$8,821
Capitalisation rate (%)	8.50
Property Details	
Net lettable area (sqm) (approx.)	9,471
Land area (sqm) (approx.)	2,868
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
Area (sqm)	7,466
NLA (%)	79
Lease Expiry	December 2008
Reviews	3 yearly to market
Inland Revenue	

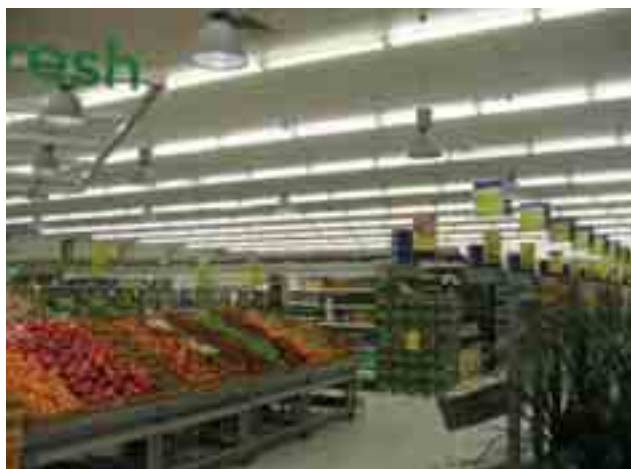
Location

The property is located in the Auckland north shore suburb of Takapuna, approximately eight kilometres from the Auckland CBD. Takapuna is the commercial and retail centre of the Auckland north shore region.

Property description

The property comprises a 17-level office tower completed in 1989, with 13 office floors and four levels of parking providing 189 car spaces. Two of the parking levels also comprise retail accommodation. The building's service core is centrally positioned to the western elevation, providing good natural light and views across urban areas to the ocean.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Howick Shopping Centre



Woolworths Dargaville

Valuation Details	
Valuation	NZ\$11.25 million
Valuer	Colliers International
Valuation Date	18 May 2005
Valuation per sqm of NLA	NZ\$3,232
Valuation per sqm of land	NZ\$1,237
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	3,481
Land area (sqm) (approx.)	9,096
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited⁽¹⁾	
Area (sqm)	3,481
NLA (%)	100
Lease Expiry	June 2020
Reviews	3 yearly to market

Location

The property is located on the corner of Cook Street and Fencible Drive with additional right of way access from Moore Street, in the East Auckland suburb of Howick on New Zealand's North Island. The site is adjacent to the residential areas of Howick, Eastern Beach and Botany Downs. The area comprises strip style retail and larger shopping centres in the surrounding suburbs of Pakuranga and Botany Downs.

Property description

The property comprises of a purpose built supermarket completed in 2004 together with a small retail development comprising seven speciality shops whose lease arrangements form a part of the head lease with General Distributors Limited. Covered and undercover parking is available for 142 vehicles.

(1) 100% of the income from this property is secured by a head lease with General Distributors Limited, which is guaranteed by Progressive Enterprises Limited.

Valuation Details	
Valuation	NZ\$5.22 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$2,458
Valuation per sqm of land	NZ\$475
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	2,124
Land area (sqm) (approx.)	10,992
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	2,124
NLA (%)	100
Lease Expiry	June 2020
Reviews	3 yearly to market

Location

The property is located in the Dargaville commercial area approximately two hours north of Auckland. The property is bounded by Victoria Street to the north west and the Wairoa River to the south east on the northern fringe of the commercial area of Dargaville.

Property description

The property comprises a purpose built, stand alone supermarket with on site 165 car parking spaces contiguous with a site occupied by The Warehouse and adjacent to a river front recreation reserve.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Woolworths Marton



Countdown Oamaru

Valuation Details	
Valuation	NZ\$1.56 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,545
Valuation per sqm of land	NZ\$483
Capitalisation rate (%)	7.50
Property Details	
Net lettable area (sqm) (approx.)	1,010
Land area (sqm) (approx.)	3,231
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	1,010
NLA (%)	100
Lease Expiry	June 2014
Reviews	3 yearly to market

Location

This property is situated in Marton which is located south east of Wanganui and north west of Palmerston North, on New Zealand's North Island. The store is located on the eastern side of the main commercial street of Marton, with a second frontage onto Stewart Street to the rear of the site.

Property description

The property comprises a small provincial supermarket located at the northern end of the main retail strip. The store operates checkouts at both ends of the store and 93 car parks are provided on the Stewart Street frontage.

Valuation Details	
Valuation	NZ\$3.80 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,256
Valuation per sqm of land	NZ\$395
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	3,025
Land area (sqm) (approx.)	9,624
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	3,025
NLA (%)	100
Lease Expiry	June 2017
Reviews	3 yearly to market

Location

This property is located in a prominent location in the central business area of Oamaru. The city of Oamaru is located on the east coast of New Zealand's South Island being approximately 125 kilometres north of Dunedin.

The property has frontages onto Thames Street, Coquet Street and Eden Street and is co-located with The Warehouse property situated between Coquet and Eden Streets.

Property description

The property comprises a stand alone supermarket on a prominent site with 180 car park spaces.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Foodtown Pukekohe



Woolworths Te Awamutu

Valuation Details	
Valuation	NZ\$8.40 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$2,137
Valuation per sqm of land	NZ\$1,198
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	3,930
Land area (sqm) (approx.)	7,014
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	3,930
NLA (%)	100
Lease Expiry	June 2020
Reviews	3 yearly to market

Location

The property is situated on the southern side of Tobin Street with additional access from Seddan Street to the western boundary, in the main commercial area of Pukekohe. Pukekohe is 52 kilometres from central Auckland and 97 kilometres from Hamilton on New Zealand's North Island.

Property description

The property comprises a purpose built, stand alone supermarket with on site car parking for 117 vehicles and is adjacent to additional parking at a council car park.

Valuation Details	
Valuation	NZ\$5.60 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$2,344
Valuation per sqm of land	NZ\$987
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	2,389
Land area (sqm) (approx.)	5,673
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	2,389
NLA (%)	100
Lease Expiry	June 2017
Reviews	3 yearly to market

Location

The property is located to the southern end of the commercial area of Te Awamutu, which is located in the Waikato region on New Zealand's North Island, approximately 30 kilometres to the south of Hamilton on State Highway 21.

The property has a street frontage onto the eastern side of Sloane Street.

Property description

The property comprises a stand alone supermarket on a prominent site in the township of Te Awamutu.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Woolworths Invercargill



Woolworths New Plymouth

Valuation Details	
Valuation	NZ\$3.65 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,582
Valuation per sqm of land	NZ\$338
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	2,307
Land area (sqm) (approx.)	10,803
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	2,307
NLA (%)	100
Lease Expiry	June 2020
Reviews	3 yearly to market

Location

The property is located on a prominent site on the corner of North Road and Durham Street on the northern periphery of the provincial city of Invercargill. Invercargill is located on the southern coast of New Zealand's South Island, being approximately two hours south west of Dunedin.

Property description

The property comprises a stand alone supermarket with 184 car parking spaces.

Valuation Details	
Valuation	NZ\$7.65 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$2,188
Valuation per sqm of land	NZ\$1,288
Capitalisation rate (%)	7.75
Property Details	
Net lettable area (sqm) (approx.)	3,497
Land area (sqm) (approx.)	5,939
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	3,497
NLA (%)	100
Lease Expiry	June 2020
Reviews	3 yearly to market

Location

The property is located to the northern end of the commercial area of New Plymouth with frontage to Courtenay Street and Leach Street. New Plymouth is located in the Taranaki region on the west coast of New Zealand's North Island.

Property description

The property comprises a stand alone supermarket with uncovered and basement car parking providing 176 car spaces. In addition, a large McDonald's Restaurant with neighbouring car park areas adjoins the property.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Woolworths Paeroa



Woolworths Putaruru

Valuation Details	
Valuation	NZ\$2.95 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,621
Valuation per sqm of land	NZ\$778
Capitalisation rate (%)	8.25
Property Details	
Net lettable area (sqm) (approx.)	1,820
Land area (sqm) (approx.)	3,793
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	1,820
NLA (%)	100
Lease Expiry	June 2014
Reviews	3 yearly to market

Location

The property has three street frontages and is located on the main State Highway 2 in the town of Paeroa on New Zealand's North Island, 1.5 hours drive south of Auckland.

Property description

The property comprises a small provincial supermarket with three street frontages with 46 car parking spaces provided to the front of the site.

Valuation Details	
Valuation	NZ\$2.52 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,972
Valuation per sqm of land	NZ\$678
Capitalisation rate (%)	8.25
Property Details	
Net lettable area (sqm) (approx.)	1,278
Land area (sqm) (approx.)	3,715
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	1,278
NLA (%)	100
Lease Expiry	June 2014
Reviews	3 yearly to market

Location

The property is located on a prominent corner on State Highway 1 in the commercial area of the provincial town of Putaruru.

Putaruru is located approximately 50 kilometres to the south east of Hamilton on New Zealand's North Island.

Property description

The property comprises a stand alone supermarket with 53 car parking spaces.

5.5 DESCRIPTION OF SECOND AND THIRD STAGE PROPERTIES (continued)



Woolworths Wanganui

Valuation Details	
Valuation	NZ\$4.10 million
Valuer	Colliers International
Valuation Date	1 June 2005
Valuation per sqm of NLA	NZ\$1,217
Valuation per sqm of land	NZ\$423
Capitalisation rate (%)	8.75
Property Details	
Net lettable area (sqm) (approx.)	3,370
Land area (sqm) (approx.)	9,698
Tenancy Profile	
Occupancy (%)	100
Major Tenant	
General Distributors Limited	
Area (sqm)	3,370
NLA (%)	100
Lease Expiry	June 2017
Reviews	3 yearly to market

Location

The property is located on a prominent site on the corner of Victoria Avenue and Glasgow Street in the provincial city of Wanganui. Wanganui is located on the west coast of New Zealand's North Island and is approximately one hour north west of Palmerston North.

Property description

The property comprises a stand alone supermarket with 182 car parking spaces. The property is subject to a perpetually renewable lease in favour of the Fund (i.e. a leasehold property).

5.6 ACQUISITION OF THIRD STAGE PROPERTIES

On 30 June 2005, the Fund acquired an additional portfolio of 11 retail properties (Third Stage Properties) for NZ\$55.4 million (before costs) on an initial yield of 8.14%. The new portfolio complements the previous two tranches of properties acquired by the Fund in August/September 2004 and May 2005 and has been purchased for an amount slightly below an independent valuation prepared by Colliers International NZ of NZ\$56.7 million.

The Third Stage Properties comprise 10 provincially located supermarkets, known as the Pernik Retail Portfolio, as well as the recently completed Howick Shopping Centre located in Auckland's eastern suburbs.

The Pernik Retail Portfolio comprises supermarkets, branded as Woolworths, Foodtown and Countdown stores, and are located at New Plymouth, Wanganui, Invercargill, Putaruru and Oamaru, as well as in the regional centres of Dargaville, Pukekohe, Paeroa, Te Awamutu and Marton. The Howick Shopping Centre consists of a Foodtown supermarket and seven specialty retailers.

The 11 centres are fully leased to General Distributors Limited (GDL), a wholly owned subsidiary of the ASX listed Foodland Associated Limited, on lease terms ranging from nine to 15 years, providing an average lease duration across the Third Stage Properties of 13.6 years (as measured by income). The Third Stage Properties were acquired at market rents, with lease reviews taking place every three years on a market basis under soft ratchet rent review provisions (refer to Section 13 of the PDS for information on soft ratchet rent reviews). GDL is responsible for paying all operating expenses associated with the Third Stage Properties.

The Third Stage Properties provide an increase in the Fund's average lease duration from 8.1 years to 8.6 years (as measured by income), increase the retail sector weighting from 17.1% to 24.9% (as measured by value) and provide greater geographic diversification for the Fund.

Initially, acquisition of the Third Stage Properties has been fully funded through debt facilities provided jointly by the Commonwealth Bank of Australia, New Zealand Branch and the ANZ National Bank Limited, New Zealand. The debt has been provided in two components:

- (i) a NZ\$35.0 million increase in the Fund's existing senior facility (the Loan described in Section 8); and
- (ii) a new NZ\$20.35 million subordinated debt facility.

The funding cost for both facilities remains the same as under the existing facility. Total debt (including the new subordinated debt) now represents a loan to valuation ratio against the Properties (including the Third Stage Properties) of 67%. The subordinated debt facility is a short term facility which is to be fully repaid within 12 months.

Once repayment is complete the loan to valuation ratio will reduce back to 63% based on current valuations. Repayment will be provided from additional equity subscriptions raised under the PDS through the Manager accepting oversubscriptions of \$23.7 million. In the event that this additional equity is not raised and the subordinated debt is not repaid by 30 June 2006, then:

- the banks have a right to impose a cash flow "lockup" in relation to the Properties (including the Third Stage Properties) to repay the subordinated debt (which means income from the Properties will go to the lender and distributions will not be paid to Unitholders, until the debt is discharged); and
- the banks may require the Fund to pursue asset sales to effect the repayment.

The Manager is confident this repayment mechanism will not be activated, on the basis that:

- the fund raising under the PDS is proceeding well and the Manager is confident the additional required equity will be raised; and
- the Manager is confident it will have the ability to source and enter into new refinancing arrangements to repay the subordinated debt facility, in the unlikely event this is required.

As the Third Stage Properties were acquired on 30 June 2005, the acquisition will have no impact on the Fund's financial performance for the year ended 30 June 2005. For the year ended 30 June 2006, the forecast yield on new Units issued under the PDS (at a price of \$1.07 per Unit) will remain unchanged at 8.88% and the tax deferred distribution for that period will remain unchanged at 100%. The Net Tangible Asset (NTA) backing per Unit in the Fund will also be unaffected by the acquisition, and will remain at \$1.00 per Unit.