

We are pleased to provide this update for the Fund for the period to 31 March 2010.

The commercial real estate market continues to recover as consumer and business confidence improves and the unemployment rate starts to fall.

Highlights and key points

- The Fund continues to maintain quarterly distributions at 2.29 cents per unit, with the March 2010 quarter distribution paid on 28 April 2010.
- Suite 1 at Purdy Place, Canning Vale in Western Australia has now been leased to A Colquhoun and Son Pty Ltd for five years, with a five year option – taking occupancy across the portfolio to approximately 95%.
- The only remaining vacancy in the portfolio is in Suite 2 at Purdy Place, Canning Vale in Western Australia, and there is steady enquiry for this tenancy.
- Management has agreed terms with E D Coates Pty Ltd to extend their lease at Lionel Street, Navel Base in Western Australia for a further two years until June 2012. This was the only lease expiry across the portfolio for the 2010 calendar year and, therefore, extending this lease will enhance the financial position of the Trust.
- The loan facility with National Australia Bank has now been agreed with the key terms of the new facilities, as reported last quarter, as follows:
 - 2 year term expiring 31 December 2011
 - Facility limit of \$23 million
 - Financial covenants remain unchanged

Portfolio statistics

The portfolio remains well diversified geographically, by tenant and by rent review type, with the charts on the following page highlighting this diversification.

With a weighted average lease term of 4.0 years, the Fund has a secure income base from which to manage expiries as they arise and continue to pay distributions to unitholders.

The diversification across rent review type provides the Fund with a stable and growing income base through structured annual rent increases, while also capturing increases in market rental on a periodic basis.

Peet Income Property Fund

ARSN 113 746 615
ABN 65 355 468 412

Responsible Entity Peet Limited

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AFSL 225772

Registered Office Perth

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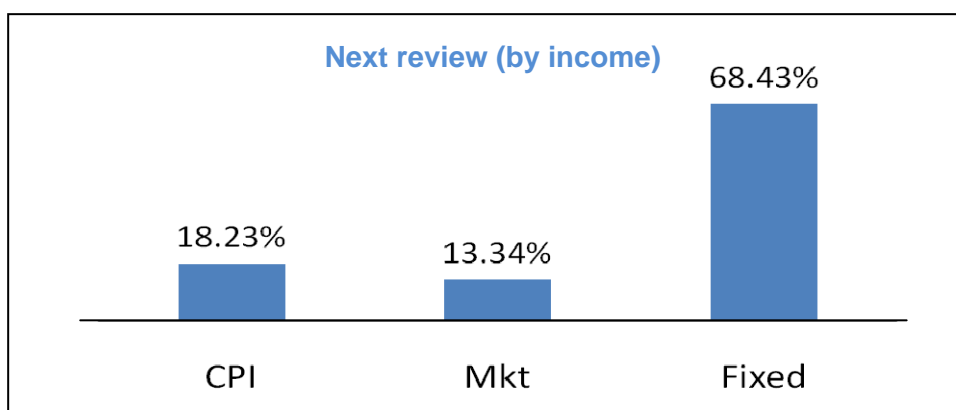
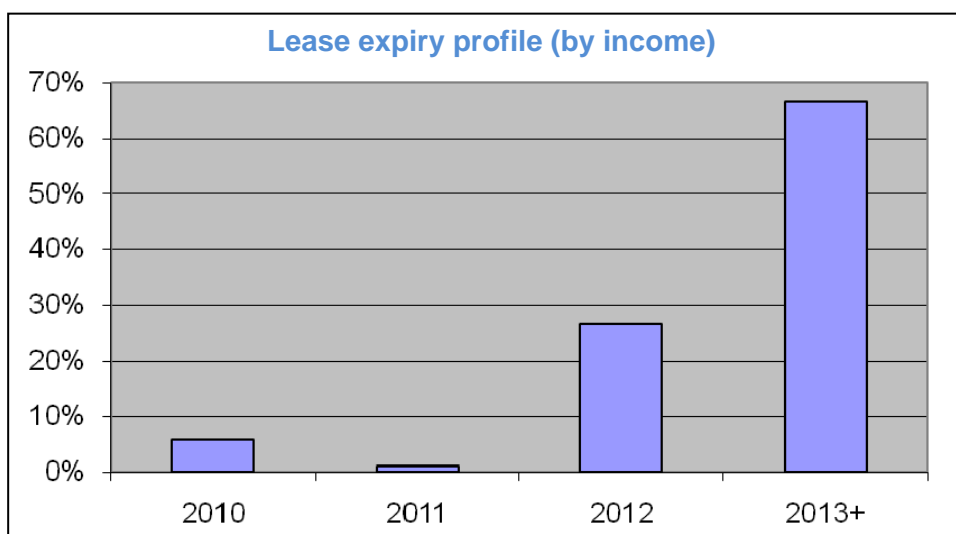
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PEET INCOME PROPERTY FUND

MARCH 2010

Portfolio statistics



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Liquidity facility

In accordance with the Prospectus, a redemption opportunity will be available to unitholders for a six month period commencing on 1 July 2010. Redemption of units will then occur in the first quarter of the 2011 calendar year.

The level of requests for redemption will determine how funds are sourced to satisfy the redemption requests. Peet will send this redemption offer out to all unitholders in June 2010 and will provide updates on the strategy to meet redemption requests in future *Fund Updates*.

Debt ratios (as at 31 March 2010)

Gearing ratio	39.5%
Gearing covenant	50%
Interest cover	2.75 times
Interest cover covenant	1.75 times

Outlook

Management continues to focus on leasing the vacant suite at Purdy Place, Canning Vale in Western Australia.

The improvement in real estate markets across Australia provides confidence that valuations across the portfolio should in general be in line with 2009 valuations.