

**We are pleased to provide this update for the period to 30 September 2010.**

As detailed in the letter to Unitholders, dated 30 June 2010, the Board of the Responsible Entity has decided to wind up the Fund through the sale of the property portfolio. This process is anticipated to take at least 12 months but Unitholders will continue to receive distributions until the last properties are sold.

The first sale was negotiated this quarter and settled in late October 2010 in respect to 15 Brandl Street in Queensland. The sale was achieved to a related party of the tenant for \$7.25 million, which was approximately 28 per cent above the 30 June 2010 valuation. This strong outcome was possible due to the long lease and specialist nature of the operations undertaken within the building.

**Highlights and key points**

- The Fund continues to maintain quarterly distributions at 2.29 cents per unit, with the September 2010 quarter distribution being paid on 28 October 2010.
- Suite 2 at Purdy Place in Canning Vale, Western Australia is the only remaining vacancy in the portfolio. Leasing enquiries for the suite remain steady and management is hopeful that a lease can be negotiated and finalised within the next six months.
- Management is in negotiations with the tenant at Western Avenue in Tullamarine, Victoria to exercise their option, which would extend the lease expiry by five years until 2017 and enhance the sale value of this property.
- Management continues to review all the properties in the portfolio for opportunities to maximise the potential sale price for each property.

**Debt ratios (as at 30 September 2010)**

Gearing ratio	42.83%
Gearing covenant	50%
Interest cover	2.86 times
Interest cover covenant	1.75 times

**Peet Income  
Property Fund**

ARSN 113 746 615  
ABN 65 355 468 412

**Responsible Entity  
Peet Limited**

ABN 56 008 665 834  
AFSL 225772

**Registered Office  
Perth**

Level 7  
200 St Georges Terrace  
Perth WA 6000  
Tel (08) 9420 1111  
Or 1800 673 222  
Fax (08) 9481 4712

**Internet**

[www.peet.com.au/property-pipf.asp](http://www.peet.com.au/property-pipf.asp)

**Email**

[pipf@peet.com.au](mailto:pipf@peet.com.au)

## PEET INCOME PROPERTY FUND

### Outlook

Management continues to explore ways to maximise the return to Unitholders through the wind up of the Fund.

The initial sale of the 15 Brandl Street in Queensland provides a strong return to investors from this investment, however the property market remains subdued and management is actively managing each property to ensure it maximises the sale price for remaining portfolio.

Discussions have commenced in relation to a potential transaction for the whole portfolio, which it is believed would maximise value for all investors.

We will continue to provide updates on the sales process to Unitholders on a quarterly basis.

**Brendan Gore**  
Managing Director  
Peet Limited

**Peter Dumas**  
Head of Funds Management  
Peet Limited

### Peet Income Property Fund

ARSN 113 746 615  
ABN 65 355 468 412

### Responsible Entity Peet Limited

ABN 56 008 665 834  
AFSL 225772

### Registered Office Perth

Level 7  
200 St Georges Terrace  
Perth WA 6000  
Tel (08) 9420 1111  
Or 1800 673 222  
Fax (08) 9481 4712

### Internet

[www.peet.com.au/property-pipf.asp](http://www.peet.com.au/property-pipf.asp)

### Email

[pipf@peet.com.au](mailto:pipf@peet.com.au)