



Commercial Office Fund

Investment objective

To provide regular partly tax-deferred income with moderate capital growth over the long term.



Investment benefits

- A geographically diverse portfolio of quality commercial office properties across Australia and New Zealand.
- A balanced lease expiry profile with a portfolio that is currently 98% leased, providing stability of income flows.
- A diverse tenancy mix of reputable tenants with long leases to deliver stable, regular income that is partly tax-deferred, with some capital growth potential.

Investment strategy

Geographic diversification: We target a broad geographic spread of assets across Australia, and to a lesser extent, offshore office markets.

Tenant diversification: We actively seek high quality, reputable tenants from a variety of industries to occupy properties within the Fund to aid stability and reliability of income.

Lease structuring: We seek to negotiate long leases to help provide consistency of income over time, with annual rental increases generally built in to protect against inflation.

Performance*

As at 30 June 2008	Distribution yield ¹ (% p.a.)	Capital growth ² (% p.a.)	Total return ³ (% p.a.)	Tax-deferred proportion ⁴ (%)
1 year	7.20	2.43	9.63	66
2 years	8.14	9.70	17.84	83
Since inception (October 2005)	8.52	7.19	15.71	89

¹ The distribution yield is equal to the total return less capital growth, assuming reinvestment of distributions.

² The capital growth is the change in Unit Price, annualised for the relevant period.

³ The total return is equal to the change in Unit Price including reinvestment of distributions, annualised for the relevant period.

⁴ The tax-deferred proportion relates to the distribution received. It does not apply to the capital growth component of the total return. Figures are for the relevant period ended 30 June 2008.

* Past performance is no indication of future performance.



Fund features

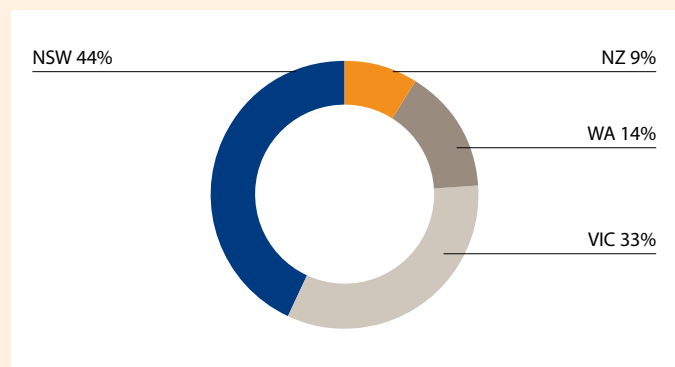
Fund commenced	October 2005
Fund structure	Unlisted, open-ended
Total asset value	\$638 million (at 30 June 2008)
Minimum investment	\$10,000
Minimum additional investment	\$1,000

Portfolio (as at 30 June 2008)

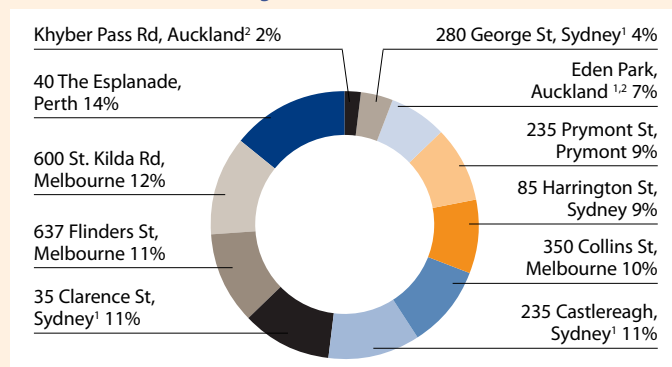
The Fund comprises quality commercial office properties across Australia and New Zealand including:

637 Flinders Street, Melbourne	This building forms part of the World Trade Centre and is leased to Victoria Police.	233 Castlereagh Street, Sydney	This refurbished building includes major tenants Moray and Agnew, Copyright Agency and General Pants. It is 50% owned by the Fund.
600 St Kilda Road, Melbourne	This property is a 15 level A grade office building, with major tenants including Aker Kvaerner, Wilson Parking and Newcrest.	85 Harrington Street, Sydney	This well maintained building (approx. 8,062m ²) is located in the heart of The Rocks precinct and is fully leased, with QBE occupying over 95%.
350 Collins Street, Melbourne	This prominent property is a 17 level office tower. Tenants include Citigroup, Collins Street Business Centre and Austock.	40 The Esplanade, Perth	This 16 level A grade office building is located in the Perth CBD. Major tenants include Wesfarmers, Landcorp and Togsak. Sale contracts were entered into on 11 August 2008 and the anticipated settlement date is 1 October 2008.
35 Clarence Street, Sydney	This well located property is 100% leased, with major tenants including George Patterson, Permanent Trustee and Hanson Australia. It is 50% owned by the Fund.	414-422 Khyber Pass Road, Auckland	This six level A grade office property is located near the commercial area of Newmarket. Major tenants include Axon and Cock & Bull restaurant.
235 Pyrmont Street, Sydney	This eight level office building is located in Sydney's Darling Harbour precinct. Tenants include John Holland Construction, Village Roadshow, L'Oreal and News Ltd.	Eden Business Park, Mt Eden, Auckland	This Business Park comprises five office buildings with a net lettable area of approximately 22,000m ² . It is 50% owned by the Fund.
		280 George Street, Sydney	This 15 storey office tower recently underwent refurbishment and is located in the Core City precinct of Sydney CBD. It is 50% owned by the Fund.

Geographic allocation



Investment by value



1 Commercial Office Fund owns 50% of these properties.
2 Exchange rate of NZ\$1.00 = AU\$0.7931 taken as at 30 June 2008.

Fund fees

- There are no establishment, withdrawal or termination fees applicable to the Fund.
- A contribution fee of up to 5.125% crystallises as part of the buy/sell spread when an investor withdraws units from the Fund. This means that the full application amount goes to your issue of units.
- A management fee of up to 1.025% p.a. is applicable.

For the complete fee structure, please refer to the Fund's Product Disclosure Statement.

At Orchard, our core business is property funds management. With over \$3.5 billion in funds under management, our experienced investment specialists design funds to meet clear investment goals. Orchard's strategy couples innovation with reasoned and measured management. For more information contact us on 1800 008 494 or visit www.orchardfunds.com

All figures as at 30 June 2008.

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