

Valuations Q & A

Why are assets/properties revalued?

Asset revaluations form an integral component of the overall management of all funds. Within direct property portfolios, revaluations are critical to the overall risk management process.

How does SAITeysMcMahon value assets/properties?

Product disclosure statements (PDS) for SAITM funds clearly outline the valuation methods and policies for our funds. Generally, the value of an asset will be the most recently assessed market price for the asset, unless SAITM considers that there is no market for an asset /property or the market price does not represent the asset/property's fair value.

How often are assets/properties revalued?

The timing of asset/property valuations is generally agreed between the fund manager, the bank and other key stakeholders. A valuation timetable will be indicated as part of the fund strategy.

- Independent valuations will take place at least every three years.
- Director's valuations will be undertaken at least annually or more frequently if required.
- Revaluations are often requested by the banks supplying the loans, as part of their due diligence process.
- *Asset/property revaluations will be staggered where feasible. Valuations are staggered to avoid, as far as possible, undue fluctuations in the unit price of the fund.*

How do asset/property revaluations impact investors?

If there is an increase or decrease in the value of any asset/property in a fund, the change is reflected directly in the unit price, as outlined in the PDS.

What is the precise nature of the revaluations for the Commercial Office Fund?

Selecting quality properties has been instrumental in increasing value across the portfolio, regardless of where the property is located. In accordance with our valuation policy, we have adopted new valuations in relation to each property that was acquired by the Fund more than 12 months ago. In addition, although it was only acquired some 6 months ago, we have adopted an increased valuation on our property at 40 The Esplanade Perth as this property has experienced stronger than anticipated rental growth in the intervening period. The respective values of the following properties as at 30 September 2005 is therefore as follows:

- | | | |
|--|---------------|--------------|
| • 40 Tank Street, Brisbane | up \$3.25m to | \$35m |
| • 637 Flinders Street, Melbourne | up \$4m to | \$75m |
| • 369 Ann Street, Brisbane | up \$750k to | \$25m |
| • 40 The Esplanade, Perth (Wesfarmers house) | up \$2.5m to | \$50m |

What is the current unit price for the Commercial Office Fund?

The unit price has been positively revalued at \$1.0493, effective 1 October 2006.

Will the price change again?

The unit price will change as and when we revalue either the assets listed above, or other properties that have been purchased by the Fund. This generally occurs approximately 12 months after their

purchase, or sooner if we have reason to believe that the value has changed materially, or if it is in the best interests of investors to vary our valuation timetable. An important feature of the current portfolio of the Fund is that properties have generally been purchased at various times throughout the year, which means that our revaluations will generally be evenly timed in the future.

Important Notice

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