

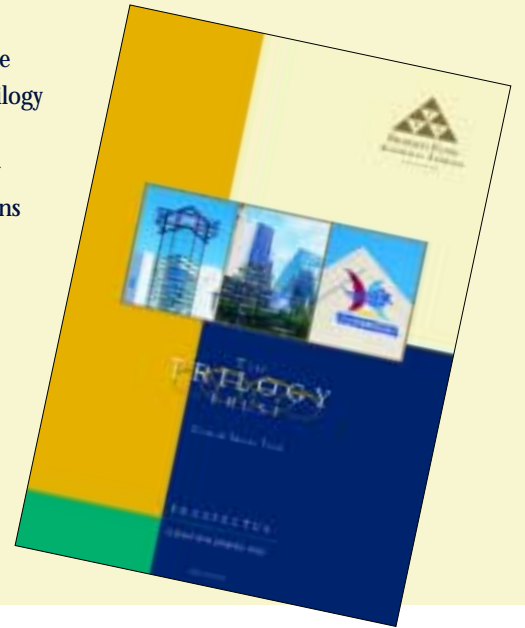
# MEET THE TROPOLITAN



## Our Latest Fund Just Released

Our new fund – “The Trilogy Trust – Diverse Sector Fund” has just been launched. The Trilogy Trust is a diversified fund of three properties offering participation in six different property sectors in two cities. It has forecast distributions commencing at 10%p.a. If you would like further information about The Trilogy Trust please contact your financial adviser.

THE  
TRILOGY  
TRUST



## CHANGING YOUR BANK DETAILS OR MOVING

Don't forget to let us know

To ensure that you keep receiving your monthly income distributions don't forget to advise us if you change your bank account details in order that the electronic credit distribution system does not reject the transfer. Likewise, if you are changing your mailing address (as shown on the Syndicate or Trust Registers) we need to be notified.

Any changes need to be notified to us in writing and signed by the applicant/s who signed the original application form.

for further  
information contact:

### Bronwyn Risk

Level 23, Central Plaza 2,  
66 Eagle Street, Brisbane Q. 4000  
PO Box 10398, Brisbane, Adelaide St. Q. 4000  
Tel: (07) 3221 7170 • Fax: (07) 3221 6729

[info@pfaltd.com.au](mailto:info@pfaltd.com.au)  
[www.pfaltd.com.au](http://www.pfaltd.com.au)

## TAX RETURN TIME

You should now be in receipt of your Distribution Summary which contains all the necessary information to complete your tax return.

Please read this notice carefully prior to completing your tax return or pass it onto your accountant or tax agent.

## WANT TO KNOW MORE ABOUT US?

Why not visit us on our website [www.pfaltd.com.au](http://www.pfaltd.com.au) and discover amongst other things:-

- recent property news and our views on it;
- a history of your fund and latest investor updates;
- our current offers;
- the services that we provide.

## INVESTOR SERVICES PERSONNEL

Who to contact?

If you have any queries about your investment, please contact our Manager - Investment Services, Bronwyn Risk or Mary Gallegos.

# THE METROPOLITAN

an Investor Update

ISSUE No.5

## ANZAC SQUARE UPDATE

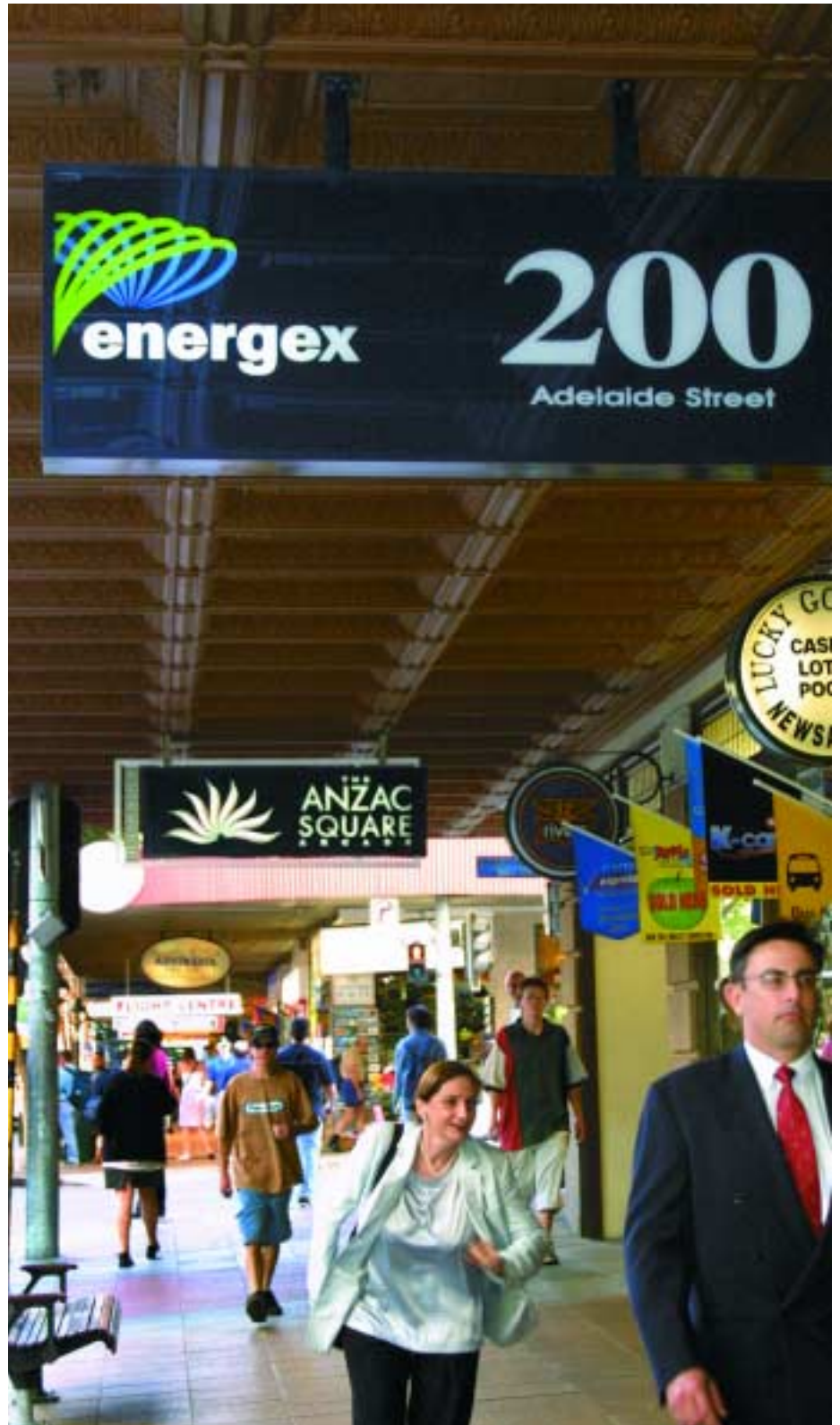
### Energex Looks to Extend Lease Term

Negotiations are currently occurring with Energex in respect of an extension of their lease of three floors by a further four years through to June, 2008. A consequence of this will be the Fund's agreement to a surrender of one floor of the Energex lease. Given the current shortage of prime space in the Brisbane CBD, we believe this transaction will be beneficial to the Fund and increase value. Lease negotiations are already under way for half of the proposed surrender space.

### Heritage Corridor Update

Last year's Annual Report and August Investor Update made mention of necessary government approvals having been obtained for the use of the heritage corridor as a café and coffee shop. We are pleased to advise that after some 'stop/start' negotiations, lease documentation is currently being finalised with a coffee shop operator for this space. The tenant is working within the original design concepts that we provided for the tenancy. The Fund will have to carry out certain works to enable the space to be utilised for this preferred usage. If finalised, it is expected that an increase in property value of \$200,000 (approx.) could possibly occur given that this space (when the property was originally valued) was attributed to storage space only.

*Energex signage, Adelaide Street entrance to Anzac Square Offices*



## BOARD CHANGES



We are pleased to advise of the recent appointment of Elizabeth Pidgeon and Matthew Madsen to the Board of Directors of PFA.

Matthew is the Director in charge of the funds management operations of PFA having joined PFA in 1998. We will profile Matthew in forthcoming editions.

Liz has been involved in the property industry for 15 years culminating in her gaining industry recognition as President of the Property Council of Australia (Qld), the industry's peak body.

Liz's property career started in agency with Richard Ellis before she became a director of F.A. Pidgeon & Son Pty Ltd, one of Queensland's major construction and development companies in the 1980's and 1990's.

Her professional time is now principally spent as executive director of Cornerstone Properties Limited and on a number of boards and charitable committees.

Liz brings to us property development experience and broad industry contacts.

As pleased as we are to announce these appointments, we are conversely disappointed to advise of the retirement of Mr Rod Keown as a Director of PFA. Rod's contribution to PFA and the funds under its management have been substantial. Rod's involvement in his other business interests have reached the stage where they are precluding his ongoing contribution at a board level. His guidance and input will indeed be missed. We are sure that he will continue as a friend of PFA and provide occasional guidance where necessary.

## THE METROPOLITAN COLLEGE

### MACGREGOR PROPERTY – 544 KESSELS ROAD



*Body Bronze interior at MacGregor Property*

#### Development Options Close to Conclusion

As previously advised, potential changes have been considered for the MacGregor property and we are now close to finalising our conclusions on the revised development concept for this property. Development approval for the refurbishment and expansion of the site is also expected to issue shortly.

As you would be aware from the last investor update, the new development concept would involve the demolition of the old Chandlers building. The demolition of the Chandlers tenancy is considered necessary because of its age, outdated appearance and its visual obstruction of any future improvements to be built at the rear of the site.

To enable this project to proceed in a manner consistent with prospectus representations, it is necessary that agreements to lease are finalised. We are currently finalising documentation with four tenants.

As part of the redevelopment it would be necessary to temporarily relocate two tenancies being Tracksons Lighting and the MacGregor Café. One remaining unit in Building 1 is currently being left unlet to accommodate Tracksons Lighting during the proposed redevelopment phase.

**We will not commit to any redevelopment concept until such time as there is minimal risk to investors from such a course of action.**

#### Two New Leases of Building 1

The last investor update stated that we were hopeful that by the end of the financial year only one unit in Building 1 would not be subject to an agreement for lease or lease. We are pleased to advise that this objective has been met.

Two new lettings not previously reported to you include:-

- two units being leased to Sanofi Synthelabo, an international pharmaceutical company of some stature. It is one of the world's top 20 pharmaceutical groups with a presence in more than 100 countries and almost 30,000 employees worldwide. It had a stock market capitalisation of almost \$52 billion Euro as at 31 December, 2000. Sanofi Synthelabo are using these units as a distribution warehouse for their pharmaceutical products as well as their marketing and sales offices. The lease is for 493m<sup>2</sup> with a six year term.
- a five year lease of one unit to Body Bronze. Body Bronze is a sun tanning salon operation carrying out ultraviolet tanning in 31 locations throughout Australia. The attraction to them of being located at 544 Kessels Road is its physical proximity to BJ's fitness centre which immediately adjoins the 544 Kessels Road property on the eastern side. This enables Body Bronze to trade off the clientele who attend that fitness centre.

The Precinct – Coorparoo



We have upgraded the signage and lighting ambience of this property to attract the attention of passing traffic, give

the property further identity as well as promote a more village like atmosphere in this area.



THE METROPOLITAN

OFFICE SPACE SHORTAGE HITS BRISBANE CBD

The Brisbane CBD is Australia's third largest CBD office market and at the present time vacancy rates are at historically low levels. Most property research analysts expect that these low levels will essentially remain until 2004.

Anzac Square Offices fit in the A Grade category of office building. Currently, the A Grade vacancy rate is 3.1%. This is below effective full occupancy which is generally considered to be between 5% and 7%. As a benchmark, it is generally considered that a vacancy rate of around 8% is an average for a market, that is, a healthy level that implies equilibrium between supply and demand.

It is therefore anticipated that the relative scarcity of prime office accommodation is expected to underpin the rental growth for office properties such as the Anzac Square Offices over the next two years as the current additions or new supplies to the market will not fully satisfy tenant demand.

The graph below indicates the declining vacancy rates and increasing net effective rental forecast in this market by LandMark White, a recognised valuation and property research organisation.

