

Perennial Australian Listed Property Securities Trust

Monthly Report as at 31 July 2010

	Month %	3 Months %	FYTD [^] %	1 Year %	3 Years % p.a.	5 Years % p.a.	SI ^{^^} % p.a.
Perennial Australian Listed Property Securities Trust*	1.3	-3.3	1.3	21.0	-20.2	-	-10.5
S&P/ASX 200 A-REIT Accumulation Index	1.0	-3.9	1.0	18.8	-22.3	-	-11.5
Value Added (Detracted)	0.3	0.6	0.3	2.2	2.1	-	1.0
Net Performance	1.2	-3.4	1.2	20.3	-20.6	-	-10.8

* Gross Performance. [^]Financial Year to Date. ^{^^} Since Inception.

- The Trust returned 1.3% for the month, outperforming the Index by 0.3%.
- The main contributor to performance was the Trust's overweight position in Thakral and underweight positions in Charter Hall Office REIT and Charter Hall Retail REIT.
- The main detractors to performance were the overweight position in Goodman Group and the underweight position in Abacus Property Group.

The Perennial Australian Listed Property Securities Trust (the Trust) returned 1.3% for the month, outperforming the S&P/ASX 200 A-REIT Accumulation Index (the Index) by 0.3%. The main contributor to performance was the Trust's overweight position in Thakral and underweight positions in Charter Hall Office REIT and Charter Hall Retail REIT. The main detractors to performance were the overweight position in Goodman Group and the underweight position in Abacus Property Group.

The Index was up 1.0% for the month of July. Reporting season began slightly earlier this year, with Australand Property Group reporting its half year results at the end of July. Results were in line with expectations and consistent with expectations for other developers. It is anticipated that the second half of 2010 will be solid, with a much higher level of work in progress, underpinning residential earnings for the second half of this year.

The best performers over the month were ING Industrial Fund (up 18.7%), Dexus Group (up 5.8%) and Abacus Property Group (up 5.2%). During the month, Goodman Group confirmed speculation that it was interested in acquiring the management rights to the ING Industrial Fund, but that there was no certainty this would result in a transaction.

The worst performers over the month were Charter Hall Retail REIT (down 3.6%), Goodman Group (down 3.2%) and Charter Hall Office REIT (down 2.0%).

Perennial Australian Listed Property Securities Trust Facts:

The Trust aims to grow the value of your investment over the long term through a combination of capital growth and income, by investing in a broad selection of Australian property investments. The Trust aims to provide a total return (after fees) that exceeds the S&P/ASX 200 A-REIT Index measured on a rolling three-year basis.

Portfolio Manager:
Stephen Hayes

Risk Profile:
Medium to High

Fund FUM
(as at 30/06/10):
AUD \$5.5 million

Income Distribution Frequency:
Half yearly

Team FUM
(as at 30/06/10):
AUD \$2.7 billion

Minimum Initial Investment:
\$25,000

Trust Inception date:
March 2006

APIR code: IOF0079AU

Did you know?

75% of Thakral Holdings earnings come from its long term ownership of Australian hotels. It currently owns over 2,500 hotel rooms, strategically located on the eastern seaboard of Australia.

Other news in July included:

- Charter Hall Retail REIT announced the sale of its Milan asset for €118.5 million and will receive €45.8 million after the transfer of asset level debt. Balance sheet gearing will be reduced by 3% post this transaction.
- GPT Group announced the sale of a non core asset of mezzanine loans in a US multi family portfolio for US\$20 million, which is US\$3 million above book value. The mezzanine position was originally acquired through the Group's Hamburg Trust Platform sold last year.
- GPT Group announced plans for a AUD 60 million development at 7 Parkview Drive, Sydney Olympic Park. A 12,200sqm A grade campus style office with a 6 star green rating is planned. This will be the first to be built in metropolitan Sydney. The development is expected to yield 8.5% and deliver an unlevered IRR of 12.5%. Development is to commence August 2010, with an estimated completion of early 2012. The site has approval for a total of 60,000sqm of campus style office space, which includes three campus buildings totalling 42,000sqm.
- Abacus Property Group (ABP) in conjunction with the Kirsh Group acquired the Birkenhead Shopping Centre and marina in Drummoyne for AUD 174 million. ABP will have a 50% interest in the property and will provide all property management and development services to the centre. Settlement is to occur in late 2010, with AUD 45 million of the purchase price to be funded by the vendor as a three year interest free loan. The acquisition yield on the property is about 8%. The centre has recently undergone a AUD 50 million refurbishment program. Further leasing and development is expected to increase this yield.
- Charter Hall launched a new retail fund, Charter Hall Direct Industrial Fund, targeting retail investors and is hoping to raise a minimum of AUD 14.2 million in equity. The fund will be seeded by an asset located in Altona North, Melbourne which is tenanted by Toll Holdings for a 15 year period valued at AUD 23.2 million on an initial yield of 8.6%.

During the month, some of the Trust's exposure was reduced to Goodman Group and GPT Group, and increased its position in the CFS Retail Trust.

Asset Allocation as at 31 July 2010

Stock Name	% of Portfolio
Retail	59.4%
Office	14.3%
Industrial	10.8%
Hotel	1.9%
Residential investment	0.1%
Residential development	5.4%
Infrastructure	0.0%
Construction	0.0%
Funds management	6.0%
Other	2.1%
Total	100%