

THE PARK ROAD PROPERTY TRUST
ARSN 090 700 780

ASIC Regulatory Guide 46
31 March 2010



FUNDS MANAGEMENT

DISCLOSURE PRINCIPAL 1: GEARING RATIO

The gearing ratio for the Trust is calculated as follows:

$$\text{Gearing ratio} = \frac{\text{Total interest bearing liabilities}}{\text{Total assets}}$$

- As at 31 March 2010: 8.71%

DISCLOSURE PRINCIPAL 2: INTEREST COVER

The interest cover for the Trust is calculated as follows:

$$\text{Interest Cover} = \frac{\text{EBITDA} - \text{unrealised gains} + \text{unrealised losses}}{\text{Interest expense}}$$

- As at 31 March 2010: 8.85 times

DISCLOSURE PRINCIPAL 3: SCHEME BORROWING

Details of the Trust borrowings as at 31 March 2010 are as follows:

Debts due in	Amount of Facility	Amount Utilised	Amount Unutilised	Maturity Date
Less than 1 year	\$3,250,000	\$2,858,300	\$391,700	31 January 2011
1 – 5 years	\$0	\$0	\$0	N/A
5 years+	\$0	\$0	\$0	N/A

The Constitution of the Trust restricts borrowings (including other liabilities) not to exceed 66 2/3rd percent of the net asset value of the fund.

The above loan facility is secured by a first ranking registered mortgage over the Trust's investment property. No loan covenants have been breached during the term of the facility.

DISCLOSURE PRINCIPAL 4: PORTFOLIO DIVERSIFICATION

As disclosed in the Product Disclosure Statement dated 2 May 1989, the Trust was established as a single property investment trust. The Trust Constitution provides that no other real property can be acquired without the approval of the majority of unitholders (in General Meeting) and that no real property assets can be sold without similar approval.

The investment property of the Trust consists of land and building situated at 33 Park Road, Milton, Queensland. The property was acquired by the Trust on 30 June 1989 at a total cost of \$15,613,978 comprising the purchase price of \$14,900,000 and acquisition costs of \$713,978.

The latest independent valuation of the property was prepared at 31 March 2010 by Mr J Apted, Jones Lang LaSalle, at a value of \$32,000,000. The valuation approach was based on a discounted cash flow, capitalisation and direct comparison approach. Capitalisation rate 8.5%.

Available lettable area is 7,052 m² (excluding car park and signage) with current occupancy 99.4%. The lease expiry profile is as follows:

Period	# of leases	Aggregate area (m ²)
Less than 1 year	-	-
2 – 3 years	8	1,477
3 – 5 years	10	5,346
5 years+	1	189

DISCLOSURE PRINCIPAL 5: VALUATION POLICY

Under the provisions of the Constitution, the investment property of the Trust is to be independently valued at least every twelve months by an independent registered valuer.

The valuations are based on the price at which the property might reasonably be expected to be sold as at the date of the valuation assuming:

- (i) a willing, but not anxious, buyer and seller;
- (ii) a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to the market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued;
- (v) that the Trust has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
- (vi) that the Trust has sufficient resources to negotiate an agreement for the sale of the property.

DISCLOSURE PRINCIPAL 6: RELATED PARTY TRANSACTIONS

It is the policy of the Responsible Entity that all related party transactions are approved and conducted on the basis of normal commercial terms and conditions. Transactions and balances are monitored by maintenance of a related parties register. Details of transactions and balances with related parties are as follows.

Directors of DDH Graham Limited, the Responsible Entity of the Trust, are DDH Graham, PB Lockhart and UC Di Girolamo.

Remuneration of the directors is paid directly by the Responsible Entity. The directors are not provided with any remuneration by the Trust itself. Directors are not entitled to any equity interests in the Trust, or any rights to or options for equity interests in the Trust, as a result of the remuneration provided by the Responsible Entity.

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the directors or their personally-related entities at any time.

The current relevant interests of each director in the unit capital of the Trust is set out below:

Director	Number Held
DDH Graham	25,000
P B Lockhart	20,000
U C Di Girolamo	100,000

No director has entered into a contract for services with the Trust and there are no contracts involving directors subsisting.

DDH Graham Limited has no units either directly or indirectly in the Trust.

DDH Graham Limited receives a fee in its capacity as Responsible Entity in accordance with the Constitution of the Trust.

Suncorp Metway Insurance Limited and Graham & Company Limited, as controlled entities of Suncorp-Metway Limited, are considered related parties as together they hold in excess of 50% of the issued units of the Trust and receive associated distributions.

Insurance for the Trust's investment property is provided by Suncorp Metway Insurance Limited on normal commercial terms and conditions. Insurance is paid by the tenants.

A loan facility with a limit of \$3,250,000 on normal terms and conditions has been established with Suncorp-Metway Ltd and is secured by a first ranking registered mortgage over the Trust's investment property.

The following units are held directly or beneficially by these parties:

	Number Held
Suncorp Metway Insurance Limited	7,924,992
Graham & Company Limited	6,710,000

Pursuant to separate Agreements between the Responsible Entity and Suncorp Metway Insurance Limited, dated 26 April 1989, and Graham & Company Limited, dated 18 August 1997, Suncorp Metway Insurance Limited and Graham & Company Limited have undertaken to purchase any units in respect of which the Responsible Entity receives a buy back request pursuant to Part 7 of the Trust Constitution.

DISCLOSURE PRINCIPAL 7: DISTRIBUTION PRACTICES

The Responsible Entity ensures that the Trust distributes, in full, its taxable income. At each distribution period, the Responsible Entity, in accordance with the Constitution, determines the appropriate levels of depreciation and capital write-off allowances that may also be distributed. Distributions are made half-yearly.

DISCLOSURE PRINCIPAL 8: WITHDRAWAL ARRANGEMENTS

Under the Constitution of the Trust, unitholders are given the right to withdraw from the Trust.

Following a withdrawal request, the full current value is to be paid to the unitholder within 60 days. However, if payment is required within 30 days the units are to be paid at 90% of current unit value.