EA Securities

C & P

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C & P North East Australia Development Fund

Unit Holders Property Report June Quarter 2009

Information Table

(Updated to 30 June 2009, unaudited management accounts)

Gearing Ratio	**0.55** - The funds policy is to be within the .5 - .7 range, with short term variations based on stages in property value add process.
Interest Cover	**1.95 times** - The fund aim is to maintain an interest cover above 1.5 times over the medium term.
Scheme Borrowings;	

Lender	Security Assets	Principal	Annual Interest Rate	Commence	Expiry
(Sub trust – C & P Gold Coast Property Fund)					
Perpetual ACF Colonial First State Fund	Centremark Sth Tweed	$4.5M	6.3% Variable	31/3/06	30/7/09
	Centremark Sth Tweed	$1.38M	6.3% Variable	8/5/07	30/7/09
Perpetual ACF Perpetual Inv Fund	Centremark Nerang Riverside	$6.93M	8.15% fixed	7/3/07	7/3/10
	Centremark Nerang Riverside	$669,240	9.45% fixed	7/5/08	7/3/10

	<table><tr><td>Perpetual ACF Perpetual Inv Fund</td><td>Centremark Withcott Town Centre</td><td>$1.435M</td><td>8.95% fixed</td><td>7/5/08</td><td>7/5/11</td></tr><tr><td colspan="6">(Sub trust – C&P Hervey Bay Property Trust)</td></tr><tr><td>Perpetual ACF Colonial First State Fund</td><td>31 Main St and 37 Main St</td><td>$714,600</td><td>7.15% variable</td><td>31/10/05</td><td>1/11/10</td></tr></table>
Portfolio Diversification	The funds intentions as outlined in the PDS is to acquire value add growth assets in the commercial / retail / service sector in growth regions on North East Australia. To date we have 4 centres geographically spread across the regions of NSW Northern Coastal Border town of Tweed Heads, South East Queensland Corner regional centre of Nerang, Hervey Bay Qld and Brisbane/Ipswich/Toowamba regional Development Corridor - township of Withcott. These are all medium sized service centres with a range of tenant mix spread across commercial, health & community service providers, a mix of small food and broad based retailers. Tenant lease mix of 1,3, 5 & 10 year leases plus options. The ongoing intention is to further grow the portfolio to give further diversification and further spread individual tenant risk.
Valuation Policy	The Responsible Entity gets the properties valued at least every 3 years, and more frequently where funders require or major improvements occurred. These valuations will be undertaken only by suitably qualified valuers.
Related Party Transactions	The Responsible Entity (E A Securities Ltd) contracts out the property management services to associated parties related to Mark Walsh. C & P Properties Group also provides at market rates shopping centre management services. Renewable Energy Company has a property maintenance & cleaning division which completes alongside other service providers for handyman and other maintenance services. A Mark Walsh related entity has a small unit holding (approx 10%) in the holding trust, but not a director. The Responsible Entity has a conflicts policy and the other unrelated directors have set guidelines for management to follow to ensure any work on commercial arms length basis.
Distribution Practices	The fund aims to provide regular distributions in each income year. However the making of distributions is subject to the performance of the fund and the available cash flow to fund distributions. Distributions may comprise a mix of net income and a return of invested capital to unit holders. During the past year the distribution was principally a return of capital and this is likely to continue until the asset value add phase is complete. Therefore ongoing distributions will be dependant on continued cashflow being available. The current distribution of 6.25C per unit p.a. is reviewed regularly by the Responsible Entity
Withdrawal Rights	The underlying assets of the fund are illiquid, and therefore an investment in the fund should be considered illiquid. A Unit Holder does not have the right to request redemption of their units. There is no established market for the sale of units issued. The Responsible Entity does have the ability to offer redemption but at this point of time and in the foreseeable future the Responsible Entity will not be making an offer.

South Tweed Centre

New Leasing enquiries continued to be evident during the month, but like the past years to date very difficult to get tenant lettings finalised. A major push with the local agents continued this month. Currently we are in discussions with 2 potential tenants. Competition from other landlords is now starting to be evident with an increase in overall vacancies in the area, giving prospective tenants more bargaining power.

During the month 3 prospective tenants took up other space. We were price competitive, but other factors we could not match seemed to work against us. We are relocating Carpet Court to 1/62 Machinery Drive from an older style premises several doors down.

This individual property continues to struggle in terms of reducing its overall vacancy rate, the small improvement in underlying leasing market indicators evident last month, seems to have flattened. It will be interesting to see what happens during the new financial year.

As reported in March, the Fund secured a further 4 month extension to 30th July 2009 for the loan rollover, from Colonial First State Fund which has seen the interest rate reduced to around 6.3%pa. Colonial's situation has now again tightened where it is not doing new loans or longer term loan roll over's, but looking to get loans repaid as soon as commercially possible. Ashe Morgan Winthorpe have secured the NAB to provide a replacement facility based on 50% LVR, which as previously stated would required part pay down of the old loan by the new equity. It is important to note that all is not certain until all documentation and loan finalized.

Based on the lower valuation and to ensure a conservative debt to equity ratio of 60%, we would propose to reduce the existing debt by $1.630m. We are proposing a 2-3 year interest only, variable rate facility. This will require further equity raising by the trust.

Nerang Centre

This centre is continuing to perform very well.

The tenant has signed the earlier agreed lease for G32 & G2. The council issues are the cause, delaying the process of reinstating the bitumen to the car park and the separation planter box walls. Although some issues are unclear work is scheduled to commence to make good the damaged areas of the car park, dining & walkway. Internal make good & painting of fit out is completed, enabling tenant to commence kitchen & associated equipment installation. Replacement of air conditioning and cooling plant removed or damaged by old tenant has been ordered.

Three existing tenancies come up for Market review in May 09. G8A&B (Fish & Chip Shop) has exercised option but will require independent market valuation which is underway.G5 (Coffee Break) agreement has been reached and with solicitors for documentation sign off.G18B (My Bakery) has been resolved and lease renewal is still in progress, awaiting signing by tenant. It is most likely that an average rent of $400 psm will be achieved with a short to medium term rebate to ease the dramatic rental increase of around 50% of the net rent.

We will follow up documentation renewal for Sarina Russo & Hinterland Meats which are due later in 2009.

We are continuing to look at ways in minimising costs, while maintaining expected service levels and recognising certain capital costs are required to keep and entice new tenants to the centre.

Withcott Centre

The Development Application continues to progress, with hopefully an approval from council shortly.

Peter Hall and I continued to had meetings and discussions to progress the supermarket lease and look at options to enable the Medical Centre and Chemist to be relocated to existing refurbished larger premises prior to the stage 1 supermarket construction commencement next year.

This is now a priority for the Leasing Manager. During this period work has also progressed on an overall leasing strategy plan, including specific retail use zones etc.

Leasing at the centre continues to run smoothly, with the only vacant area, (shop 13) of 83sqm available on a short term lease, as it is the arcade walkway to the proposed supermarket.

The cleaning and maintenance contractors have settled in. Costs are continuing to be slightly higher than budget, due to previous owners lack of maintenance. The previously mentioned one off catch up tasks will be finalised soon. It is then expected expenses should be within the revised budget.

Overview of Development Application

Formalising the agreement with IGA to become the Anchor tenant, is progressing within expectations. Broad outline reflects a rent at $275psm gross, on a 15 year lease + 10 + 5 year options. First stage is for a 1500sqm, expandable to 2800 sqm.

Due to the current market uncertainty and delays in DA lodgement caused by Queensland Roads, we proposed and with agreement of the vendor, have put back settlement till 31st September 2009. As part of the agreement payment was made of a further $125 000 deposit, and interest at 5% pa will be charged on the remaining balance from the 1st July till settlement.

We are still progressing with the intention to commence construction of the Stage 1 IGA box plus a 200sqm of additional retail in February 2010.

Hervey Bay Property

The major property comprising 3 retail/commercial shop fronts are fully leased to established local businesses. Lease expiries are September 09, June 10, and February 11. This generates approx $137K in gross rental income. As mentioned last month, Hervey Bay Cycleworld is indicated that due to non related business problems they are likely to go Bankrupt. We have requested paperwork from the bankruptcy trustee when appointed to follow up. We are liaising with local agents to see if they can get someone to take over this lease, which is not due to expire till 30/6/10, or enter into a new leasing arrangement.

This corner site at 37 Main St, is occupied by Stegbar Doors & Windows as a display centre. The buildings are older style, but have great exposure including large signage. The grounds and car park have recently received a make-over, to bring up to showroom standard required by this national tenant. The lease for this premise is $29 000pa + Outgoings + GST.

Our current lender has requested under its review clause a revaluation, which is now satisfactorily completed. The fixed rate term has still 2 years to run and while the properties are 100% fully leased, they present well for the lender. The valuation reports have been finalized which have seen the value for;

- 37 Main Street of $330 000 based on Capitalised Yield of 8.75%.

  Last Valuation was $357K in July 07, showing a decrease of 7.5%

- 31 Main Street of $1250 000 based on Capitalised Yield of 8.75%

Last Valuation was $1370 000 in February 08, showing a decrease of 8.8%

We believe these values are well within the required range between 50 -70%.

Based on a debt of $714 600, the current debt to equity ratio is 45.22%

These sites are part of the Pialba Town Civic Centre redevelopment precinct. No new developments have occurred or likely as to start times, although it will most likely still occur, in the medium term.

Coolangatta Airport – Long Term Land Leases

No changes since last report, recapping GCAL has been under pressure re airside activities which is getting priority over non-core works. The terminal expansion and redevelopment is progress well and expected to be completed mid 2010. The Southern Cross University Campus (Stage 1) is also under construction with the first students expected in February 2010.

This matter will be now pursued with more persistence over the next quarter. Discussions are also taking place with potential joint venture partners, to ensure adequate capital is available to deliver the development schedule as required by GCAL. The intention of the partner is to not only provide Equity Capital, but also initial loan capital and big scale project management skills. This is important during these current difficult economic times to ensure projects credibility and completion in a timely and cost effective manner.