

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
2005-06	152.1	150.2	153.2	155.2	150.1	151.8	146.5	151.9	151.7
2006-07	156.2	154.2	158.3	159.2	156.1	155.7	152.9	156.4	156.1
2007-08	160.9	159.6	164.8	164.4	161.7	160.3	158.3	162.0	161.4
2008-09	165.8	164.1	171.0	169.7	166.6	164.9	163.6	167.5	166.4
2005									
June	149.0	146.9	150.0	151.8	146.3	148.8	143.2	147.8	148.4
September	150.5	148.6	150.9	153.4	147.8	150.1	144.7	149.7	149.8
December	151.0	149.2	152.1	154.1	149.0	151.0	145.4	150.9	150.6
2006									
March	152.2	150.5	153.5	155.6	150.5	152.2	146.7	152.2	151.9
June	154.7	152.6	156.2	157.6	153.2	154.0	149.2	154.9	154.3
September	156.1	153.7	157.5	159.3	154.9	155.1	151.8	156.0	155.7
December	155.8	153.5	157.3	158.8	155.5	154.7	152.6	155.6	155.5
2007									
March	155.6	153.8	158.0	158.4	155.8	155.4	152.6	155.9	155.6
June	157.4	155.6	160.2	160.3	158.0	157.4	154.7	158.0	157.5
September	158.1	156.9	161.7	161.5	158.9	157.9	156.6	159.2	158.6
December	159.5	158.5	163.4	163.1	160.2	159.2	157.1	160.8	160.1
2008									
March	161.7	160.6	165.6	165.5	162.5	161.3	158.5	163.0	162.2
June	164.1	162.5	168.4	167.6	165.1	162.9	160.8	165.0	164.6
September	165.9	164.4	170.8	169.8	166.7	164.7	163.6	167.5	166.5
December	165.5	163.5	170.4	169.3	166.2	164.4	162.9	166.8	166.0
2009									
March	165.6	163.9	170.8	169.3	166.0	164.8	163.0	167.4	166.2
June	166.3	164.4	171.8	170.3	167.4	165.7	164.8	168.4	167.0

(a) Base of each index: 1989-90 = 100.0.

Lot 1
280/002

11780×170.8
165.6

= 12 149.90

round to 12150 + GST

= 13 365 (inc GST)

Lot 2
280/001

= 4250×170.8
165.6

= 4383.45

round to

= 4380 + GST

= 4818 (inc GST)

however strongly recommend that an independent valuation be obtained every three (3) financial years.

The Fund last had an Independent Valuation of the property as at INSERT DATE.

- 6a Therefore, for preparation of the Financial Statements for the year ended 30 June 2009, you will only need to obtain an updated Appraisal from a local Real Estate Agent. Please make an appropriate diary record for June 2009, to ensure that you obtain this Appraisal.
- 6b Therefore, for preparation of the Financial Statements for the year ended 30 June 2009, you will be required to obtain an Independent Valuation of the property. Please make an appropriate diary record for June 2009, to ensure that you obtain this Valuation.

8 Lease of Business Real Property

The Fund has an investment in property at Lots 1 and 2, 35 Southgate Avenue and it is leased to Active Medical Supplies which is considered a related party of the Fund.

It is a requirement of the *Superannuation Industry (Supervision) Act 1993* that property that is leased to a related party be:

- Rented at Market Value;
- Subject to a written Lease Agreement, on arm's length terms; and
- The Terms of the Lease be enforced and adhered to.

- 8b Upon reviewing the current Lease Agreements, we have determined that the rent has not been subject to CPI increase as a requirement per clause 3.3.

We have calculated the new monthly rental figures to be as follows:

Lot 1 (including GST) \$13,365
Lot 2 (including GST) \$4,818

The new rental figures were effective 1 April 2009. Active Medical Supplies should commence to pay the new rental figure immediately.

As the increase is overdue, please ensure that Active Medical also pays a shortfall payment to the Fund of \$3,850 as soon as possible.

The rent for Lot 1 will again need to be reviewed to CPI on 1 April 2010 and the lease for Lot 2 expires on 1 April 2010. We will contact you in March 2010 with the new figures for Lot 1 from that date and to request that you prepare a new lease for Lot 2 and obtain a current market rental figure.