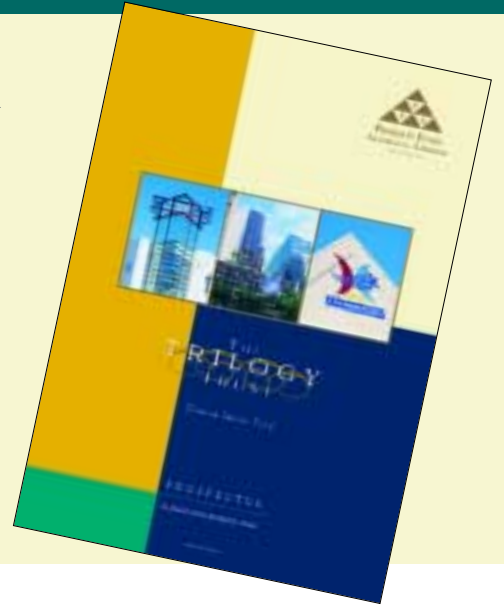


OUR LATEST FUND JUST RELEASED

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.

WANT TO KNOW MORE ABOUT US?

Why not visit us on our website

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.

FOR FURTHER INFORMATION CONTACT:

Bronwyn Risk
Manager - Investment Services
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
Email: info@pfaltd.com.au
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.

CAPITAL

THE CAPITAL *Courier* an Investor Update

ISSUE No. 4

HOMEWORLD

Update



Works underway at Homeworld in preparation for new ALDI tenancy

ALDI COMES TO HOMEWORLD



We have previously alluded to negotiations with a large space user for the Homeworld Centre. We are pleased to advise that a 15 year Agreement for Lease has been entered into with ALDI Foods Pty Ltd for over 1,200m² (approx.) at the Anketell Street end of the centre for an initial rental of \$330,000p.a. approx. (GST inclusive). ALDI is one of the largest grocery retailers in the world.

ALDI's inclusion will add a new dimension to the centre and provide an opportunity

to add specialty retailers who will trade off ALDI who is a destination tenant in themselves.

Works for the ALDI tenancy have already commenced with the expectation being that ALDI will open for trading in late January, 2002. Significant negotiations have occurred to relocate some existing tenants or to procure the surrender of their leases. These have included:-

- the relocation of the ACT Government's retail Canberra Connect tenancy to a new location on Anketell Street comprising 419m² on a new 10 year lease;
- the relocation of National Capital Diagnostic Imaging (Radiologists) to a new 278m² location once again on Anketell Street on a new 10 year lease;
- the surrender of the beautician's lease of the premises on the corner of Anketell Street and Soward Way.

The total cost of putting the ALDI lease in place (including associated relocations and new leases) amounts to approximately \$1.75M. These costs will be met out of debt facilities which will involve an increase in the current facility amount. This will be based upon the increase in property value which flows from these transactions.

Story continues over



WHO IS ALDI?

ALDI – an abbreviation of Albrecht Discount – are one of the world's leading grocery retailers, with over 5,000 stores throughout Europe, the US, UK and now Australia. The company was founded in Germany over 40 years ago by the Albrecht brothers and has a unique grocery discounting philosophy.

ALDI's worldwide success has been attributed to their Company philosophy: 'we offer the customer a carefully selected range of high quality exclusive own label brands at heavily discounted prices'.

Unlike most grocery retailers that offer in excess of 25,000 lines, ALDI offers a range of products which is limited to around 600 lines of the most needed and used household items. Aldi stores are simple and products are delivered onto the shop floor on pallets and packaged to suit "off the pallet" trading. ALDI therefore offer a completely different style of product to Coles and Woolworths. In particular, they do not offer a significant amount of fresh food with a greater focus on groceries and dry goods.

It is understood that ALDI is committed to sourcing Australian products and that a significant amount of Australian food and other products are sold in ALDI Stores throughout the UK and other European countries.

ALDI opened their first store in Australia about one year ago and now have 18 stores in Australia with the intention of opening many more over the next few years.

POST OFFICE SQUARE

ZARRAFFA'S COFFEE OPENS IN POST OFFICE SQUARE

Zarraffa's Coffee has recently opened at Post Office Square in the high profile location at the Adelaide Street entrance opposite the Angus & Robertson bookstore. This space was previously occupied by Vodafone. The lease to Zarraffa's is for seven years.

Zarraffa's (giraffe in Arabic) is a Gold Coast based group which was founded by expatriate American, Kenton Campbell, over 3 1/2 years ago. The group now operates four stores – three on the Gold Coast and one in Brisbane with another opening in Brisbane in the next month or so. Zarraffa's, best described as a speciality coffee house, manufactures coffee to its specifications from coffee beans bought from countries such as Kenya, Guatemala, Indonesia and Brazil. Zarraffa's stores are now being franchised in south-east Queensland.



Staff at the new Zarraffa's Coffee outlet

BOARD CHANGES



Elizabeth Pidgeon

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 be missed. We are sure that he will continue as a friend of PFA and provide occasional guidance where necessary.

QUEEN STREET ENTRANCE UPDATE

We are pleased to advise that plans are underway for the reletting of the vacated Suncorp Metway tenancy at the Queen Street entrance to Post Office. This large area will now be subdivided with two tenants currently in the process of finalising

lease documentation. Negotiations are also in progress for the balance of the space. Due to the important nature of this entrance point we have given careful consideration to tenancy selection for this prime space.

CBD CAR PARKING SHORTAGE

A recent Property Council of Australia 'Queensland News in brief' has reported on the Local Government's threatened closure of four illegal car parks in and around the Brisbane CBD. Research also conducted earlier this year by the Property Council has shown that close to 2,500 car park spaces have been lost in the last year. With the Brisbane City Council planning to conduct a \$130,000 audit of city parking and their focus on public transport, prime CBD car parks like that at Post Office Square should only add value to both the ongoing property income stream and the underlying value of the property.

Kings car park in Post Office Square



APX/EXEMPT MARKET UPDATE

On 30 August, 2001, the Minister for Financial Services and Regulation approved PFA to conduct an exempt stock market in the interests of The Capital Collection.

At the same time, the application by Australian Property Exchange Limited ("APEL") for the establishment of its stock exchange ("APX") for the trading of property related interests (e.g. such as interests in The Capital Collection) is still before the Australian Securities and Investment Commission ("ASIC"). The application is expected to be subject to its public exposure period in the forthcoming months. APEL representatives have indicated that they remain hopeful of an approval of the APX to

be issued in the next few months, with the APX to be operational soon thereafter.

We are aware of the benefits to a number of investors of having a formal secondary market. We are also conscious of incurring market set up costs associated with the establishment of the exempt stock market and then moving trading across to the APX soon thereafter. It is therefore our intention not to give effect to our exempt market approval and commence our own market until such time as there has been some reasonable finality and conclusion of the APX application. The board of PFA will continue to monitor this issue. We will keep you updated on any developments in this area.