

News Update

Orchard Funds Management Pty Ltd

4 August 2008

Orchard Diversified Property Fund No. 1 and Commercial Office Fund: Removal from Navigator Personal Investment Plan

During the first half of 2008, Orchard Funds Management Pty Ltd ('Orchard'), as the Responsible Entity for the Orchard Diversified Property Fund No. 1 and the Commercial Office Fund ('the Funds'), experienced a combination of increased withdrawal requests and a reduction in cash inflows from new investments for the Funds. These events culminated in Orchard not being able to meet all withdrawal requests.

Consequently, Orchard decided to scale back all withdrawal requests on a pro-rata basis to the level of fund inflows during the withdrawal offer period, rather than increasing debt or selling assets. The following table outlines the proportion of the withdrawal request amount that the Funds paid out:

Orchard Fund	% of withdrawal request available
Diversified Property Fund	10.99%
Commercial Office Fund	13.93%

Due to the uncertainty surrounding the future of the Funds, particularly in relation to ongoing access to investor monies, the Funds have been removed from the Navigator Personal Investment Plan. As a result, both new business and additional investments for the Funds will no longer be accepted.

No action is being taken on existing investments in the Fund.

For further information, please contact Adviser Services on 1800 442 942.