



**Austock Funds Management Limited**  
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8 August 2007

«NameAddress\_1»  
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Dear Unitholder,

### **Australian Social Infrastructure Fund (ASIF) (APX Code: PASIF) Unitholder Update**

#### **Annual Results**

ASIF's 2007 annual results were announced via the APX on 3 August 2007. The key highlights of ASIF's 2007 results were:

- **Increase in Net Tangible Assets (NTA)** - following the independent revaluation of 29 of ASIF's 59 properties and its investment in the CIB portfolio, ASIF's NTA per unit as at 30 June 2007 increased by 19 cents or 6.96% to **\$2.92**. ASIF's NTA per unit as at 30 June 2006 was \$2.73.
- **Improved Profit from Operations** - although net profit and distributable income were lower in 2007 in comparison to 2006, underlying profit from operations which excludes increases in property valuations and gains from the sale of assets increased by \$735,500 or 14.42% in 2007.

A detailed summary of ASIF's annual results which accompanied the 3 August 2007 announcement is attached to this letter. A copy of the announcement made to the APX on 3 August 2007 which includes both the statutory accounts and appendix 9-2 can be downloaded from [www.apx.com.au](http://www.apx.com.au).

#### **Suspension of Dividend Reinvestment Plan**

Historically ASIF has operated a Dividend Reinvestment Plan (DRP) which allowed unitholders to reinvest their cash distribution into additional units. Following a review of ASIF's current capital requirements it has been decided to suspend ASIF's DRP until such time as the fund requires additional capital.

The DRP was suspended from 31 July 2007. Accordingly those unitholders who were participating in the DRP will receive additional units for the last time on 21 August 2007 which is when the July 2007 distribution will be paid. All subsequent distributions will be paid via direct debit into unitholders nominated bank accounts. Those unitholders who have been participating in the DRP will receive a separate letter from Registries Limited requesting relevant bank account details.

### Forecast Distribution

ASIF's distribution policy requires the fund to declare its forecast distributions, via an announcement to the APX, three months in advance and pay distributions monthly in arrears. In accordance with this policy ASIF previously announced the following distribution amounts and dates.

| Distribution | Ex Date        | Record Date     | Payment Date on or around | Distribution Date per unit |
|--------------|----------------|-----------------|---------------------------|----------------------------|
| July 07      | 1 August 07    | 17 August 07    | 21 August 07              | \$0.0193                   |
| August 07    | 3 September 07 | 19 September 07 | 21 September 07           | \$0.0193                   |
| September 07 | 1 October 07   | 17 October 07   | 19 October 07             | \$0.0193                   |

A monthly distribution of \$0.0193 equates to an annual distribution of 23.18 cents pa which is equivalent to the annual distribution paid for the financial year ending June 2007.

### Outsourcing of Unit Register

As previously advised, Registries Limited, a specialist provider of unitholder registry services, has been appointed to manage ASIF's unitholder register.

ASIF will cease to manage its registry in-house at the close of business on Friday 10 August 2007 and Registries Limited will commence as the registry provider on Monday 13 August 2007. From this date all unitholder enquiries should be directed to Registries Limited as follows:

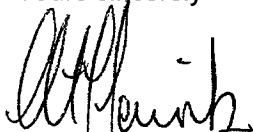
| <u>Electronic communications</u>   | <u>Telephone Numbers</u>  | <u>Postal address</u>                            |
|--|---|--|
| Email: <a href="mailto:registries@registries.com.au">registries@registries.com.au</a><br>Website: <a href="http://www.registries.com.au">www.registries.com.au</a> | Within Australia: <b>1300 131 856</b><br>Outside Australia: <b>+61 2 9290 9600</b><br>Fax Number: <b>(02) 9279 0664</b> | PO Box R67<br>Royal Exchange<br>Sydney, NSW 1223 |

### New Unitholder Certificates

Attached in blue is a copy of your new unitholder certificate. This new certificate details your current unit holding and also lists your new unitholder reference number which will be required to be quoted in communications with Registries Limited. If you are considering selling all or part of your holding on the APX you will need to forward this certificate to your appointed broker.

Should you require any additional information, do not hesitate to contact either Kris Chasemore or Ian Townsing on (03) 8601 2000.

Yours sincerely



**Vin Harink**  
Chief Executive Officer  
Austock Funds Management Limited

# Australian Social Infrastructure Fund

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3<sup>rd</sup> August 2007

## APX Announcement

APX Code: PASIF

### RESULTS FOR THE FINANCIAL YEAR 30 JUNE 2007

The Directors of Austock Funds Management Limited ("AFML"), the responsible entity of the APX listed Australian Social Infrastructure Trust ("Trust"), are pleased to provide details of the financial results for the Trust for the year ended 30<sup>th</sup> June 2007.

#### Financial Highlights

The Trust delivered a distributable income of \$5.82 million in 2007 which represents a decrease of \$0.29 million or 4.76% over the 2006 result of \$6.11 million. The Trust's net profit for 2007 was \$11.06 million compared to \$13.22 million in 2006. The Trust's lower net profit and distributable income in 2007 has been driven by a combination of smaller increases in property valuations and gain on the disposal of assets in comparison to 2006.

| \$'000   | Year to<br>Jun-07 | 6 Mths to<br>Jun-07 | 6 Mths to<br>Dec-06 | Year to<br>Jun-06 |
|--|-------------------|---------------------|---------------------|-------------------|
| Revenue  | 9,381             | 4,718               | 4,663               | 8,960             |
| Unrealised Revaluation of Property             | 5,310             | 5,310               | 0                   | 7,180             |
| Net Gain on Disposal of Investments            |                   |                     |                     | 812               |
| Expenses                                       | 3,628             | 1,825               | 1,803               | 3,731             |
| <b>Net Profit attributable to Unitholders</b>  | <b>11,063</b>     | <b>8,203</b>        | <b>2,860</b>        | <b>13,221</b>     |
| <b>Distributable Income</b>                    | <b>5,817</b>      | <b>2,957</b>        | <b>2,860</b>        | <b>6,108</b>      |
| Total Distributions                            | 6,540             | 3,281               | 3,259               | 6,304             |
| Weighted Average Units on Issue ('000)         | 28,210            | 28,238              | 28,064              | 27,866            |
| Units on issue entitled to distribution ('000) | 28,394            | 28,394              | 28,193              | 28,026            |
| Basic EPU (cents) on weighted aver. units      | 39.22             | 29.05               | 10.19               | 47.72             |
| <b>Distributable Income per Unit (cents)</b>   | <b>20.62</b>      | <b>10.18</b>        | <b>10.43</b>        | <b>22.05</b>      |
| <b>Distributions per Unit (cents)</b>          | <b>23.18</b>      | <b>11.62</b>        | <b>11.61</b>        | <b>22.76</b>      |

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## Distributions

The distribution paid per unit for the year to 30 June 2007 was 23.18 cents. This represents an increase of 0.42 cents, or 1.85% over the distribution for the year ended 30 June 2006 which totalled 22.76 cents. The distribution of 23.18 cents represents a distribution yield of 8.32% based on a VWAP (Volume Weighted Average Price) per unit of \$2.79 since listing on 22<sup>nd</sup> June 2007.

Set out below is a reconciliation of the net profit reported for the year and the net profit distributable to unitholders. The comparison is then made with what has actually been distributed for the year.

|  | Year to<br>30 June 2007 | Year to<br>30 June 2006 |
|--|-------------------------|-------------------------|
| <b>Net profit attributable to unitholders</b>  | <b>11,064</b>           | <b>13,221</b>           |
| Net property revaluation increment             | (5,310)                 | (7,180)                 |
| Property revaluation costs                     | 63                      | 67                      |
| <b>Net profit distributable to unitholders</b> | <b>5,817</b>            | <b>6,108</b>            |
| <b>Total Distributions</b>                     | <b>6,540</b>            | <b>6,304</b>            |

The Trust's distribution for the three months ending 31 September 2007 is forecast to be 1.9316 cents per unit per month.

## Property Valuation

In accordance with the Trust's revaluation policy, 29 of its 59 properties were independently valued as at 30 June 2007. These revaluations have resulted in an increase in value of \$5.33m or 14.75%. The table below provides a summary of the results.

|              | NUMBER OF<br>PROPERTIES | JUNE 2005<br>VALUE  | JUNE 2007<br>VALUE  | INCREASE IN<br>VALUE | % INCREASE    |
|--------------|-------------------------|---------------------|---------------------|----------------------|---------------|
| <b>QLD</b>   | 23                      | \$30,210,000        | \$34,460,000        | \$4,250,000          | 14.07%        |
| <b>VIC</b>   | 1                       | \$1,765,000         | \$2,100,000         | \$335,000            | 18.98%        |
| <b>NSW</b>   | 1                       | \$460,000           | \$625,000           | \$165,000            | 35.87%        |
| <b>SA</b>    | 1                       | \$1,025,000         | \$1,200,000         | \$175,000            | 17.07%        |
| <b>NT</b>    | 1                       | \$1,072,404         | \$1,150,000         | \$77,596             | 7.24%         |
| <b>WA</b>    | 2                       | \$1,620,000         | \$1,950,000         | \$330,000            | 20.37%        |
| <b>TOTAL</b> | <b>29</b>               | <b>\$36,152,404</b> | <b>\$41,485,000</b> | <b>\$5,332,596</b>   | <b>14.75%</b> |

The 29 properties valued were all childcare centres which are subject to long term leases to ABC Learning Centres. The weighted average yield adopted by the valuers across the portfolio was 8.49%.

The Trust holds a 15% interest in the unlisted wholesale CIB fund which owns a portfolio of nine police stations which are leased on a long term basis to the Victorian Government. All nine of the properties in the CIB Fund were revalued as at 30 June 2007. The revaluations resulted in an increase in CIB's property portfolio of 17.19%.

Following the revaluation of the above assets the Trust's net tangible asset (NTA) per unit as at 30 June 2007 increased by 19 cents or 6.96% to \$2.92. The Trusts NTA per unit as at 30 June 2006 was \$2.73.

|  | Year to 30 June |                |
|--|-----------------|----------------|
|  | 2007<br>\$'000  | 2006<br>\$'000 |
| Gross Assets   |                 |                |
| 57 ABC Childcare Centres                               | 79,051          | 73,716         |
| Guardian Storage Facility, Glen Iris, Vic <sup>1</sup> | 10,800          | 10,800         |
| Primary Health Care Centre, Melton, Vic <sup>1</sup>   | 6,326           | 7,025          |
| Listed Securities                                      | 3,471           | -              |
| Unlisted Securities                                    | 12,905          | 5,246          |
| Cash and other current assets                          | 2,020           | 4,860          |
| <b>Total gross assets</b>                              | <b>114,573</b>  | <b>101,647</b> |
| Borrowings   | 30,778          | 24,500         |
| <b>Net Tangible Assets</b>                             | <b>82,975</b>   | <b>76,441</b>  |
| Number of units on issue                               | 28,394          | 28,026         |
| <b>Unit NTA</b>  | <b>2.92</b>     | <b>2.73</b>    |

*Note: 1 Neither of these properties were revalued in 2007. In addition the Primary Health Care Centre Value has been adjusted for the impact of straight line accounting (see Note 9(a)) with the amount of \$698,663 included in Other Current Assets (see Note 6).*

Attached in Appendix 1 is a schedule which details the June 2007 and 2006 carrying values of the ASIF direct property portfolio.

#### Investment in Schools

As previously announced ASIF as at 30 June 2007 had acquired or committed to a minority interest in three unlisted wholesale trusts which have been formed to acquire and develop three private schools in Australia in conjunction with Independent Colleges Corporation Limited ("ICC") and the Australian Education Trust (ASX:AEU) ("AET"). ICC, through its subsidiaries, is the tenant and school operator. The investment is consistent with the funds strategy of investing in social infrastructure assets including those bought for development, letting and on-sale.

For further information, please contact Vin Harink (Chief Executive Officer) on (03) 8601 2026.

Michael Johnstone  
Chairman  
Austock Property Management Limited  
AFSL No. 281544

**APPENDIX 1**

| Suburb                          | Tennant        | Date of Current Valuation | Carrying Value<br>June 2007 | Carrying Value<br>June 2006 |
|---------------------------------|----------------|---------------------------|-----------------------------|-----------------------------|
| Albany Creek                    | ABC            | 20-Dec-05                 | \$1,100,000                 | \$1,100,000                 |
| Anna Bay                        | ABC            | 21-Apr-06                 | \$720,000                   | \$720,000                   |
| Ashgrove                        | ABC            | 30-Jun-07                 | \$2,050,000                 | \$2,000,000                 |
| Aspley                          | ABC            | 30-Jun-07                 | \$1,300,000                 | \$1,060,000                 |
| Baldivis, Woodleigh Grove       | ABC            | 30-Jun-07                 | \$1,250,000                 | \$1,025,000                 |
| Bargara                         | ABC            | 20-Dec-05                 | \$1,030,000                 | \$1,030,000                 |
| Boondall                        | ABC            | 30-Jun-07                 | \$2,500,000                 | \$2,250,000                 |
| Boondall                        | ABC            | 10-Apr-06                 | \$1,230,000                 | \$1,230,000                 |
| Bribie Island                   | ABC            | 20-Dec-05                 | \$1,180,000                 | \$1,180,000                 |
| Burleigh Waters                 | ABC            | 30-Jun-07                 | \$1,400,000                 | \$1,180,000                 |
| Burpengary                      | ABC            | 30-Jun-07                 | \$2,250,000                 | \$1,900,000                 |
| Cairns, Forest Gardens          | ABC            | 20-Dec-05                 | \$1,620,000                 | \$1,620,000                 |
| Canning Vale                    | ABC            | 23-May-06                 | \$1,465,000                 | \$1,465,000                 |
| Capalaba                        | ABC            | 30-Jun-07                 | \$1,235,000                 | \$1,000,000                 |
| Capalaba                        | ABC            | 30-Mar-06                 | \$1,350,000                 | \$1,350,000                 |
| Carindale                       | ABC            | 20-Dec-05                 | \$1,130,000                 | \$1,130,000                 |
| Crestmead                       | ABC            | 30-Jun-07                 | \$1,975,000                 | \$1,850,000                 |
| Darwin                          | ABC            | 02-May-06                 | \$1,145,000                 | \$1,145,000                 |
| Eight Mile Plains               | ABC            | 30-Jun-07                 | \$1,275,000                 | \$1,100,000                 |
| Ellen Grove                     | ABC            | 20-Dec-05                 | \$2,225,000                 | \$2,225,000                 |
| Eltham                          | ABC            | 30-Jun-07                 | \$2,100,000                 | \$1,765,000                 |
| Estella, Wagga Wagga            | ABC            | 30-Jun-07                 | \$625,000                   | \$460,000                   |
| Gaven                           | ABC            | 20-Dec-05                 | \$1,790,000                 | \$1,790,000                 |
| Gaven                           | ABC            | 20-Dec-05                 | \$1,820,000                 | \$1,820,000                 |
| Gladstone                       | ABC            | 04-May-06                 | \$1,120,000                 | \$1,120,000                 |
| Glen Iris                       | Guardian       | 30-Jun-06                 | \$10,800,000                | \$10,800,000                |
| Gunnedah                        | ABC            | 05-Apr-06                 | \$760,000                   | \$760,000                   |
| Helensvale                      | ABC            | 30-Jun-07                 | \$1,100,000                 | \$900,000                   |
| Helensvale                      | ABC            | 30-Jun-07                 | \$1,400,000                 | \$1,100,000                 |
| Hilton                          | ABC            | 23-May-06                 | \$1,110,000                 | \$1,110,000                 |
| Inala                           | ABC            | 20-Dec-05                 | \$1,750,000                 | \$1,750,000                 |
| Indooroopilly                   | ABC            | 30-Jun-07                 | \$1,625,000                 | \$1,430,000                 |
| Jindalee                        | ABC            | 20-Dec-05                 | \$1,100,000                 | \$1,100,000                 |
| Kallangur                       | ABC            | 30-Jun-07                 | \$1,500,000                 | \$1,360,000                 |
| Kallangur West                  | ABC            | 30-Jun-07                 | \$1,175,000                 | \$950,000                   |
| Kirwan                          | ABC            | 30-Jun-07                 | \$2,050,000                 | \$1,950,000                 |
| Kirwan (Willows)                | ABC            | 30-Jun-07                 | \$1,225,000                 | \$1,050,000                 |
| Labrador                        | ABC            | 30-Jun-07                 | \$1,325,000                 | \$1,160,000                 |
| Manly West                      | ABC            | 30-May-06                 | \$1,160,000                 | \$1,160,000                 |
| Mawson Lakes                    | ABC            | 30-Jun-07                 | \$1,200,000                 | \$1,025,000                 |
| Melton                          | Primary Health | 13-Jun-06                 | \$7,025,000                 | \$7,025,000                 |
| Midvale                         | ABC            | 23-May-06                 | \$1,250,000                 | \$1,250,000                 |
| Monterey Keys                   | ABC            | 30-Jun-07                 | \$1,225,000                 | \$990,000                   |
| Morayfield                      | ABC            | 14-May-07                 | \$1,000,000                 | \$1,000,000                 |
| North Lakes                     | ABC            | 30-Jun-07                 | \$1,500,000                 | \$1,350,000                 |
| Northlakes (2)                  | ABC            | 20-Dec-05                 | \$1,725,000                 | \$1,725,000                 |
| Palmerston (Durack)             | ABC            | 30-Jun-07                 | \$1,149,904                 | \$1,072,404                 |
| Pullenvale                      | ABC            | 30-Jun-07                 | \$1,275,000                 | \$1,200,000                 |
| Redcliffe (1)                   | ABC            | 10-Apr-06                 | \$1,200,000                 | \$1,200,000                 |
| Redcliffe (2)                   | ABC            | 10-Apr-06                 | \$840,000                   | \$840,000                   |
| Regents Park                    | ABC            | 20-Dec-05                 | \$1,030,000                 | \$1,030,000                 |
| Tarragindi                      | ABC            | 30-Jun-07                 | \$1,250,000                 | \$1,000,000                 |
| Thorncroft                      | ABC            | 30-Jun-07                 | \$1,050,000                 | \$1,000,000                 |
| Tingalpa                        | ABC            | 20-Dec-05                 | \$1,320,000                 | \$1,320,000                 |
| Townsville, Riverside Grdns (I) | ABC            | 20-Dec-05                 | \$1,640,000                 | \$1,640,000                 |
| Upper Coomera                   | ABC            | 20-Dec-05                 | \$2,755,000                 | \$2,755,000                 |
| Victoria Point                  | ABC            | 30-Jun-07                 | \$1,625,000                 | \$1,430,000                 |
| Warnbro                         | ABC            | 30-Jun-07                 | \$700,000                   | \$595,000                   |
| Wishart                         | ABC            | 30-Jun-07                 | \$1,150,000                 | \$1,000,000                 |
| <b>TOTAL DIRECT PROPERTY</b>    |                |                           | <b>\$96,874,904*</b>        | <b>\$91,542,404</b>         |

\* Note: Total in accordance with note 9 of June 2007 accounts.