SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

This document is a supplementary product disclosure statement (**SPDS**) to the product disclosure statement (**PDS**) dated 15 June 2006 prepared by Allianz Global Investors Real Estate Australia Limited ABN 48 073 938 860 AFSL 244342 (**Responsible Entity**) as the responsible entity of the Allianz Global Investors European Property Trust ARSN 118 458 674 (**Trust**) relating to the offer of units (**Units**) in the Trust. This supplementary product disclosure statement should be read together with the PDS.

This SPDS is dated 22 June 2006 and a copy of this SPDS was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Responsible Entity has applied for admission of the Trust to the official list of ASX and for admission of the Units to quotation by ASX.

ASIC and ASX, and their respective officers, take no responsibility for the contents of this SPDS.

Please note when you consider the PDS that Section 6 of the PDS should be disregarded and is replaced in its entirety by section 6 as it appears in this SPDS.

Fees and Other Costs

6.1 Statutory disclosure of fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period.

(For example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This section sets out fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole. Taxes are set out in another part of this PDS. You should read all the information about the fees and costs because it is important to understand their impact on an investment in the Trust.

6.1.1 Statutory fees and costs template

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Termination fee The fee to close your investment	Not applicable	Not applicable
Management costs		
The fees and costs for managing your investment (1)	$4.7 million For an investment of $50,000 this is estimated to be $696	Fees are payable from the assets of the Trust to the Responsible Entity at the end of each half year and expenses are paid from the assets of the Trust or its controlled entities as incurred
The amount you pay for specific investment options	Not applicable	Not applicable
Service fees		
Investment switching fee The fee for changing investment options	Not applicable	Not applicable

1. Assumes a performance fee of nil. See section 6.1.2 for an explanation of how estimated management costs were calculated

6.1.2 Estimated management costs

The table below shows a breakdown of estimated management costs for the period 1 July 2006 to 30 June 2007.

Fee or cost[1]	Amount included in management costs which are attributable to an investment of $50,000 in the Trust
Fees and expenses of the Offer	Nil
Base Management Fee	$454[3]
Estimated Performance Fee	Nil
Acquisition Fee	Nil
Disposition Fee	Nil
Debt Arrangement Fee	Nil
Development and Construction Management Fee	Nil
Fund Management Fees	Nil
Asset and Property Management Fees	$127
Fees payable to General Partners of German Partnerships [2]	$3
Other management expenses	$113[4]
Total	$696

1. Refer to section 6.3 for further information about each fee or cost
2. Refer to section 10.1.3
3. Base Management Fee is calculated after 5 basis point waiver which equates to $56 on an investment of $50,000. This waiver expires at the end of the Forecast Period
4. Includes expenses such as independent director fees, ASX listing fees, accounting fees, taxation compliance and other administration expenses

The effect of including Performance Fees in management costs

The management costs in sections 6.1.1 and 6.1.2 include performance fees which are estimated to be nil in the Forecast Period. However, in any financial year (including during the Forecast Period) the Responsible Entity could earn a Performance Fee ranging from nil to either 0.6% or 0.55% of Gross Asset Value. The method for calculating the Performance Fee is set out in section 6.4.

If a Performance Fee of $5 million was earned in a year period, for an investment of $50,000 this would add a further $747 in management costs.

Tax

Tax payable by a Unitholder is explained in the taxation report in section 9.2.

Changes to fees

The Responsible Entity does not have the right to change the amount of its fees without Unitholder consent. The Responsible Entity may waive some or all of its fees if it so chooses, and will waive certain fees, as discussed in sections 1.1.7, 3.5.2, 3.9, 6.3 and 10.1.6.

6.1.3 Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example		Balance of $50,000
Management costs	1.4%	For every $50,000 you have in the Trust, you would be charged $696 each year
EQUALS cost of fund	1.4%	If you had an investment of $50,000 in the Trust for a year, you would be charged fees of $696

The 1.4% figure in the table above represents $696 divided by $50,000.

The estimated fees and costs of $696 attributable to an investment of $50,000 (as disclosed in sections 6.1.1 and 6.1.2) are calculated based on the equity attributable to Unitholders (i.e. the net assets of the Trust less DEGI's outside equity interest and issue costs).

The 1.4% figure is the fees and cost estimated at the investor level.

The Corporations Act requires disclosure of the indirect cost ratio of 1.0%. This is calculated by dividing total management costs of $4.7 million by total average net assets of the Trust, which are estimated as $448 million for the period 1 July 2006 to 30 June 2007.

The management cost of 1.4% was disclosed as it provides a better representation of the cost and fees at the investor level.

6.2 Fees and expenses of the Offer

Fee	Amount	How and when paid
Underwriting and offer management fee	A$9.7 million (2.75% of the total proceeds of the Offer)	Payable by the Trust out of the Offer proceeds on the Settlement Date to UBS
Financial advisory fee	A$2.6 million (0.75% of the total proceeds of the Offer)	Payable by the Trust out of the Offer proceeds on the Settlement Date to UBS
Handling fee for processing Applications	1.5% of the total Issue Price of the Units (ie. A$1.00) to a maximum of A$3,750 per successful Application. No handling fee will be paid on any Application (or aggregate of Applications if a single investor submits more than one Application) on the amount above $100,000 (i.e. more than 100,000 Units)(1)	Payable by the Trust out of the Offer proceeds on the Settlement Date to Participating Brokers and members of the Financial Planning Association
Other issue expenses (costs associated with the Offer, including legal fees, investigating accountant's fees, registry fees and printing fees)	A$2.1 million	Payable by the Trust out of the Offer proceeds as incurred to third party service providers
Acquisition Fee (for identifying and undertaking due diligence on the Initial Portfolio and the Additional Asset)	A$7.7 million (1.0% of the Gross Asset Value of the Trust's interest in the Initial Portfolio and the Additional Asset)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to the Responsible Entity
Other property acquisition costs	A$3.5 million	Payable by the Trust out of the Offer proceeds as incurred to third party service provider
Debt establishment fee (for providing debt to finance the acquisition of the Initial Portfolio and the Additional Asset)	A$3.5 million (0.5% of the total third party debt raised under the Senior Debt Facilities to fund the acquisition of the Initial Portfolio and the Additional Asset)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to Merrill Lynch International in relation to Initial Portfolio the and the Additional Asset
Debt Arrangement Fee (for arranging the third party debt associated with the IPO)	A$3.5 million (0.5% of the total third party debt raised)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to the Responsible Entity
Total	$33.6 million(2)	

1. Estimated to be $1.0 million
2. Including handling fee for processing Applications, which is estimated to be $1.0 million

Fees and expenses of the Offer are not included as a management cost in sections 6.1.1 and 6.1.2. For an initial investment of $50,000, total fees and expenses of the Offer amount to $4,976.

Consistent with generally accepted accounting principles, certain fees and expenses of the Offer have been deducted from the NTA value of the Trust. The total amount of fees and expenses of the Offer that have been deducted from the net asset value of the Trust is A$15.6 million. The resulting NTA per Unit after debt establishment costs, based on A$1.00 per Unit, is A$0.94. For an initial investment of $50,000, this part of the total fees and expenses of the Offer amounts to $2,651 (out of the $4,976 calculated above).

6.3 Ongoing fees and expenses

Fee	Amount	How and when paid
Base Management Fee (for the management and operation of the Trust)[1]	0.45% per annum (excluding GST) of the Trust's Gross Asset Value as at the last day of the Fee Period [2]	Payable out of the assets of the Trust to the Responsible Entity, at the end of each Fee Period (i.e. 31 December and 30 June)
Performance Fee (for the management and operation of the Trust)[3]	Calculated using the method described in section 6.4 below There is a cap on the Performance Fee as described in section 6.4	If applicable, payable out of the assets of the Trust to the Responsible Entity, at the end of each Fee Period (i.e. 31 December and 30 June)
Acquisition Fee (for acting on behalf of the Trust in relation to future acquisitions)[4]	1% of the purchase price of any commercial, retail or other property acquired by, or on behalf of, the Trust or any entity controlled by the Trust	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the completion of the relevant acquisition occurred
Disposition Fee (for acting on behalf of the Trust in relation to the sale of properties)[4]	1% of the sale price of any commercial, retail or other property sold by, or on behalf of, the Trust or any entity controlled by the Trust	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the completion of the relevant disposal occurred
Debt Arrangement Fee (for the arrangement of debt facilities)[4]	0.5% of the amount of all borrowings or financial accommodation obtained or assumed by the Trust or its controlled entities. This fee is payable for any refinancing but not for a rollover under an existing facility	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the entry into the relevant debt arrangements occurred
Development and Construction Management Fee (for the performance of development and construction services)[4]	7% of all Project Costs incurred in relation to a Development or Construction Project	Payable out of the assets of the Trust to the Responsible Entity at the end of each month

1. Included as a management cost in sections 6.1.1 and 6.1.2
2. The Responsible Entity will waive 0.05% of the Base Management Fee to which it is entitled in respect of the Initial Portfolio and Additional Asset in the Forecast Period (to 0.40%) The Responsible Entity may also waive or repay its Base Management Fee in certain circumstances under the Forecast Period Distribution Support or the distribution support on the Dow lease expiry (see sections 3.5.2 and 3.9 for further details)
3. Included as a management cost in sections 6.1.1 and 6.1.2 (estimated to be nil)
4. Not included as a management cost in sections 6.1.1 and 6.1.2

Fee	Amount	How and when paid
Fund Management Fees (for fund management services provided under the Fund Management Agreement)[1]	A fee equal to the Base Management Fee (less any amount waived or rebated), the Performance Fee (if any), the Acquisition Fee, the Disposition Fee, the Debt Arrangement Fee and the Development and Construction Management Fee payable to the Responsible Entity and described above.[2]	Payable out of the assets of the Trust to Allianz Global Investors Australia Limited on a monthly basis
Asset and Property Management Fees (for providing asset management services to the Trust and for services relating to the management of the leases)[3,4]	Fees equal to 1.5% (and for the retail property at Kiel, 6.5%, split 2.0% property management, 4.5% centre management) of gross rental income. Refer to section 10.1.8 Fees up to 5% of annual rent on new leases and 3% of annual rent on lease renewals	Payable by the German Property Partnerships to DEGI at the end of the month in which the fees are incurred on a lease by lease basis
Expense recoveries[5]	The Responsible Entity is entitled to recover all expenses incurred in the proper performance of its duties The Responsible Entity is entitled to reimbursement for GST to the extent that an indirect tax credit is available	Expenses are reimbursed to the Responsible Entity out of the total assets of the Trust. These expenses are generally payable when they are incurred or invoiced

1. Not included as a management cost in sections 6.1.1 and 6.1.2
2. The Responsible Entity and Allianz Global Investors Australia Limited to whom these fees are payable, have entered into a Fee Sharing Deed so that, so long as the responsible entity of the Trust remains part of the Allianz Group, there will be no duplication of fees. This Fee Sharing Deed is described further in section 10.1.6
3. The 1.5% or 2% fee is included as a management cost in sections 6.1.1 and 6.1.2, but centre management fees and leasing fees are not included
4. If a third party vendor retains property management, DEGI will receive instead a fee of 0.5% of gross income from that property
5. Included as a management cost in sections 6.1.1 and 6.1.2

If a Trigger Event occurs the Responsible Entity becomes immediately entitled to all accruing fees for current periods.

The entitlements of the Responsible Entity to be paid fees or other expenses out of the Trust's property are set out in the Constitution.

The Responsible Entity may choose to receive payment of some or all of any fee in Units at market value in accordance with the Constitution. A similar provision permits payment in Units of fees due to a manager including an Affiliate of the Responsible Entity.

From time to time, the Responsible Entity may be appointed to provide services in areas where it is in the best interests of the Trust to seek professional support. Any appointment relating to services not contemplated by this PDS will be on an arm's length basis at normal commercial rates.

6.4 Performance fee

The Responsible Entity is entitled to receive a Performance Fee at the end of any Fee Period in circumstances where the Trust Return exceeds the Benchmark Return, where each is expressed as a percentage. Accordingly where, at the end of a Fee Period, the Trust Index increases by 5% and the Benchmark Index increases by 4%, the outperformance is 1%.

If a Performance Fee of $5 million was earned in a year period, for an investment of $50,000 this would add a further $747 in management costs.

Refer to section 6.4.1 below for worked examples of how the Performance Fee is calculated.

The amount of the Performance Fee (excluding GST) is equal to:

- One percent of 5% × Market Capitalisation for each percentage point of the first 2% of outperformance plus
- One percent of 15% × Market Capitalisation for each percentage point of any outperformance in excess of the first 2%

where:

- **Fee Period** means the last Business Day of the period from 1 January in each calendar year to the following 30 June or the period from 1 July in any calendar year to the following 31 December
- **Market Capitalisation** means the number of Units on issue multiplied by the Unit price applicable in relation to those Units at the end of the relevant Fee Period

  This calculation is made for each day in a 10 day valuation period which is usually the first 10 Business Days for which Units are quoted on an "ex" basis for the distribution having a record date on or closest to the last day of the Fee Period. The Market Capitalisation is one tenth of the aggregate of the figures calculated for those 10 days
- **Trust Return** is the difference between the Trust Index at the end of the relevant Fee Period and the Trust Index at the beginning of that Fee Period
- **Benchmark Return** is the difference between the Benchmark Index at the end of the relevant Fee Period and the Benchmark Index at the beginning of that Fee Period
- **Trust Index** is an accumulation index for the Units calculated in a manner consistent with the Benchmark Index except to the extent that the Trust Index relates only to Units in the Trust. The Trust Index will be calculated for the Responsible Entity by an appropriately qualified external party and will be published on the Responsible Entity's website at www.allianzglobalinvestors.com.au
- **Benchmark Index** is the S&P/ASX 200 Property Accumulation Index

The Responsible Entity may elect to receive payment of some or all of its Performance Fee by issue to the Responsible Entity, or a nominee, of Units at an issue price based on the market price of Units on ASX determined in accordance with the Constitution. Refer to section 10.2.1 for further information about relevant ASX waivers.

6.4.1 Examples of how the Performance Fee is calculated

The tables below set out hypothetical examples showing how the Performance Fee will be calculated. The examples are not intended to show the actual Performance Fee likely to be payable to the Responsible Entity. The Performance Fee calculated in the examples below is shown exclusive of GST.

Performance Fee example 1

(A) Market Capitalisation	A$500m
(B) Trust Return	5%
(C) Benchmark Return	4%
Outperformance: = B – C = 5% – 4% = 1%	
Performance Fee: 5% × A × Outperformance = 5% × 500,000,000 × 1% = A$250,000 There is no 15% performance fee because the Outperformance did not exceed 2%.	

As the Trust Return is greater than the Benchmark Return for the Fee Period, a Performance Fee of A$250,000 is payable to the Responsible Entity.

Performance Fee example 2

(A) Market Capitalisation	A$500m
(B) Trust Return	9%
(C) Benchmark Return	4%
Outperformance: = B – C = 9% – 4% = 5%	
Performance Fee: 5% × A × Outperformance (for the first 2%) = 5% × 500,000,000 × 2% = A$500,000 plus 15% × A × Outperformance (in excess of 2%) = 15% × 500,000,000 × 3% = A$2.25m	

As the Trust Return is greater than the Benchmark Return for the Fee Period, a Performance Fee of A$2.75m (A$500,000 + A$2.25m) is payable to the Responsible Entity.

Performance Fee example 3

(A) Market Capitalisation	A$500m
(B) Trust Return	2%
(C) Benchmark Return	4%
Outperformance: = B – C = 2% – 4% = -2%	

As the Trust Return is not greater than the Benchmark Return for the Fee Period, no Performance Fee is payable to the Responsible Entity.

Performance Fee cap (including example)

There is a cap of 1% per annum of the value of the Trust's Gross Asset Value on the aggregate of the Base Management Fee and Performance Fee that the Responsible Entity can be paid in any Financial Year. There is no carry forward of performance fees above the annual cap. If for any reason the Responsible Entity has been paid in excess of the 1% cap for any Financial Year, the Responsible Entity must repay the excess within 15 Business Days of the end of that Financial Year.

(A) Gross Asset Value	A$1bn
(B) Base Management Fee in Fee Period 1	A$2.25m
(C) Performance Fee in Fee Period 1	A$3.75m
(D) Base Management Fee in Fee Period 2	A$2.25m
(E) Performance Fee in Fee Period 2	A$2.75m
Total fee amount earned by the Responsible Entity for the Financial Year: = B + C + D + E = A$2.25m + A$3.75 + A$2.25m + A$2.75m = A$11.0m	
Base Management Fee and Performance Fee cap for the Financial Year: = 1% × A = 1% × A$1bn = A$10m	
Total fee amount payable to the Responsible Entity for the Financial Year: = A$10m	

Allianz Global Investors European Property Trust
15 June 2006

Product Disclosure Statement

Responsible Entity
Allianz Global Investors Real Estate Australia Limited ABN 48 073 938 860, AFSL 244342

Sole Underwriter, Bookrunner and Joint Financial Adviser

UBS Investment Bank

Joint Financial Adviser

Merrill Lynch

Allianz Global Investors

IMPORTANT NOTICE AND DISCLAIMER

This product disclosure statement **(PDS)** has been prepared by Allianz Global Investors Real Estate Australia Limited ABN 48 073 938 860 AFSL 244342 **(Responsible Entity)** as the responsible entity of the Allianz Global Investors European Property Trust ARSN 118 458 674 **(Trust)** and relates to the Offer of Units in the Trust.

No person is authorised to provide any information or to make any representation in connection with the Offer described in this PDS which is not in this PDS. Any information or representation not in this PDS may not be relied on as having been authorised by the Responsible Entity in connection with the Offer.

Update of information

Certain information in this PDS is subject to change. If that information is not materially adverse to Unitholders it will be updated and made available to you on the Responsible Entity's website at www.allianzglobalinvestors.com.au or a paper copy of any updated information will be provided to you free of charge on request by calling 1800 132 009 (toll free).

If there is a change to the information in the PDS or an omission from the PDS which is materially adverse to Unitholders, a new or supplementary PDS will be issued.

Capital and investment returns are not guaranteed

An investment in the Trust is subject to investment risk and other risks, including possible loss of income and principal invested. None of the Responsible Entity or any member of the Allianz Group gives any guarantee or assurance as to the performance of the Trust or the repayment of capital. Investments in the Trust are not investments, deposits or other liabilities of the Responsible Entity or any other member of the Allianz Group.

No cooling-off rights

There are no cooling-off rights for Unitholders in the Trust because it is intended that the Trust be listed on the Australian Stock Exchange (ASX) within three months of the date of this PDS.

This is not investment advice. You should seek your own financial advice. This Offer does not take into account the investment objectives, financial situation and particular needs of the investor. It is important that you carefully read this PDS in its entirety before deciding to invest in the Trust and, in particular, that you consider the assumptions underlying any prospective financial information and the risk factors that could affect the financial performance of the Trust. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

Selling restrictions apply

This Offer is only being made to persons in Australia. No action has been taken to register or otherwise permit a public offering of the Units in any jurisdiction outside of Australia.

This PDS is not an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in countries other than Australia may be restricted by law and persons who come into possession of it who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Time and currency

Unless otherwise stated, all references to time in this PDS are to Sydney time and all amounts are in Australian dollars. Throughout the document the assumed exchange rate between Euros and Australian dollars is (€ 0.587 to A$1.00), unless otherwise stated.

Definitions

Defined terms and abbreviations used in this PDS are explained in the Glossary of Terms in section 11.

Photographs

Photographs used throughout this PDS do not depict assets of the Trust unless otherwise stated.

Electronic PDS

This PDS may be viewed in Australia at the Responsible Entity's website at www.allianzglobalinvestors.com.au If you wish to apply for Units, you may either:

- complete and return the Application Form that accompanies this PDS; or
- print a copy of the Application Form from the above website address and complete and return it.

If you view an electronic copy of this PDS, please ensure that you have received the entire PDS accompanied by the Application Form. If you have not, please call 1800 132 009 (toll free).

Regulatory information

This PDS is dated 15 June 2006 and a copy of this PDS was lodged with the Australian Securities and Investments Commission **(ASIC)** on that date.

ASIC and ASX, and their respective officers, take no responsibility for the contents of this PDS.

The Responsible Entity will apply for admission of the Trust to the official list of ASX and for admission of the Units to quotation by ASX within seven days after the date of this PDS. The fact that ASX may admit Units to the official list of ASX is not to be taken in any way as an indication of the merits of the Trust or of the Offer.

Contents

Summary of Offer

The Offer is for units in the Allianz Global Investors European Property Trust to be listed on ASX which will initially hold a 75% indirect interest in a portfolio of five German properties independently valued at € 458 million (A$780.2 million) (**Initial Portfolio**).

The Offer is for 353.2 million Units in the Trust at an Issue Price of A$1.00 per Unit.

Summary of Forecast Distribution[1]

	Period ending 31 December 2006	Year ending 31 December 2007
Cash distribution cents per unit	4.2	9.0
Cash distribution yield[2, 3]	8.8%	9.0%
Tax deferred component	100%	100%
Net tangible asset backing per Unit[4]	$0.94	

1. The assumptions relied upon, and the risks related to, the forecast distributions are contained in section 7.5 and 8 respectively
2. Yield for the period ending 31 December 2006 reflects annualised yield from Allotment at the Issue Price
3. Cash distributions include both income and capital components as detailed in section 7.2
4. On completion of pro forma transactions as described in section 7.3 and 7.5

Important Dates

Offer opens	Monday, 26 June 2006
Offer closes	Tuesday, 11 July 2006 at 5.00pm (Sydney time)
Allotment of Units	Wednesday, 12 July 2006
Dispatch of holding statements	Thursday, 13 July 2006
Commencement of Deferred Settlement trading of Units on ASX	Thursday, 13 July 2006
Commencement of normal trading of Units on ASX	Friday, 14 July 2006

These dates are subject to change and are indicative only. The Responsible Entity, in conjunction with UBS, reserves the right to amend this timetable including extending the last date for receipt of Applications or closing the Offer early, subject to the Corporations Act and the ASX Listing Rules.

No Units in the Trust will be issued until the exposure period of seven days (or up to 14 days if ASIC so decides) after the lodgement of this PDS with ASIC has expired. This PDS will be available from the Responsible Entity and on the Responsible Entity's website at www.allianzglobalinvestors.com.au during the exposure period.

Defined terms and abbreviations used in this PDS are explained in the Glossary of Terms in section 11.

Chairman's Letter

15 June 2006

Dear Investor,

On behalf of Allianz Global Investors Real Estate Australia Limited (**Responsible Entity**) it is my pleasure to invite you to become a Unitholder in the Allianz Global Investors European Property Trust (**Trust**).

The Trust will be the first Australian listed property trust with a primary strategy of investing geographically across Europe in retail, office, industrial, residential and mixed use property.

The Trust is seeking to raise A$353.2 million from its initial public offering of Units which, together with debt, will fund the acquisition of a 75% indirect interest in a € 458 million portfolio of five high quality properties in Germany (**Initial Portfolio**) and the acquisition of an Additional Asset(s) which meets specific investment criteria (**Investment Criteria**).

The Initial Portfolio consists of one retail property in Kiel and four German office properties located in Frankfurt, Duisburg and Munich. The Initial Portfolio is 98.4% leased, with rental income secured primarily by high credit quality tenants including Zurich Versicherungs AG Deutschland (**Zurich**), Dow Deutschland (**Dow**), Railion Deutschland (**Railion**), PricewaterhouseCoopers Germany (**PwC Germany**), and Samsung Electronics (**Samsung**), and has a weighted average lease term to expiry of approximately 5.7 years. The Initial Portfolio will be acquired at a 1.7% discount to valuation, before acquisition costs.

The Responsible Entity is seeking to acquire an Additional Asset, and has identified an asset (**Identified Asset**) for this purpose. If the acquisition of the Identified Asset does not proceed, the Responsible Entity would seek to acquire a substitute asset(s) satisfying the Investment Criteria.

The Trust's annualised cash distribution yield is forecast to be 8.8% for the period ending 31 December 2006 and 9.0% for the year ending 31 December 2007. The assumptions on which these forecasts are based are set out in section 7.5. Distributions are forecast to be 100% tax deferred over the Forecast Period and will be paid half-yearly. The Responsible Entity will provide distribution support during the Forecast Period (as detailed in section 3.5.2).

The Allianz Group is one of the world's leading insurers and financial services providers. Allianz AG, the parent of the Allianz Group, has a market capitalisation of approximately € 48 billion. The Responsible Entity is part of the Allianz Group and is one of the top five asset management companies worldwide, with more than € 1.2 trillion of assets under management (as at 30 September 2005).

DEGI Deutsche Gesellschaft für Immobilienfonds mbH (**DEGI**) has been appointed to provide asset and portfolio management services to the Trust. DEGI was established in 1972 and is a real estate investment company of the Allianz Group. It is one of Europe's leading real estate owners and managers with approximately € 9 billion of real estate under management, and is currently managing assets in Germany, Italy, Portugal, France, Sweden, Belgium, the UK, Luxembourg, Poland and Korea. The vendor of the Initial Portfolio is GRUNDWERT-FONDS (**DEGI-GWF**) which is an open-ended real estate mutual fund managed by DEGI. DEGI-GWF will retain a 25% interest in the Initial Portfolio. After two years DEGI-GWF is entitled to reduce its interest and the Trust has the option to purchase DEGI-GWF's interest at fair market value.

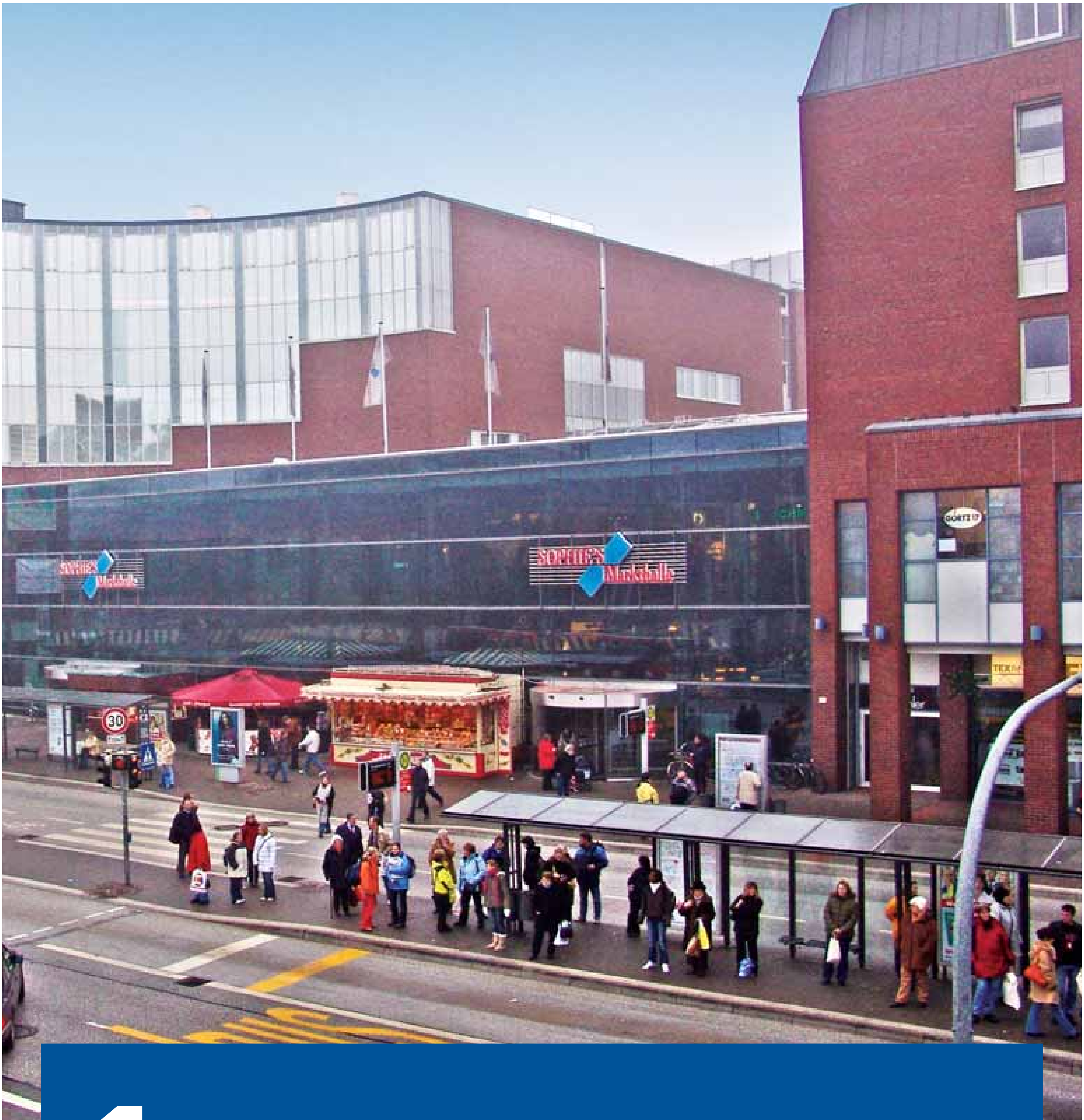
DEGI has also been appointed to source real estate acquisitions and has currently identified a pipeline of third party acquisition opportunities in Europe (excluding Germany). In addition, DEGI has indicated that it will invite the Trust to participate in any future asset divestment processes by DEGI managed funds.

The team responsible for the management of the Trust in Australia has extensive real estate and listed property trust expertise.

You should read this PDS carefully, and contact your relevant professional adviser if you have any queries. On behalf of my fellow Directors I look forward to welcoming you as a Unitholder in the Allianz Global Investors European Property Trust.

Yours faithfully,

Richard Longes
Independent Chairman
Allianz Global Investors Real Estate Australia Limited



1 Offer Overview

The key investment highlights and associated risks of the Trust, the Initial Portfolio and the Responsible Entity's intention to make an additional acquisition.

Offer Overview

1.1 Investment highlights

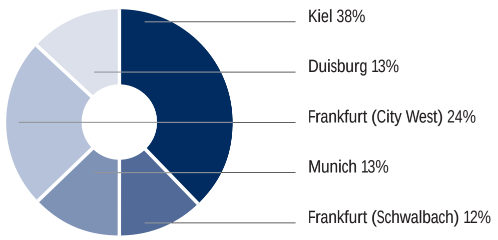
1.1.1 European real estate investment

The Trust provides investors with the opportunity to make an indirect investment in European real estate assets. Distributions to Unitholders during the forecast period should be tax deferred.

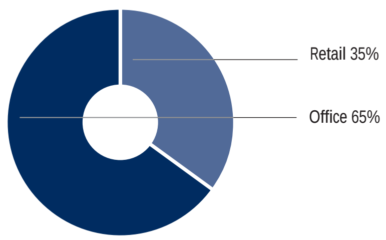
1.1.2 Diversified portfolio of high quality German properties

The Initial Portfolio consists of one strong performing retail property and four high quality office properties located in Germany and is valued at approximately € 458 million. The initial portfolio purchase price of € 450 million equates to a 1.7% discount to independent valuation.

Asset location (by Value)



Asset class (by Income)



1.1.3 Acquisition of Additional Asset

The Responsible Entity, in conjunction with DEGI, is seeking to acquire an asset (**Additional Asset**) and has identified an asset (**Identified Asset**) for this purpose. However, there is no certainty that the Responsible Entity and DEGI will be successful in the tender for this asset.

In the event that the Identified Asset is not acquired, the Responsible Entity will seek to acquire a substitute asset(s) on behalf of the Trust that meets with the stated Investment Criteria. While DEGI believes that such assets are available, there can be no certainty that an asset of the same investment profile as the Identified Asset can be acquired.

1.1.4 Attractive distribution profile

	Period ending 31 December 2006	Year ending 31 December 2007
Annualised cash distribution yield[1]	8.8%	9.0%
Distribution Growth (CY 2006 – 2007)	–	2.3%
Tax deferred component (%)	100%	100%

1. Distribution yield at Issue Price

Refer to section 7.5 for information about the assumptions on which the forecasts are based, section 8 for information about the risks of investing in the Trust, and in particular refer to section 8.3 and a potential decline in distributions. Section 9.2 describes the tax treatment of distributions. Distributions include a return of capital component, details of which are provided in section 7.2.

1.1.5 Quality tenant base

The Initial Portfolio has a quality tenant base underpinning the Trust's income stream. The top ten tenants comprise approximately 74% of the Initial Portfolio by income and include major international corporate groups such as Zurich, Dow, Railion, PwC Germany and Peek & Cloppenburg.

The Initial Portfolio is approximately **98.4%** leased, with a weighted average lease term to expiry of approximately **5.7** years.

1.1.6 Pan-European strategy and growth platform

The Responsible Entity's strategy is to grow the Trust by accessing high quality diversified real estate across Europe.

- Pan-European real estate focus (target weighting):
  – 30-50% – Regional and Sub-regional shopping centres and retail warehouses
  – 20-40% – Office properties
  – 10-20% – Logistic centres, mixed use and residential properties
- Geographic diversification in Europe with medium term weighting to any one country to be <50%
- High quality tenant base to provide secure income stream

DEGI has been appointed to source real estate acquisitions for the Trust and provide asset and portfolio management services. DEGI has an established track record in the European real estate market, currently with real estate assets under management of approximately € 9 billion, including 387 properties spread across Europe.

Acquisition pipeline – third party

DEGI has currently identified third party acquisition opportunities in Europe (excluding Germany). DEGI has indicated an intention to use reasonable endeavours to introduce these acquisition opportunities to the Trust. Acquisition opportunities will typically involve an open tender process.

Acquisition pipeline – DEGI managed funds

DEGI also currently has € 1.2 billion of European properties (excluding Germany) in DEGI managed funds which may be sold from time to time. Provided an asset of any DEGI managed fund meets the investment strategy of the Trust, DEGI will provide the Trust with the opportunity to participate in the sale process.

1.1.7 Alignment of interest

The Responsible Entity is committed to the ongoing success and growth of the Trust and has committed to the following initiatives:

Base Management Fee Waiver	The Responsible Entity will waive 0.05% of the Base Management Fee to which it is entitled in respect of the Initial Portfolio and the Additional Asset in the Forecast Period (to 0.40%)
Forecast Period Distribution Support	The Responsible Entity will provide distribution support during the Forecast Period (refer to sections 3.5.2 and section 7.6)
Distribution Support on Dow Lease Expiry	In certain circumstances the Responsible Entity may provide Distribution Support in relation to the Dow lease expiry in years 2010-2012 (refer to section 3.9)

1.1.8 Experienced management team

The Responsible Entity is a member of the Allianz Group, one of the top five asset management companies worldwide, with more than € 1.2 trillion under management (as at 30 September 2005). The team responsible for the management of the Trust in Australia has extensive real estate and listed property trust expertise. Michael Dowling, the Trust Manager, has formerly held senior positions with Jones Lang La Salle in Australia, Citibank in London and Sydney and with the London and Edinburgh Trust (LET Pacific) in Hong Kong.

1.2 Key risks

There are material risks associated with an investment in the Trust, which are further discussed in section 8:

- **Forecast Period Distribution support –** Distributions may decline following the Forecast Period because the Forecast Period Distribution Support will expire. This decline may eventuate even if an Additional Asset (other than the Identified Asset) is acquired. The level of income expected to be received from the Additional Asset and the Forecast Period Distribution Support is set out is section 7.2. The level of Forecast Period Distribution Support may vary as described in section 7.6. Based on the assumptions in the forecast financial information, the distribution for the year ending 31 December 2008 may decrease by 0.6 cents per unit from the distribution for the year ending 31 December 2007 based on the expiry of the Forecast Period Distribution Support. If the Identified Asset is acquired during the Forecast Period, the expiry of the Forecast Period Distribution Support is not expected to lead to a decline in distributions. Also, if Forecast Period Distribution Support is provided, there is a risk that distributions to Unitholders may not be 100% tax deferred

- **Failure to acquire an Additional Asset –** In the event that the Additional Asset is not acquired the Trust will be over equity capitalised pending an acquisition, although the Forecast Period Distribution Support will apply during the Forecast Period
- **Disincentives to change of responsible entity –** There are disincentives to removing Allianz Global Investors Real Estate Australia Limited as the responsible entity of the Trust:
  - Pursuant to the Call Option Deed, if there is a Change of Control of the Trust, DEGI-GWF has the right to purchase the Trust's interests in the properties in the Portfolio in which it holds at least a 5% interest (**Call Option Properties**), at a price determined by a committee of independent expert valuers. This will cause the Trust to lose its indirect investment in the Call Option Properties. Refer to section 10.1.12 for further details
  - If Allianz Global Investors Real Estate Australia Limited is replaced as Responsible Entity by an entity that is not a related body corporate, fees payable by the Trust may be duplicated. Consequently, Unitholder returns may be adversely affected
  - The Responsible Entity's obligation to provide the Forecast Period Distribution Support terminates if Allianz Global Investors Real Estate Australia Limited ceases to be the responsible entity of the Trust. Those obligations will not automatically be assumed by the entity appointed as the new responsible entity of the Trust. Consequently, Unitholders returns may be adversely affected by up to the amount of the Forecast Period Distribution Support
- **Foreign Exchange –** There are hedging risks (distribution and capital hedging):
  - An appreciation of the Australian dollar against the Euro could adversely affect future distributions (to the extent not mitigated by income hedging) and the Australian dollar value of equity capital in the Trust
  - On expiry of the hedge entered into in respect of the Trust's exposure to equity capital movements, if the Australian dollar weakened against the Euro, the Trust may be required to pay cash to the hedge counterparty. The amount of cash paid will depend on the exchange rate at the time. The Trust may be required to sell assets or borrow to fund the cash payment at settlement of this hedge
  - The future hedging rates achievable by the Trust on expiry of the initial hedging arrangements will depend on the spot rates and the forward curve at that time
  - The distribution hedging involves forward contracts for anticipated Euro-denominated income which may not be achieved
- **Interest rates**
  - An increase in interest rates may increase interest payable on the unhedged portion of debt that the Trust or any of its controlled entities have entered into
  - The Trust may require additional debt facilities to fund the acquisition of the Additional Asset. The Trust may not be able to secure funding for this asset at the same rate as the Initial Portfolio
  - Further narrowing of the interest rate differential between Europe and Australia is likely to adversely impact upon the ability of the Trust to make future acquisitions on adequate terms
- **Single tenant –** Three of the five properties in the Initial Portfolio are fully let to one tenant. However, each of these tenants have signed long term lease agreements
- **Dow lease –** The lease to Dow in respect of the property at Frankfurt – Schwalbach expires on 30 November 2009. The rent for that lease is currently above market and it is expected that upon renewal the rent will be adjusted to reflect market rates. This will adversely impact the rental income received by the Trust. To mitigate this risk, the Responsible Entity will provide distribution support for the Trust in certain circumstances, during the calendar years 2010, 2011 and 2012
- **Economic and market conditions –** The ability of the Trust to acquire further assets will depend on general economic and property market conditions
- **Taxation –** Changes in tax law (including relevant double tax agreements) or changes in the way tax law is expected to be interpreted in Australia and the various jurisdictions in which properties are acquired (eg the Initial Portfolio is located in Germany) may affect future earnings and the relative attractiveness of investing in the Trust

2 Key Questions and Answers

Answers to questions you may have regarding the Trust.

Question	Answer	Where to find more
Who is the Responsible Entity and issuer of this PDS?	Allianz Global Investors Real Estate Australia Limited (**Responsible Entity**) The Responsible Entity is part of the Allianz Group	sections 3.11, 3.12 and 3.13
Who is DEGI?	DEGI Deutsche Gesellschaft für Immobilienfonds mbH (**DEGI**) has been appointed as the Asset Manager of the Initial Portfolio. DEGI has also been appointed the Portfolio Manager of the Trust and to source future acquisitions DEGI is a real estate investment company of the Allianz Group and is one of Germany's leading real estate fund managers. DEGI owns or manages real estate assets worth approximately € 9 billion with more than 200,000 investors The Initial Portfolio has been sourced from GRUNDWERT-FONDS (**DEGI-GWF**), which is an open-ended real estate mutual fund DEGI-GWF will retain a 25% interest in the Initial Portfolio. After two years DEGI-GWF is entitled to reduce its interest and the Trust has the option to purchase DEGI-GWF's interest at fair market value.	sections 3.7, 10.1.7 and 10.1.8
What is the Offer?	The Offer (**Offer**) is for Units in the Allianz Global Investors European Property Trust, a property trust to be listed on the ASX which will initially hold a 75% indirect interest in a portfolio of five German properties independently valued at € 458 million (A$780.2 million) (**Initial Portfolio**). The Offer comprises an Institutional Offer and a Broker Firm Offer	sections 3, 4, and 5
What is the Additional Asset?	The Responsible Entity, in conjunction with DEGI, is seeking to acquire an Additional Asset, with DEGI currently involved in a tender process for an Identified Asset. There is no certainty that the Responsible Entity and DEGI will be successful in the tender for this asset. In the event that the Identified Asset is not acquired, the Responsible Entity will seek to acquire a substitute asset(s) on behalf of the Trust that meets with the stated Investment Criteria	section 3.5
What will the Units cost me?	The Issue Price is A$1.00 per Unit and the minimum Application size is 2,000 Units, and thereafter in multiples of 100 Units	section 4
What is the size of the Offer?	The Offer is for 353.2 million Units	section 4
What are the significant potential benefits?	■ Forecast annualised cash distribution yield of 8.8% for the period ending 31 December 2006 and 9.0% for the year ending 31 December 2007 ■ Forecast distributions are expected to be 100% tax deferred for the period ending 31 December 2006 and the year ending 31 December 2007 ■ Diversified Initial Portfolio of high quality German properties, with a high portfolio occupancy, attractive lease profile and a high quality tenant base ■ Access to DEGI's future acquisition pipeline & market experience ■ Experienced management team	sections 1, 3 and 7

Question	Answer	Where to find more
Are there disincentives to removing the Responsible Entity?	■ There are disincentives to removing Allianz Global Investors Real Estate Australia Limited as the responsible entity of the Trust: – Pursuant to the Call Option Deed, if there is a Change of Control of the Trust, DEGI-GWF has the right to purchase the Trust's interests in the properties in the Portfolio in which it holds at least a 5% interest (**Call Option Properties**), at a price determined by a committee of independent expert valuers. This will cause the Trust to lose its indirect investment in the Call Option Properties. Refer to section 10.1.12 for further details – If Allianz Global Investors Real Estate Australia Limited is replaced as Responsible Entity by an entity that is not a related body corporate, fees payable by the Trust may be duplicated. Consequently, Unitholder returns may be adversely affected – The Responsible Entity's obligation to provide the Forecast Period Distribution Support terminates if Allianz Global Investors Real Estate Australia Limited ceases to be the responsible entity of the Trust. Those obligations will not automatically be assumed by the entity appointed as the new responsible entity of the Trust. Consequently, Unitholders returns may be adversely affected by up to the amount of the Forecast Period Distribution Support	sections 1, 3 and 7
What are some of the significant risks?	■ **Forecast Period Distribution support –** Distributions may decline following the Forecast Period because the Forecast Period Distribution Support will expire. This decline may eventuate even if an Additional Asset (other than the Identified Asset) is acquired. The level of income expected to be received from the Additional Asset and the Forecast Period Distribution Support is set out is section 7.2. The level of Forecast Period Distribution Support may vary as described in section 7.6. Based on the assumptions in the forecast financial information, the distribution for the year ending 31 December 2008 may decrease by 0.6 cents per Unit from the distribution for the year ending 31 December 2007 based on the expiry of the Forecast Period Distribution Support. If the Identified Asset is acquired during the Forecast Period, the expiry of the Forecast Period Distribution Support is not expected to lead to a decline in distributions. Also, if Forecast Period Distribution Support is provided, there is a risk that distributions to Unitholders may not be 100% tax deferred ■ **Failure to acquire an Additional Asset –** In the event that the Additional Asset is not acquired the Trust will be over equity capitalised pending an acquisition, although the Forecast Period Distribution Support will apply during the Forecast Period	sections 3, **8** and 10

Question	Answer	Where to find more
What are some of the significant risks? continued	■ **Foreign Exchange –** There are hedging risks (distribution and capital hedging) – An appreciation of the Australian dollar against the Euro could adversely affect future distributions (to the extent not mitigated by income hedging) and the Australian dollar value of equity capital in the Trust – On expiry of the hedge entered into in respect of the Trust's exposure to equity capital movements, if the Australian dollar weakened against the Euro, the Trust may be required to pay cash to the hedge counterparty. The amount of cash paid will depend on the exchange rate at the time. The Trust may be required to sell assets or borrow to fund the cash payment at settlement of this hedge – The future hedging rates achievable by the Trust on expiry of the initial hedging arrangements will depend on the spot rates and the forward curve at that time – The distribution hedging involves forward contracts for anticipated Euro-denominated income which may not be achieved ■ **Interest rates** – An increase in interest rates may increase interest payable on the unhedged portion of debt that the Trust or any of its controlled entities have entered into – The Trust may require additional debt facilities to fund the acquisition of the Additional Asset. The Trust may not be able to secure funding for this asset at the same rate as the Initial Portfolio – Further narrowing of the interest rate differential between Europe and Australia is likely to adversely impact upon the ability of the Trust to make future acquisitions on adequate terms ■ **Single tenant –** Three of the five properties in the Initial Portfolio are fully let to one tenant. However, each of these tenants have signed long term lease agreements ■ **Dow lease –** The lease to Dow in respect of the property at Frankfurt – Schwalbach expires on 30 November 2009. The rent for that lease is currently above market and it is expected that upon renewal the rent will be adjusted to reflect market rates. This will adversely impact the rental income received by the Trust. To mitigate this risk, the Responsible Entity will provide distribution support for the Trust in certain circumstances, during the calendar years 2010, 2011 and 2012 ■ **Economic and market conditions –** The ability of the Trust to acquire further assets will depend on general economic and property market conditions ■ **Taxation –** Changes in tax law (including relevant double tax agreements) or changes in the way tax law is expected to be interpreted in Australia and the various jurisdictions in which properties are acquired (eg the Initial Portfolio is located in Germany) may affect future earnings and the relative attractiveness of investing in the Trust	sections 3, **8** and 10

Question	Answer	Where to find more
What are the significant tax implications?	■ Unitholders that are Australian tax residents will be subject to Australian tax on their share of the taxable income of the Trust. This may be different to the cash distribution received from the Trust. For example, distributions from the Trust could include tax deferred amounts ■ Investors should consider seeking their own tax advice prior to deciding whether to invest in the Trust	section 9.2
What are the fees and expenses?	The Responsible Entity and DEGI are entitled to receive fees from the Trust and the German Property Partnerships respectively	section 6
What are the commissions?	Some financial advisers may receive a handling fee	section 4.11
What is the dispute resolution procedure?	The Responsible Entity provides complaints handling and dispute resolution process for Unitholders and is a member of an external complaints resolution body	section 10.2.5
Is there a cooling-off period?	No, there is no cooling-off right for Unitholders in the Trust	
Does the Responsible Entity take into account labour standards, or environmental, social or ethical considerations when selecting, retaining or realising investments?	In view of the nature of property investment, the Responsible Entity will not take account of labour standards, environmental social or ethical considerations in selecting, retaining or realising investments for the Trust	
What is the Trust's foreign currency hedging policy?	The Responsible Entity has entered into foreign exchange forward rate agreements to ensure that the proceeds received as part of the Offer are sufficient to settle the acquisition of the Initial Portfolio The Responsible Entity will enter into a series of foreign exchange hedges so that the impact of exchange rate movements on net income from the Initial Portfolio is minimised. It is expected that foreign exchange hedges will also be entered into in relation to the estimated net income from the Additional Asset. Further hedging will be conducted in accordance with the currency hedging policy The Responsible Entity will hedge approximately 30% of the equity capital subscribed for under the Offer against currency fluctuations for a period of approximately five years through cross currency swap agreements	section 3.8.2
Is the Offer underwritten?	The Offer is underwritten by UBS (**UBS**)	section 10.1.9
How can further information be obtained?	Applicants with questions in relation to the Offer should contact their stockbroker, financial adviser, accountant, lawyer or other professional adviser	

3 Details of the Trust

Information about the Trust, its strategy, structure and management.

Details of the Trust

3.1 Overview

The Trust has been established with the objective of providing Unitholders with the opportunity to gain exposure to a high quality, diversified portfolio of income producing real estate located in Europe, with an initial focus on Germany.

3.2 Key financial information

See section 7 for further information about the financial forecasts including section 7.5 for the assumptions on which the financial forecasts are based and section 7.6 for the sensitivity analysis.

	Period ending 31 December 2006	Year ending 31 December 2007
Cash earnings per Unit(1)	4.2	9.1
EPU (cents)	3.2	7.2
DPU (cents)(2)	4.2	9.0
Cash distribution yield(1, 2, 3)	8.8%	9.0%
Tax deferred component	100%	100%
Net tangible asset backing per Unit(4)	$0.94	–
Gearing (debt/total assets)(4)	57.2%	–

1. Cash earnings per Unit equals EPU adjusted for non-cash items
2. Distributions include both income and capital component as described in section 7.2
3. Yield for period ending 31 December 2006 is annualised from Allotment
4. On completion of pro forma transactions as described in section 7.3 and 7.5

3.3 Initial portfolio

The Initial Portfolio comprises five high quality properties located in Germany which have been independently valued at approximately € 458 million.

The Trust will acquire a 75% indirect interest in the Initial Portfolio for € 337.5 million (A$575.0 million), reflecting a 1.7% discount to valuation. DEGI-GWF will retain a 25% interest in the Initial Portfolio. After two years DEGI-GWF is entitled to reduce its interest and the Trust has the option to purchase DEGI-GWF's interest at fair market value.

The tables below set out the key investment details of the Initial Portfolio:

Property	Location	Asset type	Purchase price (€ m)(1)	Purchase price (A$m)(1)(2)	Major tenants
Sophienhof	Kiel	Retail	130.6	222.5	Peek & Cloppenburg
Athlon Place	Frankfurt (City West)	Office	81.8	139.4	Zurich
Railion Park	Duisburg	Office	43.3	73.8	Railion
Elsenheimer Forum	Munich	Office	41.4	70.5	PwC Germany
Kronberger Hang	Frankfurt (Schwalbach)	Office	40.5	69.0	Dow
Total			337.5	575.0	

1. This is the purchase price which will be paid by the Trust to acquire a 75% indirect interest in the Initial Portfolio
2. Based on Exchange Rate of € 0.587 to A$1.00

Initial Portfolio	
Purchase price (75% indirect interest)(1)	€ 337.5 million (A$575.0 million)(1)(2)
Valuation (75% indirect interest)	€ 343.4 million (A$585.0 million)(1)(2)(3)
Discount to independent valuation	1.7%(4)
Number of properties	5
Gross lettable area(5)	142,144 sqm
Purchase price per sqm	€ 3,166 (A$5,393.5)(2)
Number of tenants	110
Occupancy (by GLA)	98.4%
Weighted average lease term to expiry (WALE)	5.7 years
Initial yield	6.4%

1. The vendor, DEGI-GWF will retain a 25% interest in the Initial Portfolio
2. Based on Exchange Rate of € 0.587 to A$1.00
3. Source: CBRE
4. Before property acquisition costs of € 5.5m
5. Excludes parking spaces

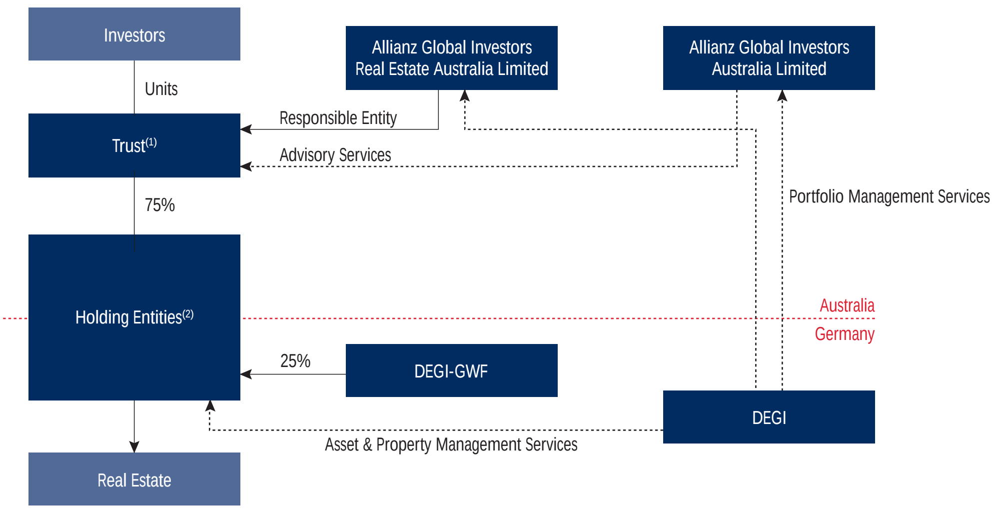
Section 5 of this PDS provides further details concerning the properties comprising the Initial Portfolio. Also see section 12.3 for a summary of the independent valuation of the Initial Portfolio prepared by CBRE.

3.4 Investment structure summary

Following completion of the Offer, Unitholders will own Units in the Trust. The Trust will invest the proceeds of the offer into various holding entities including property companies, German Holding Partnerships and German Property Partnerships. Through these entities, the Trust will hold an indirect interest in 75% of the Initial Portfolio. DEGI will hold an interest in 25% of the Initial Portfolio. The Trust will control the major decisions of the companies, German Holding Partnerships and German Property Partnerships through which it holds an interest in the Initial Portfolio.

Distributions paid by the Trust should be tax deferred in the Forecast Period. The following diagram sets out an overview of the ownership structure for the Trust and its controlled and associated entities at the date of listing:

Investment structure for Initial Portfolio



1. The Trust is the Allianz Global Investors European Property Trust which will be listed on the ASX
2. The Holding Entities are Australian companies, German Holding Partnerships and German Property Partnerships

Further details of the structure of the Trust, including the German Property Partnerships are set out in sections 10.1.3 and 10.1.4.

3.5 Acquisition of Additional Asset

3.5.1 Additional Asset

The Responsible Entity, in conjunction with DEGI, is seeking to acquire an Additional Asset, with DEGI currently involved in a tender process for an Identified Asset. There is no certainty that the Responsible Entity and DEGI will be successful in the tender for this asset.

In the event that the Identified Asset is not acquired, the Responsible Entity will seek to acquire a substitute asset(s) on behalf of the Trust that meets with the stated Investment Criteria. While DEGI believes that such assets are available, there can be no certainty that an asset of the same investment profile as the Identified Asset can be acquired.

3.5.2 Forecast Period Distribution Support

The Responsible Entity will support distributions by the Trust for the Forecast Period. The Forecast Period Distribution Support will be the lesser of:

- the difference between the amount of net income, in Australian dollars, actually received from the Additional Asset and the net income which the Identified Asset would provide if it were acquired at Allotment Date, and
- the amount necessary to bring the cash distribution for the period to 31 December 2006 up to 4.2 cents per Unit and for the year to 31 December 2007 up to 9.0 cents per Unit

The Responsible Entity will provide this support from its own assets and not from the Trust's assets and will facilitate this by waiving or refunding a portion of the fees to which it is otherwise entitled. If Allianz Global Investors Real Estate Australia Limited ceases to be the responsible entity of the Trust, its obligation to provide the Forecast Period Distribution Support will terminate and those obligations may not be assumed by the new responsible entity of the Trust.

The Responsible Entity believes that the fees to which it is entitled during the Forecast Period are adequate to enable it to provide the Forecast Period Distribution Support.

Since the Forecast Period Distribution Support is capped, there is a risk that cash distributions during the Forecast period will be less than the forecast amounts.

Based on the assumptions in the forecast financial information, the distribution for the year ending 31 December 2008 may decrease by 0.6 cents per Unit from the distribution for the year ending 31 December 2007 once the Forecast Period Distribution Support expires. If the Identified Asset is acquired during the Forecast Period, the decrease in distribution of 0.6 cents per Unit, on expiry of the Forecast Period Distribution Support may not arise in the year ending 31 December 2008.

These arrangements will only apply only during the Forecast Period. After this time, there is a risk that distributions may fall, as described in section 8.9.

3.5.3 Investment Criteria – Additional Asset

The Additional Asset that may be acquired by the Trust will meet the following investment criteria:

(1) The property(ies) must be located in countries with stable political environments with economic growth prospects

(2) The properties must be well located given their use and have reasonable prospects of re-letting at lease expiry

(3) The weighted average remaining lease term shall be no less than 4 years

(4) The overall net passing rent of an asset shall be no more than 11% above the net market rent

(5) Tenant criteria:

(a) if a tenant occupies more than 75% of a property, such tenant must have:

i. net worth of at least the base rent times three and

ii. the tenant, tenant's parent or a wholly owned subsidiary of the tenant must have been in the business for a minimum of three years

(b) if the tenant occupies less than 50% of a property, but more than 25%, such tenant must have net worth of at least base rent times two

(c) if the tenant occupies less than 25% of a property, there is no credit standard

(d) no significant tenant shall have been bankrupt within the past three years

(6) All acquisitions shall be subject to due diligence, consistent with prudent market practice, in particular but not limited to ensure that each property has no material:

(a) code, compliance or statutory problems

(b) unmitigated environmental problems

(c) issues relating to title or survey or no other legal impediments relating to the property which may prevent title being transferred

3.6 Investment strategy

Future acquisitions and investment focus

The Responsible Entity will target stable income-producing real estate investments in Europe that add to the diversification and/or enhancement of the Trust's Portfolio. In considering future acquisitions, the key focus will be the enhancement of risk-adjusted returns to Unitholders, taking into account both initial and expected future returns.

The Responsible Entity's investment strategy for the Trust is to enhance earnings prospects by maximising property performance through active asset management, property management and leasing and by acquiring new properties that will generate accretive returns to Unitholders while maintaining or reducing the overall risk profile of the Trust. It is not intended that the Trust will be an active trader of property assets. The Initial Portfolio will be held with the intention of long term ownership.

For future acquisitions, the Responsible Entity will focus on properties satisfying the following criteria (to be reviewed annually):

Type of property

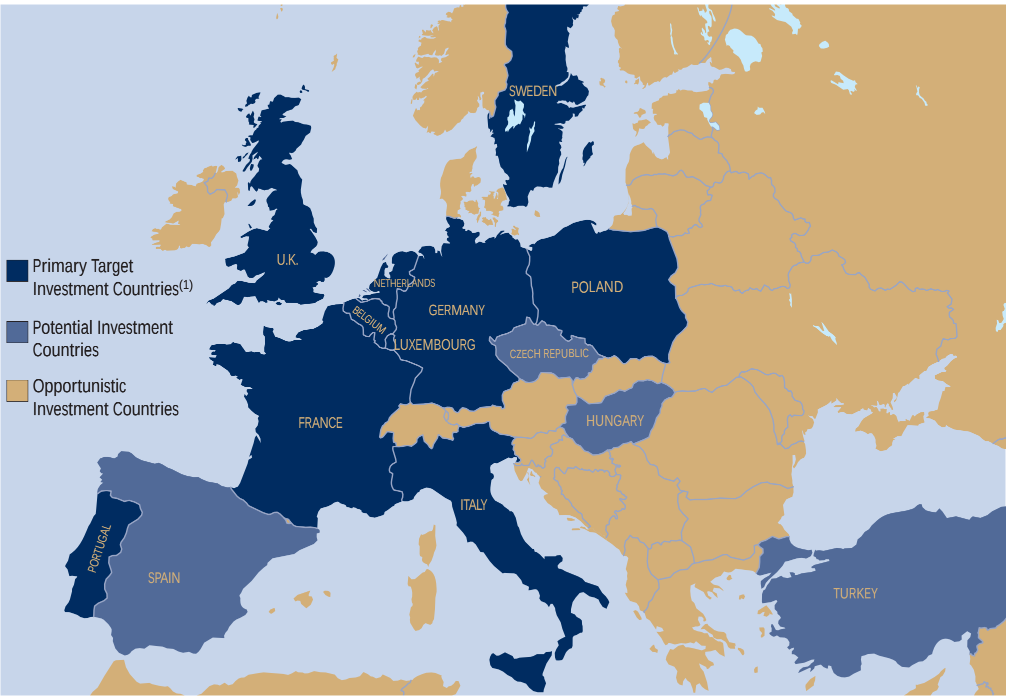
Focus on real estate with high occupancy levels and target weighting in the following asset classes:

- 30-50% – Regional and sub-regional shopping centres and retail warehouses
- 20-40% – Office properties
- 10-20% – Logistic centres, mixed use and residential properties

Location

Pan-European focus on future acquisitions located in CBD, business parks and established commercial precincts in Europe.

Investment focus



1. Countries in which DEGI currently invests and manages real estate

Asset characteristics

- Predominantly fully rented, medium to long term leases
- New and/or newly refurbished with low capital expenditure requirements
- Minimum acquisition price of approximately € 20 million
- Tenants with high quality credit covenants

The Responsible Entity and DEGI will conduct a bottom-up value approach for assessing individual acquisition opportunities by analysing the following:

- The sub-market in which the property is located assessing current vacancy, the development pipeline, barriers to and costs of entry
- The building quality and age, particularly with respect to the requirement for capital expenditure
- The tenant profile, including the quality of the sitting tenants, lease term and the investment that the tenants have in their fit-out
- Potential for rental growth, specifically the over/under renting within the property versus the term of the lease and the lease structure

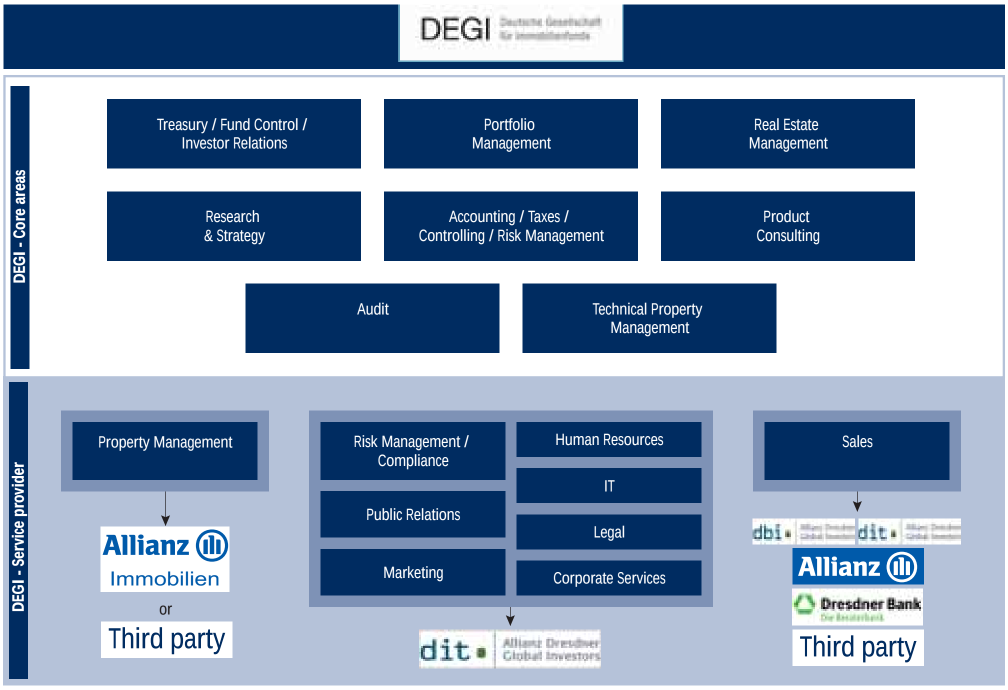
3.7 DEGI management platform

DEGI is a real estate investment company of the Allianz Group. DEGI is among the largest direct property fund managers in Europe. Established in 1972, DEGI owns or manages real estate assets worth approximately € 9 billion with more than 200,000 investors.

DEGI has a track record for investing in and managing real estate across Europe (Germany, Italy, Portugal, France, Sweden, Belgium, the UK, Luxembourg and Poland). DEGI employs over 109 real estate professionals and its most senior executives average over 17 years of real estate experience.

The Initial Portfolio has been sourced from DEGI-GWF's existing portfolio. DEGI benefits in its acquisition activities from the possibilities that an in-house global network can provide. Currently DEGI provides asset and property management, product development, research and consulting services to retail, wholesale and institutional clients in Europe.

The breadth of DEGI’s real estate investment management operations is illustrated below:



Asset and Property Management Agreement

The Trust, through each German Property Partnership, has entered into a long term agreement appointing DEGI as the Asset Manager. DEGI will be responsible for the day to day management of the Initial Portfolio.

Under each Asset and Property Management Agreement DEGI’s primary responsibilities include:

- Asset and property management services, including:
  - budget and asset planning and reporting services on a monthly, quarterly and annual basis
  - executing, amending and terminating lease agreements
  - tenant relationship management
  - rent collection
  - handling of insurance claims
  - supervision of ongoing property maintenance
  - supervision of the physical management of the properties
  - other accounting and taxation reporting services
  - other services, including supervision of any building works that may be required

Further details of these agreements can be found in section 10.1.8

Active portfolio management strategy

The DEGI portfolio management strategy includes techniques such as portfolio, cash flow and market analyses. These processes will enable DEGI to respond quickly to market changes and to support the Trust to safeguard long term yield opportunities for Unitholders.

DEGI has a highly qualified in-house research team whose work is based both on DEGI’s own sources and on external sources worldwide. Cyclical and structural market risks, market yields as well as the appreciation potential of individual countries, market segments and locations down to property location level are analysed by adopting a top-down approach. The results of the top-down analysis are then channelled into the investment strategies and recommendations for overall portfolio management.

Valuation policy

As part of portfolio management, the Responsible Entity will regularly have the Trust's property valued. All assets in the Trust have been valued prior to acquisition (see section 5 for further details regarding the Initial Portfolio). Individual properties within the Trust's Portfolio will be valued on a rolling basis, such that all of the assets are independently valued at least once every three years.

Portfolio Management Agreement

In addition to the Asset and Property Management Agreement, the Responsible Entity, together with Allianz Global Investors Australia Limited, has entered into a long term Portfolio Management Agreement with DEGI. Under this agreement, DEGI has agreed to provide certain management services to the Responsible Entity and Allianz Global Investors Australia Limited including sourcing other real estate acquisitions for the Trust from both within DEGI's existing real estate portfolio and from external opportunities. DEGI's responsibilities under this agreement include:

- Asset origination services, including:
  - origination of investment opportunities suitable for the Trust and
  - advice in relation to offer structure and pricing
- Asset acquisition services, including:
  - due diligence in relation to investment opportunities and
  - provision and/or commissioning of experts' reports including detailed market research

Through this agreement, the Responsible Entity effectively shares with DEGI certain fees payable to it under the Constitution. Further details of this agreement can be found in section 10.1.7.

As part of the arrangements with DEGI, if there is a Change of Control of the Trust, DEGI will have the right to acquire the interests in the properties held by the Trust and in which DEGI has at least a 5% interest, at a price determined by a committee of independent expert valuers. Further details of this call option can be found in section 10.1.12.

It is expected that the relationship with DEGI and the wider Allianz Group, will give the Trust the ability to participate in new acquisition opportunities and will give the Trust local market knowledge, which will enable it to be active in the European real estate market. Both the Responsible Entity and DEGI are also incentivised to source third party acquisitions for the Trust in accordance with the Trust's investment strategy under the Constitution and the Portfolio Management Agreement (see sections 10.1.1 and 10.1.7). Future acquisitions from DEGI may require Unitholder approval. The Responsible Entity may seek a waiver from ASX Listing Rule 10.1 on an acquisition by acquisition basis, to allow it to acquire properties from DEGI without the need to seek such Unitholder approval. Circumstances in which a waiver may be sought include the acquisition of an indirect interest in the Additional Asset (if initially acquired by DEGI) and the exercise of the call option the Trust has to acquire a further interest in the Initial Portfolio from DEGI-GWF.

The fees that DEGI will be paid are set out in section 6.

The senior executive at DEGI with primary responsibility for the Trust is:

Malcolm Morgan – DEGI Board of Directors

Malcolm Morgan is a managing director with DEGI and responsible for acquisitions, dispositions, portfolio management research, new product development as well as the overall management for four open-ended funds.

Mr Morgan serves on the DEGI management board. He was previously with SEB Immobilien Investment where he was head of Real Estate Investment. Mr Morgan has worked in the European real estate market since 1984.

The senior executives at DEGI with primary responsibility for services related to the Trust include:

Dr Thomas Beyerle – Director of Research/Strategy/Press-Relations

Fabian Klingler – Director of Treasury/Fund Management/Investor Relations

Arno Höfinghoff – Director of Real Estate Management

Norbert Sowa – Director of Product Consulting

Andreas Ertle – Director of Accounting/Tax Controlling

3.8 Risk management strategy

3.8.1 Interest rate policy

To minimise income volatility where the Trust uses debt financing to fund acquisitions it will generally aim to do so with medium to long term fixed rate debt.

The Initial Portfolio will be held through the German Property Partnerships. The acquisition of the Initial Portfolio will be funded through the proceeds of the Offer and through borrowings entered into by the German Property Partnerships. These borrowings will be denominated in Euros. Further information in relation to the debt financing of the acquisition including the security granted in respect of such financing can be found in section 10.1.10.

The Responsible Entity's current borrowing policy is for Gearing to be between 50% and 60% of Gross Asset Value. The Trust has the capacity to increase borrowings above 60% of Gross Asset Value on a short term basis, to facilitate real estate acquisitions, capital expenditure requirements, leasing commissions, tenant improvements and distributions. Currently it is intended that all borrowings, including those to fund the acquisition of the Additional Asset, will be denominated in Euros (or the local currency of future property acquisitions).

The Responsible Entity will consider fixing the interest rates on borrowings for such periods as it considers appropriate having regard to the interest rate climate at the time of initiating the borrowings and the anticipated holding period for the property assets.

In relation to the Initial Portfolio, the Responsible Entity has secured a fixed rate facility for approximately € 245 million for a period of five years at approximately 4.36% per annum at the German Property Partnership level. The Responsible Entity will also put in place a floating rate facility of € 20 million, which will be used to fund ongoing capital expenditure and other expenses for a duration of five years. The interest rate assumed for the floating facility is 100 bps over the 90 day EURIBOR during the forecast period. Unitholders should refer to section 8.6 for a discussion of interest rate risks.

The interest rate policy will be reviewed by the Directors of the Responsible Entity on an annual basis, or more frequently as required.

3.8.2 Foreign exchange hedging policy

Income hedging

The Responsible Entity has a policy to undertake foreign exchange hedging (using foreign exchange forward contracts) of the expected foreign currency denominated net income of the Trust to insulate against movements in exchange rates, both favourable and unfavourable.

The policy is to arrange foreign exchange hedges on a rolling basis with 100% of the Trust's estimated foreign currency denominated net income hedged for the next 5 years, in addition to a declining percentage of income hedged over the following three years.

In relation to Euro income hedging, the financial forecasts assume an average forward exchange rate of € 0.578 to A$1.00 for the period ending 31 December 2006 and € 0.568 to A$1.00 for the year ending 31 December 2007.

Such foreign exchange arrangements will be reviewed semi-annually and at a time when the Responsible Entity believes there has been a material change in the expected distributions of the Trust.

The policy is intended to provide a degree of certainty for Unitholders that changes in the exchange rate between the Australian relevant offshore currencies do not have a significant impact on the distributions in Australia within the subsequent five year period.

Capital hedging

The policy of the Responsible Entity is to maintain ongoing capital hedges equivalent to approximately 25-35% of the Trust's equity capital, over an average period of approximately five years. Such foreign exchange hedging arrangements will be reviewed semi-annually. The duration of the capital hedges, and the resulting settlement dates may be staggered over time, however any additional foreign exchange hedges undertaken from such reviews would be over periods of approximately five years.

The cost of implementing these hedges is incorporated into the hedged exchange rate. Security may be given over the direct and indirect assets of the Trust to the counterparty to the foreign exchange hedges to protect the counterparty against the risk of default.

For a discussion of the foreign exchange risks, please refer to section 8.5.

3.9 Distribution policy

The Responsible Entity intends, over time, to distribute the whole of the Trust's distributable net accounting income, determined on a consolidated basis, excluding unrealised gains and losses. In some periods, the Responsible Entity may determine that it is appropriate to withhold some of the Trust's net accounting income determined on a consolidated basis for later distributions, capital expenditure or working capital purposes. The Responsible Entity may also determine to make distributions out of the capital of the Trust.

Distributions are scheduled to be made on a semi-annual basis and will be made by cheque or by way of direct credit to the bank account nominated by Unitholders to the Registry. The Trust's first distribution is in relation to the period from the Allotment Date to 31 December 2006 and is scheduled to be paid in mid-February 2007.

Unitholders should note that there is no guarantee that the forecast level of distributions set out in this PDS will be achieved. Unitholders should refer to section 8 for a summary of risk factors.

The Trust will have a distribution reinvestment plan (**DRP**) which allows Unitholders to elect to reinvest some or all of their distributions in further Units.

The DRP will not initially be operative with respect to the distributions to be declared in the Forecast Period. Unitholders will be notified when the DRP becomes operative. Further details of the DRP can be found in section 10.2.2.

Forecasts made in this PDS assume no new Units are issued under the DRP.

Distribution Support on Dow Lease Expiry

If during each of the calendar years 2010, 2011 and 2012 there is insufficient income to permit the Responsible Entity to make a distribution equal to 9.0 cents per Unit and Dow:

- has not exercised its option to renew its lease, or
- has renewed its lease at a rent less than that which it pays under the current lease

then, the Responsible Entity will waive or refund the Base Management Fee to which it is entitled in respect of the Initial Portfolio in the relevant calendar year in an amount equal to the lower of:

- the decrease in net income from the premises currently leased to Dow and located at Schwalbach for the relevant calendar year as a result of Dow not exercising its option to renew its lease or renewing its lease at a rent less than that which it pays under the current lease, and
- the amount necessary to bring the distribution per Unit up to 9 cents per Unit,

and in either case, only up to an amount equal to 100% of the Base Management Fee in respect of the Initial Portfolio.

The support in each of the 2010, 2011 and 2012 calendar years is capped at the amount of the Base Management Fee to which the Responsible Entity is entitled in respect of the Initial Portfolio during that calendar year. There is a risk that if that amount is not sufficient in any one of those years, Unitholders will receive a distribution of less than 9 cents per Unit for that year.

The distribution support provided in these years reflects the Responsible Entity's confidence to successfully manage the Dow lease expiry in November 2009 at the Frankfurt-Schwalbach property.

3.10 Role of the Responsible Entity

The Responsible Entity is responsible for the overall activities of the Trust. Primary responsibilities include:

- Trust strategy including evaluation and execution of investment opportunities
- Capital management for the Trust (including equity and debt)
- Risk management including foreign exchange hedging and interest hedging
- Treasury and tax management services
- Accounting and reporting for the Trust
- Compliance
- Delegation of authority
- Approving strategic plans, asset plans and budgets
- Approving future acquisitions and disposals
- Approving extraordinary capital expenditures
- Overseeing and approving subsequent capital raisings
- Investigating the possibility of joint venture partnerships and, if appropriate, negotiating and implementing joint venture arrangements
- Unitholders relations and communications

The Responsible Entity will be paid fees for these services as outlined in section 6.

3.11 The Responsible Entity – Allianz Global Investors Real Estate Australia Limited

The Responsible Entity is part of the Allianz Group, one of the top five asset management companies world wide, with more than € 1.2 trillion of assets under management (as at 30 September 2005). Globally, Allianz Global Investors AG has offices in New York, Newport Beach, San Diego, San Francisco, London, Paris, Milan, Singapore, Hong Kong, Tokyo, Frankfurt, Munich and Sydney.

Allianz Global Investors AG has had a presence in Australia since 1986 and its history reflects the July 2001 takeover of Dresdner Bank AG by Allianz AG. The Responsible Entity is a subsidiary of Allianz Global Investors Asia Pacific GmbH. Allianz Global Investors AG's main operating company in Australia is Allianz Global Investors Australia Limited.

Allianz Global Investors Australia Limited, a member of the Allianz Group, has been appointed by the Responsible Entity under a long term Fund Management Agreement, to provide certain investment advisory services to the Trust. The primary responsibilities of Allianz Global Investors Australia Limited, and the fees payable to Allianz Global Investors Australia Limited in respect of these services, are set out in sections 6, and 10.1.6.

Allianz Global Investors Australia Limited has 30 staff in its Sydney office. It has approximately A$1 billion in assets under management (as at 30 November 2005) including both registered and unregistered funds and wholesale mandates. Allianz Global Investors Australia Limited's staff are highly experienced in all aspects of funds management, including portfolio management, research and day-to-day financial operations.

3.12 The Board of the Responsible Entity

The Responsible Entity has an experienced and commercial board with the skills necessary to oversee the management of the Trust. Collectively, the board members have experience in the areas of banking and finance, funds management including property funds management, accounting and law.

The Board of Directors of the Responsible Entity consists of two non-executive directors and two executive directors.

3.12.1 Non-Executive Directors

Richard Longes / Independent Chairman

Mr Longes is chairman of Austbrokers Holdings Limited and a non-executive director of Boral Limited, Viridis Clean Energy Group, Metcash Trading Limited and Investec Bank (Australia) Limited.

Mr Longes was previously chairman of MLC Limited and General Property Trust and deputy chairman of Lend Lease Corporation Limited.

He holds, or has held, positions with government advisory boards including the Review of the National Museum and the Funds Management Committee for the IIF Program and non-profit organisations, NIDA and Bangarra Dance Theatre.

Mr Longes has a Bachelor of Law and a Bachelor of Arts from the University of Sydney and a Masters of Business Administration from the University of New South Wales.

He was a founding principal of Wentworth Associates, now part of the Investec Group, and prior to that, a partner of the legal firm, Freehills, for more than 15 years.

Vickki McFadden / Non-Executive Director

Since 2005 Ms McFadden has been a non-executive director and chairman of the Audit and Risk Committee at Skilled Group Limited. Ms McFadden is also a member of the advisory board at the University of NSW Faculty of Commerce and Economics.

Ms McFadden has held the position of Managing Director, Investment Banking, at Merrill Lynch and was a Director/Principal at Lloyds Corporate Advisory Services.

Ms McFadden holds a Bachelor of Law and Bachelor of Commerce (Major in Accounting) from the University of New South Wales.

A third non-executive director will be appointed following the completion of the Offer.

3.12.2 Executive Directors

Cristóbal Méndez de Vigo / Executive Director

Cristóbal Méndez de Vigo is based in Sydney, having been appointed CEO for Allianz Global Investors Australia Limited in August 2005.

From 1999 to 2005, he worked in Hong Kong as head of Strategic Planning for Allianz Global Investors Asia Pacific GmbH and was responsible for regional business, corporate development and strategic financial planning for the Asia Pacific region, reporting to the regional CEO. He is a full member of the regional Executive Committee and the regional Management Committee supervising various Allianz Global Investors subsidiaries in the region. He joined Dresdner Bank's asset management department in 1996, holding institutional client responsibilities (mainly with central banks and government related agencies) in Latin America, Africa and the Middle East.

He is a lawyer with a degree in Law and Business Administration from the Universidad Pontificia Comillas (ICADE), Madrid, Spain and speaks fluent English, German, French and Spanish.

Carolyn Isaacs / Executive Director

Carolyn Isaacs joined Allianz Global Investors Australia Limited in April 1999 and has over 13 years experience in the financial services industry, covering funds management and merchant banking. She has also had four years experience in audit. In her current role as head of Fund Operations and director of Allianz Global Investors Australia Limited, Ms Isaacs is responsible for strategic and day to day issues affecting the administration of the business in Australia, together with management of back office services. Prior to joining Allianz Global Investors Australia Limited, Ms Isaacs was financial controller/company secretary and associate director of UBS Global Asset Management (Australia) Ltd in Sydney. She holds a Bachelor of Economics degree from Sydney University and is a member of the Institute of Chartered Accountants in Australia.

3.13 Senior management

The Trust Manager of the Trust with primary responsibility for investment and operational management is Michael Dowling.

It is currently planned that the Responsible Entity will appoint a European based asset manager to assist with day to day management of the properties in the Initial Portfolio.

Michael Dowling / Trust Manager

Michael C Dowling FAICD, AAPI and MRICS commenced his property career in 1980. Since that time he has lived in Sydney, London and Hong Kong and undertaken property transactions in Europe, Japan, Hong Kong, Singapore, Malaysia, Indonesia, the United States and Australia.

His transactional experience includes: direct investment, development, debt financing, equity placement and funds management encompassing commercial, industrial, retail and residential asset classes.

This experience was gained in senior positions with Jones Lang Wootton (now Jones Lang La Salle) in Australia, Citibank in London and Sydney and with London and Edinburgh Trust (LET Pacific)in Hong Kong. He is a valuer by training a Fellow of the Australian Institute of Company Directors (FAICD), Associate of the Australian Property Institute (AAPI) and a Member of the Royal Institution of Chartered Surveyors (MRICS).

3.14 Corporate Governance

3.14.1 Audit and Risk Management Committee

The Responsible Entity has appointed an Audit and Risk Management Committee with a majority of independent Directors.

The Audit and Risk Management Committee operates in accordance with its charter which, among other things, sets out its composition, operation and responsibilities.

The external auditor of the Trust is PricewaterhouseCoopers. Under the policy adopted by the committee, the lead engagement partner and review partner will each be required to be rotated at least every five years. Any non-audit services over $50,000 that are to be provided by the auditor must be pre-approved and will be subject to disclosure in the annual report.

Additionally, a partner in KPMG is engaged to audit compliance with the Compliance Plan. The Compliance Plan auditor provides a report to the Board which, together with the Trust's financial statements and reports, is lodged with ASIC.

It is not currently proposed to establish a nomination or remuneration committee. These functions will be carried out by the full Board.

3.14.2 Compliance Committee

As required by the Corporations Act, the Responsible Entity has prepared and lodged with ASIC a Compliance Plan for the Trust. The Compliance Plan outlines the measures that the Responsible Entity must apply in its capacity as responsible entity when operating the Trust to ensure compliance with the Corporations Act and the Constitution. At this stage, half of the Board is comprised of external directors and, as such, the Board does not intend to establish a compliance committee. The Board will monitor compliance with the Compliance Plan.

3.14.3 Conflicts of interest

The Responsible Entity has an obligation to have adequate arrangements in place for the management of conflicts of interest that may arise, however Unitholders should note that the conflicts policy does not require all conflicts of interest to be avoided. It is recognised that DEGI has other asset and property management mandates and also acts on its own account. Pursuant to the Portfolio Management Agreement, protocols will be developed to address any conflicts arising out of these other activities. The Responsible Entity may deal with any Unitholder, act as trustee or Responsible Entity of any other trust or managed investment scheme or deal with any entity in which the Responsible Entity holds an investment on behalf of the Trust, and in each case the Responsible Entity (or an associate) may retain for its own benefit all profits or benefits derived from that activity. Any other future transaction involving the Trust and any related party (including DEGI) will be on an arm's length terms.

3.14.4 Securities Trading Policy

The Responsible Entity has adopted a securities trading policy for Directors, officers, senior management and other employees. The policy requires Directors, the company secretary, senior management and other employees of the Responsible Entity to only deal in the Trust's securities during certain trading windows. Further, the policy requires that the approval of the company secretary must be obtained prior to trading in securities in the Trust.

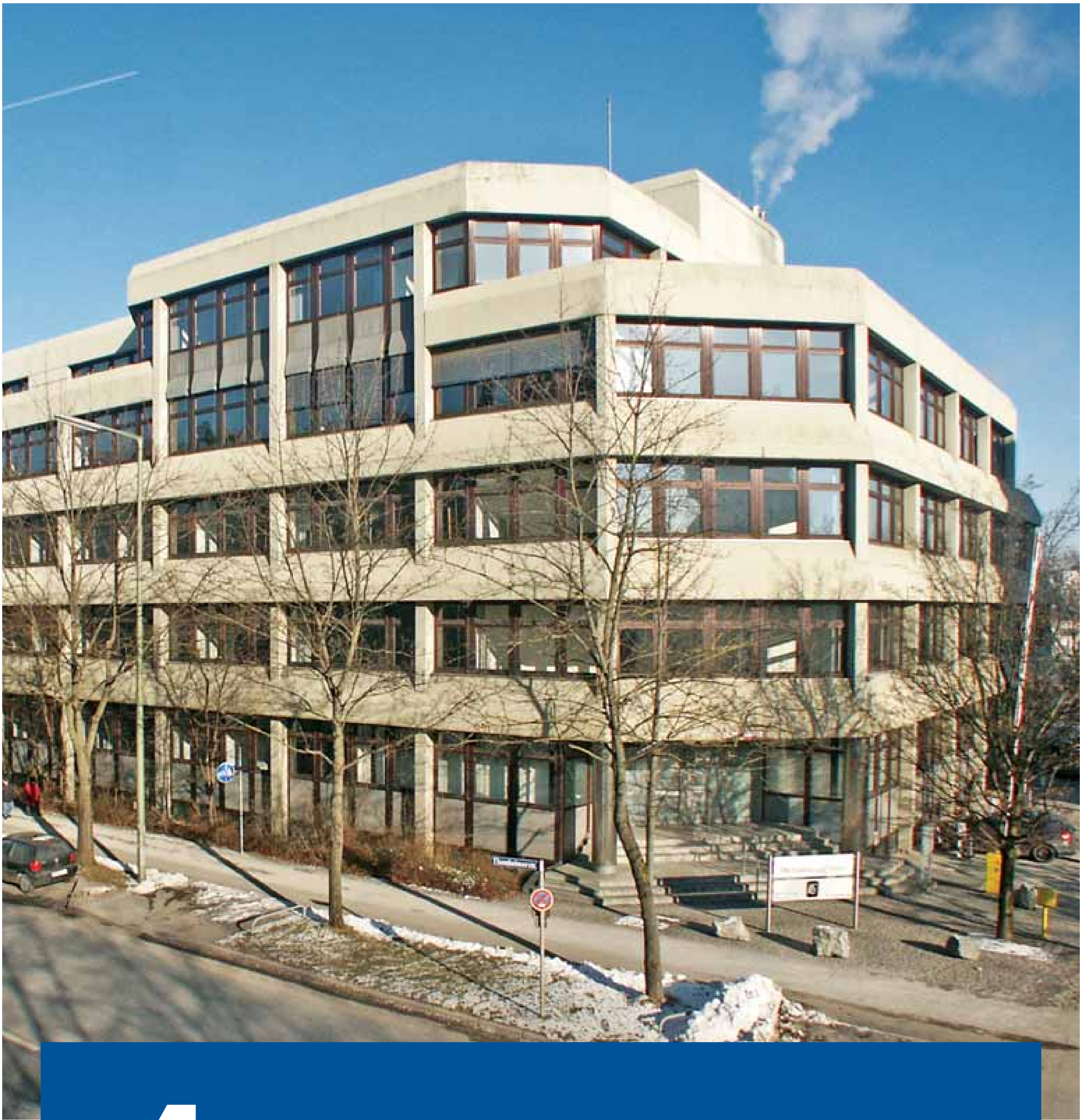
3.14.5 Continuous Disclosure

The Trust will be a disclosing entity for the purposes of the Corporations Act and must comply with the continuous disclosure regime under the ASX Listing Rules and the Corporations Act. The Responsible Entity has established internal systems and procedures to ensure that Unitholders and potential investors have equal and timely access to material information concerning the Trust, including its financial position, performance, ownership and governance.

3.14.6 Related Party Transactions

Under the Constitution, the Responsible Entity (in its personal capacity or in any capacity other than as responsible entity of the Trust) or any of its associates may:

- deal with the Responsible Entity or any Unitholder;
- be interested in any contract, transaction or matter with the Responsible Entity or any Unitholder;
- act as trustee or Responsible Entity of any other trust or managed investment scheme; and
- deal with any entity in which the Responsible Entity holds an investment on behalf of the Trust, and in each case the Responsible Entity (or an associate) may retain for its own benefit all profits or benefits derived from that activity.



4 Details of the Offer

Information about the Offer and how to apply for Units.

Details of the Offer

4.1 The Offer

The Offer is for 353.2 million Units. Units will be issued at an Issue Price of A$1.00 per Unit.

The Offer is fully underwritten by UBS (for more details in relation to the Underwriting Agreement, refer to section 10.1.9). The Offer comprises an Institutional Offer and a Broker Firm Offer. All Units offered for issue under the Offer will rank equally with each other and are subject to the disclosure in this PDS.

4.2 Timetable

The following table sets out the indicative timetable for the Offer:

Important dates	
Offer opens	Monday, 26 June 2006
Offer closes	Tuesday, 11 July 2006 at 5.00pm (Sydney time)
Allotment of Units	Wednesday, 12 July 2006
Dispatch of holding statements	Thursday, 13 July 2006
Commencement of Deferred Settlement trading of Units on ASX	Thursday, 13 July 2006
Commencement of normal trading of Units on ASX	Friday, 14 July 2006

The dates in the above table are subject to change and are indicative only. The Responsible Entity and UBS reserve the right:

- not to proceed with the Offer at any time before the allocation of Units to Applicants under the Offer, or to withdraw the Offer at any time, without notice, prior to the Allotment of Units. If the Offer does not proceed, Application Money will be refunded in full without interest
- to close the Offer or any part of it early, extend it or accept late Applications either generally, or in particular cases, to reject any Application, or to allocate to any Applicant fewer Units than applied for
- to reduce or increase the size of the Offer

4.3 Broker Firm Offer

Australian clients of Participating Brokers who have received this PDS in Australia may apply for Units under the Broker Firm Offer.

Applicants applying under the Broker Firm Offer should contact their Participating Broker on how to submit an Application Form and Application Money.

Participating Brokers will act as agent for Applicants under the Broker Firm Offer and Applicants must:

- make their cheque, bank draft or money order payable to the Participating Broker
- deliver the completed Application Form and Application Money to the Participating Broker, with sufficient time for them to be received and processed by the Responsible Entity before the Offer closes

You should follow the instructions in this section and on the Application Form in section 12 as your Application may not be accepted if submitted incorrectly.

4.4 Institutional Offer

The application and settlement procedures for the Institutional Offer will be notified to Institutional Investors by UBS.

4.5 Allianz Global Investors Unitholding

Allianz Global Investors may subscribe for up to $65 million of Units and may nominate other subscribers for up to $40 million of those Units.

4.6 Overseas investors

No action has been taken to register or qualify the Units or otherwise to permit a public offering of the Units in any jurisdiction outside Australia.

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this PDS who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

In particular, the Units have not been and will not be registered under the US Securities Act of 1933, as amended (the 'USA Securities Act'), or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person (as defined in Regulations S of the US Securities Act) except in a transaction exempt from the registration requirements of the Securities Act or applicable US State securities law.

This PDS has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this PDS and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Units may not be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under section 282Y of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"); (ii) to a relevant person, or any person pursuant to section 282Z(2), and in accordance with the conditions, specified in section 282Z of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Units are subscribed or purchased under section 282Z by a relevant person which is (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Units under section 282Z except (1) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets; (2) where no consideration is given for the transfer; or (3) by operation of law.

4.7 Allocation policy

The basis of allocation of Units among Unitholders will be determined by UBS in consultation with the Responsible Entity.

The Responsible Entity, in consultation with UBS reserves the right to reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured, or to allocate to any Applicant a lesser number of Units than that Applicant applied for.

The Responsible Entity, in consultation with UBS also reserves the right to reject any Applications submitted by a person who they believe may be an ineligible Applicant or to waive or correct any errors made in completing any Application Form.

4.8 Trading on ASX

The Responsible Entity will apply for admission of the Trust to the official list of the ASX and for admission of the Units to quotation by ASX within seven days after the date of this PDS. If the Units are not admitted to quotation within three months after the date of this PDS (or any longer period permitted by ASIC) any issue of Units is void and the Responsible Entity will repay as soon as practicable, without interest, all Application Money received under this PDS.

It is the responsibility of Applicants to confirm their holding before trading in Units. Applicants who sell Units before they receive their holding statement do so at their own risk. The Responsible Entity and UBS disclaim all liability, whether in tort (including negligence), statute or otherwise, to persons who trade Units before receiving their holding statement, whether on the basis of the confirmation of allocation provided by the Registry or otherwise.

It is expected that the Trust will receive the ASX code 'AZG'.

4.9 CHESS

The Trust will apply to be a participant in ASX's Clearing House Electronic Subregister System (**CHESS**), which is operated by ASTC, a wholly-owned subsidiary of ASX. In accordance with the ASX Listing Rules and the ASTC Settlement Rules, the Trust will maintain an electronic CHESS subregister (for Unitholders who are participants in CHESS or sponsored by such a participant) and an electronic issuer-sponsored register (for all other Unitholders).

Following the allocation of Units to successful Applicants, Unitholders will be sent an initial statement of holding that sets out the number of Units that have been allocated and the Unitholder's Holder Identification Number (**HIN**), or in the case of issuer-sponsored holders, the Securityholder Reference Number (**SRN**).

Unitholders may request a statement of holding at any time, however, a fee may be charged for additional statements.

The Trust will not issue unit certificates to Unitholders.

4.10 Brokerage, commission and stamp duty

No brokerage, commission or stamp duty is payable by Applicants for Units under the Offer.

4.11 Handling fee

A handling fee of 1.5% (inclusive of GST) up to a maximum of A$3,750 per Application will be paid to participating organisations of the ASX and members of the Financial Planning Association of Australia Limited for Units allotted pursuant to stamped Application Forms.

No handling fee will be paid on any Application (or aggregate of Applications if a single Unitholder submits more than one Application) on the amount above A$100,000 (ie. more than 100,000 Units).

4.12 Right to purchase securities

None of the Responsible Entity, UBS or any related entity intends to make a market in the Units. However, each of UBS and any related entity acting as a Unitholder for its own account may take up the Units and in that capacity may apply for, retain, purchase or sell for its own account the Units and any other securities of the issuer or related investments, and may offer or sell such securities or other investments otherwise than in connection with the Offer. In particular, UBS or any related entity may apply for Units under the Offer to ensure that any minimum issue size for the Units is met. Accordingly, references in this document to the Units being offered should be read as including any offering of securities to UBS and any of its related entities acting in such capacity. UBS does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

5 The Properties

Details of the Initial Portfolio.

The Properties

5.1 Overview of Initial Portfolio

The Responsible Entity has entered into contracts to purchase a 75% indirect interest in four high quality office properties, two of which are located in two of Germany's prime office markets, Frankfurt – City West, and Munich, two located in Frankfurt – Schwalbach and Duisburg and one prime regional retail mall in Kiel. DEGI-GWF, the vendor, will retain a 25% interest in the Initial Portfolio. The Responsible Entity has entered into long term agreements appointing DEGI to source real estate acquisitions for the Trust and provide asset and portfolio management services to the Trust.

The Responsible Entity has obtained independent valuations of each of the properties in the Initial Portfolio. A summary of the valuations undertaken by CBRE is contained in section 9.3. The 75% indirect interest in the Initial Portfolio is being acquired at a price of € 337.5 million (A$575.0 million). This is a 1.7% discount to the independent valuation, which equates to a 6.4% initial yield, before property acquisition costs.

The key characteristics of the Initial Portfolio are summarised below:

Initial Portfolio

Purchase price (75% indirect interest)	€ 337.5 million (A$575.0 million)(1)(2)
Valuation (75% indirect interest)	€ 343.4 million (A$585.0 million)(1)(2)(3)
Discount to independent valuation	1.7%(4)
Number of properties	5
Gross lettable area(5)	142,144 sqm
Purchase price per sqm	€ 3,166 (A$5,393.5)(2)
Number of tenants	110
Occupancy (by GLA)	98.4%
Weighted average lease term to expiry (WALE)	5.7 years
Initial yield	6.4%

1. The vendor, DEGI-GWF, will retain a 25% interest
2. Based on Exchange Rate of € 0.587 to A$1.00
3. Source: CBRE
4. Before property acquisition costs of € 5.5m
5. Excludes parking space

Property profile – Initial Portfolio

Asset	Location	Asset type	GLA (sqm)	Occupancy (% GLA)	Valuation (€ 000)(1)	Acquisition price (€ 000)(2)	Acquisition price (€ /sqm)	Initial yield (%)	Major tenants (by Income)
Sophienhof	Kiel	Retail	41,733	95.1	131,370	130,575	4,172	5.5	Peek & Cloppenburg
Athlon Place	Frankfurt (City West)	Office	29,759	100.0	82,133	81,750	3,663	5.8	Zurich
Railion Park	Duisburg	Office	26,429	100.0	44,985	43,275	2,183	6.7	Railion
Elsenheimer Forum	Munich	Office	21,778	100.0	42,833	41,400	2,535	6.2	PwC Germany
Kronberger Hang	Frankfurt (Schwalbach)	Office	22,444	99.0	42,030	40,500	2,406	10.0	Dow
Total			142,144	98.4	343,350	337,500	3,166	6.4	

1. This is the independent valuation for the Trust's 75% indirect interest in the Initial Portfolio
2. This is the acquisition price which will be paid for the Trust's 75% indirect interest in the Initial Portfolio

Major tenant profile – Initial Portfolio

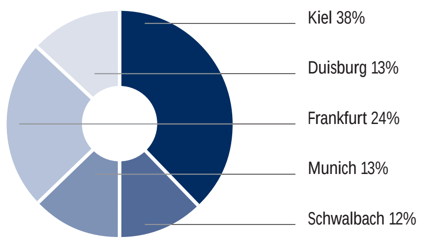
Tenant	Property	Rental income (€ m)(1)	Rental income (%)	GLA (sqm)(2)	Lease expiry date	WALE (years)	Credit rating(3)
Zurich	Athlon Place	6,265	21.5	29,759	Jul 2011	5.2	A+/A3
Dow	Kronberger Hang	4,508	15.5	15,777	Nov 2009	3.5	A–/A3
Railion	Railion Park	3,911	13.4	26,429	Jul 2018	12.1	AA/Aa1
PwC Germany	Elsenheimer Forum	3,426	11.7	21,778	Sep 2011	5.3	NA
Peek & Cloppenburg	Sophienhof	1,335	4.6	8,026	Mar 2016	9.8	NA
Mehmann International	Sophienhof	528	1.8	3,943	Sep 2015	9.3	NA
Samsung	Kronberger Hang	520	1.8	3,485	Feb, May, Nov 2007	1.0	A–/A1
Contipark Parkgaragen	Sophienhof	422	1.4	–	Dec 2015	9.6	NA
Modehaus H & M	Sophienhof	414	1.4	2,387	Mar 2008	1.8	NA
Medimax Zentrale	Sophienhof	302	1.0	2,615	Mar 2008	1.8	NA
Total major tenants		21,630	74.2	114,199		6.4	
Other		7,538	25.8	27,944			
Total		29,168	100.0	142,144		5.7	

1. Based on gross rental income per month as at January 2006
2. Excludes parking space
3. Parent S&P/Moody's credit ratings respectively – the Responsible Entity may not have recourse to the parent in each case

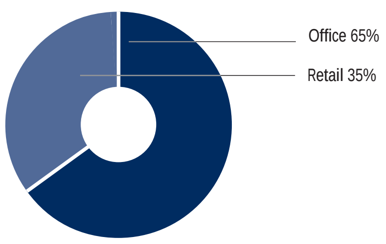
Initial Portfolio lease structure (by Income)

- 97.6% of Initial Portfolio with CPI linked rental increases:
  – 58.3% annual CPI linked rental increases
  – 39.3% with stepped CPI linked rental increases – rent increases after CPI threshold has been reached and the CPI base is then reset
- 1.8% of Initial Portfolio with no rental increases
- 0.6% of Initial Portfolio with fixed rental increases

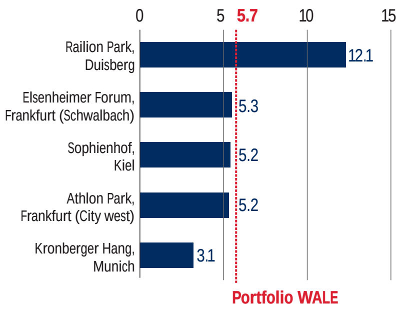
Initial Portfolio location (by Value)



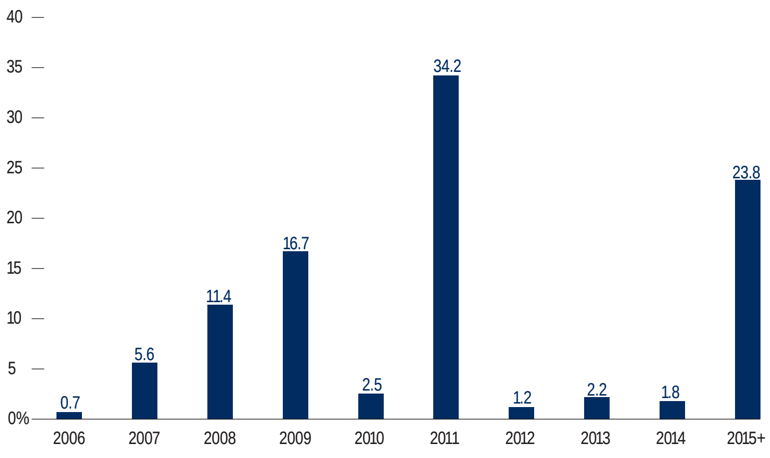
Initial Portfolio class (by Income)



Initial Portfolio WALE (by Income)



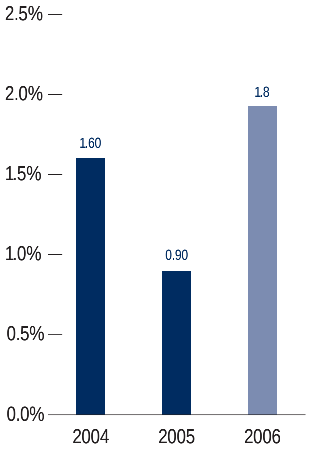
Initial Portfolio WALE profile (by Income)



5.2 German economic outlook

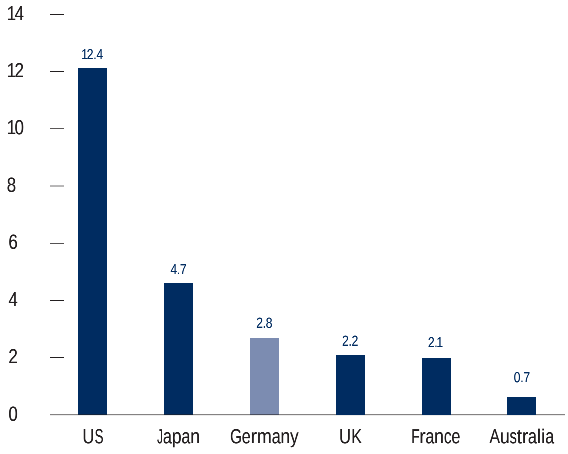
The German economy is the largest economy in Europe and the third largest in the world representing approximately 30% of total Eurozone production. In 2004, Germany experienced real GDP growth of 1.60%, and 0.90% in 2005.

German GDP growth



Source: OECD

2005 global GDP (US$ trillions)



Source: OECD

Recent economic indicators suggest that the German economy is showing strong signs of recovery. There is rising demand for Germany's exports, outpacing France, Italy and Spain. The country continues to be an attractive market for foreign investors, offering developed infrastructure and a highly motivated, well-qualified workforce. The September 2005 IFO business climate index indicated an unexpected rebound in September, driven by a sharp increase in current conditions, to the highest level since March 2001.

According to *The Economist*, Germany's IFO index of business confidence jumped from 96 in September to 98.7 in October 2005, which is its highest level for five years. There was a particularly sharp rise in confidence in the retail sector, suggesting that domestic demand is picking up. Germany's inflation rate fell from 2.5% to 2.4% in September 2005. Similarly, retail sales in August 2005 (the last recorded month) were up 2.2% on the corresponding month in 2004.

5.3 German real estate market outlook

The real estate market in Germany is the largest investment asset class in Germany. According to the official publication, *Rat der Immobilienweisen*, the current total estimated value of the German real estate market is € 7,100 billion (including residential property). On the basis of German GDP for 2005, Germany's aggregated real estate assets (excluding public real estate assets) have a value of some 3.2 times the annual GDP.

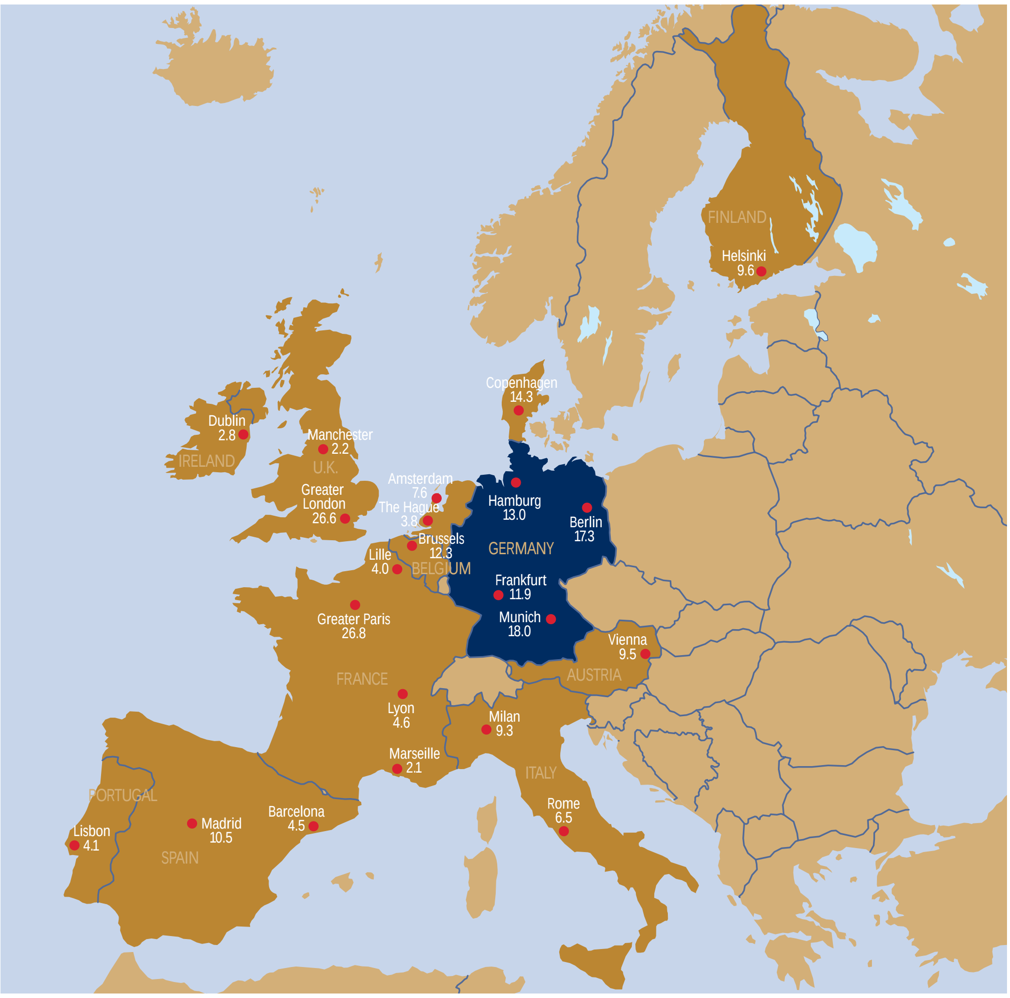
In 2005, 34% of the real estate transaction volume by investors came from private equity funds (represented by the four main investment locations Berlin, Frankfurt, Hamburg and Munich). The most important change in 2005 has been the high proportion of foreign investors, which dominated the markets with more than 51% of all transaction volume.

Foreign investment within the German real estate investment market is now growing strongly, and is continuing to contribute to declining yields in all locations and within all asset classes.

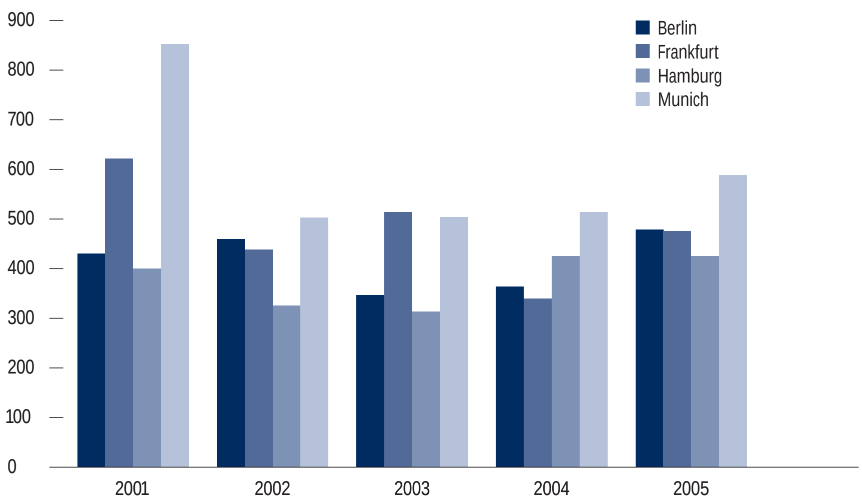
5.4 German office market

The German office market is undergoing a period of consolidation across all sub-markets as vacancies have begun to decrease. In 2005, almost all German office markets registered high to very high occupancy levels compared to 2004. This rising take-up, a decline in new space released onto the market and declining construction activity has resulted in stabilised rental trends and a substantial increase in demand volumes indicating further positive trends in vacancy.

Total office stock (by city) – December 2005 (m sqm)



Major German office market take-up (m sqm)



Further detail on the Kiel, Frankfurt and Duisburg and Munich real estate markets is contained in sections 5.6, 5.7, 5.8, 5.9, and 5.10, respectively.

5.5 German retail market

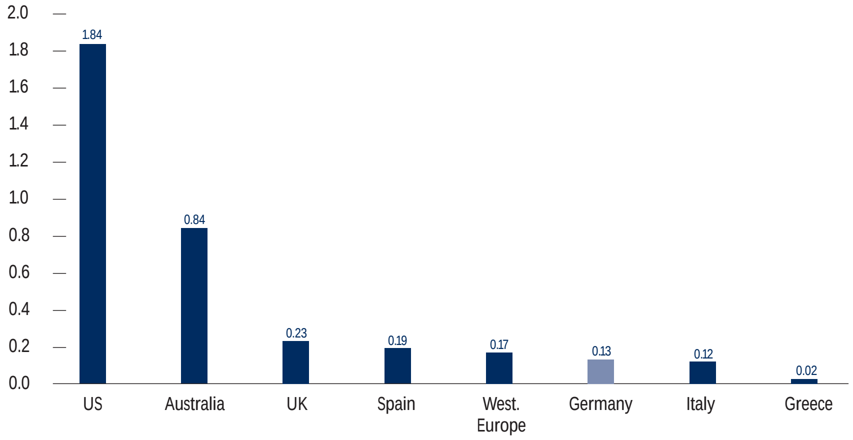
Within Germany, city centre retail remains the dominant force in consumer retailing. German cities typically have strong high street and pedestrian zones, where leading German and international retailers are represented.

The trend in retail rents in prime locations is comparatively stable throughout the country. In addition the letting market remains strong, particularly for well located properties, led by continuing expansion by the leading cross border retailers. The most important groups are still fashion retailers. Retailers such as Zara and H&M, are expanding strongly. The trend is towards large-scale mega stores such as those opened in 2004 by s.Oliver or Diesel, in the best German high street locations.

The retail investment market in Germany is currently experiencing increased interest from domestic institutions and foreign investors. Germany has become one of the most important destinations for shopping centre investments in Continental Europe, ranking only behind Poland and the Netherlands. Prime shopping centre yields in Germany are broadly in-line with those in other major European markets and range from 5.25 to 6.25%, and have been driven by the strong and continued investors' appetite as prospects for rental growth increase following the recovery of the economy.

The European retail market has generally been undersupplied when compared to the United States and Australian retail markets. Existing retail floor space per person is one tenth and one seventh of that in the United States and Australia, respectively. Moreover, with only 0.13 sqm of shopping centre space per person, Germany ranks behind the Western European average of 0.17 sqm and considerably behind the more established markets such as the United Kingdom (0.23 sqm), France (0.21 sqm) and the Netherlands (0.32 sqm). This highlights the significant opportunities for further growth in this market.

Shopping centre space per person



The German shopping centre market is comprised of an estimated 340 shopping centre locations with more than 11.4 million sqm of lettable sales space (end of 2004). According to CBRE, Germany accounted for 14% of total European shopping centre stock in 2004, with 11.4 million square metres GLA, which is the third largest stock in Europe.

5.6 Kiel

5.6.1 Overview

Kiel is the capital of the state of Schleswig-Holstein and has a population of more than 230,000. Kiel is serviced by Kiel-Holtenau Airport, both regional and domestic motorways, and regular ferries and cargo lines from numerous cities around the Baltic Sea. This makes the Port of Kiel increasingly important in the European region.

Kiel is the centre of the K.E.R.N. economic and cultural region that includes the neighbouring towns of Eckernförde, Rendsburg, Neumünster and Plön. Approximately 750,000 people live in this region and approximately 9,000 businesses operate in Kiel, including international manufacturers such as Caterpillar Motoren GmbH, Vossloh Locomotives and Raytheon-Anschütz.

Kiel is the most important retail location in Schleswig-Holstein. Well-known retail brands like IKEA, CITTI and Coop Schleswig-Holstein have a presence in Kiel. The retail supply in the city centre is currently approximately 136,600 sqm. The current vacancy rate is approximately 5.5%. The latest footfall per hour, measured in the pedestrian zone "Holstenstrasse" (Saturday, 12pm), was 5,655 per hour.

5.6.2 Sophienhof – Kiel

Property statistics

Property type	Retail
GLA (sqm)	41,733
Occupancy (%)	95.1
Current retail rent (€ /sqm/month)	19.4
Market retail rent (€ /sqm/month)	18.4
WALE (years by Income)	5.2
Rent review structure	CPI indexation
Number of tenants	102
Number of anchors	3
Completion date	1988
Refurbished	1995/2002
Car parking spaces	2,664

Acquisition summary

Interest	75%
Purchase price[(1)]	€ 130.6m
Initial yield[(2)]	5.5%

Valuation summary

Valuation[(3)]	€ 131.4m
Valuer	CBRE

1. This is the purchase price which will be paid for the Trust's 75% indirect interest in Sophienhof
2. Does not include acquisition costs
3. This is the independent valuation for the Trust's 75% indirect interest in Sophienhof

Tenant profile

Tenant	GLA (sqm)	Lease % by GLA	Lease maturity	Years remaining	Rent reviews
Peek & Cloppenburg	8,026	19.2	Mar 2016	9.8	100% indexation adjustment when underlying CPI changes by 10 basis points
Mehmann International Management	3,943	9.4	Sep 2015	9.3	50% adjustment every second year in accordance with underlying CPI change
Modehaus H&M	2,387	5.7	Mar 2008	1.8	66% indexation adjustment when underlying CPI changes by 10 basis points
Others	27,377	65.7			
Total	41,733	100.0		5.2	

Investment highlights

Prime location – Area is characterised by very good infrastructure, a large catchment and excellent accessibility by car, bus, ferry and rail.

Quality asset – Completed in 1988, with comprehensive refurbishment in 1995 and 2002, Sophienhof is the largest shopping centre in Schleswig-Holstein and one of the most prominent malls in Germany with a mix of over 100 retail units and restaurants.

Attractive lease profile – Weighted average lease term to expiry of 5.2 years.

Quality tenants – Peek & Cloppenburg, as the major tenant, is one of the leading clothing companies in Germany and also has stores in Belgium, Netherlands, Austria, Poland, Czech Republic and Slovakia.

Attractive purchase price – Acquisition price of € 130.6 million represents a 0.6% discount to independent valuation and an initial yield of 5.5%.

High occupancy – The property is 95.1% occupied.

Property description

Sophienhof was completed in 1988. It is the largest shopping centre in Schleswig-Holstein and one of the most prominent malls of its kind in Germany. It comprises a mix of over 100 retail units and restaurants, a high standard fitness centre, offices, doctors' practices, a public car park with approximately 2,664 spaces and 84 residential apartments.

Besides well-known stores like Peek & Cloppenburg, H & M, Görtz, and MediMax etc. there are a number of smaller shops that complete the retail mix of the centre. On average Sophienhof can register up to 40,000 visitors per day. On Saturdays before Christmas there are approximately 70,000 visitors per day.

The shopping centre is located on two levels with direct access from surrounding roads, the central railway station and the neighbouring shopping centre. The residential apartments, with individual accessibility, are located from the second floor of the centre.

Sub-market commentary

Sophienhof is located in the city centre of Kiel near the ferry port and opposite the main railway station. A bus terminal is located next to the station with stops for most bus lines in Kiel.

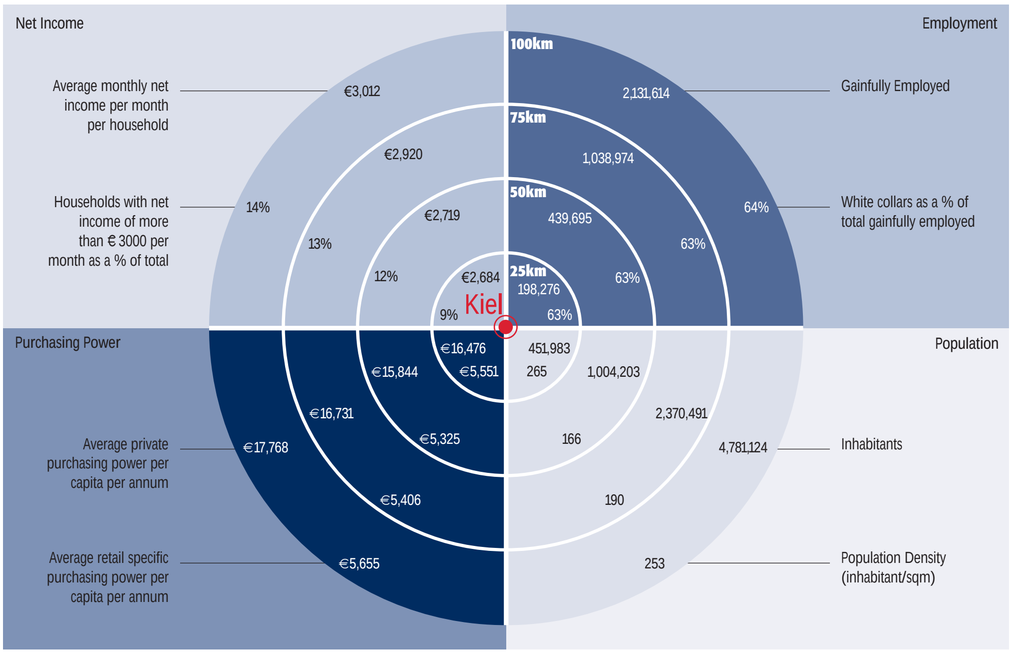
The site, totalling approximately 25,050 sqm is bounded to the west by residential buildings, to the east by commercial buildings, to the south by residential and commercial buildings and to the north by roofed escalators leading to a footbridge that connects Sophienhof to an adjacent department store.

Location

Major tenant profile

Peek & Cloppenburg contributes 13.2% of the current income of Sophienhof and has a remaining lease term of 10 years. It is one of the leading clothing companies in Germany and also has stores in Belgium, Netherlands, Austria, Poland, the Czech Republic and Slovakia.

Demographics



5.7 Frankfurt

5.7.1 Overview

Frankfurt is located in the Rhine Main region, one of the most productive regions in Europe. With a population of 4.9 million and a workforce of 2.5 million, the area generates an annual gross domestic product of more than € 163.1 billion. Frankfurt is a well developed region with a healthy mixture of manufacturing and service industries that offer an ideal environment for businesses of all sectors and sizes.

As the leading financial marketplace in continental Europe, many national and international financial firms have established head or branch offices in Frankfurt; including, R+V Versicherung, American Express, Dresdner Bank, Siemens, Deloitte & Touche, Dresdner Kleinwort Wasserstein, ABN Amro Bank, Commerzbank, Deutsche Bank, McCann-Erickson, Diba Allgemeine Deutsche Direktbank/ING, Gerling Versicherung, Marconi, Axa Colonia and Credit Suisse.

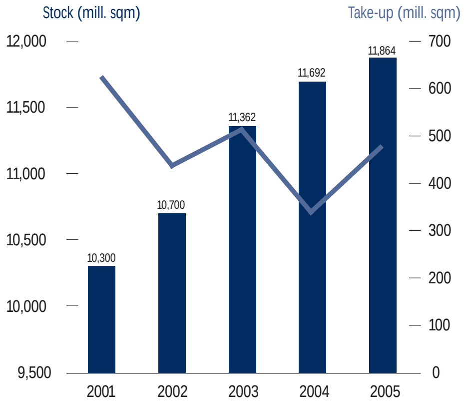
Frankfurt benefits from its geographically central location in Europe, with 140 airlines flying from the airport at Rhine-Main to all major European cities. The main arteries of the European motorway network intersect in the Rhine-Main region and the city is serviced by an extensive high-speed rail network.

5.7.2 Office market

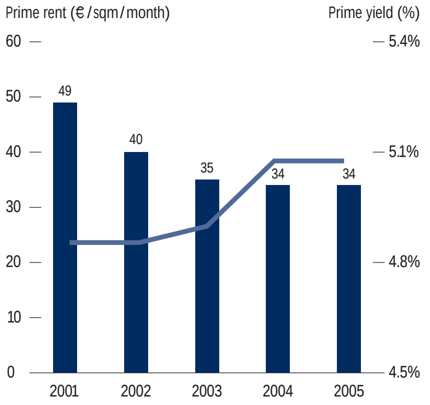
The Frankfurt office market totals approximately 12 million sqm. After several difficult years the Frankfurt office market has recently seen demand for space increase. Office space take-up has increased by 40% from 2004 (339,000 sqm) to 2005 (476,100 sqm), with most transactions involving companies from the banking and financial services sectors. Considering the strong and sustained new inquiries for office space, a more stable take-up of office space is anticipated in 2006.

Overall the Frankfurt office market is in a phase of stabilisation and further demand is expected to come from the service sector, given the restructuring evident across the general economy. Supply has decreased further bringing the market into equilibrium. Over the medium-term an increase in rental values is anticipated, as the economy continues to improve.

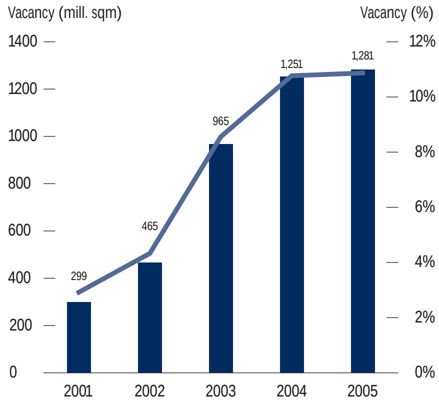
Frankfurt total office space stock/take-up



Frankfurt prime rent in € /sqm/month/yield (%)



Frankfurt office space vacancy (sqm)/rate (%)



5.7.3 Athlon Place – Frankfurt

Property statistics

Property type	Office
GLA (sqm)	29,759
Occupancy (% GLA)	100
Current office rent (€ /sqm/month)	17.4
Market office rent (€ /sqm/month)	16.5
WALE (years by Income)	5.2
Rent review structure	CPI indexation
Completion date	2001
Car parking spaces	327

Acquisition summary

Interest	75%
Purchase price[(1)]	€ 81.8m
Initial yield[(2)]	5.8%

Valuation summary

Valuation[(3)]	€ 82.1m
Valuer	CBRE

1. This is the purchase price which will be paid for the Trust's 75% indirect interest in Athlon Place
2. Does not include acquisition costs
3. This is the independent valuation for the Trust's 75% indirect interest in Athlon Place

Tenant profile

Tenant	GLA (sqm)	Leased % by GLA	Lease maturity	Years remaining	Rent reviews
Zurich	29,759	100.0	Jul 2011	5.2	Annual 100% indexation adjustment in accordance with CPI
Total	29,759	100.0		5.2	

Investment highlights

Prime location – The property is located in the City West sub-market. It is one of the most dynamic and "up-and-coming" sub-markets in Frankfurt with excellent public transport accessibility.

Quality asset – Completed in 2001, the property comprises a modern office complex with a high quality office fit-out.

Attractive lease profile – Weighted average lease term to expiry of 5.2 years.

Quality tenant – Zurich is a subsidiary of Zurich Financial Services AG, an insurance-based financial services provider, which has a market capitalisation of € 33 billion, offices in more than 50 countries and 57,000 staff worldwide.

Attractive purchase price – Acquisition price of € 81.8 million represents a 0.5% discount to independent valuation and an initial yield of 5.8%.

Full occupancy – The property is 100% occupied.

Property description

Athlon Place was constructed in 2001. The property comprises three different sections all of which are U-shaped. The property has two main entrances in each of the three sections, all of which end in a two storey reception hall. The two basement floors comprise parking and storage space. The ground floor comprises a canteen with the upper floors accommodating offices.

Sub-market commentary

Athlon Place is located in the City West sub-market, one of the most dynamic sub-markets in Frankfurt. After more than 15 years of development, City West now combines all of the advantages of a modern office location with the quality of life offered by a vibrant city district. Due, in part, to its easy connection to the banking quarter, this area has developed in the last few years into an attractive and established market segment, particularly for financial service suppliers.

Immediate motorway access and local public transport surrounding the property is excellent. Frankfurt's city centre is within a few minutes' drive, as are important landmarks, such as 'Alte Oper', the European Central Bank, the Stock Exchange and the Main Railway Station.

Athlon Place – Frankfurt (City West)

Location

Tenant profile

Zurich contributes 100% of the property's current income. Zurich is a subsidiary of Zurich Financial Services AG, an insurance-based financial services provider, with headquarters in Zurich, Switzerland. The core of its business is general and life insurance. Zurich Financial Services AG has a market capitalisation of € 33 billion, offices in more than 50 countries and employs approximately 57,000 people worldwide. Zurich Insurance Co the immediate parent of Zurich has a S&P and Moodys credit rating of A+ and A3 respectively.

5.8 Duisburg

5.8.1 Overview

Duisburg is Germany's eleventh largest city with over 500,000 inhabitants. Its favourable geographical position and link to the major industrial urbanised area of the Ruhr district has allowed Duisburg to develop into an established business centre primarily as a transport channel.

Duisburg's harbour, Duisport, is Europe's largest inland harbour. The harbour is used as a transport hub for 21 million tonnes of diverse goods and as a port for 25,000 vessels each year. Ships operate from Duisburg to almost 100 locations throughout Europe, Africa and the Mediterranean.

Duisburg is Europe's number one steel producing location. The city's biggest producers are ThyssenKrupp, Hüttenwerke Krupp, Mannesmann and Ispat Germany. Over 60% of Duisburg employees today work in the service industry, including companies such as AOL, Citibank Privatkunden AG and P&O.

Duisburg's city centre is currently undergoing major change with various new real estate development projects taking place, that will have a positive effect on the city as a whole.

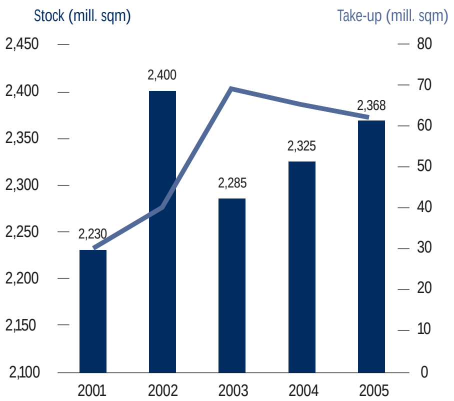
5.8.2 Office market

The total stock of office space in Duisburg amounts to approximately 2.4 million sqm. The Duisburg office space take-up fell by 5% in 2005 (from 2004) and by 11% over the period from 2003. The share of owner occupiers total office space take-up in 2005 was 40%. Most transactions were made with local authorities and companies in the healthcare, consulting and service sectors. Overall prime rent increased by 2%.

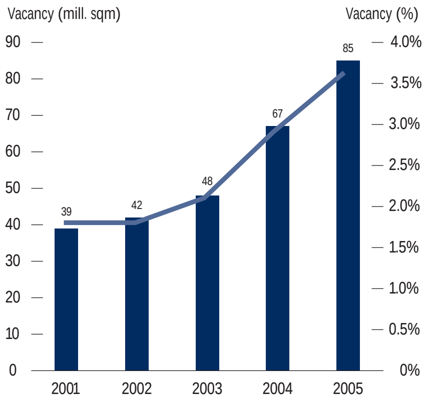
In 2005, approximately 25,100 sqm of office space was completed which indicates an increase of 2% of the total office stock in comparison to 2004. The overall vacancy rate is at 3.6% which makes Duisburg the city with the lowest supply reserve in the Rhine-Ruhr region.

It is expected that the prime rent will increase by up to 40% in the CBD due to benefits such as new retail and office developments.

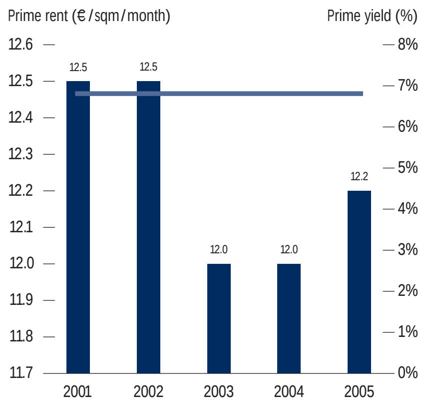
Duisburg total office space stock/take-up



Duisburg office space vacancy (sqm)/rate (%)

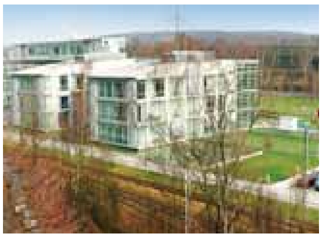


Frankfurt prime rent in € /sqm/month/yield (%)



5.8.3 Railion Park – Duisburg





Property statistics

Property Type	Office
GLA (sqm)	26,429
Occupancy (% GLA)	100
Current office rent (€ /sqm/month)	12.8
Market office rent (€ /sqm/month)	11.0
WALE (years by Income)	12.2
Rent review structure	CPI indexation
Completion date	1996
Car parking spaces	400

Acquisition summary

Interest	75%
Purchase price[1]	€ 43.3m
Initial yield[2]	6.7%

Valuation summary

Valuation[3]	€ 45.0m
Valuer	CBRE

1. This is the purchase price which will be paid for the Trust's 75% indirect interest in Railion Park
2. Does not include acquisition costs
3. This is the independent valuation for the Trust's 75% indirect interest in Railion Park

Tenant profile

Tenant	GLA (sqm)	Lease % by GLA	Lease maturity	Years remaining	Rent reviews
Railion	26,429	100.0	Jul 2018	12.1	100% indexation adjustment, when underlying CPI changes by 10 points
Total	26,429	100.0		12.1	

Investment highlights

Prime location – Located west of the Ruhr, the third largest region in Europe with excellent transport accessibility.

Quality asset – Completed in 1996, the long stretched three storey building can be characterised by its high fit-out, efficient office space and modern architecture.

Attractive lease profile – Weighted average lease term to expiry of 12.1 years.

Quality tenant – Railion Deutschland is a leading European carrier and the largest provider of transport services in the European Union. It is a subsidiary of Deutsche Bahn AG.

Attractive purchase price – Acquisition price of € 43.3 million represents a 3.8% discount to independent valuation and an initial yield of 6.7%.

Full occupancy – The property is 100% occupied.

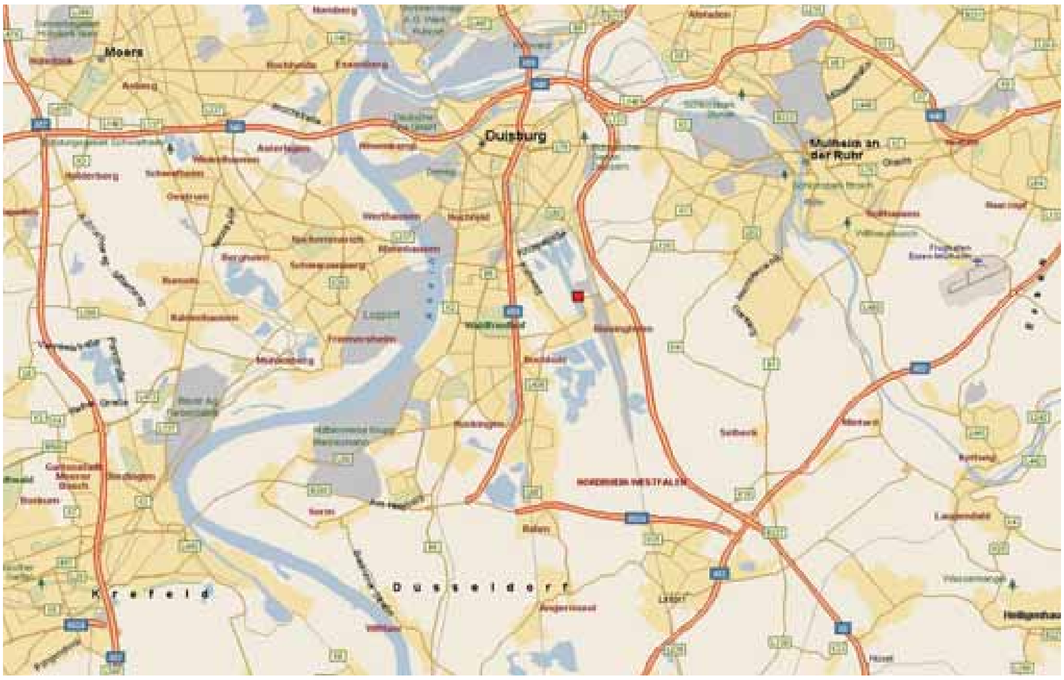
Property description

Railion Park comprises an extended three storey office building. The property's unique design comprises a total of nine office modules. The lobby has a glass-roofed atrium and the ground floor comprises a canteen, kitchen, kiosk, conference rooms and a kindergarten with an adjacent outdoor playground. The first floor accommodates seminar facilities as well as offices. The floors above comprise highly fitted out office space.

Sub-market commentary

Railion Park is located in the Six Lakes area. Shopping and restaurant facilities are located three minutes away by car, with motorway access only 2 km from the property. The main train station is located 4 km from the property. Currently plans are in place to develop and build a suburban train station adjacent to the property.

Location



Tenant profile

Railion contributes 100% of the current income. With over 27,000 employees, Railion was the first European freight rail carrier and is the largest provider of transport services in the European Union. In the year ended 31 December 2004, the company had turnover of € 3.3 billion. Railion is a subsidiary of Deutsche Bahn AG which has a S&P and Moodys credit rating of AA and Aa1, respectively.

Railion Park – Duisburg

5.9 Munich

5.9.1 Overview

Munich is Germany's third-largest city (after Berlin and Hamburg). Situated at the intersection of the region's west-east and north-south trade routes, the Bavarian capital has a population of approximately 1.2 million people.

As the hub of southern German economic activity, Munich has extensive transport infrastructure, including a network of motorways complemented by sophisticated rail networks and the country's second largest passenger airport. City-wide transport coverage is also provided by the city's light rail network (S-bahn) and subway (U-bahn) services.

The Munich region generates approximately 31% of Bavaria's total GDP. Munich's contribution was estimated at € 65 billion in 2003, with the service industry accounting for approximately 72% of Munich's GDP.

The city of Munich as a whole ranks as one of Germany's top cities in terms of purchasing power. Approximately 520,000 people are employed in the city of Munich; with approximately 76% employed in the service sector. Overall the level of education among the local population is high.

The city has an established base in a wide range of industries, each of which contributes to the overall prosperity and success of Munich as a business location. As a business hub, Munich boasts the most diversified structure of industry in the country. Traditional industries such as automotive engineering (BMW) and aerospace (EADS), combined with high-tech companies (including IBM, Siemens, Microsoft and Oracle) have helped to establish Munich as Germany's undisputed leader as a technology location. Numerous banks and insurance companies are also headquartered in Munich, making the Bavarian capital an important centre for bank assurance services in Germany.

5.9.2 Office market

The total stock of office space in Munich amounts to approximately 18 million sqm, while the current vacancy rate stands at approximately 9%. Total turnover of office space in 2005 was approximately 590,000 sqm in comparison to 515,000 sqm in 2004 and 505,000 sqm in 2003 and 2002. The take-up of 589,300 sqm by the end of 2005 was the highest take-up result since 2002.

There is optimism in the market, motivated by a strong end to 2005. As there is only a moderate volume of new buildings coming to the market over the next three years, a constant but slightly reduced vacancy figure and stable rents are forecast for 2006.

5.9.3 Elsenheimer Forum – Munich

Property statistics

Property Type	Office
GLA (sqm)	21,778
Occupancy (% GLA)	100
Current office rent (€ /sqm/month)	15.2
Market office rent (€ /sqm/month)	14.1
WALE (years by Income)	5.3
Rent review structure	CPI indexation
Completion date	1976 and 2001
Car parking spaces	209

Acquisition summary

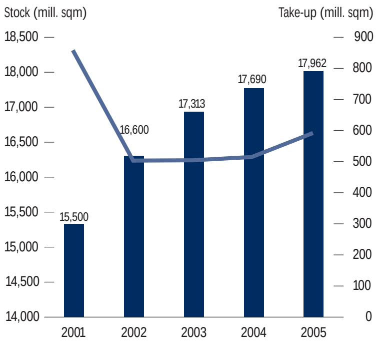
Interest	75%
Purchase price(1)	€ 41.4m
Initial yield(2)	6.2%

Valuation summary

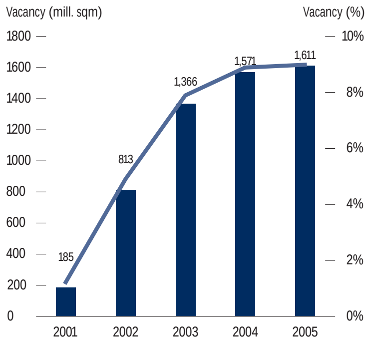
Valuation(3)	€ 42.8m
Valuer	CBRE

1. This is the purchase price which will be paid for the Trust's 75% indirect interest in Elsenheimer Forum.
2. Does not include acquisition costs
3. This is the independent valuation for the Trust's 75% indirect interest in Elsenheimer Forum

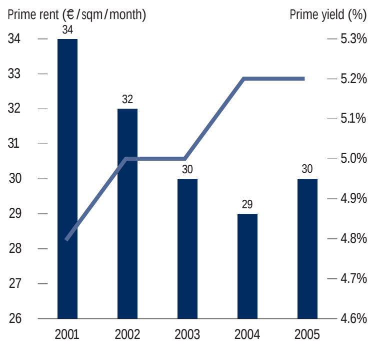
Munich total office space stock/take-up



Munich office space vacancy (sqm)/rate (%)



Munich prime rent in € /sqm/month/yield (%)



Tenant profile

Tenant	GLA (sqm)	Lease % by GLA	Lease maturity	Years remaining	Rent reviews
PwC Germany	21,778	100.0	Sep 2011	5.3	80% indexation adjustment, when underlying CPI changes by 10 points
Total	21,778	100.0		5.3	

Investment highlights

Prime location – Located in the third largest city in Germany, the area is characterised as an attractive place to live and work, as well as a location with extensive transport infrastructure.

Quality asset – Composed of two buildings erected in 1976 and 2001 respectively, the property has a solid structure in place.

Attractive lease profile – Weighted average lease term to expiry of 5.3 years.

Quality tenant – PwC Germany is a member of PricewaterhouseCoopers, one of the leading professional services firms in the world with 130,000 staff across 148 countries and gross revenues of US$20.3 billion in 2005.

Attractive purchase price – Acquisition price of € 41.4 million represents a 3.3% discount to independent valuation and an initial yield of 6.2%.

Full occupancy – The property is 100% occupied.

Property description

Elsenheimer Forum comprises two buildings erected in 1976 and 2001. Both buildings possess separate entrances, efficient building dimensions and adequate accessibility to all floors. The building includes one main area for the lobby and foyer, as well as one central canteen. The connected parking garage comprises 209 parking spaces.

Sub-market commentary

Elsenheimer Forum is situated in the Westend sub-market, approximately 5 km from the city centre. The road on which the property is located is a sought after office location with distinctive infrastructure and public transportation. Access to the main regional and national roads is via the city's ring road. The closest railway station is 3 minutes' walk away, while the public bus stop is immediately in front of the building. The airport is approximately 30 minutes by car from the property.

Location

Tenant profile

PwC Germany, a member of PricewaterhouseCoopers, contributes 100% of the current rental income. PricewaterhouseCoopers is one of the leading professional services firms in the world with 130,000 staff across 148 countries and gross revenues of US$20.3 billion in 2005. The firm provides industry-focused services in the fields of assurance, tax, human resources, transactions and performance improvement.

Elsenheimer Forum (front building) – Munich

Elsenheimer Forum (back building) – Munich

5.10 Frankfurt – Schwalbach

5.10.1 Overview

Schwalbach lies on the south-eastern slope of the Taunus Mountains, 12 km from Frankfurt, the centre of the Rhine-Main region. The city enjoys sophisticated transportation connections and has a prime location on the edge of the Upper Taunus Nature Reserve.

The business community of Schwalbach with a population of 14,000 is characterised by offices of international companies, including many in high-tech fields. These include Procter&Gamble, Siemens VDO Automotive AG and Samsung (including its headquarters) Approximately 80% of the 7,000 jobs in Schwalbach are service activities. Skilled trades, shops, and restaurants are also represented.

5.10.2 Office market

Given its location, the office market of Schwalbach is part of the overall Frankfurt market. The economic influence of Frankfurt therefore directly impacts on the sub-market of Schwalbach, which has a total office stock of approximately 310,000 sqm.

The international mix of companies is typical for these locations and secures a high level of demand for modern office space from tenants. Office space take-up in Schwalbach has been restrained by the availability of A grade office space in central locations at lower rents. However, vacancy rates are lower.

5.10.3 Kronberger Hang – Frankfurt (Schwalbach)

Property statistics

Property type	Office
GLA (sqm)	22,227
Occupancy (% GLA)	99.0
Current office rent (€ /sqm/month)	19.1
Market office rent (€ /sqm/month)	10.5
WALE (years by Income)	3.1
Rent review structure	CPI indexation
Completion date	1994
Car parking spaces	408

Acquisition summary

Interest	75%
Purchase price(1)	€ 40.5m
Initial yield(2)	10.0%

Valuation summary

Valuation(3)	€ 42.0m
Valuer	CBRE

Tenant profile

Tenant	GLA (sqm)	Lease % by GLA	Lease maturity	Years remaining	Rent reviews
Dow	15,777	70.3	Nov 2009	3.5	100% indexation adjustment each year in accordance with underlying CPI change
Samsung	3,485	15.5	Nov 2007[(4)]	1.0[(4)]	Automatic adjustment of the rent in accordance with the changes in CPI every two years
Stratus Technologies	1,230	5.5	Jun 2007	1.1	With effect from the start of the third year of the lease the rent adjusts automatically by 3% per annum
Tektronix Networks Systems	1,158	5.2	Sep 2007	1.3	Automatic adjustment after a period of two years in accordance with CPI, but no more than 3% per annum
Millipore Deutschland	577	2.6	Mar 2007	0.8	Stepped rental increases
Vacant	217	1.0			
Total	22,444	100.0		3.1	

1. This is the purchase price which will be paid for the Trust's 75% indirect interest in Kronberger Hang
2. Does not include acquisition costs
3. This is the independent valuation for the Trust's 75% indirect interest in Kronberger Hang
4. November 2007 represents the longest lease. 'Years remaining' has been calculated by weighting the different lease expiry dates by Income

Investment highlights

Prime location – Located between the preferred residential areas of Frankfurt and the Rhine Main-Airport, the property has excellent visibility and the offices of many international high class companies are situated in the vicinity.

Quality asset – Completed in 1994, the property comprises a modern office complex with excellent visibility.

Quality tenant – The major tenant, Dow is a subsidiary of Dow Chemical which has sales of US$46 billion, operating in more than 175 countries and employing over 42,000 people worldwide.

Attractive purchase price – Acquisition price of € 40.5 million represents a 3.6% discount to independent valuation and an initial yield of 10.0%.

High occupancy – The property is 99.0% occupied.

Property description

Kronberger Hang, was constructed in 1994 and is divided into two units connected to each other by two inner courtyards. A common underground car parking garage with electronic access serves both building parts. The interior is of high standard with effective and flexible room partitioning, glass fibre wall paper, carpets, cable conduits in floor and suspended ceilings. The property also includes a restaurant/kitchen facilities.

Lease commentary

The lease structure of the major tenant Dow includes a 100% indexation adjustment each year in accordance with underlying CPI change; one renewal option of five years to be exercised by providing at least 12 months' notice and expires in November 2009.

Dow has indicated that it is prepared to commence negotiations to extend its current lease.

The current rent payable by Dow is above market (see Property Statistics table on previous page). It is expected that on expiry of the Dow lease in November 2009 rents may be adjusted to reflect market rates.

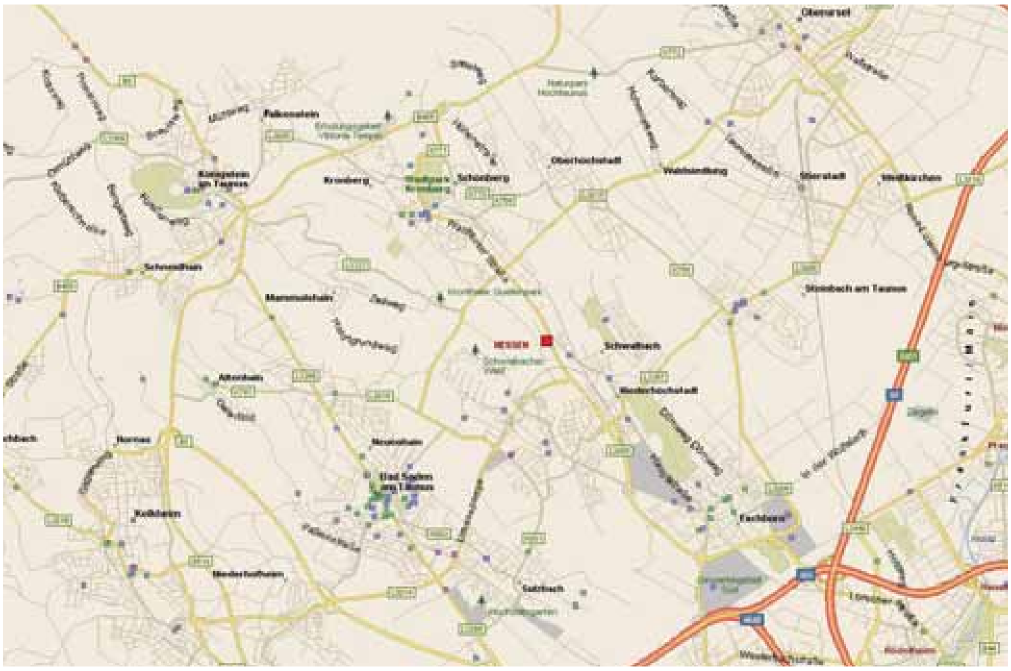
Sub-market commentary

Kronberger Hang is located approximately 12 km north-west of Frankfurt in the sub-market of Schwalbach. The Frankfurt city centre and the Rhine-Main Airport can be reached within 10 minutes by car. A bus station connecting staff and visitors with the suburban railway station is located within 100 metres of the property.

Major tenant profile

Dow contributes 81.3% of the property's current income. It is a 100% owned subsidiary of The Dow Chemical Co which is rated A-/A3 by S&P and Moody's, respectively. With annual sales of US$46 billion, The Dow Chemical Co is a leading global science and technology company offering a broad range of innovative products and services to customers in more than 175 countries. The company employs over 42,000 people worldwide.

Location



Kronberger Hang – Frankfurt (Schwalbach)

6 Fees and Other Costs

Fees and costs of the fund which can affect your investment.

Fees and Other Costs

6.1 Statutory disclosure of fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period.

(For example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This section sets out fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole. Taxes are set out in another part of this PDS. You should read all the information about the fees and costs because it is important to understand their impact on an investment in the Trust.

6.1.1 Statutory fees and costs template

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Not applicable	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Not applicable	Not applicable
Termination fee The fee to close your investment	Not applicable	Not applicable
Management costs		
The fees and costs for managing your investment (1)	1.0% per annum of the Trust's total average net assets(2) For a minimum investment of $50,000 this is estimated to be $696	Fees are payable from the assets of the Trust to the Responsible Entity at the end of each half year and expenses are paid from the assets of the Trust or its controlled entities as incurred
The amount you pay for specific investment options	Not applicable	Not applicable
Service fees		
Investment switching fee The fee for changing investment options	Not applicable	Not applicable

1. Assumes a performance fee of nil. See section 6.1.3 for an explanation of how estimated management costs were calculated.
2. Note that the fees comprising management costs are not calculated based on total average net assets. Refer to section 6.3 for information about how fees are actually calculated.

6.1.2 Example of annual fees and costs

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example		Balance of $50,000
Establishment fee	Nil	For every $50,000 you invest in the Trust, you would be charged nil
Management costs	1.0%	For every $50,000 you have in the Trust, you would be charged $696 each year
EQUALS cost of fund	1.0%	If you had an investment of $50,000 in the Trust for a year, you would be charged fees of $696

6.1.3 How estimated management costs were calculated

The table below shows how the estimated management costs in sections 6.1.1 and 6.1.2 above were calculated.

Items included as management costs	Estimated amount (A$'000)(3)	Amount attributable to an investment of $50,000 in the Trust	Section reference/ Comment
Base Management Fee(1)	$3,035	$454	sections 6.3 and 1.1.7
Estimated Performance Fee	Nil	Nil	section 6.4
Asset and Property Management Fees(2)	$847	$127	sections 6.3 and 10.1.8
Fees payable to General Partners of German Partnerships	$19	$3	sections 10.1.3 and 10.1.4
Other management expenses(4)	$759	$113	sections 6.3, 10.1.1, 10.1.3, 10.1.4, 10.1.5, 10.1.7 and 10.1.8
Total	$4,659	$696	

1. Base Management Fee is calculated after 5 basis point waiver
2. Excluding centre management fees
3. Including any GST not recovered by indirect tax credits. Estimates are based on the period 1 July 2006 to 30 June 2007
4. Includes expenses such as independent director fees, ASX listing fees, accounting fees, taxation compliance and other administration expenses

The percentage in the tables in sections 6.1.1 and 6.1.2 was calculated by dividing total management costs of $4.7 million by total average net assets of the Trust, which have been estimated at $448 million for the period 1 July 2006 to 30 June 2007.

6.1.4 Other costs and expenses

The following table lists costs and expenses that will be incurred that were not included in management costs in sections 6.1.1 and 6.1.2.

The following costs have not been included in management costs	Comment
Fees and expenses of the Offer $34.3 million ($5,126 for an investment of $50,000)	Not an annual fee or cost. Refer to section 6.2
Debt Arrangement Fee	Not an annual fee or cost. Included in the fees and expenses of the Offer. Refer to sections 6.2 and 6.3
Acquisition Fee	Not an annual fee or cost. Included in the fees and expenses of the Offer. Refer to sections 6.2 and 6.3
Disposition Fee	No dispositions are anticipated in the period. Refer to section 6.3
Development and Construction Management Fee	No development or construction is anticipated in the period. Refer to section 6.3
Fund Management Fees	Do not increase management costs while the Responsible Entity is part of the Allianz Group. Refer to section 10.1.6
Some Asset and Property Management Fees (such as leasing and centre management fees)	A direct investor would incur these costs. Refer to sections 6.3 and 10.1.8

6.1.5 Further information

What is the effect of including Performance Fees in management costs

The management costs in sections 6.1.1 and 6.1.2 include performance fees which are estimated to be nil. However, in any financial year the Responsible Entity could earn a Performance Fee ranging from nil to either 0.6% or 0.55% of Gross Asset Value. The method for calculating the fees is set out in section 6.4.

If a Performance Fee of $5 million was earned in a year period, for an investment of $50,000 this would add a further $747 in management costs.

Tax

Tax payable by a Unitholder is explained in the taxation report in section 9.2.

Changes to fees

The Responsible Entity does not have the right to change the amount of its fees without Unitholder consent. The Responsible Entity may waive some or all of its fees if it so chooses, and will waive certain fees, as discussed in sections 1.1.7, 3.5.2, 3.9, 6.3 and 10.1.6.

6.2 Fees and expenses of the Offer

Fee	Amount	How and when paid
Underwriting and offer management fee	A$9.7 million (2.75% of the total proceeds of the Offer)	Payable by the Trust out of the Offer proceeds on the Settlement Date to UBS
Financial advisory fee	A$2.6 million (0.75% of the total proceeds of the Offer)	Payable by the Trust out of the Offer proceeds on the Settlement Date to UBS
Handling fee for processing Applications	1.5% of the total Issue Price of the Units (ie. A$1.00) to a maximum of A$3,750 per successful Application. No handling fee will be paid on any Application (or aggregate of Applications if a single investor submits more than one Application) on the amount above $100,000 (i.e. more than 100,000 Units)(1)	Payable by the Trust out of the Offer proceeds on the Settlement Date to Participating Brokers and members of the Financial Planning Association
Other issue expenses (costs associated with the Offer, including legal fees, investigating accountant's fees, registry fees and printing fees)	A$3.8 million	Payable by the Trust out of the Offer proceeds as incurred to third party service providers
Acquisition Fee (for identifying and undertaking due diligence on the Initial Portfolio and the Additional Asset)	A$7.7 million (1.0% of the Gross Asset Value of the Trust's interest in the Initial Portfolio and the Additional Asset)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to the Responsible Entity
Other property acquisition costs	A$3.5 million	Payable by the Trust out of the Offer proceeds as incurred to third party service provider
Debt establishment fee (for providing debt to finance the acquisition of the Initial Portfolio and the Additional Asset)	A$3.0 million (0.5% of the total third party debt raised under the Senior Debt Facilities to fund the acquisition of the Initial Portfolio and the Additional Asset)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to Merrill Lynch International in relation to Initial Portfolio the and the Additional Asset
Debt Arrangement Fee (for arranging the third party debt associated with the IPO)	A$3.0 million (0.5% of the total third party debt raised)	Payable by the Trust out of the Offer proceeds on the completion date (for the relevant acquisition) to the Responsible Entity
Total(2)	$34.3 million	

1. Estimated to be $1.0 million
2. Including handling fee for processing Applications, which is estimated to be $1.0 million

Fees and expenses of the Offer are not included as a management cost in sections 6.1.1 and 6.1.2. For an initial investment of $50,000, total fees and expenses of the Offer amount to $5,126.

Consistent with generally accepted accounting principles, certain fees and expenses of the Offer have been deducted from the NTA value of the Trust. The total amount of fees and expenses of the Offer that have been deducted from the net asset value of the Trust is A$16.4 million (or A$0.06 per Unit). The resulting NTA per Unit after debt establishment costs, based on A$1.00 per Unit, is A$0.94. For an initial investment of $50,000, this part of the fees and expenses of the Offer amounts to $2,855.

6.3 Ongoing fees and expenses

Fee	Amount	How and when paid
Base Management Fee (for the management and operation of the Trust)(1)	0.45% per annum (excluding GST) of the Trust's Gross Asset Value as at the last day of the Fee Period (2)	Payable out of the assets of the Trust to the Responsible Entity, at the end of each Fee Period (i.e. 31 December and 30 June)
Performance Fee (for the management and operation of the Trust)(3)	Calculated using the method described in section 6.4 below There is a cap on the Performance Fee as described in section 6.4	If applicable, payable out of the assets of the Trust to the Responsible Entity, at the end of each Fee Period (i.e. 31 December and 30 June)
Acquisition Fee (for acting on behalf of the Trust in relation to future acquisitions)(4)	1% of the purchase price of any commercial, retail or other property acquired by, or on behalf of, the Trust or any entity controlled by the Trust	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the completion of the relevant acquisition occurred
Disposition Fee (for acting on behalf of the Trust in relation to the sale of properties)(4)	1% of the sale price of any commercial, retail or other property sold by, or on behalf of, the Trust or any entity controlled by the Trust	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the completion of the relevant disposal occurred
Debt Arrangement Fee (for the arrangement of debt facilities)(4)	0.5% of the amount of all borrowings or financial accommodation obtained or assumed by the Trust or its controlled entities. This fee is payable for any refinancing but not for a rollover under an existing facility	Payable out of the assets of the Trust to the Responsible Entity at the end of the quarter in which the entry into the relevant debt arrangements occurred
Development and Construction Management Fee (for the performance of development and construction services)(4)	7% of all Project Costs incurred in relation to a Development or Construction Project	Payable out of the assets of the Trust to the Responsible Entity at the end of each month

1. Included as a management cost in sections 6.1.1 and 6.1.2
2. The Responsible Entity will waive 0.05% of the Base Management Fee to which it is entitled in respect of the Initial Portfolio and Additional Asset in the Forecast Period (to 0.40%) The Responsible Entity may also waive or repay its Base Management Fee in certain circumstances under the Forecast Period Distribution Support or the distribution support on the Dow lease expiry (see sections 3.5.2 and 3.9 for further details)
3. Included as a management cost in sections 6.1.1 and 6.1.2 (estimated to be nil)
4. Not included as a management cost in sections 6.1.1 and 6.1.2

Fee	Amount	How and when paid
Fund Management Fees (for fund management services provided under the Fund Management Agreement)(1)	A fee equal to the Base Management Fee (less any amount waived or rebated), the Performance Fee (if any), the Acquisition Fee, the Disposition Fee, the Debt Arrangement Fee and the Development and Construction Management Fee payable to the Responsible Entity and described above.(2)	Payable out of the assets of the Trust to Allianz Global Investors Australia Limited on a monthly basis
Asset and Property Management Fees (for providing asset management services to the Trust and for services relating to the management of the leases)(3,4)	Fees equal to 1.5% (and for the retail property at Kiel, 6.5%, split 2.0% property management, 4.5% centre management) of gross rental income. Refer to section 10.1.8 Fees up to 5% of annual rent on new leases and 3% of annual rent on lease renewals	Payable by the German Property Partnerships to DEGI at the end of the month in which the fees are incurred on a lease by lease basis
Expense recoveries(5)	The Responsible Entity is entitled to recover all expenses incurred in the proper performance of its duties The Responsible Entity is entitled to reimbursement for GST to the extent that an indirect tax credit is available	Expenses are reimbursed to the Responsible Entity out of the total assets of the Trust. These expenses are generally payable when they are incurred or invoiced

1. Not included as a management cost in sections 6.1.1 and 6.1.2
2. The Responsible Entity and Allianz Global Investors Australia Limited to whom these fees are payable, have entered into a Fee Sharing Deed so that, so long as the responsible entity of the Trust remains part of the Allianz Group, there will be no duplication of fees. This Fee Sharing Deed is described further in section 10.1.6
3. The 1.5% or 2% fee is included as a management cost in sections 6.1.1 and 6.1.2, but centre management fees and leasing fees are not included
4. If a third party vendor retains property management, DEGI will receive instead a fee of 0.5% of gross income from that property
5. Included as a management cost in sections 6.1.1 and 6.1.2

If a Trigger Event occurs the Responsible Entity becomes immediately entitled to all accruing fees for current periods.

The entitlements of the Responsible Entity to be paid fees or other expenses out of the Trust's property are set out in the Constitution.

The Responsible Entity may choose to receive payment of some or all of any fee in Units at market value in accordance with the Constitution. A similar provision permits payment in Units of fees due to a manager including an Affiliate of the Responsible Entity.

From time to time, the Responsible Entity may be appointed to provide services in areas where it is in the best interests of the Trust to seek professional support. Any appointment relating to services not contemplated by this PDS will be on an arm's length basis at normal commercial rates.

6.4 Performance fee

The Responsible Entity is entitled to receive a Performance Fee at the end of any Fee Period in circumstances where the Trust Return exceeds the Benchmark Return, where each is expressed as a percentage. Accordingly where, at the end of a Fee Period, the Trust Index increases by 5% and the Benchmark Index increases by 4%, the outperformance is 1%.

Refer to section 6.4 below for worked examples of how the Performance Fee is calculated.

The amount of the Performance Fee (excluding GST) is equal to:

- One percent of 5% x Market Capitalisation for each percentage point of the first 2% of outperformance plus
- One percent of 15% x Market Capitalisation for each percentage point of any outperformance in excess of the first 2%

where:

- **Fee Period** means the last Business Day of the period from 1 January in each calendar year to the following 30 June or the period from 1 July in any calendar year to the following 31 December
- **Market Capitalisation** means the number of Units on issue multiplied by the Unit price applicable in relation to those Units at the end of the relevant Fee Period

  This calculation is made for each day in a 10 day valuation period which is usually the first 10 Business Days for which Units are quoted on an "ex" basis for the distribution having a record date on or closest to the last day of the Fee Period. The Market Capitalisation is one tenth of the aggregate of the figures calculated for those 10 days
- **Trust Return** is the difference between the Trust Index at the end of the relevant Fee Period and the Trust Index at the beginning of that Fee Period
- **Benchmark Return** is the difference between the Benchmark Index at the end of the relevant Fee Period and the Benchmark Index at the beginning of that Fee Period
- **Trust Index** is an accumulation index for the Units calculated in a manner consistent with the Benchmark Index except to the extent that the Trust Index relates only to Units in the Trust. The Trust Index will be calculated for the Responsible Entity by an appropriately qualified external party and will be published on the Responsible Entity's website at www.allianzglobalinvestors.com.au
- **Benchmark Index** is the S&P/ASX 200 Property Accumulation Index

The Responsible Entity may elect to receive payment of some or all of its Performance Fee by issue to the Responsible Entity, or a nominee, of Units at an issue price based on the market price of Units on ASX determined in accordance with the Constitution. Refer to section 10.2.1 for further information about relevant ASX waivers.

6.4.1 Examples of how the Performance Fee is calculated

The tables below set out hypothetical examples showing how the Performance Fee will be calculated. The examples are not intended to show the actual Performance Fee likely to be payable to the Responsible Entity. The Performance Fee calculated in the examples below is shown exclusive of GST.

Performance Fee example 1

(A) Market Capitalisation	A$500m
(B) Trust Return	5%
(C) Benchmark Return	4%
Outperformance: = B – C = 5% – 4% = 1%	
Performance Fee: 5% x A x Outperformance = 5% x 500,000,000 x 1% = A$250,000 There is no 15% performance fee because the Outperformance did not exceed 2%.	

As the Trust Return is greater than the Benchmark Return for the Fee Period, a Performance Fee of A$250,000 is payable to the Responsible Entity.

Performance Fee example 2

(A) Market Capitalisation	A$500m
(B) Trust Return	9%
(C) Benchmark Return	4%
Outperformance: = B – C = 9% – 4% = 5%	
Performance Fee: 5% x A x Outperformance (for the first 2%) = 5% x 500,000,000 x 2% = A$500,000 plus 15% x A x Outperformance (in excess of 2%) = 15% x 500,000,000 x 3% = A$2.25m	

As the Trust Return is greater than the Benchmark Return for the Fee Period, a Performance Fee of A$2.75m (A$500,000 + A$2.25m) is payable to the Responsible Entity.

Performance Fee example 3

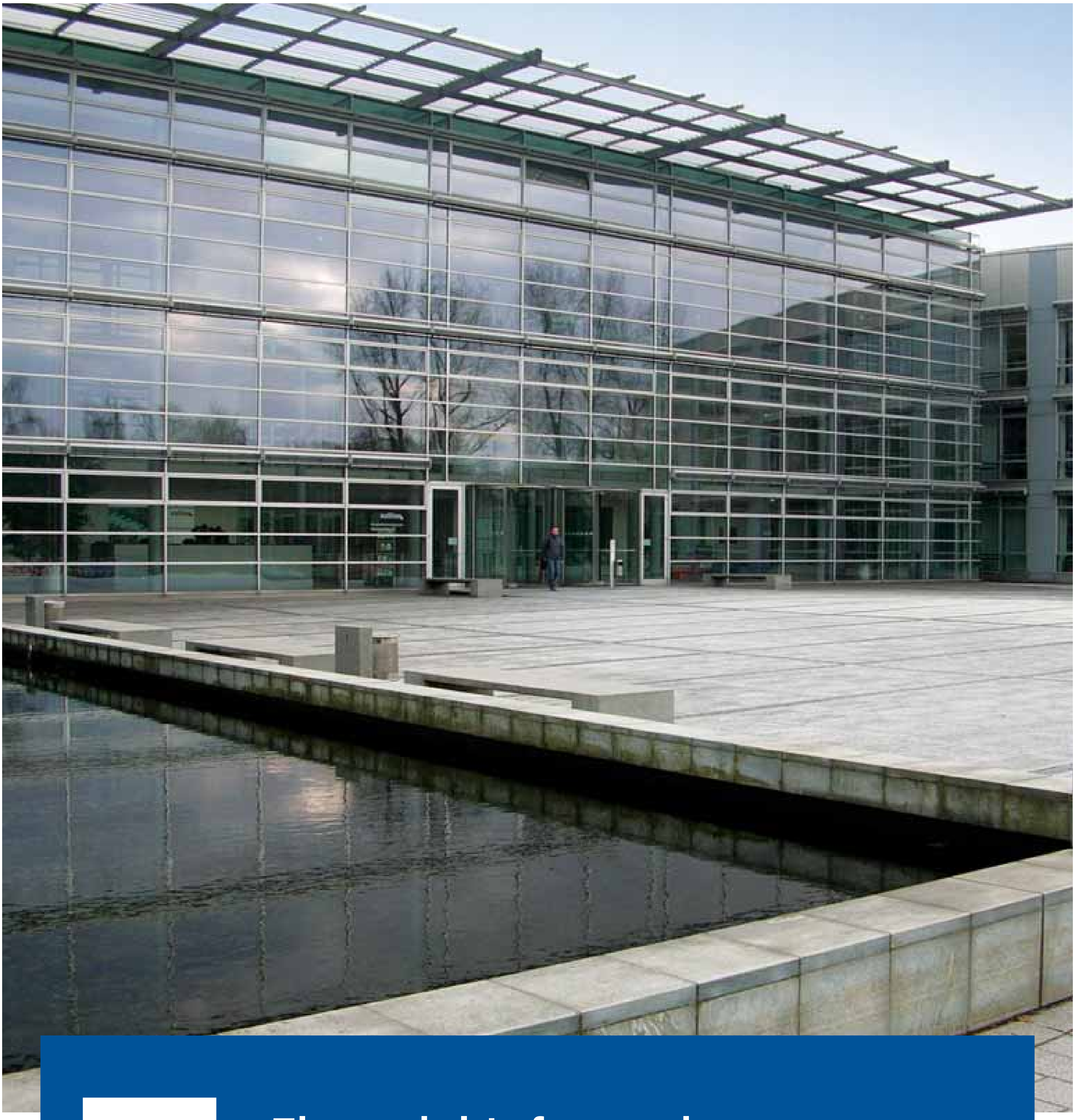
(A) Market Capitalisation	A$500m
(B) Trust Return	2%
(C) Benchmark Return	4%
Outperformance: = B – C = 2% – 4% = -2%	

As the Trust Return is not greater than the Benchmark Return for the Fee Period, no Performance Fee is payable to the Responsible Entity.

Performance Fee cap (including example)

There is a cap of 1% per annum of the value of the Trust's Gross Asset Value on the aggregate of the Base Management Fee and Performance Fee that the Responsible Entity can be paid in any Financial Year. There is no carry forward of performance fees above the annual cap. If for any reason the Responsible Entity has been paid in excess of the 1% cap for any Financial Year, the Responsible Entity must repay the excess within 15 Business Days of the end of that Financial Year.

(A) Gross Asset Value	A$1bn
(B) Base Management Fee in Fee Period 1	A$2.25m
(C) Performance Fee in Fee Period 1	A$3.75m
(D) Base Management Fee in Fee Period 2	A$2.25m
(E) Performance Fee in Fee Period 2	A$2.75m
Total fee amount earned by the Responsible Entity for the Financial Year: = B + C + D + E = A$2.25m + A$3.75 + A$2.25m + A$2.75m = A$11.0m	
Base Management Fee and Performance Fee cap for the Financial Year: = 1% x A = 1% x A$1bn = A$10m	
Total fee amount payable to the Responsible Entity for the Financial Year: = A$10m	



7 Financial Information

Financial information including forecasts, assumptions and sensitivities.

Financial Information

This section contains the financial forecasts for the Trust for the period ending 31 December 2006 and the year ending 31 December 2007. Unitholders should be aware that future events cannot be predicted with certainty and as a result, deviations from the forecasts are to be expected.

The financial forecasts should be read in conjunction with the accounting policies detailed in section 7.4, the key assumptions set out in section 7.5, the sensitivity analysis in section 7.6 and the risk factors outlined in section 8. While the Responsible Entity believes the assumptions and risk factors set out in this PDS are appropriate and reasonable at the date of this PDS, some factors that affect the actual results cannot be foreseen or accurately predicted and many of these factors are beyond the control of the Responsible Entity. Consequently, the Responsible Entity cannot guarantee that the forecasts will be achieved.

The financial information in this section is presented in an abbreviated form and does not contain all of the disclosures of an annual report prepared in accordance with the Corporations Act.

7.1 Sources and applications of funds

The sources and applications of funds (denominated in Euro and Australian dollar) for the acquisition of the Initial Portfolio and Additional Asset as set out below:

	€ m(1)	A$m(1)
Sources of funds		
Offer proceeds	207.2	353.2
Borrowings	349.7	596.1
DEGI-GWF interest (25%)	63.2	107.7
Total sources of funds	620.0	1,057.0
Application of funds		
Purchase of 100% interest in Initial Portfolio and Additional Asset	600.0	1,022.8
Property acquisition costs	6.6	11.2
Debt establishment and arrangement costs	4.2	7.2
Issue expenses(2)	8.9	15.2
Working capital	0.3	0.5
Total application of funds	620.0	1,057.0

1. Based on an Exchange Rate of € 0.587 to A$1.00
2. Including underwriting, offer management and financial advisory fee and other costs associated with the offer

Having regard to the forecast property income, and available financing facilities the Directors believe that the Trust will have sufficient working capital to carry out its stated objectives.

7.2 Forecast consolidated income statement

A summary of financial forecasts for the period ending 31 December 2006 and the year ending 31 December 2007 is outlined below:

Period ending	31 December 06 ('000)	31 December 07 ('000)
Initial Portfolio – income stream (€)		
Net property income	13,354	28,428
Financing costs	(5,399)	(11,289)
Tax expense[1]	(110)	(272)
Net income from Initial Portfolio	7,845	16,867
DEGI's interest (25% interest)	(1,961)	(4,217)
Trust's share of net income from Initial Portfolio	5,884	12,650
Trust – income stream (A$)		
Income from Germany[2]	10,179	22,279
Income from Additional Asset/distribution support[3]	5,159	10,467
Income from capital hedge	1,108	2,319
Trust income	16,446	35,066
Management fees and expenses	(1,855)	(3,610)
Financing costs	(607)	(1,271)
Trust expenses	(2,462)	(4,881)
Net profit before tax	13,984	30,185
Deferred tax expenses	(2,651)	(4,583)
Net profit after tax[4]	11,333	25,602
A-IFRS EPU (cents)	3.2	7.2
Reconciliation of net profit after tax to cash distributions		
Net profit after tax	11,333	25,602
Transfers from reserves / Return of Capital[5,6]	3,547	6,412
Cash available for distribution	14,880	32,014
Cash available for distribution (cents per unit)	4.2	9.1
Cash distributed	14,880	31,786
DPU (cents)	4.2	9.0
Annualised DPU yield (at the Issue Price)	8.8%	9.0%

1. Relates to German trade tax payable on the retail asset (Sophienhof)
2. Based on an average forward exchange rate of € 0.578 to A$1.00 for the period ending 31 December 2006 and € 0.568 to A$1.00 for the year ending 31 December 2007
3. Distribution support of A$4.9m is included as payable over the entire Forecast Period. The mix of income between the Additional Asset and distribution support will be dependent on the purchase price, acquisition timing and yield of the Additional Asset. See sensitivity table in section 7.6. Income from the Additional Asset is after DEGI's 25% interest and financing costs. If the Identified Asset is acquired, the total amount of Forecast Period Distribution Support will be reduced
4. The forecast net profit after tax does not include future revaluations of properties or movements in the market values of derivatives as required by the introduction of A-IFRS as the Responsible Entity does not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside its control. For these reasons the Responsible Entity is unable to accurately quantify the impact on the forecast financial information of these matters, reflecting, in particular, the potential volatility of property values. While the application of A-IFRS will introduce volatility into forecast financial information, this will not affect the cash flows from operations and hence the distribution paid to Unitholders
5. Transfers from reserves / Return of Capital in the period ending 31 December 2006 is comprised of deferred tax expense of A$2.7 million, amortisation of borrowing costs of A$0.6 million, and debt funded maintenance expenditure of A$0.2 million
6. Transfers from reserves / Return of Capital in the period ending 31 December 2007 is comprised of deferred tax expense of A$4.6 million, amortisation of borrowing costs of A$1.3 million, and debt funded maintenance expenditure of A$0.5 million

7.2.1 Forecast Distributions

A summary of the forecast distributions for the two years ending 31 December 2007 is outlined below:

	Period ending 31 December 2006	Year ending 31 December 2007
Cash available for distribution (A$'000)	14,880	32,014
Cash distributed (A$'000)	14,880	31,786
DPU (cents)(1)	4.2	9.0
Cash yield to Unitholder(2)	8.8%	9.0%
Tax deferred portion of cash distribution	100%	100%

1. Cash distributions includes both capital and income components
2. Yield for the period ending 31 December 2006 reflects annualised yield based on Issue Price

Unitholders should seek their own advice in respect of the tax implications of an investment in the Trust. Distributions may not be entirely tax deferred in the forecast period if the Trust realises a foreign exchange gain on its forward rate agreements. These forecasts have been prepared on the basis of the accounting policies set out in section 7.4, the key assumptions set out in section 7.5 and are subject to the risk factors in section 8.

7.3 Pro forma consolidated balance sheet(1)

	On completion of pro forma transactions (€ 000)(1, 2)	On completion of pro forma transactions (A$000)(1, 2)
Current assets		
Cash	300	511
Non-current assets		
Property investments	606,847	1,034,515
Total assets	607,147	1,035,027
Non-current liabilities		
Borrowings(3)	345,971	589,790
Total liabilities	345,971	589,790
Net assets	261,176	445,236
Unitholders' contributed capital	207,177	353,182
Issue costs	(9,158)	(15,612)
Outside equity interest	63,157	107,667
Total equity	261,176	445,236
Gearing (debt/assets)(4)	57.2%	57.2%
NTA per Unit(5)	€ 0.55	A$0.94

1. Refer to section 7.5 Key Forecast Assumptions for the pro forma transactions assumed in preparing the Pro Forma Consolidated Balance Sheet
2. Based on Exchange Rate of € 0.587 to A$1.00
3. Borrowings are shown net of debt establishment and arrangement costs of A$7.2m
4. Calculated as total debt divided by total assets
5. NTA per unit excludes outside equity interests

7.4 Statement of significant accounting policies

The principal accounting policies which have been adopted in the preparation of the forecast financial information are outlined below to assist in its general understanding.

Basis of preparation

The forecast Consolidated Income Statement and Pro Forma Consolidated Balance Sheet have been prepared on a going concern basis adopting the accruals and historical cost basis of accounting (except for property investments and derivatives which are at fair value) and in accordance with the requirements of applicable Australian Accounting Standards being Australian equivalents to International Financial Reporting Standards (A-IFRS) issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations that apply from 1 January 2005 and the Corporations Act.

Principles of consolidation

The forecast financial information of the Trust incorporates all the assets and liabilities of the Trust and the entities it controls and their results for the Forecast Period. The effects of all transactions between entities in the consolidated group are eliminated in full.

Property investments

Investment properties comprise investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income.

Initially, investment properties are measured at cost including property acquisition costs. Subsequent to initial recognition, the investment properties are then stated at fair value. Gains and losses arising from changes in the fair values of investment properties are included in the consolidated Income Statement in the period in which they arise.

At each reporting date, the fair values of the investment properties are assessed by the Responsible Entity by reference to independent valuation reports or through appropriate valuation techniques adopted by the Responsible Entity.

Where an independent valuation is not obtained, the Responsible Entity's assessment of fair value is determined by using appropriate valuation techniques including the capitalisation of net income, discounted cash flows and independent assessments of market conditions and property values.

The use of independent valuers is on a progressive basis over a three year period, or earlier, where the Responsible Entity believes there may be a material change in the carrying value of the property.

As the fair value method has been adopted for investment properties, the buildings and any component thereof (including plant and equipment) are not depreciated. Taxation allowances for the depreciation of buildings and plant and equipment are claimed by the Trust and contribute to the tax deferred component of distributions.

Issue costs

Transaction costs arising on the issue of equity are recognised directly in equity as a reduction in the proceeds of units to which the costs relate. The calculation of yields is based on the Issue Price of A$1.00 rather than net equity per Unit.

Borrowings

Borrowings are initially recognised at fair value, net of debt establishment and arrangement costs incurred. Subsequent to initial measurement borrowings are measured at amortised cost using the effective interest method. Interest expense is recognised on an accruals basis.

Revenue and expenditure

Revenue and expenditure are brought to account on an accruals basis.

Taxation

Income tax on the profit and loss for the Forecast Period comprises current and deferred tax and is recognised directly in the Consolidated Income Statement.

Under A-IFRS, a deferred tax liability is recognised along with a corresponding tax expense. These arise from the temporary differences between the carrying values of assets in the Balance Sheet and their associated tax cost bases, principally due to property revaluations and tax depreciation.

Foreign currency transactions

Foreign currency transactions of the Trust are converted to Australian dollars at the rate of exchange prevailing at the date of transaction or at average rates where applicable. Amounts receivable or payable as at the balance date and denominated in foreign currencies are converted to Australian dollars using rates of exchange at the end of the period. All resulting exchange differences arising on settlement are brought to account in the operating result.

Foreign controlled entities

The assets and liabilities of foreign controlled entities are translated into Australian currency at rates of exchange current at balance date, while their income and expenditure are translated at the average rates for the period. Exchange differences arising on translation are taken to the foreign currency translation reserve.

Derivatives

The Trust is exposed to changes in interest rates and foreign currency rates. The Trust has entered into fixed rate funding to mitigate exposure to increasing interest rates (section 3.8.1). The counterparty is a major investment bank with an S&P rating of A+.

The Trust will also enter into foreign exchange contracts to hedge against the risk of adverse movements in exchange rates (refer to section 3.8.2 for further information about the Trust's foreign currency hedging policy). The existing foreign exchange contracts do not require a premium to be paid by the Trust. The counterparty for the foreign exchange contracts is a major investment bank with an S&P rating of AA+.

All interest rate and foreign currency derivatives will be recognised at fair value in the Balance Sheet. As the foreign exchange hedging arrangements entered into by the Trust will not be deemed effective hedges for accounting purposes, changes in the fair value of the instruments will be recognised in the Income Statement. The Consolidated Income Statement will therefore experience volatility due to the revaluations of derivatives.

7.5 Key forecast assumptions

The material best estimate assumptions that the Responsible Entity has made to prepare the forecast financial information are set out below. While the Responsible Entity considers these assumptions to be appropriate and reasonable at the time of preparation of this PDS, Applicants should appreciate that many factors which may affect the results are outside the control of the Responsible Entity and its Directors or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may differ from forecasts and such differences may be material. Unitholders are asked to review the assumptions and financial forecasts and make their own independent assessment of the future performance and prospects of the Trust.

The financial forecasts have been reviewed by PricewaterhouseCoopers Securities Ltd, which has prepared the Investigating Accountant's report contained in section 9.1. PricewaterhouseCoopers has prepared a report on taxation implications contained in section 9.2. Neither of these parties guarantees the future performance or capital return of the Trust.

Pro forma transactions adopted in preparing the pro forma consolidated balance sheet.

The following pro forma transactions have been adopted in preparing the pro forma consolidated balance sheet:

- allotment of 353.2 million Units fully subscribed at a price of A$1.00 to raise $353.2 million
- estimated issue costs of A$15.2 million being recognised directly in Unitholders contributed capital
- purchase of the Initial Portfolio and the Additional Asset for A$1,022.8 million plus acquisition costs of A$11.2 million
- draw down of A$596.1 million of borrowings (fixed and floating debt) and payment of A$7.2 million in debt establishment and arrangement costs
- DEGI–GWF acquires a 25% interest in the German partnerships for A$107.7 million

The Offer

The Offer is implemented as proposed and is completed on 15 July 2006, fully subscribed 353.2 million Units are issued at A$1.00 per Unit, raising a total amount of A$353.2 million. The proceeds of the Offer are to be used as set out in section 7.1.

Net property income

Property income has been forecast based on existing leases and assumptions for future market rentals and for future leasing. The financial forecasts assume all leases are enforceable and are performed in accordance with their terms. Net property income comprises gross rental and all other income (including recoverable expenses) after deducting property expenses (including property management expenses). The forecast net property income is subject to a number of assumptions. Fees will be paid to DEGI for asset and property management and leasing activities in accordance with the fees set out in the Asset and Property Management Agreement (refer section 10.1.8). A summary of the key assumptions for the Forecast Period is outlined in the table below:

Assumptions for the Initial Portfolio	Portfolio
CPI	2.3%
Market Rental Growth Rate	2.3%
Expense Growth Rate	2.3%
Leasing commissions – new	3 months rent
Average lease up period – retail	3 months
Average lease up period – office	15 months

Asset values

The Trust's acquisition of the Initial Portfolio and associated costs are outlined below:

	€ m
Acquisition price	450.0
Property acquisition costs	7.0
Total cost	457.0
Discount to valuation after property acquisition costs	0.8
Valuation[1]	457.8

1. The properties have been valued by CBRE (refer to sections 9.3)

Additional Asset assumptions

The following assumptions have been made in relation to the Additional Asset

- acquisition price of € 150.0 million for a 100% interest, of which the Trust's share is 75%, including transaction costs
- 6.5% income yield (post transaction costs)
- 2.25% income growth per annum
- minimal capex requirements
- acquisition date of 15 October 2006

Forecast Period Distribution Support will be payable by the Responsible Entity based on the Additional Asset assumptions as set out above (refer to sections 3.5 and 7.6). If the Identified Asset is acquired, the total amount of Forecast Period Distribution Support will be reduced.

Prior to the assumed acquisition of the Additional Asset, the surplus equity raised will be used to reduce debt. Gearing is anticipated to be approximately 46% during this period. DEGI is currently involved in a tender process for an Identified Asset, though there is no certainty regarding the acquisition of this asset. If successfully acquired, it is anticipated that the Identified Asset will exhibit the following characteristics:

- indicative purchase price of US$210 million for a 100% interest
- rent payable in US dollars
- income yield of approximately 8.0% with 1.5% income growth per annum (or similar metrics on a total return basis)

- estimated witholding tax of approximately 5-10%
- minimal capex requirements

Refer to section 7.6 in relation to the impact on the Forecast Period Distribution Support payable in the event that the Identified Asset is acquired.

Changes in fair value of investment properties

There are no forecasts of future valuations of properties as the Responsible Entity does not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside its control. For these reasons, the Responsible Entity is unable to accurately quantify the impact on the forecast financial information of these matters reflecting, in particular, the potential volatility of property values. While this application of A-IFRS will introduce volatility into forecast financial information, this will not affect the cash flows from operations and hence the distribution paid to Unitholders.

Capital expenditure and leasing commissions

Allowance has been made for the capital expenditure commitments (including tenant improvements) and leasing commissions as per the following table:

	Period ending 31 December 2006 € m	Year ending 31 December 2007 € m
Sophienhof	0.3	0.3
Athlon Place	0.0	0.0
Railion Park	0.9	0.5
Elsenheimer Forum	0.0	0.2
Kronberger Hang	0.0	0.5
Total	1.2	1.5

Borrowings

The key financial terms of the fixed rate senior debt facilities assumed to be in place on completion of pro forma transactions are:

- total loan amount € 325.2 million
- loan term of 5 years
- interest fixed at 4.36% for a period of 5 years
- first mortgage secured over the Initial Portfolio and first ranking charge over the Silent Partners' and the General Partners' interest in the borrower

The key financial terms for the floating rate debt facility assumed to be in place on completion of the pro forma transactions are:

- total loan amount € 24.5 million
- interest rate of 100 bps over the 90 day EURIBOR

Details in relation to the debt facility for the Initial Portfolio are set out in sections 10.1.10 and 3.8.1.

Debt establishment and arrangement costs

Borrowings are initially recognised at fair value, net of debt establishment and arrangement costs incurred. Subsequent to initial measurement borrowings are measured at amortised cost using the effective interest method.

Initial costs in respect of borrowings to fund the acquisition are estimated to be € 4.2 million.

Interest income

Interest income on surplus funds has been calculated at 2.0% per annum.

Base Management Fee

The total Base Management Fee payable on the Initial Portfolio by the Trust is 0.45% per annum (plus GST) of the Gross Asset Value at the end of a Fee Period.

The Responsible Entity has agreed to a 5 basis point waiver in relation to the base management fee to which it is entitled in respect of the Initial Portfolio and Additional Asset in the Forecast Period (to 0.40% per annum).

Performance Fee

The financial forecasts assume no Performance Fee is payable. Refer to section 6.4 for descriptions of the Performance Fees payable to the Responsible Entity.

Other expenses

The Trust will incur operating expenses including custodian fees, legal, audit and tax fees, marketing costs, postage and printing costs and other miscellaneous expenses. These amounts have been forecast by taking into account factors likely to influence the level of these fees, charges and costs.

Distributions

Distributions are forecast to be made on a semi-annual basis. The first distribution will cover the period from the Allotment Date to 31 December 2006, and is expected to be paid in February 2007.

Distribution support of A$4.9 million is assumed to be payable in the Forecast Period. The mix of income between the Additional Asset and distribution support will be dependent on the purchase price, acquisition timing and yield of the Additional Asset or substitute asset(s). See sensitivity table in section 9.6. Income from the Additional Asset is after DEGI's 25% interest and financing costs.

Exchange rate assumptions

The pro forma Consolidated Balance Sheet assumes an exchange rate of € 0.587 to A$1.00.

Capital hedge

The Trust will enter into A$ to € cross currency swap agreements to hedge its equity capital. The Trust will hedge approximately 30% of its equity capital at prevailing A$ and € swap rates. The forecasts assume income from the capital hedge of $1.108 million in the period ending 31 December 2006 and $2.319 million in the year ending 31 December 2007. For further information in relation to the foreign exchange hedging arrangements, refer to section 3.8.2.

The net receipts under these agreements will be brought to account in the Forecast Consolidated Income Statement over the life of the contracts.

Income hedge

The Trust will implement foreign currency exchange hedging, as set out in section 3.8.2, to insulate distributions from potential adverse movements in foreign exchange rates from forecast Euro denominated income. For the purposes of preparing the financial forecasts, expected Euro net income from the Initial Portfolio and the Additional Asset has been translated at anticipated forward rates.

In relation to Euro income hedging, the financial forecasts assume an average forward exchange rate of € 0.578 to A$1.00 for the period ending 31 December 2006 and € 0.568 to A$1.00 for the year ending 31 December 2007.

Economic hedge fair values

Under A-IFRS, forward contracts which have not expired at balance dates will be required to be carried at fair value on the Consolidated Balance Sheet. Changes in fair value will be recorded in the Consolidated Income Statement as hedge accounting is not being sought. The forecast does not include movements in the market value of derivatives as the Directors of the Responsible Entity do not believe there is a reasonable basis to make forecasts in relation to market conditions on matters that are outside their control. While the application of A-IFRS on this matter will introduce volatility into the Forecast Consolidated Income Statement, this will not affect the operating cash flows and hence the distributions paid to Unitholders.

Future capital raisings

It has been assumed that no further capital raisings will be undertaken during the Forecast Period.

Issue costs

Issue costs and underwriting, management and financial advisory fees associated with the Offer will be paid out of the proceeds of the issue. These costs are estimated to be approximately A$15.2 million and have been recognised directly in equity as a reduction of the proceeds of the Offer.

Distribution reinvestment arrangements

The Constitution of the Trust makes provision for distribution reinvestment arrangements to be introduced. It has been assumed that no such arrangements will operate during the Forecast Period.

Taxation

Income tax on the profit and loss for the year comprises current and deferred tax and is recognised directly in the Income Statement.

Under A-IFRS, a deferred tax liability is recognised along with a corresponding tax expense. These arise from the temporary differences between the carrying values of assets in the Balance Sheet and their associated tax cost bases, principally due to property revaluations and tax depreciation. Whilst accounting for the deferred taxation due to tax depreciation gives rise to a taxation expense in the Consolidated Income Statement, it will not impact on the cash flows from operations and hence the cash distributions paid to Unitholders. The deferred tax liability has been calculated using the current rate of 26.4% for office assets and 36% for the retail assets during the Forecast Period.

The financial forecasts assume no changes in Australian or European taxation legislation.

Accounting Standards

The Australian Accounting Standards Board (AASB) has adopted IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS (A-IFRS), and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee. The adoption of Australian equivalents to A-IFRS will be first reflected in the Trust's financial statements for the period ending 30 June 2006. Changes in accounting standards may affect the reported net profit and financial position of the Trust in future financial periods.

The interpretation of A-IFRS may change between the issue of this PDS and the issue of the Trust's A-IFRS financial statements. The regulatory bodies that promulgate A-IFRS have significant ongoing projects that could affect the impact of A-IFRS on the Trust.

It has been assumed that no change in Applicable Accounting Standards and the Corporations Act or their European equivalents will occur that may have a material effect on the Trust's forecast distribution.

GST

The financial forecasts have been prepared on the basis that no GST is payable in respect of distributions paid by the Trust. Further, it is assumed that any GST incurred by the Trust cannot be claimed and will be included as part of the expenses of the Trust.

7.6 Sensitivity analysis

Unitholders should be aware that financial forecasts may not be met for a variety of reasons. To assist investors in understanding the significance of key assumptions for the forecast returns of the Trust, the table below sets out the effect of a change in several assumptions.

Unitholders should note that the sensitivity analysis is intended to provide a guide only and variations in actual performance may exceed the ranges shown. Movement in other assumptions may offset or compound any one variable beyond the extent shown.

The table below details the impact in the cash distribution (cents per Unit) for changes in certain assumptions:

	Period ending 31 December 2006 DPU (cents)	Year ending 31 December 2007 DPU (cents)
Base case	4.2	9.0
	Change in DPU (cents)	Change in DPU (cents)
Change to key assumptions:		
Increase in CPI by 1%(1)	0.00	0.13
Decrease in CPI by 1%(1)	0.00	(0.18)
Increase in A$/€ foreign exchange rate by 5%(2)	0.00	0.00
Decrease in A$/€ foreign exchange rate by 5%(2)	0.00	0.00
Increase in interest rates by 0.5%(3)	(0.00)	(0.00)
Decrease in interest rates by 0.5%(3)	0.00	0.00
Increase in vacancy by 3 months	(0.05)	(0.04)
Performance Fee – outperform benchmark by 1.0%	(0.05)	(0.10)

1. Based on Initial Portfolio
2. The Responsible Entity will hedge 100% of the Trust's forecast distributions from over the first five years
3. The Responsible Entity has fixed interest rates at approximately 4.36% per annum for a period of five years on 93% of the borrowings

Sensitivity of level of Forecast Period Distribution Support

The following table indicates the level of Forecast Period Distribution Support required over the entire Forecast Period in relation to the Additional Asset under various scenarios, including the assumption used in the financial forecasts of a € 150 million acquisition price and an acquisition date of 15 October 2006. Investors should note that the analysis is intended to provide a guide only and variations may exceed the ranges shown. Movements in other assumptions may offset or compound any one variable beyond the extent shown.

If an Additional Asset is not acquired, Forecast Period Distribution Support totalling $10.5 million may be payable.

(A$000)	Acquisition price and acquisition costs (€ m)			
Yield (%)	100	125	150	175
6.5	8,068	6,476	4,885	3,296
7.0	7,254	5,459	3,664	1,872
7.5	6,440	4,441	2,443	447
8.0	5,626	3,423	1,222	–

(A$000)	Acquisition date			
Yield (%)	30 September 2006	31 December 2006	31 March 2007	30 June 2007
6.5	4,693	5,868	7,017	8,179
7.0	3,431	4,860	6,257	7,670
7.5	2,168	3,851	5,497	7,162
8.0	906	2,843	4,738	6,654

The Forecast Period Distribution Support will expire at the conclusion of the Forecast Period. To the extent that the Additional Asset or substitute asset(s) has not been acquired, or the income received from these assets is less than expected, distributions may decline as a result of the Forecast Period Distribution Support expiry.

Based on the assumptions in the forecast financial information, the distribution for the year ending 31 December 2008 may decrease by 0.6 cents per unit from the distribution for the year ending 31 December 2007 based on the expiry of the Forecast Period Distribution Support. If the Identified Asset is acquired during the Forecast Period, the decrease in distribution of 0.6 cents per Unit, on expiry of the Forecast Period Distribution Support may not arise in the year ending 31 December 2008.

8 Risk Factors

The key risks associated with investing in the Trust.

Risk Factors

8.1 Single tenant

Three of the five properties in the Initial Portfolio are fully let to one tenant. However, each of these tenants have signed long term lease agreements. In addition, due to the quality and/or location of each of these properties, if any of these properties become vacant for whatever reason, it is likely that it would be fully re-let within an acceptable period.

8.2 Dow lease

The lease to Dow in respect of the property located at Frankfurt – Schwalbach expires on 30 November 2009. The rent for that lease is currently above market and it is expected that upon renewal, the rent will be adjusted to reflect market rates. This will adversely impact the rental income received by the Trust. To mitigate this risk, to the extent that distributions per Unit for the calendar years 2010, 2011 and 2012 fall below 9 cents per Unit because of adjustments to the rent payable under the Dow lease, the Responsible Entity will rebate up to 100% of the Base Management Fee it is entitled to receive in respect of the Initial Portfolio for the relevant calendar year. Refer to section 3.9 for further details of this risk.

8.3 Forecast Period Distribution Support

Distributions may decline following the Forecast Period because the Forecast Period Distribution Support will expire. This decline may eventuate even if an Additional Asset (other than the Identified Asset) is acquired. The level of income expected to be received from the Additional Asset and the Forecast Period Distribution Support is set out is section 7.2. The level of Forecast Period Distribution Support may vary as described in section 7.6. Based on the assumptions in the forecast financial information, the distribution for the year ending 31 December 2008 may decrease by 0.6 cents per Unit from the distribution for the year ending 31 December 2007 based on the expiry of the Forecast Period Distribution Support. If the Identified Asset is acquired during the Forecast Period, the decrease in distribution of 0.6 cents per Unit, on expiry of the Forecast Period Distribution Support may not arise in the year ending 31 December 2008. Also, if Forecast Period Distribution Support is provided, there is a risk that distributions to Unitholders may not be 100% tax deferred.

8.4 Failure to acquire an Additional Asset

In the event that the Additional Asset is not acquired the Trust will be over equity capitalised pending an acquisition, although the Forecast Period Distribution Support will apply during the Forecast period.

8.5 Foreign exchange

The value of the Australian dollar has been subject to significant fluctuations with respect to the Euro in the past and may be subject to significant fluctuations in the future. The Trust is exposed to German assets and liabilities, the value of which is denominated in Euros. If the Australian dollar appreciated against the Euro, the Australian dollar value of both the future Euro denominated distributions and the equity capital in the Trust would decrease.

The Trust may also acquire assets and liabilities denominated in another currency such that if the Australian dollar appreciated against that currency, the Australian dollar value of the future net income and equity capital associated with that asset would decrease.

The Responsible Entity will enter into foreign currency income hedges as described in section 3.8.2. This is intended to provide a degree of certainty for investors, so that any change in relevant exchange rates does not have a significant impact on the distributions to Australian investors within the period of the income hedge.

In addition, the Trust's exposure to equity capital movements due to fluctuations in foreign exchange rates has been partially hedged for approximately five years using cross currency swap agreements. If the Australian dollar weakens against the Euro on expiry of the capital hedge, the Trust may be required to pay cash to the hedge counterparty. The amount of cash paid will depend on the exchange rate at the time. The Trust may be required to sell assets or borrow to fund the cash payment at settlement of the capital hedge.

Following the expiration of these hedges, if no further hedges have been entered into, or new hedges cannot be entered into at the same terms as existing hedges, the amount of Australian dollar distributions and capital value of the equity investment made by the Trust in the Initial Portfolio and any other subsequent assets may change because of foreign exchange movements. Future hedging rates achievable will depend on the spot rate and the forward curve at the time.

Other currency issues for Unitholders to consider include:

- if any foreign exchange restrictions were introduced for transactions between Australia and Germany, the Trust may be adversely affected
- the Trust will also be exposed to counterparty credit risk over the duration of the income and capital hedges
- costs may also be incurred where exchange hedges are terminated ahead of time
- adverse currency movements during the life of the Trust can affect targeted returns

8.6 Interest rates

The Trust will be exposed to interest rate movements on floating rate debt obligations or net cash balances held. In relation to the Initial Portfolio, the Responsible Entity has secured a fixed rate facility for approximately € 245 million for a period of five years at approximately 4.36% per annum at the German Property Partnership level.

Nevertheless, there is still a degree of interest rate exposure. Approximately € 20 million of the borrowings to assist in funding the Initial Portfolio will be borrowed at a floating rate under a five year facility. An increase in interest rates may adversely affect this portion of the debt. This may impact returns to Unitholders.

In addition, future acquisitions may be funded with a combination of fixed and floating rate debt (see section 3.8.1 for details on the Responsible Entity's borrowing policy). A financier may terminate a fixed rate financing facility if the loan is in default. In addition, financiers generally have no obligation to roll over any financing facility at the end of its term. There is no guarantee that future debt facilities may be obtained at comparable interest rates. If a financing facility cannot be entirely refinanced on expiry, the Responsible Entity may be required to raise funds from an alternative source to reduce or repay the existing facilities held by the Trust. This may impact the returns to Unitholders.

8.7 Duplication of fees

The Fee Sharing Deed provides that the Responsible Entity will not claim or pay itself out of assets of the Trust any fees that become payable to it as responsible entity of the Trust under the constitution to the extent that Allianz Global Investors Australia Limited receives, in accordance with the Fund Management Agreement, the fees that accrue or become payable to it. Consequently, if Allianz Global Investors Real Estate Australia Limited is replaced as the responsible entity of the Trust with an entity that is not a related body corporate of Allianz Global Investors Real Estate Australia Limited, then there may be duplication of fees payable by the Trust. This may adversely affect Unitholder returns.

8.8 Call option

Pursuant to the Call Option Deed, if there is a Change of Control of the Trust, DEGI-GWF has the right to purchase the Trust's interests in the properties in the Portfolio in which it holds at least a 5% interest (Call Option Properties), at a price determined by a committee of independent expert valuers. This will cause the Trust to lose its indirect investment in the Call Option Properties which will act as a disincentive to remove or replace Allianz Global Investors Real Estate Australia Limited as the responsible entity of the Trust. Refer to section 10.1.12 for further details.

8.9 Forecast Period Distribution Support (termination on change of Responsible Entity)

The Responsible Entity's obligation to provide the Forecast Period Distribution Support terminates if Allianz Global Investors Real Estate Australia Limited ceases to be the responsible entity of the Trust. Those obligations will not automatically be assumed by the entity appointed as the new responsible entity of the Trust. Consequently, Unitholders returns may be adversely affected by up to the amount of the Forecast Period Distribution Support.

8.10 Taxation

The taxation treatment of Unitholders is dependent upon the tax law as currently enacted in Australia and the various jurisdictions in which properties are located and the interpretations applied to those tax laws. Australia has recently been through a process of tax reform with the result that many provisions relevant to the Trust have not been subject to judicial consideration or administrative interpretation. Changes in tax law (including relevant double tax agreements) or changes in the way tax law is expected to be interpreted in Australia and the various jurisdictions in which properties are acquired (eg the Initial Portfolio is located in Germany) may adversely impact the outcomes outlined in the Taxation Report at section 9.2.

8.11 Economic and market conditions

The value of the underlying assets of the Trust, initially German real estate, is influenced by macroeconomic factors, including changes in taxation policy, monetary policy, interest rates, inflation, currency exchange rates, regulatory policy, employment and consumer demand.

In addition, a number of factors affect the performance of stock market investments, which could affect the price at which the Units trade on the ASX. Among other things, movements on international and domestic stock markets, interest rates, inflation and inflationary expectations and overall economic conditions, as well as government taxation and other policy changes may affect the demand for, and price of, the Units.

Volatility in the Australian or international financial markets may influence the trading price of the Units on the ASX.

Furthermore, as many property trusts are geared to varying levels, changes in the long-term bond rate may have an impact on the average income yields for the listed property trust sector and the value of the Units.

Further narrowing of the interest rate differential between Europe and Australia is likely to adversely impact upon the ability of the Trust to make future acquisitions on adequate terms.

8.12 Changes in law or government policy

Government legislation in both Australia and Europe, including changes to government policy affecting real estate or financial markets or changes to taxation laws (see section 9.2), may affect future earnings and the relative attractiveness of investing in the Trust.

8.13 Property investment

An investment in the Trust is subject to certain risks associated with ownership of property and the property industry in general. These risks include:

- declines in the value of property assets due to market conditions
- declines in property income due to rental market conditions (which will vary according to the supply and demand for similar space in the respective markets of each property)
- inability or unwillingness of tenants to meet their lease commitments, including rental default resulting in reduced income for the Trust
- inability to secure tenants as required to provide rental income
- changes in occupancy levels of the property assets including extended vacancies
- operating and third party expenses being greater than estimated
- unforeseen capital expenditure requirements that could affect targeted returns
- the supply or under supply of competing existing or new assets, which may reduce the ability to acquire new assets and secure lease renewals or obtain new tenants
- increases in property and transaction taxes
- changes in zoning or statutory laws affecting usage and property values

- unforeseen environmental issues may affect any of the properties including the existence of asbestos or other hazardous materials or other environmental liabilities; costs resulting from the clean up of, and liability to third parties for damages resulting from, environmental problems or issues; casualty or condemnation losses; uninsured damage from floods, earthquakes or other natural disasters
- general market forces prevailing at the time of the sale of property assets
- development risk (including delay in proposed development), where developments are intended to be conducted in relation to future acquisition of property
- quality of construction and design of properties
- changing demographics in the markets in which the properties are located
- increase in maintenance costs where maintenance costs are not paid by the tenants
- illiquidity of property investments

8.14 Future acquisitions

The Responsible Entity intends to seek further property acquisitions in addition to those described in this PDS. The rate at which this occurs will depend on market conditions (including the interest rate differential between Australia and Europe), the availability of suitable real estate on appropriate terms and capital availability at the time. Forecast distributions may be adversely affected by future acquisitions; although the Responsible Entity intends only to make acquisitions to enhance the risk-adjusted returns to Unitholders (see section 3 for further details on the Responsible Entity's acquisitions and investment strategy).

8.15 No guarantee of income or capital return

Neither the Responsible Entity nor any other person gives a guarantee as to the amount of income or capital return from the Units or the performance of the Trust, nor do they guarantee the repayment of capital from the Trust.

8.16 Change in accounting standards

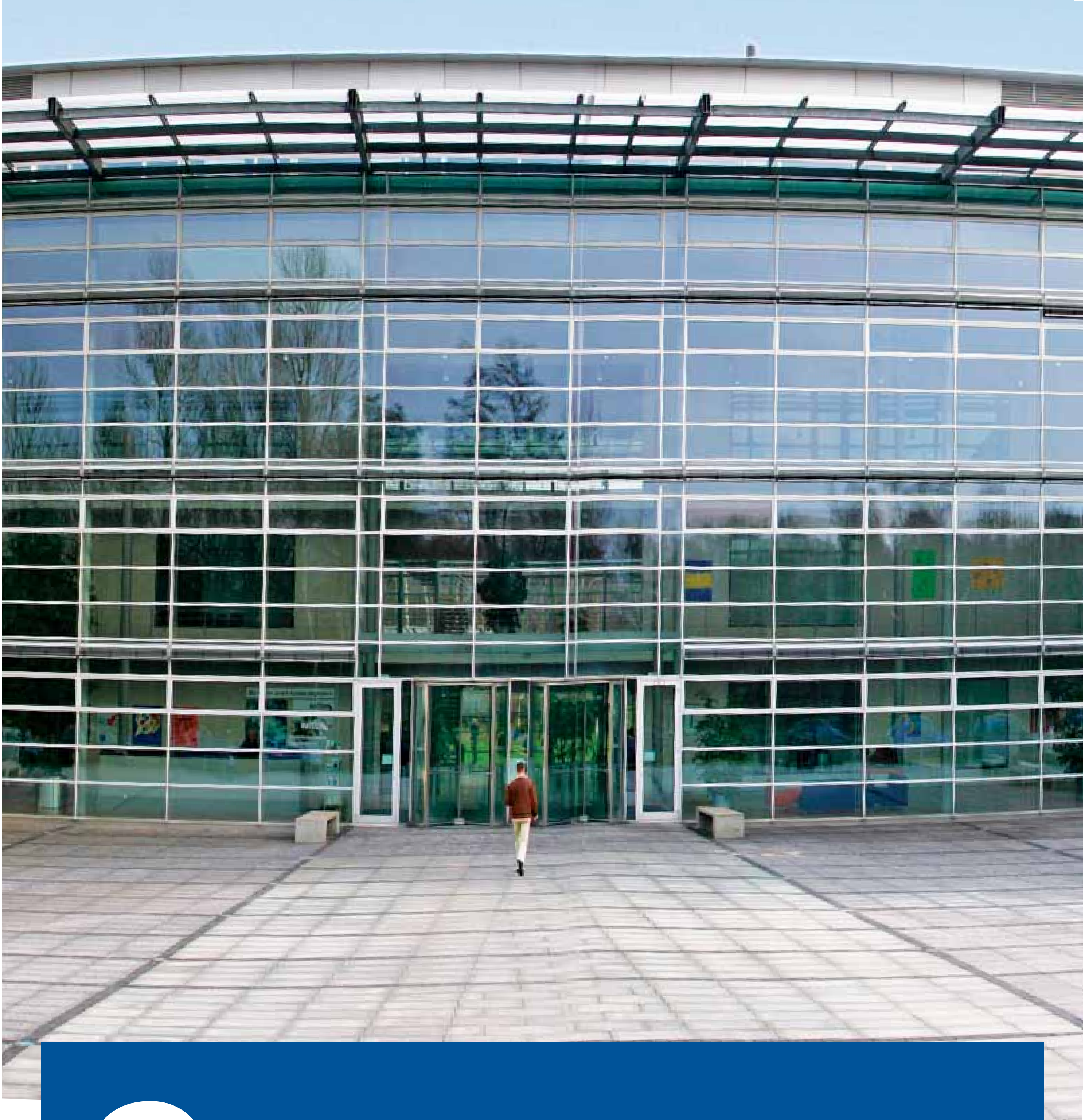
In July 2002, the Financial Reporting Council of Australia (supported by the Australian Government) announced its endorsement of the adoption by Australia of the International Financial Reporting Standards (A-IFRS) for the financial year commencing on or after 1 January 2005. Changes in accounting standards may affect the reported earnings and financial position of the Trust in future financial periods.

8.17 Other risk factors that may affect to the Trust

Other risks include the following:

- **Reliance on key personnel** – The performance of the Trust depends on the expertise and investment decisions of the Responsible Entity, DEGI and their staff
- **Uninsured events** – Following the incidence of terrorist attacks, the availability of cost effective insurance has diminished. In some cases, insurance against previously insurable events has become unavailable. The Trust's investments may be affected by the cost or vacancy of suitable insurance. Uninsured events could occur which may result in financial loss to the Trust impacting on the returns to Unitholders. The insurance provider(s) for the Trust and its investments could decline to meet, or meet fully, a claim, either because of its insolvency or for other reasons
- **Counterparty risk** – Default by a party to a material contract, including DEGI, may reduce the income or increase the expenses of the Trust. It is also possible that a party to a material contract is not of sufficient financial standing to stand behind any claim against that party. In particular, the Trust's performance is, in part, dependent on a long term basis on DEGI's performance of its asset and portfolio management services

- **Unforeseen litigation** – There is the risk that unforeseen litigation may occur resulting in unexpected legal fees and expenses to protect the Trust's investment
- **Unforeseen expenses** – Expenses may be higher than anticipated, thereby reducing the amount available for distribution to Unitholders
- **Forecast assumptions not achieved** – The assumptions on which the forecast financial information are based may not be achieved, such that the forecast distributions are not achieved
- **Gearing** – The Trust will employ gearing. The use of gearing creates an opportunity for increased net income, but at the same time involves a higher degree of financial risk due to increased exposure to rising interest rates and downturns in the economy. The Responsible Entity intends to mitigate the risk associated with interest rates by fixing interest rates on a medium to long term basis. For example, the interest rate on the Senior Debt Facility which will be used in part to acquire the Initial Portfolio has been fixed for a period of five years. Principal and interest payments on any borrowings will be payable regardless of whether the Trust has sufficient cash available. In the event of foreclosure, senior lenders would be entitled to a preferred cash flow prior to the Trust's entitlement to payment on its investment
- **Valuations** – There is a risk that the valuations of the properties in the Trust Portfolio do not reflect the current market price of the properties, as valuations are by their nature based on numerous assumptions determined by the valuer. Accordingly, Unitholders should not rely on the valuations in making an investment decision
- **Acquisition risk** – The Responsible Entity has undertaken extensive acquisition property, legal, financial and tax due diligence in respect of each of the properties forming the Initial Portfolio. In addition, the sale and purchase agreements pursuant to which the properties in the Initial Portfolio are being acquired contain warranties and indemnities in favour of the purchaser. These sale and purchase agreements are set out in section 10.1.2. However, it is possible that potential risks were not uncovered as part of the due diligence, or that risks cannot be fully mitigated by the warranties and indemnities in the sale and purchase agreements. If an unforeseen liability arises in respect of which the purchase is not able to be indemnified, this may adversely impact on the Trust
- **International considerations** – The Trust will invest in European real estate and as a result will be subject to fiscal and taxation policies, regulatory regimes and political risks in Europe
- **War and terrorist attacks** – War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular place. There could also be a resultant material adverse effect on the Trust



9 Experts' Reports

Investigating accountant's, taxation and legal reports.

Experts' Reports

9.1 Investigating accountant's report

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PricewaterhouseCoopers
Securities Ltd
ACN 003 311 617
ABN 54 003 311 617
Holder of Australian Financial
Services Licence No 244572

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

The Directors
Allianz Global Investors Real Estate Australia Limited
1 Margaret Street
Sydney NSW, 2000

14 June 2006

Investigating Accountant's Report on Forecast Financial Information

Dear Sirs

We have prepared this report on forecast financial information of the Allianz Global Investors European Property Trust (the Trust) for inclusion in a Product Disclosure Statement dated on or about 14 June 2006 (the PDS) relating to the offer of units in the Trust.

Expressions defined in the PDS have the same meaning in this report.

The nature of this Report is such that it should be given by an entity which holds an Australian Financial Services licence under the *Corporations Act 2001* (Cth). PricewaterhouseCoopers Securities Ltd is wholly owned by PricewaterhouseCoopers and holds the appropriate Australian Financial Services licence.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to prepare an Investigating Accountant's Report (the Report) covering the following information:

a) the pro forma Consolidated Balance Sheet which assumes completion of the contemplated transactions disclosed in Section 7.5 of the PDS (the pro forma transactions); and
b) the forecast Consolidated Income Statement of the Trust for the period ending 31 December 2006 and the financial year ending 31 December 2007.

(collectively, the Forecasts).

The Directors of Allianz Global Investors Real Estate Australia Limited, as responsible entity of the Trust, are responsible for preparation and presentation of the Forecasts, including the best estimate assumptions, which include the pro forma transactions, on which they are based. The Forecasts have been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the Forecasts to which it relates for any purposes other than for which it was prepared.

Our review of the Forecasts was conducted in accordance with Australian Auditing Standard AUS 902 "Review of Financial Reports". Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary so as to adequately evaluate whether the best estimate assumptions provide a reasonable basis for the Forecasts. These procedures included discussion with the Directors and management of the Trust and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts and whether, in all material respects, the Forecasts are properly prepared on the basis of the assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Trust disclosed in Section 7.4 of the PDS and the Constitution of the Trust (the Constitution) so as to present a view of the Trust which is consistent with our understanding of the Trust's past, current and future operations. In the case of assumptions which fall outside of our expertise, we have relied on reports prepared by other experts, in particular the valuation reports of CBRE, whose summary is included in this PDS.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Trust's potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of Forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 8 of the PDS.

Our review is substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the PDS.

Review statement on the Forecasts

Based on our review of the Forecasts, which is not an audit, and based on an investigation of the reasonableness of the Directors' best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

(a) the best estimate assumptions set out in Section 7.5 of the PDS do not provide a reasonable basis for the preparation of the Forecasts;

(b) the Forecasts are not properly compiled on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other

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mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Trust disclosed in Section 7.4 of the PDS and the requirements of the Constitution;

(c) the pro forma Consolidated Balance Sheet has not been properly prepared on the basis of the pro forma transactions;

(d) the pro forma transactions do not form a reasonable basis for the pro forma Consolidated Balance Sheet; and

(e) the Forecasts themselves are unreasonable.

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Trust. If events do not occur as assumed, actual results and distributions achieved by the Trust may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

Independence or Disclosure of Interest

PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this issue other than the preparation of this Report and participation in related due diligence procedures for which normal professional fees will be received. As detailed in the PDS, PricewaterhouseCoopers, Germany is the sole tenant of the property Elsenheimer Forum, Munich.

Financial Services Guide

We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

JA Dunning

JA Dunning
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

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APPENDIX A - FINANCIAL SERVICES GUIDE

This Financial Services Guide is dated 14 June 2006

1. **About us**

PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) ("**PwC Securities**") has been engaged by Allianz Global Investors Real Estate Australia Limited as the Responsible Entity of the Allianz Global Investors European Property Trust to provide a report in the form of an Independent Accountant's Report in relation to the public offer of units in the Allianz Global Investors European Property Trust (the "Report") for inclusion in the PDS dated 14 June 2006.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2. **This Financial Services Guide**

This Financial Services Guide ("**FSG**") is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3. **Financial services we are licensed to provide**

Our Australian financial services licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4. **General financial product advice**

The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5. **Fees, commissions and other benefits we may receive**

PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a

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report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us.

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6. **Associations with issuers of financial products**

PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business. PwC may provides other ongoing advisory services to Allianz Global Investors Real Estate Australia Limited.

7. **Complaints**

If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Service ("**FICS**"), an external complaints resolution service. You will not be charged for using the FICS service.

8. **Contact Details**

PwC Securities can be contacted by sending a letter to the following address:

JA Dunning

Darling Park Tower 2
201 Sussex Street
GPO Box 2650
Sydney NSW 1171
DX77 Sydney
Australia

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PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Website:www.pwc.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

The Directors
Allianz Global Investors Real Estate Australia Limited
As Responsible Entity for,
Allianz Global Investors European Property Trust
Level 17
1 Margaret Street
Sydney NSW 2000

14 June 2006

Dear Directors

ALLIANZ GLOBAL INVESTORS EUROPEAN PROPERTY TRUST
INDEPENDENT TAXATION REPORT

This letter has been prepared for inclusion in the Product Disclosure Statement (PDS) for Allianz Global Investors European Property Trust dated on or about 14 June 2006. Defined terms used in this letter have the same meaning as they do in the PDS.

The purpose of this letter is to provide a broad summary of the Australian and German income tax and German trade tax implications that would arise for Australian resident Unitholders who acquire units issued by the Trust. This letter also addresses Australian goods and services tax (GST) and German Value Added Tax (VAT) and Australian and German stamp duty consequences for Unitholders. This letter does not cover the taxation implications for non-resident investors or investors who acquire their units on revenue account or as trading stock.

This letter is based on the initial German property portfolio only. This letter does not address the Australian or German tax consequences of the proposed acquisition of the Additional Asset.

This letter is based on the Australian income tax law and GST law and German income, trade tax and VAT law, contained in the following legislation (as amended), and current interpretations of those laws at the date of this letter:

- Income Tax Assessment Act 1936 (the 1936 Act)
- Income Tax Assessment Act 1997 (the 1997 Act)
- A New Tax System (Goods and Services Tax) Act 1999
- German Income Tax Act 2002
- German Corporation Tax Act 2002

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- German Trade Tax Act 2002
- German VAT Tax Act 2005

This letter is also based on the current Double Taxation Agreement (DTA) between Australia and Germany (as amended), and the current interpretation of the DTA as at the date of this letter.

Each of the laws referred to above, or their interpretations, are subject to change by amendment of legislation, court decisions or changes of administrative practice by the Australian Tax Office or the German tax authorities. The taxation information in this letter is, of necessity, general in nature. This letter can only provide a general overview of the Australian and German tax consequences that may be relevant for a particular Unitholder. The tax implications for each Unitholder may also depend on the particular circumstances of the Unitholder. Accordingly, Unitholders should not treat this summary as tax advice on their own tax position and are urged to seek independent tax advice based upon their own particular circumstances.

1. Background

The factual background relating to this letter is contained within the PDS (an overview of the investment structure is set out in section 7). However, the investment structure is summarised below to the extent that it is relevant in outlining the Australian and German tax implications for Unitholders.

On completion of the offer, Unitholders should hold units in the Trust.

The Trust will have a wholly-owned Australian resident subsidiary company Allianz Global Investors Property I Pty Limited which, in turn, will have two wholly-owned Australian resident subsidiary companies, Allianz Global Investors Property II Pty Limited and Allianz Global Investors Property III Pty Limited. Allianz Global Investors Property II Pty Limited will be a limited partner in two German Limited Partnerships, collectively called the German Holding Partnerships. Either of the German Holding Partnerships will form an atypical silent partnership with each German Property Partnership and, accordingly, acquire a 75% economic interest in each German Property Partnership. Each German Property Partnership will acquire and hold property relating to the initial investment portfolio (consisting of five German investment properties).

2. Tax Treatment of Allianz Global Investors Property II Pty Limited in Germany

Limited partnerships and atypical silent partnerships are treated as transparent entities for German income tax purposes. Income is calculated at the partnership level, attributed to the partners and taxed at that level. Consequently, only Allianz Global Investors Property II Pty Limited should be subject to German corporation tax (refer below). The applicable tax rate amounts to 25% plus a solidarity surcharge of 5.5% thereon (in total an effective rate of 26.375%).

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For German trade tax purposes, Allianz Global Investors Property II Pty Limited should not be considered to have a permanent establishment in Germany and therefore it should not be subject to trade tax itself.

The taxable income of Allianz Global Investors Property II Pty Limited for German income tax purposes should include its share of the income of each German Property Partnership via the atypical silent partnership agreements entered into by the German Holding Partnerships with each German Property Partnership. In general, taxable profits are determined based on the profit and loss account prepared in accordance with German accounting principles, taking into consideration differences between German accounting and taxation principles. However, in the case of rental income the taxable income will be calculated on a cash basis (ie on actual receipt).

Each German Property Partnership generates "rental income" provided that their activities are restricted to the mere holding and administration of real property (Vermögensverwaltung) and their legal form is not a trade-type. Otherwise, the German Property Partnerships generate "trade income".

Accordingly, Allianz Global Investors Property II Pty Limited should derive income as a result of the German Holding Partnerships entering into the atypical silent partnership agreements with each German Property Partnership. The income from the underlying properties should be offset by deductions for depreciation, interest (subject to thin capitalisation rules noted below) and other partnership expenses allowable, and subject to the restrictions noted above. Annual depreciation on tangible assets is made under the declining method or the straight-line method. Buildings and intangible assets must be depreciated using only the straight-line method. The standard depreciation rates for buildings range from 2% to 4%, assuming a useful life of 25 to 50 years.

Any capital gains derived by Allianz Global Investors Property II Pty Limited will be included in the taxable income and taxed at the corporate tax rate (ie 26.375%).

Under German transfer pricing rules, all inter-company transactions must take place on arm's length terms. Written documentation supporting that transactions have been performed on an arm's length basis must be prepared and presented to the German tax authorities on request.

Under the German thin capitalisation legislation, deductions for German income tax or trade tax purposes may be limited to the extent debt funding from certain related parties (and certain third parties) exceeds the debt to equity limitation of 1.5:1. Where this debt to equity ratio is exceeded, expenses relating to the excess debt should not be deductible for German income tax and trade tax purposes.

Under some conditions, tax losses incurred by Allianz Global Investors Property II Pty Limited can be carried back for one year. Losses can be carried forward without time limitation but there are limitations on the extent to which carried forward losses can be recouped in any given year of income.

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3. German taxation treatment of the German Holding Partnerships and the German Property Partnerships

If a partnership in Germany undertakes trade activities or is of a trade-type ("gewerblich geprägt") the (trade) partnership is subject to trade tax. It is anticipated that the German Holding Partnership and the German Property Partnerships holding the four office properties should not be subject to trade tax. Even if these partnerships are considered to be subject to German trade tax, no material trade tax liability should be payable based on the application of exemptions from the calculation of trade tax for rental income. It is anticipated that the German Holding Partnership and the German Property Partnership holding the Kiel property will be subject to trade tax and no exemption will be available.

In principle, the trade tax base corresponds to the income tax rules, subject to certain adjustments. When calculating the trade tax base, only 50% of the interest paid on long term loans is deductible. Even if the taxpayer's activities are viewed, in principle, as subject to trade tax, tax may not arise on the basis of a year-by-year application. Taxpayers engaged only in the mere administration of real estate may apply for an "extended trade tax deduction" which permits a deduction from the trade tax base of income derived from these passive rental activities, thus reducing the tax base for such activities to nil and effectively providing an exemption from trade tax. Other income, such as capital gains and trade income, will not be exempt from trade tax.

Losses for trade tax purposes can be carried forward in the same manner as for income tax but losses for trade tax purposes cannot be carried back.

The nominal trade tax rate applicable to the partnership depends on the taxable income and the municipality in which the partnership is located and varies for a partnership between 2% and approximately 25%.

4. German taxation treatment of distributions to Allianz Global Investors Property II Pty Limited

As the German Limited Partnerships are considered to be flow through entities for German tax purposes profit withdrawals from the partnerships should not attract withholding tax in Germany.

5. German capital or stamp duties

There is no capital duty or stamp duty when establishing a German partnership or share transfer duty upon the transfer of shares in a German company, nor is there duty on the transfer of assets including goodwill. However transfer of real estate is subject to real estate transfer tax of 3.5%.

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6. German VAT

In principle, services supplied in connection with real properties fall within the scope of VAT. Most of these transactions are, however, exempt under German VAT law. This is, for instance, generally the case if real properties are transferred, merely rented or leased. Under certain circumstances, a VAT option may be exercised, and accordingly, the purchaser or lessor may recover input VAT paid on supplies and services and thus reduce acquisition or construction costs considerably. This option may apply in relation to the transfer or letting of real estate. When letting buildings partly for non-business purposes (ie, letting for housing or to public entities) and partly for business purposes, the VAT option is only applicable to the portion let for business purposes. In case the VAT option is exercised (or indeed possible) only for part of the letting turnovers, then the input VAT may only be recovered in part as well.

7. Australian income tax treatment of the Trust

Based on current legislation, the Trust should not be liable for income tax in Australia as it is intended that Unitholders would be presently entitled to all of the income of the Trust. Unitholders should be aware that should the actions or activities of the Trust (or the underlying companies) cause the Trust to fall within the operative provisions of Division 6C of the 1936 Act, the Trust may be taxed on its net income at a rate which is currently equivalent to the corporate income tax rate of 30%. Based upon the information in this PDS and the intentions of the Responsible Entity as expressed to us, we do not believe that the Trust should meet these requirements and should therefore not be taxable in its own right.

Where a tax loss or capital loss is made by the Trust that loss cannot be transferred to Unitholders. Instead, the tax losses must be carried forward by the Trust for offset against future assessable income, subject to the Trust satisfying the tests for utilisation of tax losses. Net capital losses must be carried forward to be offset against future capital gains.

8. Australian income tax treatment of Allianz Global Investors Property I Pty Limited, Allianz Global Investors Property II Pty Limited and Allianz Global Investors Property III Pty Limited

Allianz Global Investors Property I Pty Limited, Allianz Global Investors Property II Pty Limited and Allianz Global Investors Property III Pty Limited will form a consolidated group for Australian income tax purposes with Allianz Global Investors Property I Pty Limited as the head company. This will result in Allianz Global Investors Property I Pty Limited being liable to Australian income tax at the corporate tax rate (currently 30%) on the entire taxable income of the consolidated group. For income tax purposes, transactions between members of the consolidated group should be ignored.

Where a tax loss or capital loss is made by Allianz Global Investors Property I Pty Limited, that loss cannot be transferred to the Trust or the Unitholders. Instead, tax losses must be carried forward or

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offset against future assessable income or capital gains and net capital losses are carried forward to be offset against future capital gains. This is subject to the Allianz Global Investors Property I Pty Limited income tax consolidated group satisfying certain tests for the utilisation of losses.

Allianz Global Investors Property II Pty Limited will have a 100% economic interest in the German Holding Partnerships. One of the German Holding Partnerships will have a 75% economic interest in each of the German Property Partnerships. Each of the German Holding Partnerships will be treated as a branch of Allianz Global Investors Property I Pty Limited for Australian income tax purposes. Distributions received by Allianz Global Investors Property II Pty Limited from German Holding Partnerships should be non-exempt and non-assessable for Australian income tax purposes.

9. Taxation of Unitholders in Australia

9.1 Trust Distributions

Unitholders should be assessable (at their own applicable tax rates) on their proportionate share of the net income of the Trust in the year in which entitlement to the income of the Trust arises. This is the case even though the distributions may actually be paid in another year of income of the Unitholders.

Should the Trust make a distribution to a Unitholder in excess of the Unitholder's proportionate share of the net income of the Trust, such amounts are treated as non-assessable (and referred to as a tax deferred distribution or return of capital). The Unitholder's cost base in the units of the Trust should be reduced for capital gains tax (CGT) purposes by the amount of the tax deferred component of the trust distribution. To the extent that the aggregate of such tax deferred components exceeds the Unitholder's CGT cost base in the units in the Trust, the Unitholder will make a capital gain equal to this excess (refer to comments below). This capital gain may qualify for the CGT discount.

Where the net income includes a dividend, Unitholders will be required to include the attached franking credit (if any) in their assessable income. Unitholders will generally be entitled to a tax offset equal to the amount of the franking credit, subject to satisfaction of the 45 day rule.

9.2 Disposing of Units

A disposal of units will have CGT implications. In our opinion, the units issued by the Trust should not be traditional securities. A Unitholder will derive a capital gain on the disposal of a unit to the extent that the consideration on disposal exceeds the CGT cost base of the unit. A Unitholder will incur a capital loss on the disposal of a share to the extent that the consideration on disposal is less than the CGT reduced cost base of the unit. As discussed above, cost base adjustments may be required (and capital gains may arise) should a distribution representing a return of capital be paid by the Trust or where the Trust makes a non-assessable distribution.

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Broadly, Unitholders must include any realised capital gain or loss from the disposal of Units in the calculation of their net capital gain for the year in which disposal occurs. A net capital gain should be included in assessable income. A net capital loss may be offset against other net capital gains or carried forward until the investor has realised capital gains against which the net capital loss can be offset.

The net capital gain to Unitholders is worked out separately for each unit as follows:

- The capital gain or loss is the excess or shortfall of disposal proceeds over the cost base of the units.
- If units have been held for less than 12 months, this is the amount of gain or loss included in the net capital gain calculation.
- If units have been held for 12 months or more and there is a loss, this loss is included in the net capital gain calculation.
- If units have been held for 12 months or more and there is a gain, a discounting factor may be available to certain investors. The discounting factor for individuals and trusts is 50% (including non-complying superannuation trusts), whilst a discount factor of 33 1/3% applies to complying superannuation entities. Companies are not entitled to a discount.

10. Tax File Numbers, Australian Business Numbers and Exemptions

If a Tax File Number (TFN) is not quoted by an Unitholder, and no appropriate TFN exemption information is provided, Pay As you Go (PAYG) withholding tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 48.5%). A Unitholder may quote a valid Australian Business Number (ABN) in place of a TFN, where holding the units is part of the carrying on of an enterprise by the Unitholder.

The collection of TFNs is authorised and their use and disclosure are strictly regulated by the tax laws and the Privacy Act.

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11. Australian Goods and Services Tax (GST)

The purchase and disposal of units by the Unitholder should not be subject to GST. GST will apply to fees charged to the Trust by the Responsible Entity. The Trust is likely to be making predominantly input taxed supplies. The Trust will not be able to recover any amounts paid in respect of GST where they relate to the Trust making input taxed supplies other than possibly a 75% reduced input tax credit, for instance on the Responsible Entity fee(s). Any acquisition of the Trust which relates to the Trust making taxable or GST-free supplies are likely to be fully recoverable for GST purposes.

12. Australian Stamp Duty

No stamp duty should be payable by Unitholders on the issue of units in the Trust.

DISCLAIMER

To persons receiving this document in Australia:

The information contained in this document does not constitute "financial product advice" within the meaning of the Corporations Act 2001 (Cth) (Corporations Act). The PricewaterhouseCoopers partnership which is providing this advice is not licensed to provide financial product advice under the Corporations Act. To the extent that this document contains any information about a "financial product" within the meaning of the Corporations Act, taxation is only one of the matters that must be considered when making a decision about the relevant financial product. This material has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Accordingly, any recipient should, before acting on this material, consider taking advice from a person who is licensed to provide financial product advice under the Corporations Act. Any recipient should, before acting on this material, also consider the appropriateness of this material having regard to their objectives, financial situation and needs and consider obtaining independent financial advice.

Yours faithfully

Paul Abbey
Partner – International Tax & Transaction Services

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CBRE
CB RICHARD ELLIS

CB Richard Ellis GmbH
Feuerbachstraße 26
60325 Frankfurt am Main

Switchboard +49 (0) 69-17 00 77- 0
Direct Dial +49 (0) 69-17 00 77-55
Fax +49 (0) 69-17 00 77-78
fabian.klein@cbre.com

The Directors
Allianz Global Investors Real Estate Australia Limited
as Responsible Entity of the Allianz GI European
Property Trust
1 Margaret Street
SYDNEY NSW 2000

13 June 2006

Summary of Valuation Report DEGI Portfolio (5 properties), Germany

Dear Sirs,

1. INSTRUCTIONS

In accordance with your instructions, CB Richard Ellis GmbH ("CBRE") has prepared this letter summarising the valuation results from our complete, self-contained valuation report. The purpose of our report was to advise you as to our opinion of the Market Value of each property as at 10th January 2006 ("the valuation date").

The report has been prepared in accordance with the most recent edition of the RICS Appraisal and Valuation Standards.

In the complete, self-contained valuation report, CBRE considers the standard customary approaches to value. The valuation conclusions are subject to the assumptions and conditions contained in the report and reflect all of the information known to the valuers of CBRE who worked on the Report for the subject portfolio and the market conditions within the area of each property.

2. RELIANCE

We have prepared this letter summarising our report and including only the key factors that have been considered in arriving at our opinions of value. This letter does not contain all of the data and support, which is included in our full report.

CBRE has provided Allianz Global Investors Real Estate Australia Limited as Responsible Entity of the Allianz GI European Property Trust with a valuation of the individual assets. The valuation is no guarantee or prediction of the future performance of any particular property. The scope of work and assumptions for each property is detailed in each of the completed property specific sections.

Although each property section should be read in conjunction with all the information set within the report, we would point out that we have made various assumptions as to tenure, letting and town planning and the condition and repair of buildings and sites. These are as included in the report as our details of any variations from our Standard Assumptions.

www.cbre.de
Amtsgericht: Frankfurt/Main HRB 13347, Geschäftsführer: Martin Drummer,
Carsten Ape, Heiko Fischer, Fabian T. Hother, Fabian Klein, Rainer Krapek, Martin Lubieniecki, Michael Mikulicz,
Burkhard C. Plesser, Stefan Schober, Stefan Striedl, Mike Strong

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CBRE
CB RICHARD ELLIS

3. BRIEF DESCRIPTION OF THE PROPERTIES

Four of the five subject properties are of office use while the fifth is a shopping centre. The properties are located in Duisburg, Frankfurt, Kiel, Munich and Schwalbach, Germany.

A summary of the subject properties is shown in the table below:

No.	City	Address	Total sqm	Office sqm	Retail sqm	Other sqm
1	Duisburg	Masurenallee	26.429	18.424	-	8.005
2	Frankfurt/Main	Solmsstraße 27-37	29.759	27.444	-	2.314
3	Kiel	Sophienblatt 20	41.733	2.548	26.633	12.552
4	Munich	Elsenheimerstr. 31 - 33	21.778	5.479	-	16.299
5	Schwalbach	Am Kronberger Hang	22.444	22.444	-	-
TOTAL			**142.144**	**76.340**	**26.633**	**39.171**

4. VALUATION METHODOLOGY

To assess the Market Value of each property we have placed primary emphasis on the discounted cash flow method. This method of valuation is commonly adopted for the appraisal of complex properties. We believe that this method would also be adopted by major national and international investors.

However, it is important to note that the results of all cash flows are always compared with recent comparable transactions, both in terms of the overall price per square metre and the initial and running yields.

An explanation of this method is provided below:

Discounted Cash Flow Method

The DCF method is based upon an explicit forecast of the likely net income to be generated by the subject property over a defined forecast period. This is followed by a deemed disposal of the property at the termination of that period. The cash flow is discounted at a target rate of return that is deemed to be appropriate for the investment to produce a Net Present Value. The Net Present Value thus represents the price that could be paid in order to achieve the target rate of return given that the forecasts built into the cash flow come to fruition.

In practice, the target rate of return is adjusted to reflect the risk entailed in the investment including the risk that forecasts are overly optimistic.

The critical elements of the discounted cash flow method are the determination of net income, the period over which the cash flow is modelled, the approach at termination of the cash flow and the target rate of return at which the cash flow is discounted. We consider each of these factors as they apply to the each property.

The forecasting of the likely future value of the property should at best be considered as inexact and thus the lower impact that the deemed disposal has on the cash flows the better. This is most easily achieved by extending the period of the cash flow, typically to 10 years. A 10 year cash flow projection does not suffer from the problems noted above, it does however have the limitation that forecasting over a longer period is required, and forecasts become less certain the further away the period to which they relate.

Page 3 of our letter
dated 13 June 2006

For each property we are of the opinion that a review period of 10 years is most suitable and this has been adopted in our valuations. We have incorporated inflation rates of 2% per annum.

In order to terminate the cash flow at the expiry of the chosen analysis period it is necessary to deem a disposal of the property. At that time it is not possible to undertake a DCF valuation methodology and it is necessary to calculate the deemed disposal proceeds on a conventional yield on rent basis. We have assumed that the property would be openly marketed at that date.

The appropriate exit yield at the date of disposal is typically between 0.25% and 1% higher than the initial return.

The rate of return required for any property investment is a function of the risks that are entailed in undertaking the investment and the level of return available from other investments that are generally available.

The vast majority of property transactions are analysed on a conventional basis and there is only limited comparable evidence from which a suitable required rate of return can be extracted. The evidence that does exist is derived from the advice we give to a number of investors on potential acquisitions, thus enabling us to access typical returns that investors are seeking.

In any DCF analysis it is of vital importance that the net cash flow is as realistic as possible, to allow comparison of property specific rates of return with those of other indices. Our cash flows adopt target rates of between 5.50% and 6.25%, according to the characteristics of each property. This provides a reasonable "risk premium" over long dated gilts to reflect the risk of the property, its management intensive nature, and the current competition in the office market within the area.

5. SUMMARY OF VALUES

Individual property values estimated by CB Richard Ellis GmbH as at 10th January 2006, according to the terms and conditions set out in the Report, are shown in the following table. For details of each of the valuations, please refer to the complete, self contained sections within the report that have been prepared for each individual property.

Duisburg	EUR 59,980,000
Frankfurt	EUR 109,510,000
Kiel	EUR 175,160,000
Munich	EUR 57,110,000
Schwalbach	EUR 56,040,000
Market Value Portfolio	**EUR 457,800,000**
	(Euro Four Hundred and Fifty Seven Million Eight Hundred Thousand)
Net Initial Yield	5.2%
Gross Initial Yield	6.4%

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Page 4 of our letter
dated 13 June 2006

6. DISCLAIMER

CBRE has prepared this Valuation Summary Letter and understands that it will be used as part of a Product Disclosure Statement. CBRE specifically disclaims liability to any person in the event of any omission from or false misleading statements included in the Product Disclosure Statement. CBRE does not make any warrantee or representation as to the accuracy of the information in any part of the Product Disclosure Statement other than as expressly made or given by CBRE in this Summary Valuation Letter.

CBRE has used information provided to us by DEGI, by Linklaters (contained in their certificate of titles) as well as by URS (provided in form of their technical reports), however, we have made our own investigations to ensure, in so far as possible, that the information provided is correct. In the case of such information proving to be incorrect or any additional information being supplied to us subsequently, the accuracy of the valuation could be affected and in such circumstances we reserve the right to amend our reports accordingly.

7. CERTIFICATION OF VALUATIONS (AND VALUATION SUMMARY LETTER)

We certify that to the best of our knowledge and belief:

a) The statements of value contained within this Valuation Summary Letter are true and correct.

b) The reported valuations, opinions and conclusions of each property are limited only by the reported assumptions and limiting conditions, and are CBRE's valuers' impartial and unbiased professional valuations, opinions and conclusions.

c) We have no present or prospective interest in the subject properties and no personal interest with respect to the parties involved.

d) We have no bias with respect to the properties that are subject of this letter or to the parties involved with this assignment.

e) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.

f) Our compensation for completing this letter is not contingent upon developing or reporting predetermined values or direction in value that favours the cause of the client. The amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the prepared valuations.

g) The individual CBRE valuer's analyses, opinions and conclusions were developed, and the reports have been prepared, in accordance with the RICS Appraisal and Valuation Standards.

h) The signees have not personally inspected all of the properties, unless otherwise indicated.

Yours faithfully

Fabian Klein MRICS
Managing Director

Jacob Volckerts
Associate Director

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10 Material Contracts and Additional Information

Further detailed information about the Trust and the Offer.

Material Contracts and Additional Information

10.1 Summary of material contracts

Contract	Parties	Purpose	Section
Trust Constitution	The Responsible Entity in its capacity as responsible entity of the Trust	Sets out the rights and obligations of Unitholders and the Responsible Entity in its role as responsible entity of the Trust	10.1.1
Property Sale and Purchase Agreement	The German Property Partnerships and DEGI-GWF	Sets out the terms and conditions under which the Initial Portfolio will be acquired from DEGI-GWF	10.1.2
Limited Partnership Agreements	AGI Beteiligungs GmbH & Co. KG as general partner, Property Co III as limited partner and DEGI in its capacity as a capital investment company for DEGI-GWF as limited partner	Sets up the German Property Partnerships which acquire and hold the Initial Portfolio	10.1.3
German Atypical Silent Partnership Agreements	The German Property Partnerships as owners and either AGI 1. Finance GmbH & Co KG and AGI 2. Finance GmbH & Co. KG as Silent Partner	Sets up the two German Atypical Silent Partnerships in order for the Trust to participate indirectly in the Initial Portfolio	10.1.4
Fund Management Agreement	The Responsible Entity and Allianz Global Investors Australia Limited	Sets out the terms and conditions upon which Allianz Global Investors Australia Limited provides fund management services to the Trust	10.1.5
Fee Sharing Deed	The Responsible Entity and Allianz Global Investors Australia Limited	Sets out the extent to which the Responsible Entity will not claim its fees where Allianz Global Investors Australia Limited receives fees from the Trust	10.1.6
Portfolio Management Agreement	The Responsible Entity, Allianz Global Investors Australia Limited and DEGI	Sets out the terms and conditions on which DEGI provides portfolio management services to the Trust and to Allianz Global Investors Australia Limited	10.1.7
Asset and Property Management Agreement	DEGI and the German Property Partnerships	Sets out the terms and conditions on which DEGI provides asset and property management services to the German Property Partnerships	10.1.8
Underwriting Agreement	The Responsible Entity and UBS	Sets out the terms and conditions under which the Offer is managed and underwritten	10.1.9
Debt Facility	The German Property Partnerships as Borrowers, Merrill Lynch International as Arranger and Agent and Capital Trust Company Limited as Security Agent	Sets out the terms and conditions under which Merrill Lynch International has offered debt finance in the form of a term loan to the German Property Partnerships to finance the acquisition of the Initial Portfolio	10.1.10 and 10.1.11
Call Option Deed	Property Co 1 and DEGI-GWF	Sets out the terms on which DEGI-GWF may acquire certain properties in the Portfolio	10.1.9

10.1.1 Trust Constitution

The respective rights and obligations of Unitholders and the Responsible Entity are determined by the Corporations Act, the Constitution, this PDS, and the general law relating to trusts.

The Responsible Entity and the Unitholders are bound by the Constitution.

Some of the important terms of the Constitution are summarised below. If you wish to obtain a copy of the Constitution, please contact the Responsible Entity.

Units and Unitholders' rights and obligations

- **Interests in the Trust.** The beneficial interest in the Trust is divided into Units which all have the same rights attached to them unless the Responsible Entity determines that Units of the same class be issued on different terms or issues different classes of Units with rights determined by the Responsible Entity
- **Unmarketable parcels.** The Responsible Entity may sell a parcel of Units that is less than a marketable parcel in accordance with the ASX Listing Rules and the Constitution
- **Stapling.** The Responsible Entity may declare that some or all Units are stapled to units or other securities in one or more other entities
- **Unitholder's liability limited.** The liability of a Unitholder is limited to the unpaid part (if any) of the Issue Price of its Units

General powers of Responsible Entity

The Responsible Entity has all the powers it would have if it were the absolute owner of assets or property and were acting in its personal capacity.

Responsible Entity may hold Units and deal with itself in other capacities

The Responsible Entity and its Affiliates may hold and deal with Units in any capacity. Subject to the Corporations Act and the ASX Listing Rules, the Responsible Entity may (without accounting for any profit) deal with itself (in any capacity), with an Affiliate or with a Unitholder. This includes buying assets or property from the Trust or selling property into the Trust, in any capacity. The Responsible Entity may be interested in any contract or transaction with itself (in any capacity), with an Affiliate or with a Unitholder, and may act in the same or similar capacity in relation to another managed investment scheme or trust.

Limitation on liability to investors generally

Subject to the Corporations Act, the Constitution limits the liability of the Responsible Entity to Unitholders and indemnifies the Responsible Entity out of the assets of the Trust for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights. This indemnity includes any loss incurred as a result of any act or omission of an agent or delegate, and includes indemnity for compliance committee members.

Amendment of Constitution or of any contract with Unitholders

The Responsible Entity may amend the Constitution if it considers that the amendment will not adversely affect Unitholders' rights. Unitholders may amend the Constitution by a special resolution.

To the extent that any contract or obligation arises in connection with acceptance of an Application or reliance upon this PDS by a Unitholder, any amendment to the Constitution may vary or cancel that contract or obligation. That contract or obligation may also be varied or cancelled by a deed executed by the Responsible Entity with the approval of a special resolution of Unitholders, or without that approval if the Responsible Entity reasonably considers the variation or cancellation will not materially and adversely affect Unitholders.

10.1.2 Property Sale and Purchase Agreement

On 8 June 2006, the parties entered into a Sale and Purchase Agreement in relation to the Initial Portfolio.

Parties

The parties are DEGI-GWF (as seller) and the German Property Partnerships (as buyers) for the respective property to be acquired by each German Property Partnership.

Purchase price

The aggregate purchase price is € 450 million and is due just before the Completion Date (which will take effect at 00.00 hours on 15 July 2006).

Completion Date

The completion of the sale and purchase of the Initial Portfolio is to occur on or about 15 July 2006, subject to the usual conditions for a German sale and purchase agreement that the notary has dealt with Land Registry requirements and has obtained all sign-offs required from government or municipal agencies in respect of any pre-emption rights that they may have to register the transfer of ownership have been obtained (due diligence indicates that there are no municipal pre-emption rights which will be enforced).

The consent of DEGI-GWF's depositary bank has also been given, as required by German law.

The terms of the Sale and Purchase Agreement are normal for a transaction of this nature in Germany. Specific matters of note are set out below:

Substantial damage

If any property within the Initial Portfolio is substantially damaged, causing a loss of rent income of more than 15% of the rent income for the entire property for a period of more than 30 months between 13 June 2006 and the Completion Date, then:

- DEGI-GWF has to reinstate at its own cost or
- if DEGI-GWF cannot reinstate, the German Property Partnership may – at earliest 6 months after the damage:
  - require that any insurance payouts be paid to the relevant German Property Partnerships and any compensation claims against the perpetrator be assigned to it or
  - rescind the Property Sale and Purchase Agreement (as may the Seller)

The Seller also has a rescission right of the whole Property Sale and Purchase Agreement in the event of substantial damage.

Employees

DEGI-GWF employs employees (named in the Property Sale and Purchase Agreement) at Kiel. DEGI-GWF will take all reasonable steps to convince the employees to remain employed by it. If the employees elect not to continue their employment within DEGI-GWF, DEGI-GWF indemnifies the relevant German Property Partnership against all claims under transferred employment agreements. No other employment agreements will pass to the German Property Partnership.

State and condition and environmental

The German Property Partnerships are relying on their own due diligence.

Public law matters

In respect of the Schwalbach property, parts of the building do not comply with the building permit. However, DEGI-GWF will bear the costs of the work required to comply with that building permit

In respect of the Kiel property, there are various agreements with the City of Kiel, some of which remain with DEGI-GWF and some of which pass to the relevant German Property Partnership. In the latter case these have been factored into the valuation report.

Right of rescission in the event of the exercise of municipal rights of pre-emption

As is standard, the Property Sale and Purchase Agreement contains provisions for rescission if a municipal pre-emption right is exercised. However, enquiries of the relevant municipalities during due diligence have indicated that they are not interested in exercising such rights even if they exist. If one is exercised, the German Property Partnerships are entitled to rescind the Property Sale and Purchase Agreement, as is DEGI-GWF.

10.1.3 Limited Partnership Agreements

The German Property Partnerships have been established as German limited partnerships to hold the Initial Portfolio.

Parties

The parties to each of the German Property Partnerships are:

- DEGI in its capacity as a capital investment company of DEGI-GWF, as a limited partner
- Property Co III (**Limited Partner**) as limited partner
- AGI Beteiligungs GmbH & Co. KG (the **General Partner**) as the general partner

If the General Partner becomes insolvent, the Limited Partner has the right to appoint into the German Property Partnerships an undertaking connected with Property Co I as new general partner.

Effective date

The effective date of these agreements shall be on or around 8 June 2006.

Capital contribution

The General Partner and the Limited Partner will make no contributions to any of the German Property Partnerships.

DEGI will contribute the corresponding amount of up to 25% of Total Capital Contribution. The contribution by DEGI is linked with the purchase price payment under the Property Sale and Purchase Agreement.

Regulatory restrictions

Due to the fact that DEGI-GWF is an open-ended real estate mutual fund and DEGI is a capital investment company for DEGI-GWF, the German Property Partnerships are subject to regulatory restrictions under German investment law. In particular, the following restrictions apply:

- each of the German Property Partnerships may not hold more than three properties
- each of the German Property Partnerships may acquire real estate only if the value of the real estate equivalent to the scope of DEGI's interest does not exceed 15% of the value of DEGI's real estate special fund for whose account an interest in the respective German Property Partnership is held
- the value of the properties that form part of the German Property Partnerships' assets together with other minority interests of DEGI's real estate special fund may not exceed 20% of the value of DEGI's real estate special fund
- the Initial Portfolio and other assets of the German Property Partnerships must be valued by independent valuation experts of DEGI's real estate special fund

- the German Property Partnerships are subject to specific reporting duties vis-á-vis DEGI-GWF's depositary bank

A breach of German investment law may result in DEGI being required to dispose of the interest held for DEGI-GWF.

Management and representation

- Each of the German Property Partnerships is managed by the General Partner
- The General Partner may carry out all actions within the scope of the usual course of business. Actions extending beyond the usual course of business require the consent of the partners' meeting
- Only the General Partner is entitled to represent the German Property Partnership which means that only the General Partner has the power to legally bind the partnership
- The German Property Partnerships may outsource management services to third parties or to any of the partners and may grant a management fee and may reimburse expenses as set in section 10.1.8. As long as DEGI holds an economic interest in the German Property Partnerships of at least 25%, the termination of such an asset and property management agreement requires DEGI's consent save for the agreement being terminated for good cause
- The General Partner may sell real estate with the consent of two partners

Matters requiring the consent of the partners' meeting

Each partner has one vote. In general, resolutions can be passed with simple majority of votes present and counted.

Certain matters require the approval by unanimous vote at a partners' meeting. These matters are inter alia:

- any amendment of the Partnership Agreement, measures under the Law on Transformation and Reorganisation of Business Enterprises (*Umwandlungsgesetz*), a dissolution of the partnership
- entering into, amendment of and abrogation of silent partnership agreements including the transfer of such silent partnership interests
- the adoption of the annual financial statements. Annual financial statements must be audited
- the purchase of real estate
- the encumbrance of assets , the assignment of claims arising from legal relationships in connection with real estate, and the pledges of bank accounts

Profit and loss

- The General Partner and the Limited Partner shall have no participation in profit and loss. The General Partner shall derive compensation in line with market practice and be reimbursed for reasonable expenses
- DEGI in its capacity as capital investment company for DEGI-GWF will derive 100% of the profit or loss as the case may be, however, after allocation of 75% to the respective Silent Partner. DEGI shall not be obliged to make additional contributions to cover any losses

Distributions

- Distributions may be requested by DEGI on the first business day of each calender quarter
- Disposable liquidity may be taken out by DEGI at any time

Duration

The German Property Partnerships are unlimited in time. They may not be terminated before 31 December 2036. However, termination of any German Property Partnership for good cause is possible under exceptional circumstances at any time. A German Property Partnership will be dissolved if the General Partner terminates the Partnership Agreement. In case of a termination by a limited partner, the German Property Partnership will continue without that limited partner.

Transfer of a limited partners' Interests

Any limited partner's interest may only be transferred with the consent of the General Partner. In addition the General Partner and the Limited Partner have a first right of refusal over the DEGI interest should DEGI desire to sell its interest.

Compensation for termination, dismissal and dissolution

If a German Property Partnership is terminated by DEGI or dissolved or DEGI is dismissed, DEGI shall be entitled to compensation. In order to determine the appropriate compensation for DEGI, the Partnership's property must be assessed at fair market value at the point in time of DEGI's departure.

10.1.4 German Atypical Silent Partnership Agreements

German Atypical Silent Partnerships will be established to participate indirectly in the Initial Portfolio. There will be one Atypical Silent Partnership established with each of the German Property Partnerships.

Parties

The parties to each of the German Atypical Silent Partnership agreements are the respective German Property Partnerships as owner of the business and one of the two German Holding Partnerships (AGI 1. Finance GmbH & Co. KG and AGI 2. Finance GmbH & Co. KG) as Silent Partners.

Effective date

The effective date of these agreements shall be on or around 8 June 2006.

Capital contribution

The Silent Partners must contribute the required equity for the acquisition of the Initial Portfolio other than the DEGI limited partnership interest held for DEGI-GWF. The due date for the contributions is linked with the purchase price payment under the Property Sale and Purchase Agreement.

Economic interest of the Silent Partners in the German Property Partnerships

The Silent Partners shall have an economic interest of 75% in the assets and debts of the German Property Partnerships, and the remaining 25% will be retained with DEGI-GWF (effectively the Limited Partner of the German Property Partnerships).

Management

The German Atypical Silent Partnerships will be managed by the respective German Holding Partnership.

Inspection rights of the Silent Partners

The Silent Partners have statutory control and inspection rights.

Profit and loss

- The Silent Partners shall participate in the profits and losses of the business operations of the German Property Partnerships with a share corresponding to their economic interest
- The Silent Partners shall not be obliged to make additional contributions to cover any losses

Distributions

- Distributions may be requested by the Silent Partners at any time
- Disposable liquidity may be taken out by the Silent Partners at any time

Termination

The Atypical Silent Partnerships shall continue for an unlimited period of time. They may not be terminated before 31 December 2036, however, termination of any Atypical Silent Partnership may be possible at any time for good cause (including insolvency of the German Property Partnership or Silent Partner or the dissolution of the German Property Partnership).

Transfer of interest

The Silent Partners may only transfer their interests to a third party with consent of DEGI as the limited partner of the German Property Partnerships.

Compensation for termination and dissolution

If an Atypical Silent Partnership is terminated, the withdrawing Silent Partner shall be entitled to compensation. The compensation claim shall be determined on the basis of the audited financial statements of the respective German Property Partnership. The valuation of the assets of this German Property Partnership shall be made in accordance with the Limited Partnership Agreement by DEGI-GWF's expert committee. To the extent that the respective German Property Partnership cannot pay the compensation out of existing liquid funds, the due date of such compensation payment may be deferred until the relevant liquid funds have been procured by selling the property, but no longer then two years after the termination.

10.1.5 Fund Management Agreement

Allianz Global Investors Australia Limited has been appointed by the Responsible Entity to provide fund management services to the Responsible Entity including the investment, management and review of the Trust's property and assets, advise on and manage potential investment opportunities and disposal of investments, advise on and procure the debt financing requirements of the Responsible Entity and the Trust, perform trust and portfolio administration services, and maintain books of account for the Responsible Entity and arrange for the audit of the Trust's financial statements.

Fees and expenses

For those fund management services, Allianz Global Investors Australia Limited is entitled to be paid out of the assets of the Trust fees which are equal to the fees payable to the Responsible Entity under the Constitution as set out in section 10.1.1.

Term

The Fund Management Agreement has an initial term of ten years and may be extended, at the election of Allianz Global Investors Australia Limited for up to two further consecutive five year periods, subject in each case to Unitholder approval. It can be terminated at any time by Allianz Global Investors Australia Limited giving three months written notice to the Responsible Entity and immediately if an insolvency event occurs in relation to the Responsible Entity. The agreement can be terminated at any time by the Responsible Entity giving written notice to Allianz Global Investors Australia Limited if:

- Allianz Global Investors Australia Limited commits a material breach of the agreement which is not remedied within 180 days, including a material failure to devote adequate resources to providing the services under the agreement, a material failure to provide the services with a reasonable degree of care, diligence and skill, a material failure to comply with applicable laws. Where a breach is incapable of being remedied, the breach will be deemed to be remedied where Allianz Global Investors Australia Limited is ready, willing and able to provide the services on an ongoing basis, or
- an insolvency event occurs in relation to Allianz Global Investors Australia Limited

10.1.6 Fee Sharing Deed

This deed is between the Responsible Entity in its personal capacity and in its capacity as responsible entity of the Trust, and Allianz Global Investors Australia Limited. It sets out the allocation of fees payable to Allianz Global Investors Australia Limited for the services provided under the Fund Management Agreement and the fees payable to the Responsible Entity under the Constitution.

Specifically, this deed provides that the Responsible Entity will not claim or pay itself out of assets of the Trust any fees that become payable to it as responsible entity of the Trust under the Constitution to the extent that Allianz Global Investors Australia Limited receives, in accordance with the Fund Management Agreement, the fees that accrue or otherwise become payable to it. This agreement applies only while Allianz Global Investors Australia Limited is and remains a related body corporate of the responsible entity of the Trust from time to time.

10.1.7 Portfolio Management Agreement

A Portfolio Management Agreement has been entered into between DEGI, Allianz Global Investors Australia Limited and the Responsible Entity, under which DEGI will provide portfolio management services to the Responsible Entity and Allianz Global Investors Australia Limited (who are together called the **Principal**) including to invest, manage and review the property and assets of the Trust; prepare and implement a comprehensive portfolio management plan, budgets and investment management protocol; perform or facilitate the performance of financial reporting, investor relations, registration and transfer services and other necessary services; provide all usual services in evaluating and effecting acquisition, financing, development and disposal opportunities; perform risk management duties; and prepare marketing materials and analysis of the Trust's portfolio and participate in marketing the Trust to potential investors.

Fees and expenses

DEGI is entitled to fees to be paid by the Responsible Entity from its own funds and is entitled to reimbursement of certain expenses properly and reasonably incurred in providing the services.

Term

The Portfolio Management Agreement has an initial term of ten years and may be extended at DEGI's election for up to two further consecutive five year periods subject in each case (if the Responsible Entity or Allianz Global Investors Australia Limited considers it necessary or desirable) to Unitholder approval. After 5 years DEGI may terminate by giving three months written notice to the Principal. DEGI may also terminate the agreement immediately in the event that an insolvency event occurs in relation to the Principal. The Principal may terminate this agreement at any time by giving DEGI three months written notice.

10.1.8 Asset and Property Management Agreement

An Asset and Property Management Agreement has been entered into between DEGI (**Asset Manager**) and each of the German Property Partnerships in relation to the Initial Portfolio and any other properties acquired in the future which they want DEGI to manage (**the Properties**).

Asset and Property Management Services

The Asset Manager is required to provide the asset and property management services that would ordinarily be conducted or obtained by a prudent property owner of European real estate of the same category as the Properties.

Fees and expenses

The Asset Manager is entitled to the fees set out in section 6 and is entitled to recover an amount equal to the wages and costs of employees employed in the operation of the property; and reimbursement of certain expenses properly and reasonably incurred in its performance of the services.

Term

Each Asset and Management Agreement has an initial term of ten years and may be extended, at the election of the Asset Manager, for up to two further consecutive five-year periods, subject in each case (if the German Property Partnership consider it necessary or desirable) to Unitholder approval. It can be terminated at any time by the Asset Manager giving three month's written notice to the relevant German Property Partnership or immediately if a German Property Partnership is affected by an insolvency event. The agreement can be terminated at any time by a German Property Partnership giving notice to the Asset Manager if:

- the Asset Manager commits a material breach of the agreement which is not remedied within 30 days;
- an insolvency event occurs in relation to the Asset Manager; or
- the German Property Partnership disposes of the relevant properties

10.1.9 Underwriting Agreement

The Responsible Entity and UBS have entered into the Underwriting Agreement for the underwriting of the Offer. UBS may terminate its obligations if:

(a) a supplementary or new product disclosure statement is or should be lodged

(b) there is a material adverse change in the management or prospects of the Responsible Entity, the Trust and each of their related bodies corporate

(c) ASIC makes or applies for certain orders, commences certain proceedings or investigates certain matters, or intends to do any of these actions in relation to this PDS or the Responsible Entity and its officers

(d) any person withdraws their consent to the issue of the PDS

(e) the Responsible Entity withdraws the Offer

(f) requisite approval by ASX is refused or not granted or if granted, the approval is subsequently withdrawn, qualified or withheld

(g) an insolvency event occurs in relation to the Responsible Entity or the Trust

(h) a director of the Responsible Entity is charged with an indictable offence or becomes incapable of being a director or any regulatory body commences any public action against the Responsible Entity or any of the Directors

(i) the € /A$ exchange rate at any time falls below € 0.5640/A$1.00, unless a satisfactory hedging arrangement is entered into

(j) the S&P/ASX 200 Property Trust Index closes at a level that is 15% or more below the level at market close on 25 May 2006

(k) the closing certificate is not given or is untrue or incorrect in a material respect

(l) any of the following occurs:

- any material adverse change or disruption to political conditions or financial markets
- trading in all securities on major stock exchanges is suspended or limited, or
- a general moratorium on commercial banking activities is declared or there is a material disruption in commercial banking or security settlement or clearance services
- hostilities not presently existing commence or a major escalation in existing hostilities occurs involving nominated countries, or a terrorist act is perpetrated anywhere in the world

(m) the Responsible Entity breaches the agreement or any representation or warranty

(n) a new law or policy is introduced which is likely to:

- prohibit or regulate capital issues or stock markets, or materially change fiscal, taxation or exchange control policy, or
- adversely affect the Offer, this PDS or the tax position of the Trust

(o) any statement relating to future matters (including financial forecasts) cannot be met

(p) material contracts are not entered into, are terminated or amended, are void or voidable, or the conditions precedent to them are not fulfilled or waived

(q) the Responsible Entity alters the composition of its board or alters its share capital or constitution or the capital or constitution of the Trust

(r) the Responsible Entity retires or is removed as the responsible entity or ASIC applies for the appointment of a temporary responsible entity

An event listed in paragraphs (j) to (r) does not entitle UBS to terminate unless the event is likely to have a material adverse effect on the success of the Offer, is likely to give rise to a contravention by UBS of the Corporations Act or any other applicable law, or is likely to give rise to a liability for UBS.

10.1.10 Senior Debt Facility – Initial Portfolio

Merrill Lynch International, as Lender and Arranger, has agreed to make a senior term loan to the German Property Partnerships (the Borrowers).

The key financial terms of this facility are:

Lender	Merrill Lynch International (or an affiliate)
Borrowers	The German Property Partnerships
Amount	Up to € 265 million of which approximately € 245 is fixed for five years
Interest rate	Fixed at 4.36% per annum for five years (including margin)
Arrangement fee	50 Bps
Term	Five years
Purpose	The amounts borrowed under the facility must be applied towards the financing of the acquisition of the Initial Portfolio and payment of related acquisition costs
Security	The following security has been granted in relation to this facility: ■ a land charge granted by each Borrower in relation to each property in the Initial Portfolio ■ a pledge over the benefit of certain bank accounts maintained by each Borrower and by each Silent Partner in the respective Borrower and Silent Partners in the Borrowers ■ security over the benefit of any rights of each Borrower to receive payment under certain insurance policies and certain construction agreements between each Borrower and the relevant constructor ■ security over each Borrower's right to receive rental income from the Initial Portfolio ■ security over the benefit of each Borrower to receive payment under the Sale and Purchase Agreement and/or any sale agreement and any future sale and purchase agreement ■ security over any partnership or silent partnership interest in the Borrowers and the General Partners of each Borrower ■ a shareholder support agreement entered into by the shareholders and partners of the German Atypical Silent Partnerships

The key commercial undertakings given by the Borrowers include:

- to maintain an interest cover ratio of at least 1.25 times, provided that if this falls below 1.5 (but remains greater than or equal to 1.25) surplus rental income shall be applied to an interest cover ratio reserve account (if the interest cover ratio of 1.5 times has then been met on a quarter date for 6 months, such trapped cash is then released)
- if the interest cover ratio of 1.5 times has then been met on a quarter date for 6 months, such trapped cash is then released

- to apply proceeds from a disposal of the Duisburg property towards prepayment of 160% of the loan amount allocated to the Duisburg property; to apply proceeds from a disposal of the Frankfurt property towards prepayment of 140% of the loan amount allocated to the Frankfurt property; to apply proceeds from a disposal of the Kiel property towards prepayment of 100% of the loan amount allocated to the Kiel property; to apply proceeds from a disposal of the Munich property towards prepayment of 162% of the loan amount allocated to the property; and to apply proceeds from disposal of the Schwalbach property towards prepayment of 165% of the loan amount allocated to the Schwalbach property.
- to maintain a project account structure which involves maintaining separate accounts for rental income received, service charges, repairs and, to the extent that interest cover ratios or loan to value ratios are not met, an interest cover ratios account, all of which will be controlled by a security trustee following a prescribed payment priority
- to maintain appropriate insurances, pay all relevant taxes and comply with all relevant environmental laws
- to not permit any financial indebtedness other than as permitted by this facility
- to not change the nature of their business
- to secure independent valuations of the property portfolio on the first drawdown and, if the Lender requires, annually thereafter
- if the loan outstanding amount as a ratio of the market value of the portfolio increases to beyond 75%, then the excess cash will be trapped in the interest cover ratio account

Prepayment fees are payable if the term amount is voluntarily prepaid by the Borrowers as per the following table:

PERIOD DURING WHICH DATE OF PREPAYMENT FALLS	PREPAYMENT FEE (OF AMOUNT PREPAID)
First anniversary of date of facility	1.25%
Second anniversary of date of facility	1.00%
Third anniversary of date of facility	0.75%
Fourth anniversary of date of facility	0.50%
Fifth anniversary of date of facility	0.25%

Default provisions are customary for a facility of this nature and include breaches of any undertaking, misrepresentation and failure of borrowing status.

The availability of finance will be subject to conditions precedent usual for a facility of this nature, including but not limited to:

- execution of finance and security documents
- an independent valuation of the property portfolio
- satisfactory due diligence
- evidence of required insurance over the property portfolio

10.1.11 Senior Debt Facility – Additional Asset

The Responsible Entity intends to arrange for a debt facility to be established for the purpose of partially funding the acquisition of the Additional Asset.

The financial forecasts assume that the Senior Debt Facility in relation to the Additional Asset is established on terms similar to the existing Senior Debt Facility.

10.1.12 Call Option Deed

A Call Option Deed has been entered into between Property Co I and DEGI-GWF. Under the Call Option Deed if a Change of Control of the Trust occurs DEGI-GWF has a right to acquire any property in the Portfolio in which it holds at least a 5% economic interest.

Option right

Property Co I must give DEGI-GWF notice of the first (if any) Change of Control of the Trust occurring after the date of the deed. Within six months of such notice or the first Change of Control, whichever is later, DEGI-GWF may specify the properties that it wishes to acquire. Both parties are then obliged to facilitate the acquisition(s).

Each acquisition must be completed within 60 Business Days of an acquisition price being determined (see below), or of any permitted conditions under the deed being fulfilled, whichever is later.

Acquisition price

The property(ies), the subject of the option, must be acquired for a price not exceeding or only insignificantly exceeding, the value of the property as determined by a committee of independent expert valuers. This is a committee set up pursuant to the German Investment Act, consisting of at least three members, each of whom are independent, reliable and professionally qualified persons who have special experience in the field of real estate appraisals. The purchase price is to be paid in Euros.

Right to withdraw

DEGI-GWF may withdraw in relation to a particular property if the acquisition structure can not be agreed between the parties or within one month of the determination of the acquisition price.

Acquisition structure

The parties agree to consult after the exercise of the option with a view to agreeing an acquisition structure for each property. The acquisition price may be adjusted according to the exact nature of the interest acquired. If no agreement can be reached, the acquisition will be in the form of a direct sale of the full legal and beneficial title to that property, free from all encumbrances, by the property owner to DEGI-GWF or its nominee.

10.2 Additional information

10.2.1 ASX Waivers and Confirmations

The Responsible Entity has applied for and the ASX has indicated in principle that it will grant waivers from:

- ASX Listing Rule 4.7B(a) to the extent necessary to require the Trust to provide quarterly cash reports for the eight quarters after the Trust's admission to the official list of the ASX on the condition that the acquisition of the Initial Portfolio completes within one week of the commencement of quotation of the Units on the ASX
- ASX Listing Rule 4.10.19 on the condition that the acquisition of the Initial Portfolio completes within one week of the commencement of quotation of the Units on the ASX
- Clause 1 of Appendix 6A to the extent necessary that the rate and amount of a distribution need not be advised to ASX by the Trust when announcing a distribution and record date, on condition that an estimated distribution rate is advised to ASX and the actual rate is advised to ASX as soon as it becomes known

The Responsible Entity has applied for this waiver to extend to the issue of Units to the Responsible Entity or to an associate of the Responsible Entity for payment of Performance Fees

- ASX Listing Rules 7.1 and 10.11 to the extent necessary to permit the Trust to the issue Units to the Responsible Entity in lieu of Performance Fees without Unitholder approval on the condition that:
  – disclosure of this is made in this PDS
  – the Units are issued in accordance with the Constitution
  – an Appendix 3B announcement is lodged for release to the market for each such issue of Units
  – details of Units so issued are disclosed in the Trust's Annual Reports

– Unitholders approval is sought every third year for the issue of the Units in lieu of Performance Fees

- ASX Listing Rule 10.1 to permit the acquisition of the Initial Portfolio from DEGI-GWF on the condition that the details of the acquisition are disclosed in this PDS
- ASX Listing Rule 10.1 to the extent necessary to permit the disposal of one or more interests in properties held by the Trust under the Call Option Deed on the condition that:

  – details of the Call Option Deed are disclosed in this PDS

  – a Change in Control is not instigated by an entity in the wider Allianz Group

  – DEGI-GWF holds at least a 5% economic interest in the property so acquired

  – the Responsible Entity intends to apply for a similar waiver if an option similar to the Call Option Deed applies to the Additional Asset
- The Responsible Entity has applied for a waiver of ASX Listing Rule 10.1 to the extent necessary to permit the acquisition of assets from DEGI-GWF on exercise of the Trust's option to purchase the Call Option Properties in the Initial Portfolio (refer to section 3.3) without the approval of Unitholders on the condition that the Trust's option is disclosed in this PDS

  – the Responsible Entity intends applying for a similar waiver if the Trust obtains a similar option to purchase the interest of DEGI-GWF in the Additional Asset
- ASX Listing Rule 11.2 to the extent necessary to permit the disposal of assets to DEGI-GWF on exercise of its call option as described in the Call Option Deed without the approval of Unitholders on the condition that the details of the Call Option Deed are disclosed in this PDS

  The Responsible Entity intends to apply, on a case by case basis, for a waiver from ASX Listing Rule 10.1 where it acquires further property from DEGI or DEGI-GWF in the future.

10.2.2 Distribution Reinvestment Plan

The Responsible Entity has established a Distribution Reinvestment Plan (**DRP**) to provide Unitholders with the choice of reinvesting some or all of their distributions at a discount to the prevailing market price rather than receiving those distributions in cash. The Responsible Entity may decide for which distributions, if any, the DRP will be available.

The Responsible Entity will determine, in its sole discretion, when the DRP is to become operational. The Responsible Entity reserves the right to suspend the commencement of the DRP in its absolute discretion.

Some of the principal features of the DRP are:

- Unitholders may elect to participate in the DRP for all or some of their Units. A Unitholder may join, vary participation in, or withdraw from, the DRP in accordance with the rules of the DRP
- Unitholders whose registered addresses are outside Australia may not participate in the DRP where the Responsible Entity determines that the making of the offer or the issue of Units to them under the DRP would be unreasonable
- Units will be allocated under the DRP at a discount of up to 5% (as determined by the Responsible Entity from time to time) to the Market Price of the Units (as defined in the Constitution)
- the Responsible Entity will determine whether the Units to be allocated under the DRP will be newly issued Units or Units acquired on market for transfer to Unitholders under the DRP

All Units newly issued or acquired on market and transferred to participants under the DRP will rank equally in all respects with all other issued Units. The Responsible Entity will apply for quotation on ASX of Units newly issued under the DRP.

Once Units allocated under the DRP are allocated to DRP participants and quoted on ASX, they may be sold by the Unitholder to who they are allocated.

Participating Unitholders will be sent a statement after each issue of new Units or transfer of existing Units under the DRP giving details of their participation in the DRP.

Unitholders participating in the DRP pay no brokerage, commission or other transaction costs on Units allocated under the DRP. The Responsible Entity has the discretion to have any issue or transfer of Units under the DRP underwritten or sub-underwritten, either by an unrelated or related party of the Responsible Entity.

10.2.3 Consents and interests requiring disclosure

Each of the parties referred to in this section:

- has not authorised or caused the issue of this PDS
- does not make, or purport to make, any statement in this PDS other than as specified in this section
- has not made any statement on which a statement in this PDS is based, other than as specified in this section
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this PDS other than the reference to its name and the statement (if any) included in this PDS with the consent of that party as specified in this section

UBS has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as Sole Underwriter, Bookrunner and Joint Financial Adviser and Lead Manager to the Trust in respect of the Offer in the form and context in which it is named. It will be entitled to the fees set out in section 6.2.

UBS Wealth Management has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as Co-Manager to the Trust in respect of the Offer in the form and context in which it is named.

Blake Dawson Waldron has given and, at the time of lodgement of this PDS, have not withdrawn its written consent to being named in this PDS as Australian legal advisers to the Trust in respect of the Offer in the form and context in which it is named.

Linklaters has given and, at the time of lodgement of this PDS, has not withdrawn their written consent to being named in this PDS as European legal adviser to the Trust in respect of the Offer in the form and context in which it is named.

PricewaterhouseCoopers Securities Ltd has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named as the Investigating Accountant in the PDS and to the inclusion of the Investigating Accountant's Report in section 9.1 in the form and context in which it is included in this PDS.

PricewaterhouseCoopers has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS in the form and context in which it is named and to the inclusion of the Taxation Report in section 9.2 in the form and context in which it is included in this PDS.

CB Richard Ellis has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS in the form and context in which it is named, to the inclusion of its Valuation Report in section 9.3 in the form and context in which it is included in this PDS and to the inclusion of the statements in this PDS that are said in this PDS to be based on a statement made by CBRE in the form and context in which those statements are included. It has or will receive approximately € 0.9 million for providing valuation services.

Deutsche Gesellschaft für Immobilienfonds mbH has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS in the form and context in which it is named.

Link Market Services Limited has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to being named in this PDS as the share registry to the Trust in respect of the Offer in the form and context in which it is named.

Merrill Lynch has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as Joint Financial Adviser to the Trust in respect of the Offer in the form and context in which it is named.

Merrill Lynch International has given and, at the time of lodgement of this PDS, has not withdrawn its written consent to be named in this PDS as Lender and Arranger of secured debt finance and a secured term loan in respect of the Offer in the form and context in which it is named. It will be entitled to the fees set out in section 6.2.

10.2.4 Availability of Documents

The Responsible Entity will provide a copy of the Constitution and Compliance Plan free of charge to any person who requests a copy while the Offer is open. Requests for the above documents should be sent to the Responsible Entity at the address specified in the Corporate Directory.

Copies of the documents provided to investors do not form part of this PDS.

Following the allotment of the Units in the Trust, the Responsible Entity will be disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require that ASX be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Responsible Entity will have an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Trust of which it becomes aware and which a reasonable person would expect to have a material effect on the price or value of the Units. It will also be required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report, and an audit or review report. Copies of those documents lodged with ASIC in relation to the Trust may be obtained from, or inspected at, an ASIC office. As at the date of this PDS, the Trust has not lodged with ASIC any annual report or half-year report and has not given any continuous disclosure notices to ASX.

The Responsible Entity will also provide retail clients with a periodic statement for each reporting period. This statement will include:

- opening and closing balances for the reporting period
- a termination value at the end of the reporting period
- a summary of all transactions in relation to the Units during the reporting period
- return on investment during the reporting period
- details of any change in circumstances affecting the investment

Periodic statements need only be provided if the Responsible Entity has not already given investors the information that would be contained in the periodic statement.

10.2.5 Complaints

The Responsible Entity has an established policy for dealing with complaints. A copy of this policy can be found at www.allianzglobalinvestors.com.au. If a Unitholder is not satisfied with the conduct of the Responsible Entity in performing its obligations, a complaint should initially be addressed to the Responsible Entity.

The Responsible Entity is a member of an external dispute resolution scheme, the Financial Industry Complaints Service (FICS). In all cases, if a Unitholder is dissatisfied with the response from the Responsible Entity, it can raise the complaint directly with FICS:

Financial Industry Complaints Service
PO Box 579
Collins Street West
Melbourne VIC 8007
Telephone: 1300 780 808
Facsimile: (03) 9621 2291
www.fics.asn.au

10.2.6 Privacy

By applying for Units you authorise us to collect, use and disclose personal information about you. We use the personal information collected to:

- maintain a register of names and addresses of all Unitholders
- process your investment Application correctly
- provide to you an appropriate level of client service
- help develop new products and services

This information will also help us notify you of our other products and services. If you do not wish to receive this type of information, please let us know.

We may disclose the personal information collected to:

- any member of the Allianz Group to develop and market products and services that may be supplied by us, by other members of the Allianz Group or by other suppliers
- our agents, contractors or third party service providers that provide financial, administrative or other services in connection with the operation of the Trust
- your financial adviser and/or brokers, or
- the Australian Taxation Office

By applying for Units, you also consent, for the purposes of the *Spam Act 2003 (Cth)* to receiving commercial electronic messages from us or from any of the other entities described above. You can always contact us to access the personal information we hold about you. If you feel any information we have about you is incorrect or out-of-date, such as your address, please contact us in writing and we will correct it for you.

11 Glossary of Terms

Definitions of terms used throughout this PDS.

Glossary of Terms

The following terms as used in this PDS should be taken to have the following particular meanings:

A$	Australian dollars
A-IFRS	Australian equivalents to International Financial Reporting Standards
Acquisition Fee	The acquisition fee payable to the Responsible Entity pursuant to the Constitution and described in section 6.2
Additional Asset	The additional asset which the Responsible Entity intends to acquire on behalf of the Trust. This may be the Identified Asset or a substitute asset(s)
Affiliate	In respect of a body corporate, a related body corporate, a director of the body corporate or a substantial holder of the body corporate
Allianz Group	Allianz AG and its subsidiaries and related bodies corporate
Allotment	Allotment of Units pursuant to this PDS
Allotment Date	The date of allotment of Units in the Trust, expected to be 12 July 2006
Applicant	A person who subscribes for Units pursuant to this Offer
Application	An application to subscribe for Units pursuant to this Offer
Application Form	The application form accompanying this PDS to be used by persons wishing to subscribe for Units
Application Money	Money received from Applicants in respect of their Applications
ASIC	Australian Securities and Investments Commission
Asset Manager or DEGI	DEGI Deutsche Gesellschaft für Immobilienfonds mbH
Asset and Property Management Agreement	The asset and property management agreement relating to the Trust described in section 10.1.8
ASTC	ASX Settlement and Transfer Corporation Pty Ltd (ABN 49 008 504 532)
ASTC Settlement Rules	The operating rules of ASTC
ASX	Australian Stock Exchange Limited (ABN 98 008 624 691)
ASX Listing Rules	The listing rules of the ASX
Base Management Fee	The base management fee payable to the Responsible Entity pursuant to the Constitution
Benchmark Index	The S&P/ASX 200 Property Accumulation Index
Benchmark Return	The difference between the Benchmark Index at the end of a relevant Fee Period and the Benchmark Index at the beginning of such Fee Period
Board or Board of Directors	The board of directors of the Responsible Entity
Broker Firm Applicant	A person offered a firm allocation of Units by a Participating Broker
Broker Firm Offer	The offer of Units under this PDS to Australian Retail Investors who have received a firm allocation from their Participating Broker
Business Day	A day, other than a Saturday or Sunday, a public holiday or a bank holiday in Sydney, NSW
Call Option Deed	The call option deed summarised in section 10.1.12

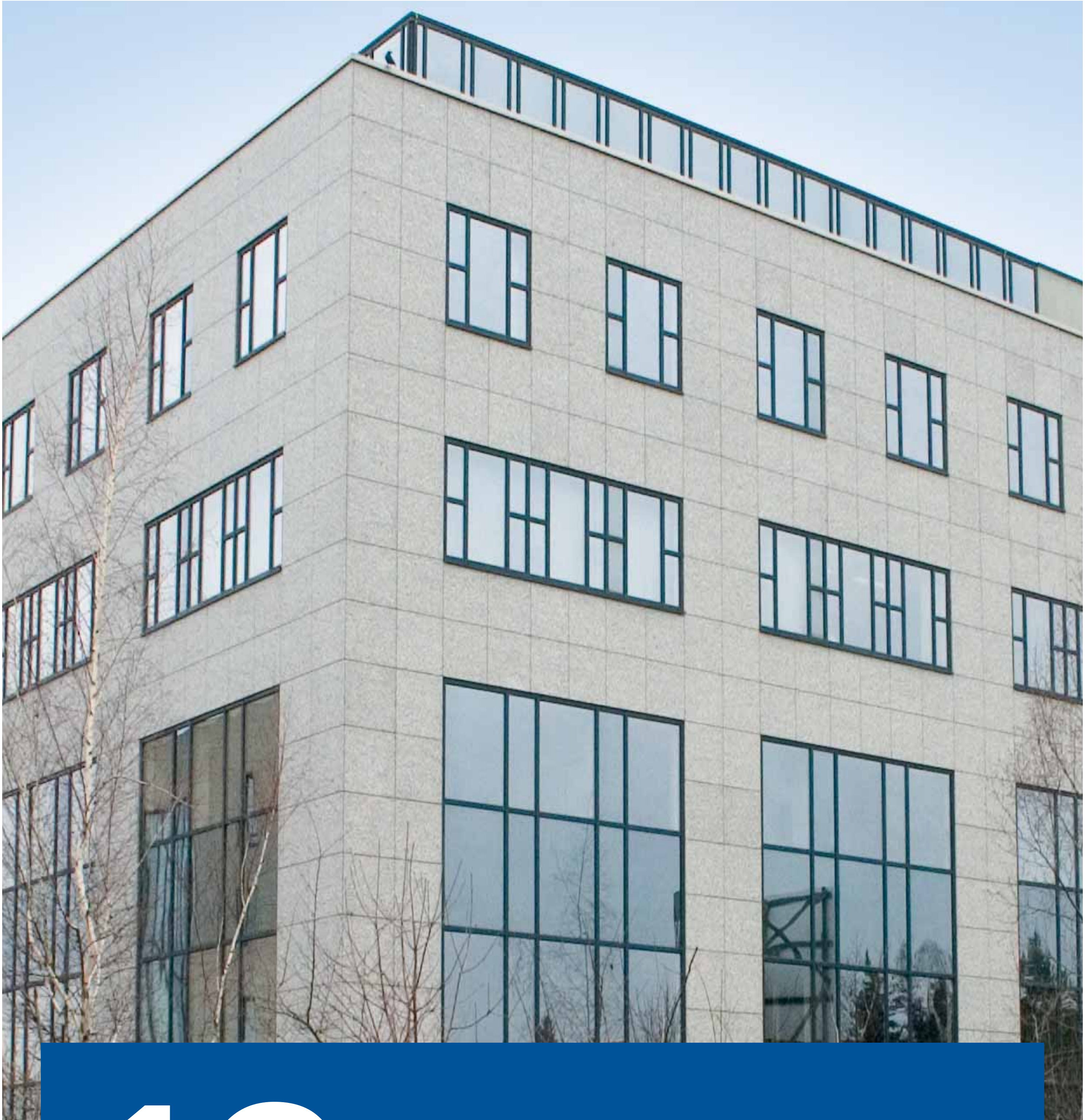
CBD	Central business district
CBRE	CB Richard Ellis
Change of Control	In relation to the Trust: (a) a change in: (i) control of the composition of the Board of Directors of the responsible entity of the Trust; (ii) control of more than half the voting rights attaching to shares in the responsible entity of the Trust; or (iii) control of more than half the issued shares of the responsible entity of the Trust; (b) the Responsible Entity ceasing to be the responsible entity of the Trust or ceasing to be sole responsible entity of the Trust unless the replacement or additional responsible entity is a related body corporate of the Responsible Entity; (c) the winding up of the Trust being commenced for any reason, including but not limited to as a result of: (i) the Unitholders of the Trust resolving to wind up the Trust; or (ii) the responsible entity of the Trust being required to wind up the Trust under the trust deed or applicable law; or (iii) the responsible entity of the Trust ceasing to be authorised under the Constitution or at law to own the trust property in its name or to perform its obligations under this deed
CHESS	Clearing House Electronic Subregister System
Closing Date	The date on which the Offer closes, being 5.00pm Australian EST on 11 July 2006. The Responsible Entity may vary or extend this date without notice
Completion Date	The date on which the acquisition of the Initial Portfolio is completed
Compliance Plan	The compliance plan of the Trust
Constitution	The constitution of the Trust described in section 10.1.1
Control	A power or control that is direct or indirect or that is, or can be, exercised as a result of, by means of or the revocation or breach of a trust, an agreement, a practice, or any combination of them, whether or not they are enforceable. It does not matter whether the power or control is express or implied, formal or informal, exercisable alone or jointly with someone else
Corporate Directory	The Corporate Directory appearing on the inside back cover of this PDS
Corporations Act	Corporations Act 2001 (Cth), as amended from time to time and including the Corporations Regulations and any instrument issued by ASIC
CPI	German Consumer Price Index
Custodian	State Street Australia Limited (ABN 21 002 965 200)

Debt Arrangement Fee	The debt arrangement fee payable to the Responsible Entity pursuant to the Constitution and described in section 6.3
DEGI or Asset Manager	DEGI Deutsche Gesellschaft für Immobilienfonds mbH
DEGI-GWF	DEGI GRUNDWERT-FONDS which is an open-ended real estate mutual fund managed by DEGI
Development and Construction Management Fee	The Development and Construction Management Fee payable to the Responsible Entity pursuant to the Constitution and described in section 6.3
Development and Construction Project	A property development or construction project undertaken for or on behalf of the Trust, including any redevelopment or major refurbishing of any property comprised in the Trust's property but excluding day-to-day maintenance and repairs
Director	A director of the Responsible Entity
Disposition Fee	The Disposition Fee payable to the Responsible Entity pursuant to the Constitution and described in section 6.3
DPU	Distribution per Unit
DRP	The Distribution Reinvestment Plan described in section 10.2.2
Electronic PDS	The electronic copy of this PDS located at the Responsible Entity's website at www.allianzglobalinvestors.com.au
EPU	Earnings per Unit
Exchange Rate	The exchange rate at which the proceeds of the Offer will be used to acquire the interest in the Initial Portfolio by the Completion Date, being € 0.587 to A$1.00
Fee Sharing Deed	The fee sharing deed between the Responsible Entity and Allianz Global Investors Australia Limited (ABN 48 873 938 860) and described in section 10.1.6
Fee Period	The period from the day of issue of Units pursuant to this PDS until 31 December 2006, and then each successive period of six months ending on 31 December and 30 June
Forecast Consolidated Statements	Refer to section 7.2
Forecast Period	The period from the Allotment Date on 12 July 2006 to 31 December 2007
Forecast Period Distribution Support	Refer to section 3.5.2
Fund Management Agreement	The fund management agreement relating to the Trust described in section 10.1.5
GDP	Gross domestic product
Gearing	Calculated as debt/total assets
German Holding Partnerships	The German limited partnerships which hold a 75% indirect interest in the German Property Partnerships, and whose names are AGI 1. Finance GmbH & Co. KG and AGI 2. Finance GmbH & Co. KG
German Partners	The German entity that is general partner in the German Holding Partnerships and in the German Property Partnerships and whose name is AGI Beteiligungs GmbH & Co. KG and whose general partner is Opal 71. GmbH, a wholly owned German subsidiary of Property Co I

German Property Partnerships	The three German limited partnerships that will own the properties in the Initial Portfolio, being: ■ Cottonwood Real Property GmbH & Co. KG (Duisburg) ■ Golden Willow Real Property GmbH & Co. KG (Kiel) ■ Birch Real Property GmbH & Co. KG (Frankfurt–Schwalbach, Frankfurt – City West and Munich)
GLA	Gross lettable area
Gross Asset Value	From time to time the consolidated total assets of the Trust and its controlled entities, as a consolidated entity (applying generally accepted accounting principles and accounting standards pursuant to clause 37 of the Constitution)
GST	Australian Goods and Services Tax
HIN	Holder Identification Number
Identified Asset	The asset identified by the Responsible Entity and DEGI
Income	Gross Rental Income
Index	S&P/ASX 200 Property Accumulation Index
Initial Portfolio	The five German properties that are to be acquired by the Trust, being four office properties in Frankfurt, Duisburg and Munich and one retail property in Kiel and which are described in section 5
IPO	Initial Public Offer of the Trust
Issue Price	A$1.00 per Unit
Institutional Offer	The Offer of Units under this PDS to Institutional Investors.
Institutional Investor	An investor to whom offers or invitations in respect of securities can be made without the need for a product disclosure statement or other formality, including in Australia, those persons who fall within the definition of a "wholesale client" in section 761G of the Corporations Act
Investigating Accountant	PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617)
Investment Criteria	The stated investment parameters for the Additional Asset as detailed in section 3.5.3
Market Capitalisation	The number of Units on issue multiplied by the Unit price applicable in relation to those Units at the end of the relevant Fee Period
Merrill Lynch	Merrill Lynch International (Australia) Limited (ABN 31 002 892 846)
Merrill Lynch International	Merrill Lynch International Bank Limited
Net Income	Income of the Trust which is available to be distributed as calculated under the Constitution
Net Property Income	Property Rental Income plus Sundry Property Income less Property Related Expenses
NTA	Net tangible assets
Offer	The invitation to apply for Units under this PDS
Outperformance	Refer to section 6.4
Participating Broker	An ASX member, including the Co-Manager and UBS
PDS	This product disclosure statement

Performance Fee	The performance fee payable to the Responsible Entity pursuant to the Constitution and described in section 6.4
Portfolio	The portfolio of real property assets held by the Trust from time to time
Portfolio Manager or DEGI	DEGI Deutsche Gesellschaft für Immobilienfonds mbH
Portfolio Management Agreement	The portfolio management agreement relating to the Trust described in section 10.1.7
Project Costs	In relation to any Development or Construction Project, all costs, expenses, fees and liabilities paid or payable in relation to that Development or Construction Project, including all costs of design, construction, carrying out and completion of all work in connection with the project, all consultant's and contractor's fees, all financing costs, and all regulatory costs, statutory charges and outgoings but excluding the cost of acquisition of the property being developed, redeveloped or refurbished
Property Co I	Allianz Global Investors Property I Pty Limited (ACN 116 067 335)
Property Co II	Allianz Global Investors Property II Pty Limited (ACN 116 067 308)
Property Co III	Allianz Global Investors Property III Pty Limited (ACN 116 067 273)
Properties	The initial portfolio as set forth in Property by Sale and Purchase Agreement
Property Acquisition Costs	Consultants' fees, due diligence costs and other costs payable in relation to the Initial Portfolio
Register	The register of persons who hold the Units and includes the relevant CHESS sub-register and issuer sub-register established under the ASTC Settlement Rules
Registry	Link Market Services Limited (ABN 54 083 214 537)
Responsible Entity	Allianz Global Investors Real Estate Australia Limited (ABN 48 073 938 860) (AFSL 244342)
Retail Investor	An investor resident in Australia who is not an Institutional Investor
S&P	Standard & Poor's
Seller	DEGI GRUNDWERT-FONDS or DEGI-GWF
Senior Debt Facility	The senior debt facility summarised in section 10.1.10
Settlement Date	The date on which settlement of the Offer occurs
SRN	Securityholder Reference Number
Taxation Report	The taxation report by PricewaterhouseCoopers which appears in section 9.2
Total Capital Contribution	Total amount of equity to be put in by DEGI on behalf of DEGI-GWF and the Silent Partner
Trigger Event	Any of the following: (a) a resolution is passed at a meeting of Unitholders removing or replacing the Responsible Entity; (b) the Responsible Entity is otherwise removed or replaced; or (c) the Trust terminates

Trust	Allianz Global Investors European Property Trust (ARSN 118 458 674)
Trust Index	An accumulation index for the Units calculated in a manner consistent with the Benchmark Index except to the extent that the Trust Index relates only to Units in the Trust. This index will be calculated by the Responsible Entity by an appropriately qualified external party and will be published on the Responsible Entity's website at www.allianzglobalinvestors.com.au
Trust Return	The difference between the Trust Index at the end of the relevant Fee Period and the Trust Index at the beginning of such Fee Period
UBS	UBS AG, Australia Branch (ABN 47 088 129 613)
UBS Wealth Management	UBS Wealth Management Australia Limited (ABN 50 005 311 937)
Unit	An ordinary Unit in the Trust
Unitholder	A holder of Units in the Trust
Underwriter	UBS
Underwriting Agreement	The underwriting agreement in relation to the Offer described in section 10.1.9
Value	Gross Asset Value
Valuer	CB Richard Ellis
WALE	Weighted average lease term to expiry



12 Application Form

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Pin cheque(s) here (do not staple)

Allianz Global Investors

Allianz Global Investors European Property Trust
ARSN 118 458 674

Broker Code

Adviser Name

Broker/Dealer stamp

Broker Firm Application Form

This Application Form is important. If you are in any doubt as to how to deal with it, please contact your lawyer, accountant, stockbroker or other professional adviser. You should read the entire PDS carefully before completing the form. This Application Form must not be handed to another person unless attached to or accompanied by the PDS dated 15 June 2006 and a person who gives another person access to this Broker Firm Application Form must at the same time and by the same means give the other person access to the PDS and any supplementary PDS. A paper copy of the PDS, any supplementary PDS and an Application Form will be provided to you, at no charge, upon request by telephoning the Allianz Global Investors European Property Trust Offer Infoline on 1800 132 009 (toll free). This Application is irrevocable.

A Number of Units applied for ___ , ___ , ___ at Issue Price per Unit **A$1.00**
(minimum 2,000 Units, thereafter in multiples of 100 Units)

B I/We lodge full application money **A$** ___ , ___ , ___ . 0 0

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C
Applicant
Surname/Company Name

Title | First Name | Middle Name

Joint Applicant #2
Surname

Title | First Name | Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D
PLEASE COMPLETE ADDRESS DETAILS
PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level | Street Number | Street Name

Suburb/City or Town | State | Postcode

Email address (only for purpose of electronic communication of unitholder information)

E
CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)
X

F
Telephone Number (where you can be contacted during business hours) ( )
Contact Name (PRINT)

G
PLEASE INSERT CHEQUE OR BANK DRAFT DETAILS
Cheque(s) or bank draft(s) (or both) must be drawn on an Australian branch of an Australian bank, made payable in Australian currency to the Participating Broker and crossed "Not Negotiable".

Cheque Number | BSB - | Account Number

LODGEMENT INSTRUCTIONS

Broker Firm Offer: You must return your Application directly to the Participating Broker who offered you a broker firm allocation in accordance with their instructions. This Application Form cannot be completed electronically – it must be downloaded and printed.

The Closing Date for the Broker Firm offer is expected to be 5:00pm (Sydney time) on 11 July 2006. Completed Broker Firm Application Forms and Application Payments must be received by the Broker in sufficient time for the Broker to process that Application by the Closing Date.

IMPORTANT NOTE
In this Application Form, "PDS" means the PDS dated 15 June 2006 and the supplementary product disclosure statement dated 22 June 2006.

AZG IPO001

Your Guide to the Broker Firm Application Form

Please complete all relevant white sections of the Broker Firm Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The ?nancial products to which this Broker Firm Application Form relates are Allianz Global Investors European Property Trust (Allianz) fully paid Units ("Units"). Further details about the Units are contained in the PDS dated 15 June 2006 issued by Allianz. While the Offer is open, Link Market Services Limited (Link) will send paper copies of the PDS, any supplementary document and the Broker Firm Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant PDS. This Application Form is included in the PDS.

The PDS contains important information about investing in the Units. You should read the PDS before applying for Units.

A Insert the number of Units you wish to apply for. The Broker Firm Application must be for a minimum of 2,000 Units and thereafter in multiples of 100 Units. You may be issued all of the Units applied for or a lesser number.

B Insert the relevant amount of Application Monies. The Offer Price is $1.00 per Unit. Amounts are payable in Australian currency. Please make sure the amount of your cheque(s) or bank draft(s) equals this amount.

C Write the full name you wish to appear on the statement of Units. This must be either your own name or the name of a company. Up to three joint applicants may register. You should refer to the table below for the correct registrable title.

D Please enter your postal address for all correspondence. All communications to you from Allianz and Registrar will be mailed to the person(s) and address as shown. For joint applicants only one address can be entered.

E If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identi?cation Number (HIN) here.

F Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your application.

G Please enter your cheque or bank draft (or both) details in Section G. Cheque(s) or bank draft(s) must be drawn on an Australian branch of an Australian bank in Australian currency, made payable to the participating Broker and crossed "Not Negotiable".

- The amount should agree with the amount shown in Section B.
- Suf?cient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your application being rejected.
- Pin (do not staple) your cheque(s) or bank draft(s) to the Broker Firm Application Form where indicated.

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a unitholder (including your name, address and details of the Units you hold) to be included in the public register of the entity in which you hold Units. Information is collected to administer your unitholding and if some or all of the information is not collected then it might not be possible to administer your unitholding. Your personal information may be disclosed to the entity in which you hold Units. You can obtain access to your personal information by contacting us at the address or telephone number shown on this Form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

PRIVACY

Your privacy is important to us. Please read the important information below before returning your Broker Firm Application Form and payment.

By completing and returning this Broker Firm Application Form you acknowledge and agree to Allianz and Link Market Services Limited collecting, holding and using your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request.

The information may also be used from time to time to inform you about other Allianz products or services, which the Responsible Entity considers may be of interest to you.

If you do not want your personal information to be used for this purpose, you should inform Allianz by telephoning the Allianz Infoline on 1800 132 009.

Allianz's privacy policy and details on how you may access or update your personal information held by us can also be found on our website at www.allianzglobalinvestors.com.au.

ACKNOWLEDGEMENTS

By returning this Broker Firm Application Form with your payment, you agree to these statements. I/We:

- have read and understood the PDS;
- have completed this form accurately and completely;
- if this Application relates to a natural person, represent that I/we am/are at least 18 years of age;
- acknowledge that once the Issuer accepts my/our Application, I/we may not withdraw it;
- apply for the number of Units at the Australian dollar amount shown on the front of this form;
- agree to being allocated the number of Units that I/we apply for (or a lower number allocated in a way allowed under the PDS);
- acknowledge that my/our Application may be rejected by the Issuer in its absolute discretion;

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Units. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the bene?ciary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use of?ce bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

- Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Responsible Entity
Allianz Global Investors Real Estate
Australia Limited (ABN 48 073 938 860,
AFSL 244342)

Level 17
1 Margaret Street
Sydney NSW 2000
Australia
Telephone 612 8299 4400
Facsimile 612 8299 4408

Directors of the Responsible Entity
Richard Longes, Non-Executive Chairman
Vickki McFadden, Non-Executive Director
Cristóbal Méndez de Vigo, Executive Director
Carolyn Isaacs, Executive Director

Asset Manager & Property Manager
DEGI – Deutsche Gesellschaft für
Immobilienfonds mbH
Weserstrasse 54
60329 Frankfurt/Main
Germany

Sole Underwriter, Bookrunner and Joint Financial Adviser
UBS AG, Australia Branch
(ABN 47 088 129 613)
Level 25
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Co-Manager
UBS Wealth Management Australia Limited
(ABN 50 005 311 937)
Level 27
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Joint Financial Adviser
Merrill Lynch International (Australia) Limited
(ABN 31 002 892 846)
Level 38
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

Auditor
PricewaterhouseCoopers
Darling Park Tower
201 Sussex Street
Sydney NSW 2000
Australia

Investigating Accountant
PricewaterhouseCoopers Securities Ltd
(ABN 54 003 311 617)
Darling Park Tower
201 Sussex Street
Sydney NSW 2000
Australia

Custodian
State Street Australia Limited
(ABN 21 002 965 200)
338 Pitt Street
Sydney NSW 2000
Australia

Valuer
CBRE
Feuerbachstr 26-32
60325 Frankfurt/Main
Germany

Australian Legal Adviser
Blake Dawson Waldron
Level 36, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Australian Registry
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Australia

Tax Adviser
PricewaterhouseCoopers
Southbank Boulevard
Southbank VIC 3006
Australia

European Legal Adviser
Linklaters
One Silk Street
London
EC2Y 8HQ
United Kingdom

Corporate Directory

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the remaining Elemental Chlorine Free pulp sourced from sustainable forests. The mill has ISO14001 accreditation.

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