



Mariner American Property Income Trust gets thumbs up from Lonsec

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The innovative financial services group Mariner Financial Limited [ASX: MFI] has received “Upper Recommended-Buy” rating from independent researcher Lonsec for the Mariner American Property Income Trust (MAPIT).

This is the second report by Lonsec on MAPIT to offer an update after the acquisition of two additional properties in the USA. According to Lonsec “Although the rating remains Upper Recommended, Lonsec’s view of the Trust has improved with the latest acquisitions primarily strengthening the diversity of the portfolio, adding two more high quality tenants on long lease terms.”

Lonsec notes that the strengths of the Trust include gained exposure to Industrial sector and widened diversification to four US states with long term growth potential. “Increased distribution yield (9.25FY06 growing to 9.6%FY07) with high tax advantage is above the industry average,” said Lonsec.

It also comments positively on the low fee structure and the fact that income is hedged for five years and capital hedged within certain exchange rate bands. The Lonsec report adds that the distribution yield is superior to its ASX listed peer group on a pre-tax basis and income is 100% tax deferred for a number of years.

The reports notes that Mariner has considerable experience in international property transactions and particularly in cross border structuring. “The MAPIT portfolio has good long term growth prospects given the strategic location of the properties, being in regions where economic growth trends are favourable. Rental growth on the overall portfolio is reasonable,” said the report.

Lonsec adds that the US based Mariner property team is a distinct advantage for the Trust and they have been able to source opportunities via a well established network.

Outlining the current US economic scenario, Lonsec reported “Given the long term leases and high quality covenants in place, any near term slow down in the economy should not have a detrimental impact on growth in MAPIT distributions for the next five years.”

In September 2005, MAPIT raised \$50million equity, together with A\$91million debt to purchase initial two properties in USA-Derry Meadows Shoppes in Derry, New Hampshire and Intel office Campus in Parsippany, New Jersey.

The Trust listed on the ASX in September 2005 and recently used debt to acquire two more properties in the USA-RSA Building in Bedford, Massachusetts and FedEx Terminal in Montgomery, New York State. MAPIT will raise approximately A\$74.5million in order to repay the mezzanine portion of debt and acquire a new extension to the FedEx terminal.

The Lonsec “Upper Recommended” rating for MAPIT adds to the existing AA rating awarded to the Trust by independent researcher, Property Investment Research.

Note to the editors

Mariner Financial Limited is a diversified financial services company listed on the Australian Stock Exchange [ASX: MFI]. Mariner specialises in delivering products that offer investors real opportunities to build and preserve their wealth, through originating, structuring and distributing truly unique products. It offers a range of investment solutions that cover Retirement Solutions, Superannuation Solutions, Income Products, Equity Funds, Property, Alternative Equity Products and Private Equity.

For further information please visit the Mariner website at <www.marinerfunds.com.au>.

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