



Document date: Monday, 2 June 2003

Classification: Notice of Meeting and Explanatory Memorandum for Merger

PROPERTY FUNDS AUSTRALIA

**Garden Square Trust (GSP)
Garden Square Syndicate (GSS)**

Property Funds Australia ("PFA") announces the proposed merger of the Garden Square Trust and Syndicate (GSP, GSS) with The Trilogy Trust (TTT) along with the Metropolitan Collection (MBS, MBT), the Capital Collection (CCS, CCT) and the Riverdale Property Trust (RFT).

The proposed merger, which is subject to unitholder and owners approval of all of the merging trusts, will create a diversified BSX listed property trust with combined property value of \$200m (approx.), with greater geographic diversification, broader sector exposure and improved tenant diversification. The merged fund will be known as the PFA Diversified Property Trust. Application to list the units on the Bendigo Stock Exchange will be made within 7 days.

The Notice of Meeting and the Explanatory Memorandum is being dispatched to unitholders and owners, and has also been lodged with the Australian Securities and Investment Commission and the Bendigo Stock Exchange.

Full details of the proposed merger are set out in the Explanatory Memorandum, which includes the report of Independent Expert, Ernst & Young Corporate Finance Pty Limited, who conclude that the merger proposal is Fair and Reasonable to the unitholders and owners of the Garden Square Trust and Syndicate.

The unitholder and owners meeting is scheduled for Friday, 27th June 2003. Full details of the meeting venue, time and resolutions are set out in the Notice of Meeting.

For further information, please refer to the Notice of Meeting and Explanatory Memorandum, or contact PFA on 1800 687 170.

Chris Morton
MANAGING DIRECTOR
COMPANY SECRETARY

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