

27 June, 2003

Mr George Wyatt
BSX Listings Manager
Bendigo Stock Exchange

Fax 03 5444 0033

Dear Sir,

GARDEN SQUARE TRUST

I attach the script of the address by the Chairman and Managing Director of Property Funds Australia Limited, for release to the market.

Yours faithfully,
PROPERTY FUNDS AUSTRALIA LIMITED



Chris Morton
Managing Director



PROPERTY FUND MANAGERS

GARDEN SQUARE TRUST

Chairman's address

Held on 27 June 2003 at 12.00pm

Chairman: Christopher Morton

Opening

Good morning, ladies and gentlemen.

My name is Chris Morton and I am the Managing Director of Property Funds Australia – often referred to as PFA. May I at the outset thank you for taking the time and effort to come to this very important meeting of the Garden Square Trust which has been called to consider the proposal to merge all of the property funds managed by Property Funds Australia Limited ('PFA').

Introduction of members to the board and secretary

I take this opportunity to introduce to you the other members of the board of PFA. The other people at the table with me are:

- (a) David Conquest
- (b) Elizabeth Pidgeon
- (c) Matthew Madsen

With us also is our lawyer Jenny Hutson, who will deal with any legal issues that may arise.

Before we commence the business of this meeting, it may be helpful if I outline the procedure for today. A series of 8 meetings, of all schemes managed by PFA are being held. This is the sixth of those meetings. All members of these schemes received booklets similar in nature to the Garden Square booklet, but focussed on their scheme. All members are being asked to vote on similar resolutions to those on the Garden Square Notice of Meetings. I can report at the previous meetings of other schemes involved in the Merger Proposal and held today that all resolutions have been passed.

Declaration of quorum

Douglas Heck and Burrell who are co-ordinating registry and voting today have advised me that a quorum is present.

Therefore I declare open the meeting of the Garden Square Trust convened by notice of meeting dated 2 June 2003.

May we take the notice of meeting as read.

All members present will have received a copy of the notice of meetings and explanatory memorandum. Additional copies are also available for you today if you do not have one.

These booklets set out the information which is required by law to be sent to members prior to voting on the proposed merger of all the property funds managed by PFA. Many of the expressions I use in this address are defined in the Explanatory Memorandum.

Report on the Merger Proposal

This morning you are being asked to vote to approve a merger of the Garden Square Trust with seven other entities managed by Property Funds Australia Limited. The merger proposal is that all of the 8 merging entities be merged into 1 diversified fund to be known as the PFA Diversified Property Trust. The merger will take place by a series of cancellations of Units or Lots in all of the Merging Trusts

(except for Trilogy). Ultimately the owners of these Units or Lots in the Merging Trusts will receive Units in Trilogy as consideration. Trilogy will then be renamed as the 'PFA Diversified Property Trust'. The merged fund will become the ultimate holding entity and will own 100% of all Units or Lots on issue in the other 7 merging trusts. Through this ownership it will then indirectly own and control the extensive property portfolio of quality assets.

This meeting has been convened by PFA, the manager of the Garden Square Trust and all the funds involved, for the purpose of voting on the merger proposal as outlined in your Notice of Meeting and explanatory memorandum.

Before we proceed to questions however, I would like to re-emphasise the reasons why we believe the merger proposal should be approved by you today. We believe that by merging all of the property funds you will receive the benefit of:

- (a) **improved returns** over the forecast period;
- (b) **diversification** of investment across geographical locations, industry sectors and tenant profiles;
- (c) **reduced volatility** in your distributions;
- (d) **a more liquid investment** through an increased pool of investors, creating market driven interest and demand in your units;
- (e) an opportunity for **better pricing** of your investment; and
- (f) a fund with an increased capacity to **participate in strategic property opportunities**, significantly beyond that achievable by the Garden Square Trust should it continue to stand alone.

PFA has a clearly expressed strategy of diversity, stable distributions and growth for the PFA Diversified Property Trust.

Finally, I want to assure you that the directors of PFA looked very carefully at the options available for members of all of the property funds. The directors are of the view that the proposed merger is in the best interests of Garden Square investors.

We are supported in this opinion by the report of the independent expert Ernst & Young Corporate Finance Pty Limited reproduced in section 12 of your Notice of Meeting and Explanatory Memorandum which concludes that the merger proposal is fair and reasonable to Garden Square Trust members.

Questions

Before I put the formal resolutions to the meeting, I ask whether any member wishes to ask questions.

Could I remind you that the meeting and the business of this meeting is to consider the proposal to merge Garden Square Trust with all other property funds managed by PFA. Questions should be directed to that issue. Because both resolutions are related and interdependent we will deal with questions on both resolutions together now. So if you have any questions on either the merger proposal as a whole or the specific resolutions on the notice of meeting I ask that you raise those now.

Due to time limitations and also so as to ensure that everyone has an opportunity to be heard I ask that each speaker limit themselves to two questions and that they detail all of their questions at once.

Only attendees who are allowed to vote are able to ask questions. These people will have received a voter identification card upon arrival today. If you wish to ask a question, please identify yourself before you ask your question. Similarly, I would ask proxy holders and corporate representatives to also identify which member or investor they represent at this meeting.