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MESSAGE:**PFA Diversified Property Trust**

Attached please find a copy of a press release to be released today.

David Conquest
DIRECTOR

PFA MERGER GETS STRONG SUPPORT

The Brisbane based Property Funds Australia's merger proposal for its 8 managed funds is full steam ahead after investors gave the merger overwhelming support at the various investor meetings held last Friday.

Investor support across the funds was around 95% in favour with a strong voter response approaching 70% of investment value. A 75% majority on each of the resolutions considered by each of the 8 entities involved was necessary for the merger to be implemented.

"We now feel very excited about the result for investors," PFA's managing director Chris Morton said. "It has taken an enormous amount of effort. We are delighted by the investor support that has been shown," he said.

Ironically, the strongest investor support came in the Garden Square Trust (one of the merging trusts) where the Gold Coast based MFS Group in conjunction with Grant Samuel recently launched a takeover bid conditional upon investors not passing the merger proposal. Investors in fact did the opposite with 100% of investors in the Garden Square Trust who voted, voting in favour of the Merger Proposal.

The investor approval now paves the way for the establishment of a \$200 million Bendigo Stock Exchange listed trust to be known as the "PFA Diversified Property Trust".

"The new trust now has a strong mandate for growth and diversity," Mr Morton said.

The new merged fund has 10 properties with a spread across all property sectors located in Queensland, New South Wales and the ACT. Major tenants include National Australia Bank, Woolworths, Suncorp Metway, Energex, State Governments and the Ariadne owned Kings Carparking.

"We expect to be acquiring further property in the next few months of a similar quality and nature to the existing portfolio" Mr Morton stated. "Growth gives us one of the best opportunities to achieve better unit pricing for our investors."

The explanatory memorandum issued for the Merger Proposal highlighted that the Merger will provide a range of benefits including improved returns over the forecast period, reduced volatility in distributions, better unit pricing opportunities and increased liquidity.

"We have always been strong believers in the benefits of diversification" Mr Morton said. "In the syndicate world, we were one of the first to start mixing and blending small portfolios of properties so as to endeavour to spread tenancy exposures as far as reasonably possible within a syndicate's size limitations" he said.

The resultant merged portfolio now has an evenly spread lease expiry profile and an average remaining lease term of over 5 years.