

14 November 2005



Property Fund Managers

Mr J & Mrs M Citizen
Atf Citizen Superannuation Fund
123 ABC Street
BRISBANE QLD 4000

Dear Mr & Mrs Citizen,

**PFA DIVERSIFIED PROPERTY TRUST ("THE TRUST")
SPECIAL DISTRIBUTION – SPECIAL INVESTOR UPDATE
2005 SPECIAL DISTRIBUTION REINVESTMENT PLAN**

The purpose of this letter is to update you on a series of recent events and opportunities including:-

- the pending issue to unitholders of a special distribution of 6.76 cents per unit as a consequence of the sale of Post Office Square;
- the opportunity for you to reinvest that special distribution via a one-off Distribution Reinvestment Plan;
- the recent issue of a new product disclosure statement for new investment into the Trust; and
- two (2) exciting new acquisitions by the Trust being 180 Queen Street, Brisbane and the Civic Tower in Sydney's CBD.

The details of these matters and others are set out in the accompanying Special Investor Update. In brief,

1. SPECIAL DISTRIBUTION

The special distribution of 6.76 cents per unit will be paid by electronic funds transfer approximately fourteen (14) days after the settlement of the sale contract of Post Office Square – your receipt of this into your bank account should therefore be expected to occur in mid-December, 2005.

2. DISTRIBUTION REINVESTMENT PLAN

As a consequence of the Special Distribution, unitholders are being offered the opportunity to participate in the 2005 Special Distribution Reinvestment Plan ('DRP').

Key features of the DRP are set out in the accompanying DRP Guidelines and Rules booklet and Notice of Election Form. Please note the following:-

KEYS FEATURES OF THE DRP
• Only those unitholders who are registered on the register of the Trust as at 30 June 2005 will be entitled to the Special Distribution, and therefore entitled to participate in the DRP.
• Participation in the DRP is optional. It is however, a convenient and simple way of increasing your unitholding in the Trust.
• Units will be allotted at \$1.09 each, which is consistent with the issue of units under the recently issued Product Disclosure Statement No. 3 ('PDS No. 3')
• Partial acceptances can occur (i.e. you don't have to accept new units for all of your Special Distribution).
• In order to participate in the DRP, you must complete a Notice of Election form and return it to us before 5:00pm AEST on 6 December, 2005. A reply paid envelope accompanies this letter for use if you wish to participate.

If you wish to participate, please

- read the accompanying DRP Guidelines and Rules booklet; and
- complete the accompanying yellow Notice of Election form after reading the completion instructions on the back of it.

3. PDS NO. 3 NOW OPEN FOR SUBSCRIPTION

If you would like to acquire further units in the Trust (other than through the DRP) you can also do so through PDS No. 3 which has just been launched. A copy of a brochure relating to PDS No. 3 also accompanies this letter.

Key features of this new offer are:-

- **Forecast Distribution Rate: 8.7% per anum*** when calculated on the offer price of \$1.09 per Unit;
- **Substantial Tax Benefits: 61%**** of the forecast distributions are expected to be **tax deferred** in the forecast period.

4. NEW ACQUISITIONS

Finally, since our last communication to unitholders, the Trust has entered into two contracts to purchase 2 properties – one in the heart of the Brisbane CBD at 180 Queen Street and the other in the Sydney CBD mid-town sector – the Civic Tower. Please read about these exciting new acquisitions in the Special Update.

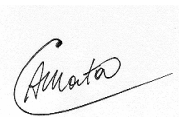
5. CONCLUSION

On behalf of the Directors, I thank you for your past support and encourage you to consider increasing your investment in the Trust. Should you have a financial adviser, we would encourage you to consult with them prior to increasing your investment.

If you have any queries relating to any of the enclosed material, please do not hesitate to contact our Investment Services team on (07) 3221-7170 or Freecall 1800 687 170.

Yours faithfully,

PROPERTY FUNDS AUSTRALIA LIMITED



Chris Morton
Managing Director

* *Calculated on the Offer price of \$1.09 per Unit. The forecast distribution and related assumptions are set out in section 6.2 of the PDS.*

** *For further information in relation to the tax deferred percentage please see section 6.2 Note 12 of the PDS.*

Disclaimer: Property Funds Australia Limited (ABN 58 078 199 569) (AFSL No 224106) ("PFA") is the responsible entity of the PFA Diversified Property Trust (ARSN 097 860 690). PFA is the issuer of the Product Disclosure Statement No. 3 (PDS) dated 20 October 2005 relating to the PFA Diversified Property Trust. You should consider the PDS in deciding whether to acquire, or to continue to hold, the product. PFA does not provide investment advice. This document does not constitute financial product advice. Should you require advice, and in particular a personal securities recommendation, then we recommend that you contact a stockbroker or licensed financial adviser.