



Property Fund Managers

2 June 2006

BSX Announcements

By Email: announcements@bsx.com.au

(2 pages)

**PROPERTY FUNDS AUSTRALIA LIMITED
PFA DIVERSIFIED PROPERTY TRUST (ARSN 097 860 690)
BSX CODE – PFD
ONE (1) FOR SEVEN (7) NON-RENOUNCEABLE RIGHTS ISSUE**

Property Funds Australia Limited ("PFA"), the responsible entity of the PFA Diversified Property Trust ("the Trust") today announced a one (1) for seven (7) non-renounceable Rights Issue for up to 23,963,317 Units at the Rights Issue price of \$1.09 per Unit (a discount of 2 cents per Unit from the General Offer price under Product Disclosure Statement No. 4).

The Rights Issue is being offered to Unitholders who are registered as Unitholders on the Unitholder Register as at 5.00pm (AEST) on the Record Date being 14 June, 2006 ('Current Unitholders').

Proceeds of the Rights Issue will be used to fund future acquisitions for the Trust.

To participate in the Rights Issue, Current Unitholders must lodge their duly completed Entitlement and Acceptance Forms with PFA by 5pm (AEST) on 25 July 2006.

Current Unitholders will also be entitled to apply for additional Units over and above their entitlement under the Rights Issue (to the extent of any shortfall) at the General Offer price of \$1.11 per Unit as set out in the Product Disclosure Statement.

f:\michael\bendigo s\pfa rights issue announcement 02062006.doc

Key Dates	
Record date to determine entitlement to Rights Issue	5.00pm (AEST) 14 June 2006
Anticipated dispatch date of Product Disclosure Statement, Entitlement and Acceptance Form and other Rights Issue documentation.	15 June 2006
Rights Issue Offer opens	15 June 2006
Rights Issue Offer Closing Date	25 July 2006

This announcement does not constitute an offer of Units in the Trust. The Offer for Units will be made in the Product Disclosure Statement lodged with the Australian Securities and Investments Commission (ASIC) on or about 2 June 2006 and sent on or about 15 June 2006 to all Current Unitholders on the Unitholder Register as at the Record Date. Any Current Unitholder wishing to acquire Units under the Rights Issue must complete the Entitlement and Acceptance Form which will accompany the Product Disclosure Statement as part of the Rights Issue documentation which will be forwarded.

For further information, please contact Chris Morton (Managing Director of PFA) on (07) 3221-7170.



Chris Morton

Managing Director

cmorton@pfaltd.com.au