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Property Fund Managers

BSX Announcements

By Email: announcements@bsx.com.au

(2 pages)

PFA DIVERSIFIED PROPERTY TRUST - BSX CODE: PFD

9 CENT INCREASE IN NTA FROM REVALUATIONS

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") today announced a \$25.46 million increase in the value of the Trust's property portfolio following the independent revaluation of 8 out of 16 of the Trust's properties. The remaining 8 properties have reasonably up to date valuations having during the past 2 years, either been independently revalued or purchased. These revaluations represent an increase of approximately 9.5% over the last 12 month period in the independent valuations of that part of the portfolio held as at 30 June, 2005. Following these positive revaluations and the acquisition of 3 properties during the financial year, the Trust's total property portfolio now has a book value of over \$407M, up from \$330M as at 30 June, 2005.

As a result of these revaluations, the Trust's (proforma) NTA at 30 June, 2006 is now around \$1.17 per unit. This NTA per unit increase is approximately 9 cents above the last announced NTA per unit calculations.

A summary of the revaluations for the 2005/06 year is as follows:-

Property	Book Value as at 30/6/2005	New Book Value as at 30/6/2006	Increase Amount	Increase %
Centro on James – Stage 3	\$11.00M	\$14.70M	\$3.70M	33.64
The Precinct	\$10.45M	\$13.90M	\$3.45M	33.01
Sevenoaks	\$40.94M	\$48.80M	\$7.86M	19.20
Cairns Hypermart	\$17.00M	\$20.00M	\$3.00M	17.65
544 Kessels Road	\$12.14M	\$13.69M	\$1.55M	12.77
Garden Square Office Park	\$31.30M	\$35.00M	\$3.70M	11.82
Homeworld Centre	\$32.50M	\$34.70M	\$2.20M	6.77
Riverdale Centre	\$15.75M	\$15.75M	Nil	-

PFA's managing director, Mr Chris Morton, said "We are pleased with the increase in valuations that have occurred. The revaluations are the result of the active leasing programs carried out by PFA, rental growth and the overall strong performance of the Perth and Brisbane commercial office and

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retail property markets generally. In particular, the logic of the focus of our previous acquisitions on this Brisbane and Perth office markets have been justified. PFA over the 12 month period, has also been able to maintain the portfolio's vacancy levels at a low 1.54% vacancy rate (down from 3.5%) and to increase the lease expiry profile to a strong 6.8 year weighted average lease expiry (up from 6.6 years)."

"Our unitholders continue to benefit from the sound performance of the Trust particularly the stability of income. The Trust's distribution rate has increased to 9.8 cents per unit (up from 9.48 cents per unit last year). This new distribution rate (in accordance with the underlying financial forecasts in the product disclosure statement dated 5 June 2006) is forecast to continue for the 2006/07 financial year. We are also hopeful that given this strong distribution yield and the increase in the net tangible assets per unit to \$1.17 per unit, that the subsequent pricing of the units traded on the Bendigo Stock Exchange (www.bsx.com.au) will more fully reflect these events.

A further positive result for unitholders is that the tax deferred percentage for the 2005/06 year has come in above forecast at 73.6% instead of the previously forecast 68%."

For further information, please contact Chris Morton (Managing Director of PFA) on (07) 3221-7170 or 0419 302 600.