

18 July 2007



Property Fund Managers

To: BSX Announcements
By Email: announcements@bsx.com.au
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**2.88 CPU SPECIAL DISTRIBUTION
THE PFA DIVERSIFIED PROPERTY TRUST (ARSN 097 860 690)
BSX CODE PFD**

Property Funds Australia Limited ("PFA"), as responsible entity for The PFA Diversified Property Trust ("Trust") advises that consequent upon the recently announced sale of 388 Queen Street, Brisbane it is the intention of PFA to make a special distribution to unitholders on the following terms and conditions:-

1. **Amount of special distribution: 2.88 cents per unit;**
2. **Record date for distribution: 31 July 2007;**
Investors who become unitholders on the register after 31 July 2007 will not be entitled to this special distribution. Should a unitholder on the register as at 31 July 2007 subsequently sell their units they will still receive the special distribution subject to the conditions below.
3. **Payment date:** On or about 14 September 2007
4. **Payment Method:** Electronic funds transfer to the designated bank account current advised by the unitholder for the purpose of general monthly distributions.
5. **Capital Gains Tax:** Unitholders on the register as at 30 June 2007 will be liable for the payment of any capital gains tax on the gain on sale of the 388 Queen Street property. Advice as to the amount of this capital gain will be given in the 2007 annual taxation statement and distribution summary.

Background

The special distribution is to be made from the capital profit which arose as a consequence of the sale of 388 Queen Street, Brisbane for \$40M.

A handwritten signature in black ink, appearing to read 'Chris Morton', with a long horizontal line extending to the right.

Chris Morton
Managing Director