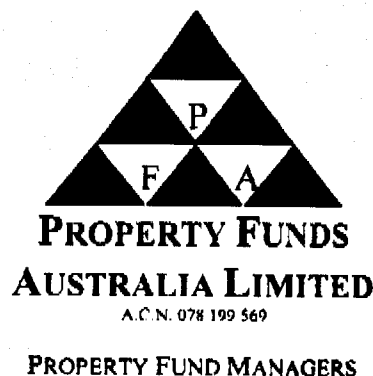


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**PROPERTY FUNDS AUSTRALIA LIMITED
THE PFA DIVERSIFIED PROPERTY TRUST (ARSN 088 775 375)
BSX CODE - PFD**

**JAMES FIELDING GROUP
ACQUIRES 50% INTEREST IN PROPERTY FUNDS AUSTRALIA LIMITED**

Property Funds Australia Limited, the Manager of the PFA Diversified Property Trust, today announced that the James Fielding Group, through James Fielding Holdings Limited has entered into an agreement to acquire a 50 per cent interest in Property Funds Australia Limited ("PFA").

James Fielding Group (JFG) is a leading fully integrated property investment, funds management, development and management business targeting sound returns for investors and a high level of service to clients and tenants. JFG's management team has considerable experience in property investment and management. As at 30 June 2004, JFG had in excess of \$1.8 billion in property and infrastructure assets under management on behalf of institutional and private client investors.

Chris Morton, who will continue in his role as Managing Director of PFA, said, "This partnership will enable PFA to take advantage of future growth opportunities by leveraging off the wide ranging property skills within the James Fielding Group. We look forward to having a strong property funds management specialist in James Fielding Group as a partner. As far as our investors and supporters are concerned, it will be business as usual for PFA."

Mr Greg Paramor, Managing Director of the James Fielding Group, will become PFA's non-executive chairman. Mr Paramor said, "The acquisition of this interest in PFA provides the Group with access to additional funds under management and further strengthens JFG's distribution network, particularly in Queensland where PFA has a strong brand."

It is intended that PFA will assist JFG in retail distribution in Queensland.

Settlement on the 50 per cent interest is expected to be completed in late August 2004.

For further information, please contact Property Funds Australia Limited on 07 3221 7170.


Chris Morton
MANAGING DIRECTOR

For further information from the James Fielding Group, please contact Greg Paramor (Managing Director) or Nicholas Collishaw (Executive Director - Head of Property) on 02 9274 7700.