

13 November 2017

Dear Unitholder

GDF Entitlement Offer – notice to eligible unitholders

On 13 November 2017, GARDA Capital Limited in its capacity as responsible entity (**GARDA**) of GARDA Diversified Property Fund (**GDF** or **Fund**) announced a 1 for 4.3 non-renounceable entitlement offer of fully paid ordinary units in GDF (**New Units**) to raise approximately \$30 million (**Entitlement Offer**).

The Directors of GARDA are pleased to provide this advance notice of the opportunity to participate in the Entitlement Offer.

The purpose of the Entitlement Offer is to contribute to temporary debt reduction and acquisitions and projects of the Fund, including the acquisition at 588 Swan Street, Richmond (Melbourne) as announced on 10 November 2017.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Underwriter**).

Summary of key terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Unitholders (defined below) will be invited to subscribe for 1 New Unit for every 4.3 existing GDF ordinary units held at 7.00pm (AEST) on Friday, 17 November 2017 (**Record Date**) at an offer price of \$1.15 per New Unit (**Entitlement**). The Offer Price represents a 6.2% discount to the five-day volume-weighted average price of the GDF's units traded on the ASX over the five days up to and including 10 November 2017.

Eligibility of unitholders to participate in the Entitlement Offer

You are being sent this letter because GARDA believes you are an Eligible Unitholder. An Eligible Unitholder means a holder of GDF units at 7.00pm (AEST) on the Record Date who:

- has a registered address in Australia or New Zealand, or is a Unitholder that GDF has otherwise determined is eligible to participate;
- is not in the United States and is not a nominee, custodian or other person acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a product disclosure statement to be lodged or registered.

The Entitlement Offer is being made without a product disclosure statement in accordance with section 1012DAA of the *Corporations Act 2001* (Cth) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Unitholder approval is not required for GDF to make the offer under the Entitlement Offer.

If you are not an Eligible Unitholder you cannot participate in the Entitlement Offer. GARDA will notify those unitholders who are not Eligible Unitholders.

Further details about the Entitlement Offer

Eligible Unitholders who take up their full Entitlement, may subscribe for additional New Units from a pool of those not taken up by Eligible Unitholders as at the closing date of the Entitlement Offer (**Top Up Facility**). GARDA, in consultation with the Underwriter, shall determine an appropriate allotment and scaling policy (if required) for all shortfall, including applications under the Top Up Facility. There is no guarantee that applicants under the Top Up Facility will receive the number of New Units applied for under

the Top Up Facility, or any. The Directors reserve the right to allot and issue New Units under the Top Up Facility at their discretion.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

Fractional Entitlements will be rounded up to the nearest whole number of New Units and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

The New Units issued under the Entitlement Offer will rank equally with the Fund's existing issued units, but will not participate in any distribution with a record date prior to allotment of the New Units.

Information Booklet

This letter is not an offer document, but rather an advance notice of some key terms and conditions of the Entitlement Offer. Full details of the Entitlement Offer are set out in the information booklet that will be mailed to Eligible Unitholders on or around Tuesday, 21 November 2017, together with a personalised Entitlement and acceptance form.

A copy of the information booklet is also available on the ASX website at www.asx.com.au and GDF's website at www.gardacapital.com.au.

Action required by Eligible Shareholders

It is important that you determine whether to (in whole or in part) take up the Entitlement Offer.

If you choose to take up all or part of your entitlement, you will need to complete and return the personalised Entitlement and acceptance form together with the requisite application monies, or alternatively pay your application monies using BPAY. Application monies must be received by the Fund's Share Registry, Link Market Services Limited, no later than 5pm (AEST) on **Wednesday, 13 December 2017**. Eligible Unitholders may apply for more units than their pro-rata entitlements via the Top Up Facility. The application for units under the Top Up Facility needs to be made at the same time you take up your Entitlement, using your personalised Entitlement and acceptance form.

If you do not wish to accept your entitlement, do not take any further action and your entitlement will lapse and you will not be allocated New Units. The Entitlement Offer is non-renounceable and therefore your entitlements are not tradable on the ASX or otherwise transferable. Your entitlement will be allocated to other Eligible Shareholders via the Top Up Facility or allocated under the underwriting and sub-underwriting arrangements.

Timetable

GDF expects the Entitlement Offer to be conducted according to the following timetable.

Event	Date
Announcement of Entitlement Offer	Monday, 13 November 2017
Record date 7.00pm (AEST)	Friday, 17 November 2017
Entitlement Offer opens Information booklet and entitlement and acceptance form despatched to eligible unitholders	Tuesday, 21 November 2017
Entitlement Offer closes	Wednesday, 13 December 2017
Distribution ex-date	Monday, 18 December 2017

Event	Date
Distribution record date	Tuesday, 19 December 2017
Settlement of Entitlement Offer	Tuesday, 19 December 2017
Allotment of New Units under the Entitlement Offer	Wednesday, 20 December 2017
Trading of New Units under the Entitlement Offer	Thursday, 21 December 2017
Despatch of holding statements for New Units issued under the Entitlement Offer	Friday, 22 December 2017

This Timetable is indicative only. GARDA may vary these dates, in consultation with the underwriter, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Units.

You cannot, in most circumstances, withdraw an application once it has been lodged. No cooling off rights apply to the Entitlement Offer.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Units. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Further information

If you have any queries, please call (07) 3002 5300 (inside Australia) or +617 3002 5300 (outside Australia) between 9:00am to 5:00pm (AEST) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

On behalf of the Directors, I encourage you to consider this investment opportunity and thank you for your continued support of GDF.

Yours sincerely



Matthew Madsen
 Executive Chairman
GARDA Capital Limited

Important information

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Units in any jurisdiction outside Australia or New Zealand. In particular, the New Units have been, and will not be, registered under the U.S. Securities Act of 1933 (the 'US Securities Act') or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements in the Entitlement Offer may only be taken up by, and the New Units in the Retail Entitlement Offer may only be offered or sold to, directly or indirectly, certain persons outside the United States in 'offshore transactions' (as defined in Rule 902(h) of Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.