

28 June 2018

Valuation increases result in an uplift in NTA¹ of 10 cents per unit.

GARDA Capital Limited (**GARDA**) as the responsible entity of GARDA Diversified Property Fund (**Fund** or **GDF**) announces a \$21.5 million or 15.5 cents per unit (**cpu**) increase in the value of its property portfolio compared to the previous independent valuations completed in June 2017².

Property	Jun-17 Independent valuations (\$m)	Jun-18 Independent valuations (\$m)	Change (\$m)	Change (%)	Jun-17 Cap Rate	Jun-18 Cap Rate
7-19 Lake Street, Cairns, QLD	45.0	49.0	4.0	8.9%	8.50%	8.25%
Land at 26-30 Grafton Street, Cairns, QLD	3.0	2.0	-1.0	-33.3%	N/A	N/A
69-79 Diesel Drive, Mackay, QLD	29.5	30.2	0.7	2.4%	7.75%	7.50%
142-150 Benjamin Place, Lytton, QLD	8.8	9.7	0.9	10.2%	7.75%	7.00%
B2 747 Lytton Road, Murarrie, QLD	14.1	14.3	0.2	1.1%	8.12%	8.00%
154 Varsity Pde, Varsity Lakes, QLD	12.8	14.0	1.2	9.4%	8.25%	8.25%
436 Elgar Road, Box Hill, VIC	25.0	29.0	4.0	16.0%	7.75%	6.25%
Botanicca 7, 572 Swan Street, Richmond, VIC	41.0	52.5	11.5	28.0%	6.50%	5.75%
Portfolio	179.2	200.7				
Add: Acquisitions during the period						
67 Noosa Street, Heathwood	N/A	9.8	N/A	N/A	N/A	7.37%
Portfolio	179.2	210.5				

Adjusting for capital expenditure accounted for in the fair value of the portfolio during the year, these revaluations represent a \$16.47 million increase or 11.9 cpu to the current carrying book values.

The weighted average capitalisation rate on the re-valued portfolio is 7.12%. As a result of the revaluations above and a number of properties that are under construction or nearly completed (detailed below), the Fund's overall weighted average capitalisation rate has compressed to 6.78%³.

Property Under Construction	Upon Completion Value (\$m)	Jun-18 Carrying Book Value (\$m)	Cap Rate (%)
Lot 2001 Metroplex Westgate, Wacol, QLD	35.25	35.25	6.25%
70-82 Main Beach Road Pinkenba, QLD	19.00	18.05	7.37%
Botanicca 9, 588 Swan Street, Richmond, VIC ⁴	62.50	20.03	5.75%
Total Value	116.75	73.33	

Current Loan to value ratio (**LVR**) reduces to 37.0%⁵ at 30 June 2018.

The positive impact to NTA from the revaluations is reduced by capital expenditure during the period, mark to market movements on interest rate swaps, and stamp duty and other costs from acquisitions during the period. The net balance sheet movements are expected to increase GDF's 30 June 2018 pro forma NTA to \$1.29 per unit in comparison to the previously reported 31 December 2017 NTA of \$1.19 per unit.

¹ Unaudited and subject to June 2018 market to market movement of interest rate swaps and other balance sheet movement since 31 December 2017.

² 30 June 2017 portfolio excluding 67 Noosa Street, Heathwood (see ASX announcement dated 29 March 2018).

³ Current portfolio plus properties currently under construction including Botanicca 9, 588 Swan Street, Richmond, 70-82 Main Beach Road, Pinkenba and Metroplex Westgate, Wacol.

⁴ Upon completion value and capitalisation rate based on independent valuation 'as if complete' dated 8 November 2017.

⁵ Calculated as total drawn debt divided by total current portfolio value.

Matthew Madsen, Executive Chairman of GARDA commented that “It is pleasing to have delivered further growth in underlying asset values for GDF investors. The increase in portfolio valuations has been primarily driven by the Fund’s Melbourne office portfolio where capitalisation rates in the city fringe and Box Hill continue to compress and market rents increase. The Queensland properties, specifically Cairns and Varsity Lakes, have seen modest increases in value as a result of positive leasing outcomes and the ongoing capital improvements program.”

-Ends-

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About GARDA Diversified Property Fund (ARSN 104 391 273)

GDF is an ASX listed real estate investment trust (REIT) which invests in commercial offices and industrial facilities along the eastern seaboard of Australia. GDF currently holds eleven assets, three of which are under construction. GDF’s property portfolio is independently valued at \$327 million.

About GARDA Capital Limited

GARDA Capital Group is an ASX listed (ASX: GCM) real estate investment and funds management group. The GARDA Capital Group is co-invested in GDF holding a 13.5% stake.

GARDA Capital Limited is the responsible entity of GDF, is a member of the GARDA Capital Group and holds AFSL 246714 which permits it to act as the responsible entity for GDF.
