

23 November 2018

GARDA Diversified Property Fund
2018 AGM Chairman's Address and Presentation

Good morning Ladies and Gentlemen, it is 9:30am and as there is a quorum present, I declare this meeting open.

Welcome to the 2018 Annual General Meeting of GARDA Diversified Property Fund. My name is Matthew Madsen and I am the Executive Chairman and Managing Director for GARDA Capital Limited, the responsible entity of GARDA Diversified Property Fund.

May I ask that you please turn your mobile phones off for the duration of the meeting? Thank you.

I would like to start by introducing my fellow GARDA Directors:

- Mr Philip Lee, a Non-Executive Director. Mr Lee chairs the Audit and Risk Committee and is a member of the Nomination and Remuneration Committee;
- Mr Mark Hallett, a Non-Executive Director who chairs the Nomination and Remuneration Committee, and is also a member of the Audit and Risk Committee; and
- Mr Leylan Neep, Executive Director and Chief Financial Officer for the GARDA Capital Group.

Also present today are:

- Mr Lachlan Davidson, Company Secretary and General Counsel for the Group;
- Mr Matt Foster of Link Market Services, our Share Registry. Mr Foster will oversee the conducting of the poll to be taken today.
- Mr Craig Jenkins and Mr Ryan Liddell from our auditors, BDO Audit Pty Ltd; and
- some staff of GARDA Capital Group.

I will provide a brief overview of the Fund's business and achievements in FY18. I will then go through GDF's 2018 financial year performance and provide an update on the Fund's activities. Following that we will move to the formal business of today's meeting and the Resolutions for your approval as detailed in the Notice of Meeting which was mailed to all unitholders on 30 October 2018.

I will take the Notice of Meeting as read. I will briefly reiterate the coloured card system.

Unitholders holding a YELLOW card are permitted to vote and ask questions at the appropriate time. Those with a BLUE card are not permitted to vote but are permitted to ask questions. Those with a WHITE card are a visitor and are not permitted to ask questions. We will take questions when we get into the formal part of the meeting.

Chairman's Address

I will shortly provide an overview of the Fund's activities for 2018 through the use of the presentation.

GARDA Diversified Property Fund recently completed a placement of 16.8 million units at \$1.25 per unit, which has resulted in a GDF market capitalisation post capital raising of approximately \$200 million. One of the resolutions today is for unitholders to confirm the subscription of the manager for 3.2 million units to raise a further \$4 million, as outlined in the Notice.

This capital raising supports GDF's recent acquisitions including the latest announced Berrinba and Progress Road Wacol properties, both future industrial facilities, which upon completion will increase GDF's assets under management to approximately \$370 million.

Should the further investment by GCM as manager be approved by members, it will result in GCM increasing its strategic exposure in GDF to approximately 13.8% and ensuring continued alignment of its interests with those of GDF unitholders.

I would like to take this opportunity to thank the GARDA team for all their hard work throughout the year and to congratulate them on their achievements. I would also like to thank my fellow Directors for their dedicated service over the period.

-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 twelve assets, one of which is under construction. GDF's property portfolio is independently valued at \$330 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 12.05% 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.

ANNUAL GENERAL MEETING

23 NOVEMBER 2018

**GARDA DIVERSIFIED
PROPERTY FUND**

(ASX CODE: GDF)

ARSN 104 391 273



IMPORTANT INFORMATION

This presentation (**Presentation**) has been prepared on behalf of GARDA Capital Limited (ACN 095 039 366) (AFSL 246714) (**GARDA**) as responsible entity of the GARDA Diversified Property Fund ARSN 104 391 273 (**GDF** or the **Fund**). The information and statements in this Presentation were prepared or are made only as of the date of this Presentation, unless otherwise stated.

This Presentation contains general and summary information about the current activities of GDF. It also does not purport to be complete or contain all information which would be relevant to new units, existing or prospective investors of GDF. No member of the GARDA group or any of their related entities and their respective directors, employees, officers and advisers give any warranties in relation to the statements and information contained in or referred to in this Presentation.

This Presentation has been compiled from sources which GARDA believes to be reliable. However, it is not audited, and is not a product disclosure statement (**PDS**) or other disclosure document as defined in the Corporations Act 2001, and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). It is not, nor does it purport to be, complete or include all the information that a PDS or other disclosure document may contain. Historical financial and other 'continuous disclosure' information required by law can be found at the GARDA website www.gardacapital.com.au and in the audited financial statements (also on the website). All references to dollars or \$ in this document are to Australian currency.

Nothing contained in the Presentation constitutes investment, legal, tax or other advice. It is not an offer of securities, or a recommendation to buy or sell units in GDF. It has been prepared for general information only, and without taking into account the investment objectives, financial situation or needs of individuals. Any existing or prospective investor should not rely on this Presentation, but consider the appropriateness of the information in any PDS or other public sources having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Neither GARDA nor the Fund guarantee any particular rate of return or the performance of the Fund, nor do they guarantee the repayment of capital or any particular tax treatment.

This Presentation contains certain "forward looking statements" with respect to the financial condition, results of operations and business relating to GARDA Group and the Fund. These forward looking statements may involve subjective judgments. The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "strategy", "target", "plan" and other similar expressions are intended to identify forward looking statements.

The forward looking statements are by their nature subject to significant and unknown risks, uncertainties, vagaries and contingencies, many (if not all) of which are outside the control of members of the GARDA group. Various risk factors may cause the actual results or performance of GARDA or the Fund to be materially different from any future results or performance expressed or implied by such forward looking statements. There can be no assurance that any forward looking statements are attainable or will be realised. No representation, warranty or guarantee, whether express or implied, is made or given by any member of the GARDA group that any forward looking statement will or is likely to be achieved. Except as required by law, neither GARDA nor the Fund is liable to release updates to the forward looking statements to reflect any changes.

To the maximum extent permitted by law, any and all liability in respect of the Presentation (and any forward looking statement) is expressly excluded, including, without limitation, any liability arising from fault or negligence, for any direct, indirect or consequential loss or damage arising from any loss whatsoever arising from the use of the information in this Presentation or otherwise arising in connection with it. GDF is listed on the ASX and all applicable obligations and restrictions contained in (without limitation) the Listing Rules and Corporations Act apply accordingly. The acknowledgements referred to above may be pleaded as a bar to any claim that any reader may bring.

AGENDA

1. BOARD OF DIRECTORS OF RESPONSIBLE ENTITY

2. EXECUTIVE CHAIRMAN'S WELCOME AND ADDRESS

3. QUESTIONS

4. BUSINESS OF THE MEETING



BOARD OF DIRECTORS OF RESPONSIBLE ENTITY



MATTHEW MADSEN
Executive Chairman



PHILIP LEE
Non-Executive Director



MARK HALLETT
Non-Executive Director



LEYLAN NEEP
Executive Director



GDF AT A GLANCE

\$330 MILLION¹ ~ \$200 MILLION
COMMERCIAL AND INDUSTRIAL PORTFOLIO MARKET CAPITALISATION

95%
OCCUPANCY²

5.9 YEARS
WALE²

3.2%
WEIGHTED AVERAGE
RENT REVIEWS

\$0.09/unit
FY2019 Distribution FORECAST

34.5%
LVR³

\$1.27
NTA Per Unit⁴

6.78%
WEIGHTED AVERAGE
CAP RATE⁵

ALIGNED MANAGER
GARDA Capital
holds 12.05% of GDF units

1. Based on the 'upon completion' value of Botannica 9 and land value for Berrinba acquisition.
2. WALE and occupancy as at 1 November 2018 are 5.7 years + 95%.
3. LVR calculated as total drawn debt facilities divided by total property assets as at 19 November 2018.
4. Unaudited NTA as at 31 October 2018.
5. Weighted average capitalisation rate includes the upon completion value and cap rate for Botannica 9, 588 Swan Street, Richmond.

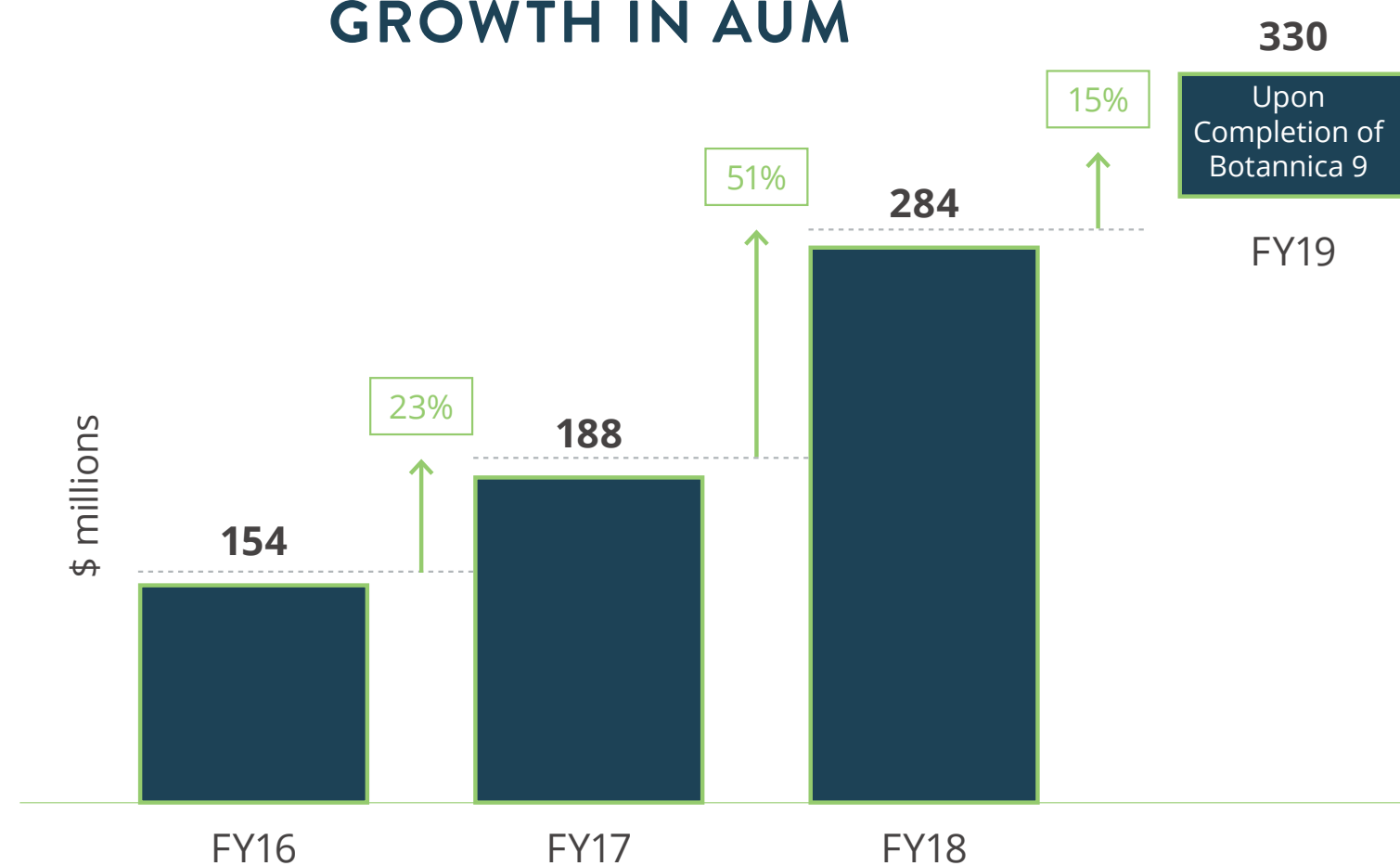
RESULTS - OVERVIEW

	30 JUNE 2018 (\$)	30 JUNE 2017 (\$)
Statutory Net Profit	24,161,000	20,121,000
Adjustments:		
Fair value movement of investment properties	(14,330,000)	(9,517,000)
Loss on sale of investment properties	-	154,000
Net (gain)/loss of interest rate swaps marked to market	246,000	(499,000)
Incentives and rent free straight-line	448,000	469,000
Non-underlying and non-recurring legal expenses	685,000	0
Funds from operations (FFO)	11,210,000	10,728,000
Distributions	11,284,000	10,124,000
Distribution payout ratio	100.7%	94.4%
Tax deferred component	63.6%	49.8%

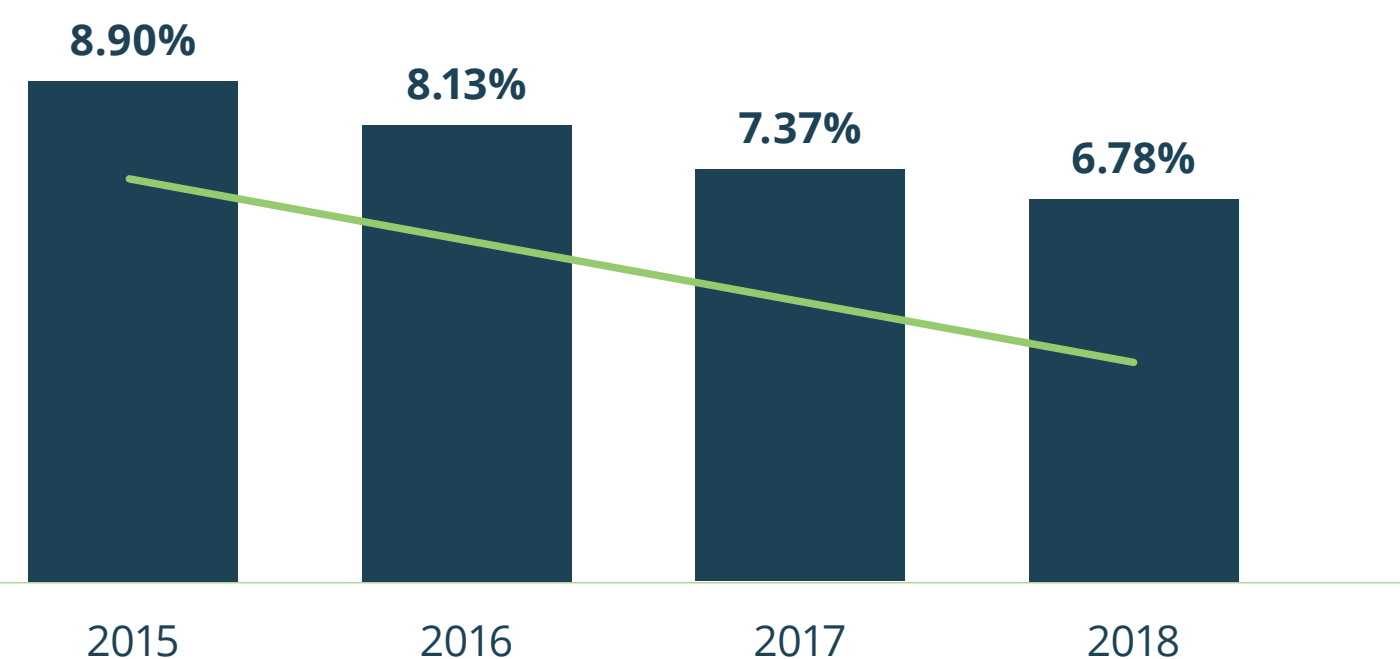
	30 JUNE 2018 (\$)	30 JUNE 2017 (\$)
Investment properties	283,932,000	188,100,000
No. Assets	11	7
Units on issue	138,444,594	112,322,972
NTA per unit	1.29	1.21

PERFORMANCE SINCE IPO

GROWTH IN AUM



CAP RATE (%)



Since the initial public offer of GDF in July 2015 GARDA has:

Increased assets under management (AUM)

- » AUM increased by \$190 million so as to reduce the reliance on the contribution from individual tenants.
- » No individual tenant now represents greater than 10% of the Fund (down from 14%).

Improved the quality of the portfolio assets

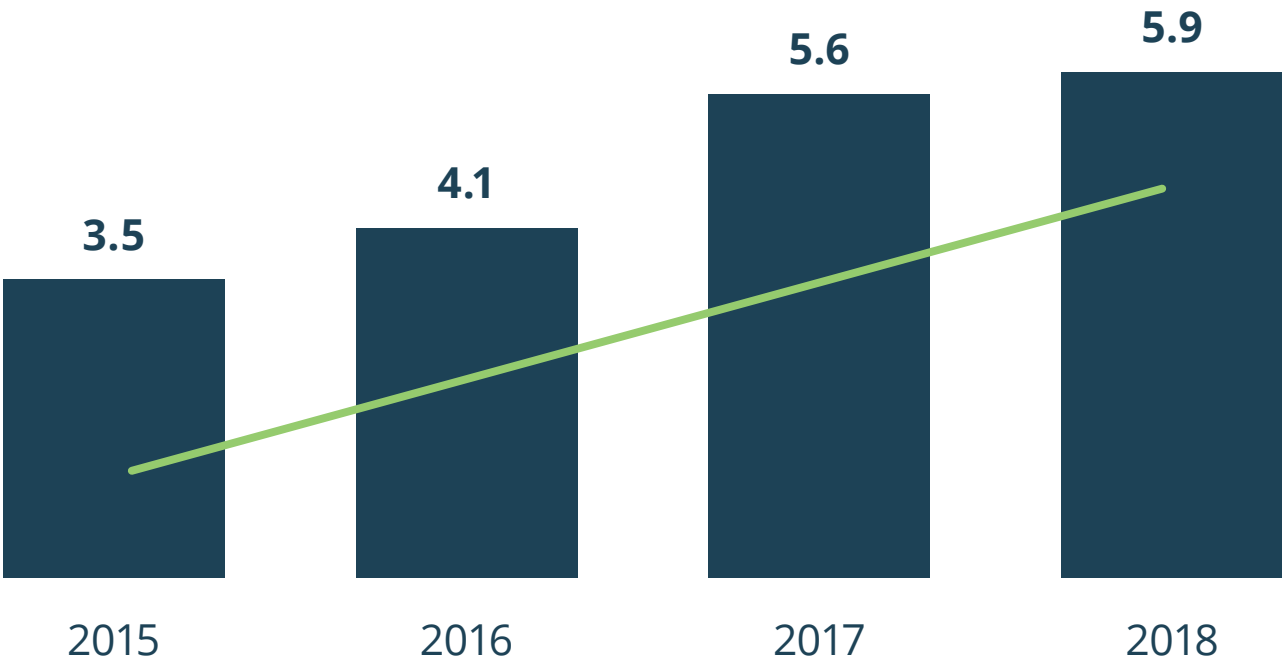
- » The portfolio weighted average capitalisation rate has reduced to 6.78%, down from 8.90% or a 212bps improvement.

PERFORMANCE SINCE IPO

Increased the resilience of the portfolio

- » WALE is now 5.9 years (up from 3.5 years)
- » A more balanced sector diversification profile
- » Now 68% / 32% office / industrial, from 95% / 5%.
- » Increased geographic diversification profile, now 56% / 44% Queensland / Victoria.

WALE (YEARS)



PORTFOLIO VALUE (BY SECTOR)



PORTFOLIO VALUE (BY LOCATION)



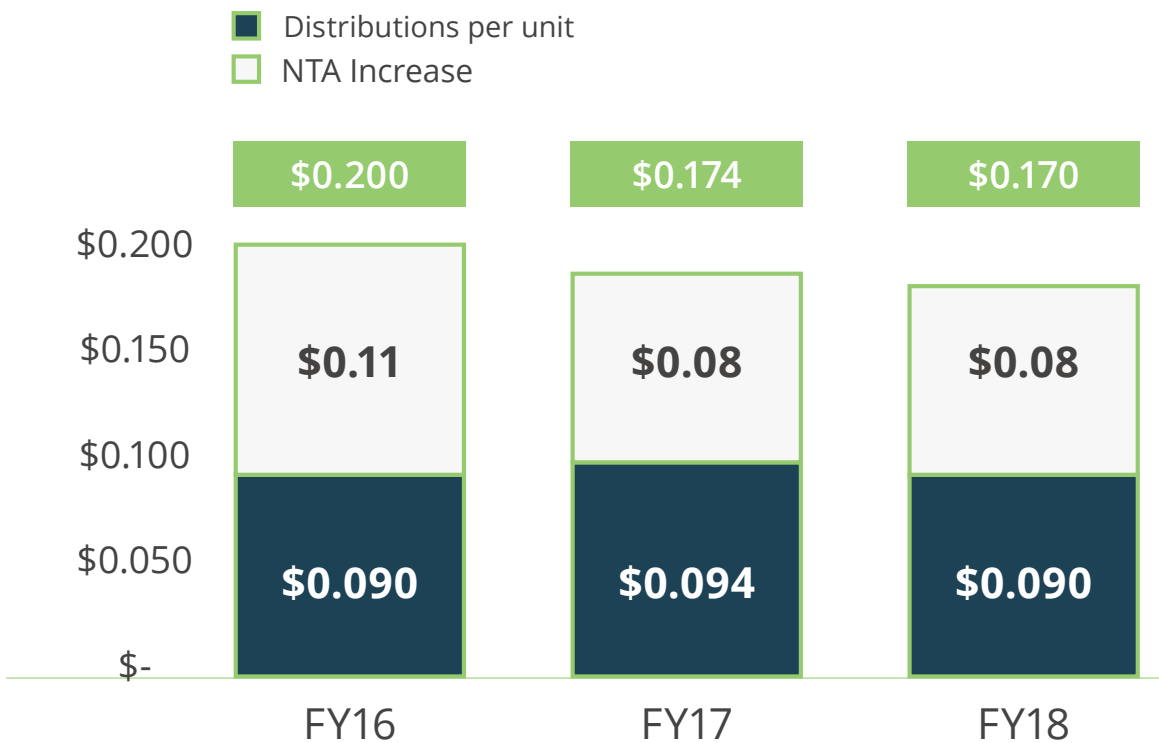
BALANCED RETURNS

- » The Fund has delivered balanced returns consisting of both tax-advantaged income and capital growth.
- » The Fund has outperformed the S&P/ASX 200 A-REIT index since IPO by 11.14%.
- » Mark capitalisation has increased from \$97 million at IPO to approximately \$200 million.

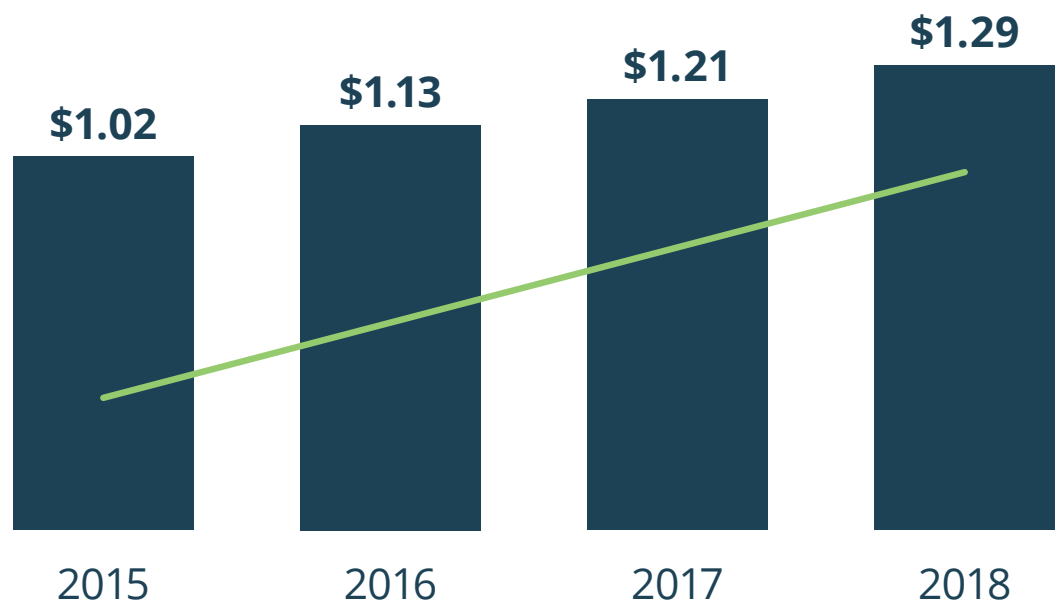


ASX performance data sourced from Miraql from 2 July 2015 to 13 November 2018.

GDF DISTRIBUTIONS AND NTA UPLIFT PER UNIT



NTA (\$ PER UNIT)

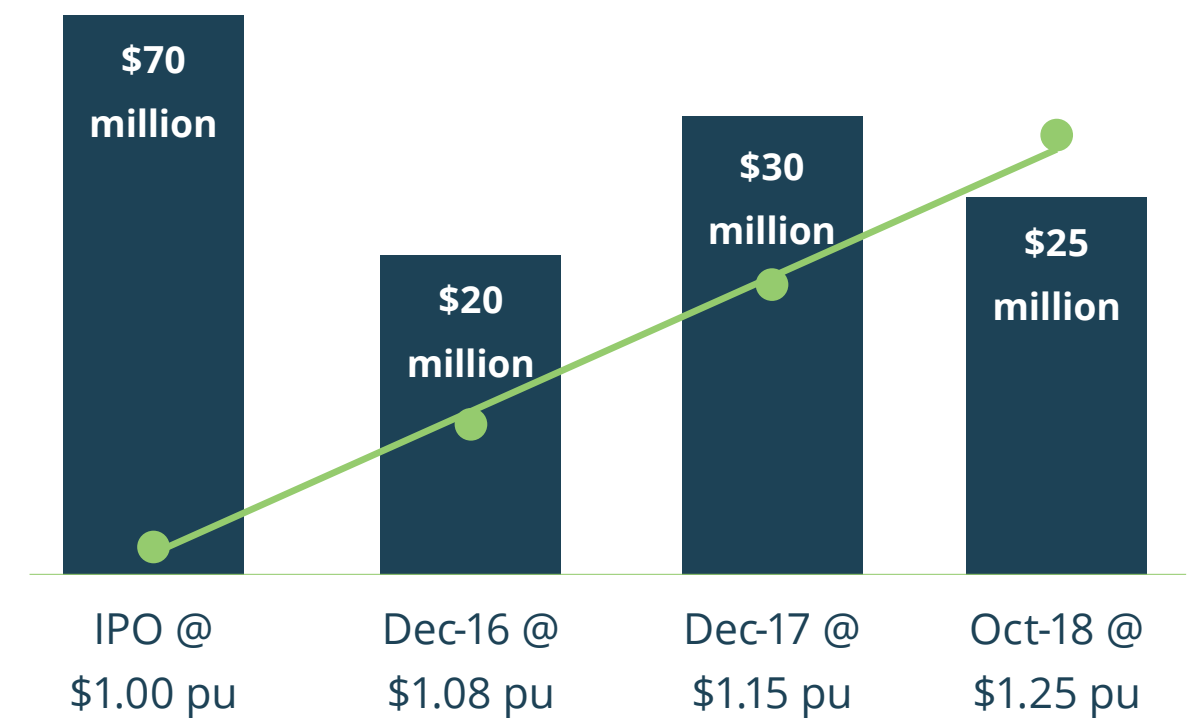


STRATEGY AND EXECUTION

» GARDA's strategy has been to:

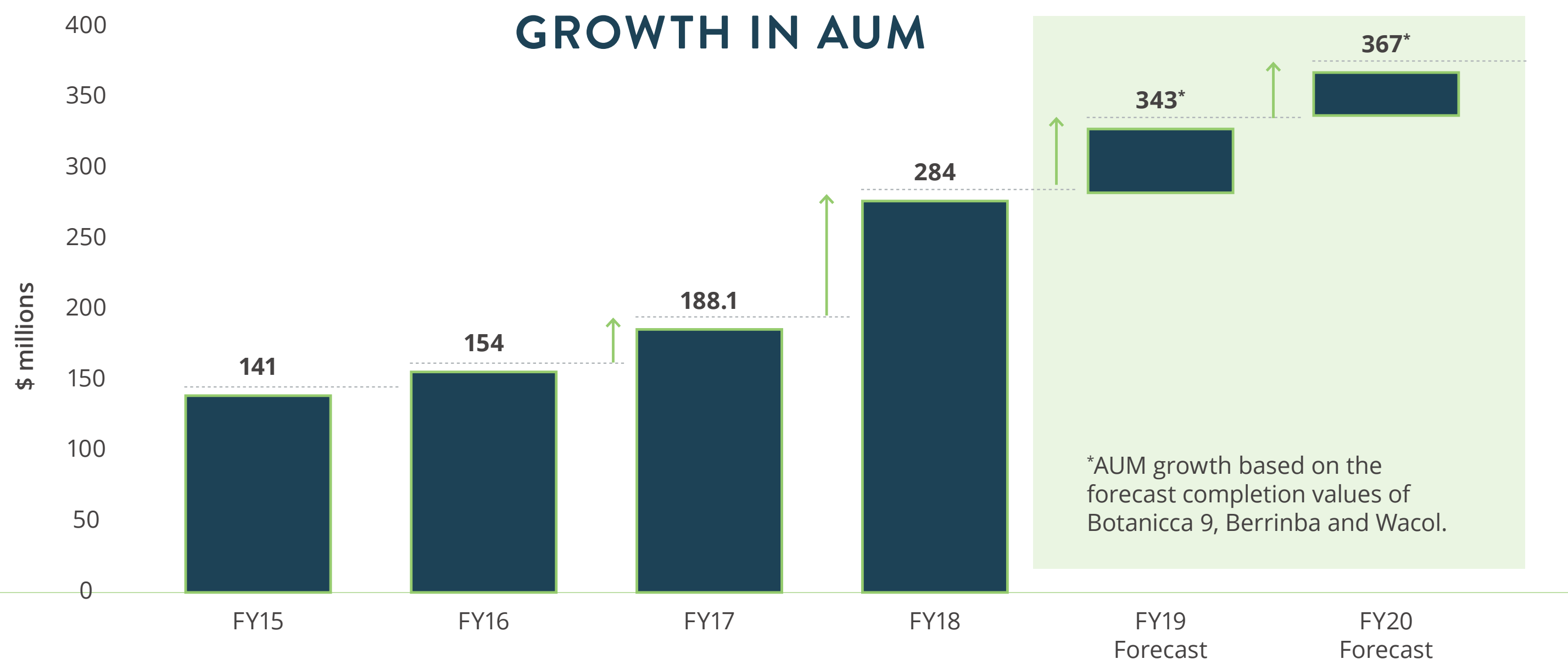
- Achieve the aforementioned improvements while maintaining a consistent and strong distributable yield;
- Acquire and divest assets in a nimble yet disciplined manner;
- Manage and grow GDF's balance sheet through prudent and timely capital raising events:
 - \$20 million placement November 2016 at \$1.08 per unit
 - \$30 million entitlement offer December 2017 at \$1.15 per unit
 - \$25 million placement October 2018 at \$1.25 per unit
- Broaden GDF's debt relationships.

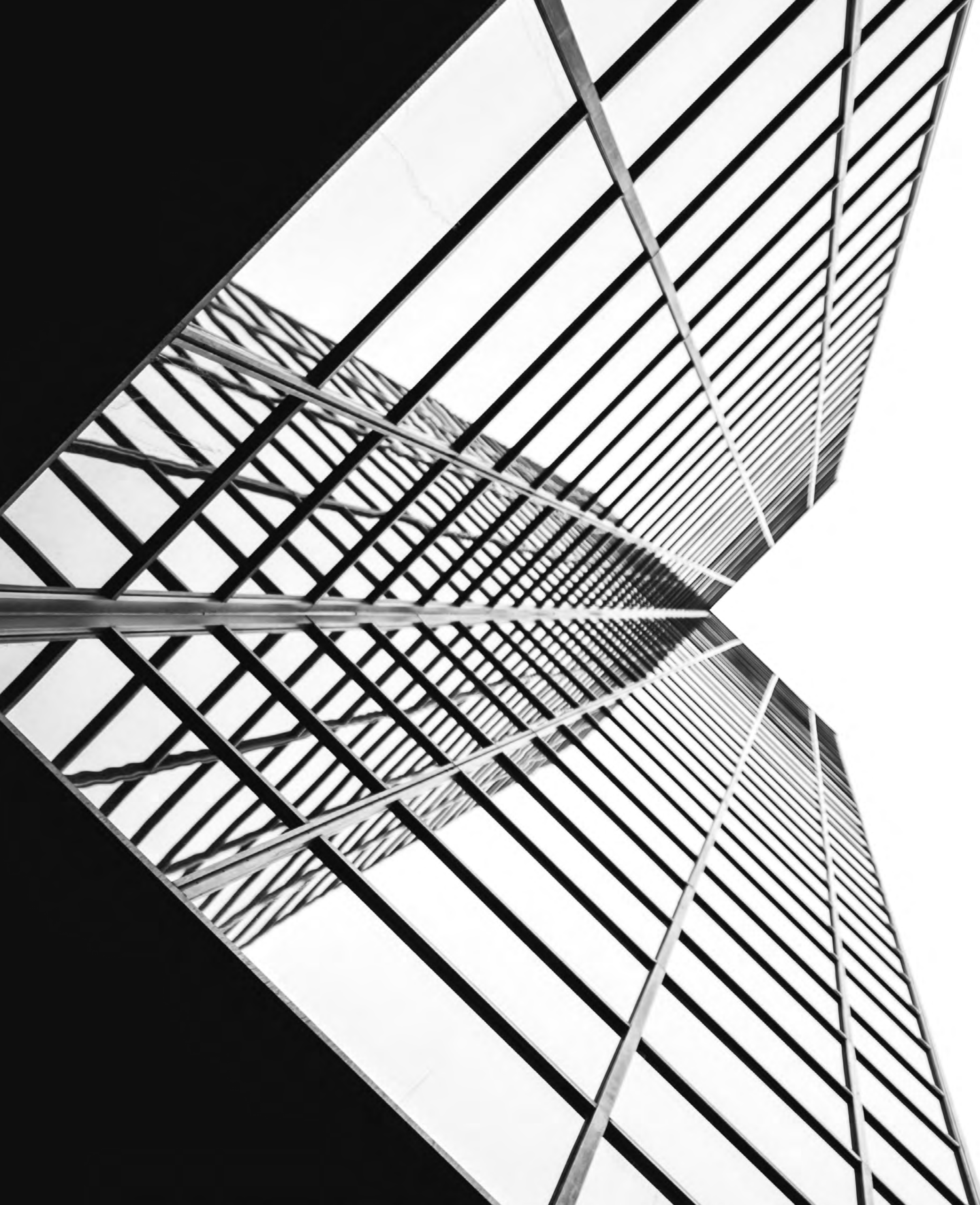
GDF EQUITY RAISING



EXECUTION

- » Over the past 18 months GDF has demonstrated a key competitive advantage amongst the smaller AREITS, in developing (to retain ownership over the long term) its own asset base, in all of its operating environments, through the following projects:
 - Botanicca 9 project – 7,150m² office building due for completion Q4FY19;
 - Berrinba project – approximate 6,000m² industrial building to commence 2HFY19; and
 - Progress Road Wacol project - approximate 20,000m² industrial complex to commence construction 1HFY20.
- » GARDA itself has continued to support GDF increasing its co-investment stake by \$14 million.





QUESTIONS?

BUSINESS OF THE MEETING



BUSINESS OF MEETING

1. FY18 Financial Statements and Report
2. Resolution 1 – Approval of participation of related party in the Placement (issue of 3,200,000 units to TCA)
3. Resolution 2 – Ratification and approval of previous allotment and issue of units through the Placement of 16,800,000 units
4. Resolution 3 - Approval of Additional 10% Placement Capacity

The Chairman intends to vote all undirected proxies in favour of the Resolutions

1. FY18 FINANCIAL STATEMENTS AND REPORT

To receive and consider the Annual Financial Report and Financial Statements, the Directors' Report and Auditor's Report for GARDA Diversified Property Fund for the financial year ended 30 June 2018.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$000'S	2017 \$000'S
Revenue	4	19,267	19,935
Property expenses	5	(4,898)	(5,219)
Trust level expenses	5	(2,737)	(2,004)
Finance costs	5	(1,555)	(2,453)
Net (loss)/gain on financial instrument held at fair value through profit and loss	5	(246)	499
Fair value movement in investment properties	7	14,330	9,517
Net loss on sale of investment properties		-	(154)
Profit for the year		24,161	20,121
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to:			
Owners of GARDA Diversified Property Fund		24,161	20,121
Basic and diluted profit per unit attributable to the unitholders of GARDA Diversified Property Fund			
Basic and diluted profit per unit (cents per unit)	19	18.8	19.3

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	NOTE	2018 \$000'S	2017 \$000'S
ASSETS			
Current assets			
Cash and cash equivalents	18	4,523	11,389
Trade and other receivables	6	2,154	1,155
Total current assets		6,677	12,544
Non-current assets			
Investment properties	7	283,932	188,100
Total non-current assets		283,932	188,100
Total assets		290,609	200,644
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,767	1,475
Distribution payable	11	3,115	2,640
Borrowings	9	18,307	42,600
Total current liabilities		24,189	46,715
Non-current liabilities			
Tenant security deposits		520	295
Borrowings	9	87,142	17,103
Derivative financial instrument	10	874	628
Total non-current liabilities		88,536	18,026
Total liabilities		112,725	64,741
Net assets		177,884	135,903
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			
Issued units	12	256,870	227,766
Accumulated losses		(78,986)	(91,863)
Total equity		177,884	135,903

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

2. RESOLUTION 1

APPROVAL OF PARTICIPATION OF RELATED PARTY IN THE PLACEMENT

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Unitholders approve the issue of 3,200,000 Units to The Trust Company (Australia) Limited, the custodian of GARDA Capital Trust, on the terms and conditions set out in the Explanatory Memorandum.”

Note: There are voting exclusions on this Resolution 1.

			Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
1	APPROVAL OF PARTICIPATION OF RELATED PARTY IN THE PLACEMENT	VOTES	40,735,466	533,986	162,934	41,432,386	26.69%
		HOLDERS	84	41	24		
		PERCENTAGE	98.32%	1.29%	0.39%		

Voting exclusions

The Responsible Entity will disregard any votes cast in favour of Resolution 1 by or on behalf of The Trust Company (Australia) Limited as custodian of the GARDA Capital Trust, or any of its associates.



3. RESOLUTION 2

RATIFICATION AND APPROVAL OF PREVIOUS ALLOTMENT AND ISSUE OF UNITS

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rules 7.4 and for all other purposes, Unitholders ratify and approve the issue of 16,800,000 Units on 12 October 2018, as set out in the Explanatory Memorandum.”

Note: There are voting exclusions on this Resolution 2.

			Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
2	RATIFICATION AND APPROVAL OF PREVIOUS ALLOTMENT AND ISSUE OF UNITS	VOTES	29,819,052	567,986	101,058	30,488,096	19.64%
		HOLDERS	80	41	22		
		PERCENTAGE	97.81%	1.86%	0.33%		

Voting exclusions

The Responsible Entity will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who participated in the issue, or any of their associates.

4. RESOLUTION 3

APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider and, if thought fit, pass the following as a special resolution:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Units up to an additional 10% of the issued Units in the Fund (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Note: There are voting exclusions on this Resolution 3.

			Lodged For	Lodged Open	Lodged Against	Total Votes	%IC
3	APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY	VOTES	53,624,067	539,730	6,241,518	60,405,315	38.91%
		HOLDERS	78	42	36		
		PERCENTAGE	88.77%	0.89%	10.33%		

Voting exclusions

The Responsible Entity will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely by reason of being a Unitholder, and any associate of such person.

However, the Responsible Entity need not disregard a vote on Resolution 1, Resolution 2 or Resolution 3 if:

- (a) it is cast by a person as a Proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as Proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the Proxy decides.



GARDA DIVERSIFIED
PROPERTY FUND
(ASX CODE: GDF)

