

ASX Announcement / Media Release
GARDA Diversified Property Fund (GDF)

10 January 2017

GDF Small Unitholding Sale Facility

GARDA Diversified Property Fund (ASX: GDF) announces that it has established a small unitholding sale facility (**Sale Facility**), open to unitholders who have 'small holdings' worth less than AU\$500 in value.

A copy of the letter sent today to eligible unitholders, with accompanying terms and conditions and unit retention form, is attached.

Lachlan Davidson, Company Secretary

For more information please contact:

Paul Brown

Manager, Investor Relations

GARDA Capital Limited

Phone: 07 3002 5362

paul.brown@gardacapital.com.au

About GARDA Diversified Property Fund (ARSN 104 391 273)

GDF is an ASX listed real estate investment trust (REIT) which invests in commercial offices in city and suburban markets as well as industrial facilities along the eastern seaboard of Australia.

GDF currently holds eight established property assets independently valued at \$183 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 an 8.9% 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.

10 January 2017

Dear Unitholder,

RE: GARDA DIVERSIFIED PROPERTY FUND SMALL UNITHOLDING SALE FACILITY

Following the successful listing of GARDA Diversified Property Fund (**Fund** or **GDF**) on the ASX in June 2015 (ASX code: GDF), GARDA Capital Limited (**GARDA**) as responsible entity of the Fund is providing eligible unitholders in the Fund the opportunity to sell their small holdings of GDF units with no transaction or brokerage costs.

A number of investors have contacted GARDA since listing to request a cost-effective means to sell their small holding of GDF units.

The small unitholding sale facility (**Sale Facility**) is designed to reduce the Fund's ongoing administrative costs associated with managing small holdings whilst providing unitholders with a convenient way to sell their small holding in GDF without brokerage or transaction costs. Furthermore, unitholders may also be able to crystallise any tax losses which may be applicable to their investment.

The Sale Facility is open to unitholders who held 471 or fewer units in the Fund (market value of less than AU\$500.00) as at 6.00pm AEST on 6 January 2017 (**Record Date**). GARDA is writing to you because our records indicate you held 471 or less units at the Record Date, and you are eligible to participate in the Sale Facility.

If you participate in the Sale Facility, your units will be sold under the Sale Facility as described in the attached terms and conditions, and the proceeds relating to your holding will be sent to you by direct deposit to your nominated financial institution, or mailed to you as a cheque if you have not provided EFT details. We encourage you to ensure that your bank account details have been provided to the Fund's registry, Link Market Services, to enable a prompt payment.

Accompanying this correspondence is a 'Unit Retention Form' and the terms and conditions of the Sale Facility. These documents contain important information about your GDF units and you are encouraged to read them thoroughly.

What do you need to do?

If you want to sell your GDF units	you do not need to do anything. Your units will automatically be sold if you do nothing.
If you want to keep your GDF units	you must return the enclosed Unit Retention Form to GARDA so it is received by 5.00pm AEST on 22 February 2017. <i>If you do not notify us that you want to keep your units, they will be sold automatically.</i>
If you acquire additional GDF units	on-market before market close on 22 February 2017, so that you do then hold a marketable parcel (i.e. you hold over AU\$500 of GDF units), GARDA is not able to sell your units for you under the Sale Facility.

Additional information:

How are my units sold? If you participate in the Sale Facility, your units will be transferred to the broker appointed by GARDA to sell all units under the Sale Facility, Morgans Financial Limited (**Morgans**) after 24 February 2017. Your units will then be pooled together with other units being sold through the Sale Facility, and Morgans will sell all these units (including yours) on-market as soon as possible.


What price will I receive for my GDF units? The sale price of each of your GDF units will be the volume weighted average price of every unit sold on the ASX under the Sale Facility (**Sale Price**). All unitholders participating in the Sale Facility will receive the same Sale Price per unit, and the payment for your holding will be the Sale Price multiplied by your number of units. GDF will pay all transaction costs associated with the sale, including brokerage, and any applicable GST. You should be paid on or around 27 March 2017, following the close of the Sale Facility, and GARDA will then send you a payment advice notice confirming the final amounts.

Important Information

If you are in any doubt as to what action you should take, or if you require information regarding possible taxation implications from participating in the Sale Facility, please consult your legal, financial or taxation adviser.

If you have any further questions regarding this letter or the accompanying documents, please contact GARDA's Investor Relations Manager, Paul Brown, on 07 3002 5362 to discuss.

Yours faithfully

**Matthew Madsen**

Managing Director

GARDA Capital Limited

ACN 095 039 366

AFSL 246714

As responsible entity of the GARDA Diversified Property Fund

ARSN 104 391 273

**GARDA DIVERSIFIED PROPERTY FUND
ARSN 104 391 273
SMALL UNITHOLDING SALE FACILITY
TERMS AND CONDITIONS**

1. What is the GDF small unitholding sale facility (Sale Facility)?

GARDA Capital Limited (AFSL 246714) (**GARDA**) as responsible entity of the GARDA Diversified Property Fund ARSN 104 391 273 (**GDF**) is conducting a small holding sale facility in accordance with clause 37 of the GDF Constitution (**Sale Facility**) to provide eligible unitholders with a cost-effective opportunity to have their small unitholdings sold without brokerage or other transaction costs. You should read these terms and conditions, together with the accompanying letter and the 'Unit Retention Form' carefully.

The Sale Facility is open until 5.00pm (AEST) on Wednesday 22 February 2017 (the **Closing Date**).

If you want to keep your GDF units you must return the enclosed Unit Retention Form to the registry so it is received by 5.00pm (AEST) on Wednesday 22 February 2017. Alternatively, you may acquire additional GDF units on-market before market close on Wednesday 22 February 2017, so that you hold a 'marketable parcel' by the Closing Date.

If you want to sell your units under the Sale Facility and GARDA to remit the sale proceeds to you, you do not need to do anything.

2. Which unitholders are eligible?

If you held less than a 'marketable parcel' of GDF units (as defined in section 3 below) as at 6.00pm (AEST) on Friday 6 January 2017 (the **Record Date**) you are an '**Eligible Unitholder**'. Only Eligible Unitholders will be sent the Sale Facility documentation from GARDA advising them of their eligibility to participate in the Sale Facility.

3. What is a less than marketable parcel of units?

The Australian Securities Exchange (**ASX**) considers that you have a less than marketable parcel if you hold less than AU\$500 of GDF units.

Based on the closing price of GDF units on the Record Date, which was \$1.06, you have a less than marketable parcel if you hold 471 GDF units or less.

If you acquire additional GDF units on-market before market close on Wednesday 22 February 2017, so that

your unitholding on the register is worth \$500 or greater by the Closing Date, you will then hold a marketable parcel and GARDA cannot sell your units for you under the Sale Facility.

If you are not an Eligible Unitholder because you hold a marketable parcel on the Record Date, you cannot participate in the Sale Facility even if that holding does later become less than a marketable parcel.

4. Should I participate?

GARDA makes no recommendation as to whether you should sell your units under the Sale Facility.

If you participate in the Sale Facility, GDF will pay the brokerage and transaction fees for the sale of your units.

The Sale Facility does not take into account individual investment objectives, financial situation or particular needs of each Eligible Unitholder. You should seek independent legal and financial advice (including tax advice) specific to your circumstances when determining whether to participate in the Sale Facility.

This Sale Facility is not the only way to sell your small holding of GDF units. You can also sell your units through ASX by contacting your broker although brokerage and transaction costs are likely.

5. Why is the Sale Facility being offered?

The Sale Facility is allowed under the ASX Listing Rules and the Constitution of GDF, and is being offered to assist unitholders with less than a marketable parcel to exit their investment with minimum cost.

Further, as GDF incurs administrative fees for maintaining unitholder accounts and distributing unitholder communications, irrespective of the number of units held by any unitholder, the Sale Facility will assist GDF to reduce its administrative costs.

6. What should I do if I want to participate in the Sale Facility?

If you are an Eligible Unitholder and you want GARDA to sell your unitholding on your behalf under the Sale Facility, you do not need to do anything.

Please note if you acquire additional units on-market, or if the value of your units increase, before the Closing Date so that you hold at least a marketable parcel, your units will not be sold under the Sale Facility.

7. What should I do if I want to keep my GDF units?

You must return the enclosed Unit Retention Form to the GDF registry so it is received by 5.00pm (AEST) on the Closing Date.

OR

You must purchase additional GDF units on-market before market close on Wednesday 22 February 2017, so that your unitholding on the register is worth AU\$500 or greater by the Closing Date.

OR

If you hold more than AU\$500 worth of GDF units but your holding is split between two or more GDF unitholding accounts which are individually below AU\$500 each, you must combine your holding into one account before 5.00pm (AEST) on Wednesday 22 February 2017. You should contact Link Market Services on how to do this.

If you take one of these steps before the relevant time GARDA will not sell your units and you will remain a GDF unitholder. If you do not take one of these steps before the relevant time, GARDA will sell your units under the Sale Facility.

8. Can I sell some but not all of my units in the Sale Facility?

No. You cannot sell part of your unitholding through the Sale Facility.

9. How will my units be sold?

GARDA has appointed Morgans Financial Limited (**Morgans**) as its execution-only broker (**Broker**) to sell all of the units of participating Eligible Unitholders together through the Sale Facility, on-market on the ASX.

10. When will my units be sold?

Units sold via the Sale Facility will be sold by Morgans after the Closing Date on the ASX in the ordinary course of trading. The timing for the sale of units through the Sale Facility will be determined by Morgans in its discretion. The sale of all units is expected to be completed by no later than 20 March 2017.

By participating in this Sale Facility you agree and acknowledge that the Broker acts solely as agent for GARDA and does not act in any capacity for individual unitholders.

You cannot direct GARDA or Morgans to sell your units on a particular day, at a particular time or for a particular price.

11. What price will I receive for my units?

The sale price attributed to you for each of your units will be the volume weighted average price (**VWAP**) per unit sold by Morgans under the Sale Facility (**Sale Price**). The Sale Price will be in Australian dollars.

The Sale Price will be determined by Morgans by dividing the total sale proceeds of all units sold by them under the Sale Facility by the total number of units sold. As the Sale Price is an average, it may be more or less than the actual price at which your individual units are sold. Interest will not be payable on your sale proceeds.

GARDA will verify the accuracy of the Sale Price calculation, based on data provided by Morgans.

All unitholders participating in the Sale Facility will receive the same Sale Price per unit. Each unitholder's sale proceeds will be calculated by multiplying the number of units held by the unitholder which are sold through the Sale Facility, by the Sale Price. Any fractional amount will be rounded up to the nearest cent (**Sale Proceeds**).

There will not be any brokerage or transaction fees included in your Sale Proceeds. GDF will cover those costs.

The trading price of GDF units on the ASX is subject to change and depends on a number of factors at any given time, including prevailing market conditions which may be unrelated to GDF itself. The Sale Price may be different from the price for GDF units appearing in the newspaper or quoted by ASX on any day during which a sale occurs, and may not be the best execution price on any given trading day. The Sale Price may be less than the price at which you acquired your GDF units.

Neither GARDA nor Morgans makes any representations regarding the Sale Price or your Sale Proceeds. Neither GARDA nor Morgans nor any other person will on any account be liable for, and an Eligible Unitholder may not bring, any claim or action against any of them, for not having sold GDF units at any specific price or on any specific date.

You can obtain information on the GDF unit price through the ASX website: www.asx.com.au by looking up the GARDA Diversified Property Fund code, which is 'GDF'.

12. What if I hold my units through a broker holding?

If you have a CHESS/broker sponsored holding, you can still participate in the Sale Facility.

13. When will I receive my Sale Proceeds?

You will receive your Sale Proceeds and payment advice notice as soon as practicable following the Closing Date and the subsequent on-market sale of all participating units by Morgans. Payment is expected to be on or about 27 March 2017.

Sale Proceeds will be paid to you in Australian dollars in accordance with the payment instructions held by the registry, either by direct credit to your nominated account or by cheque. Cheques will be mailed to the registered address as shown on the GDF register. Payment of Sale Proceeds is at your own risk.

14. Will I pay tax on the Sale Proceeds?

Tax may be payable on any gains you make on the sale of your units. You may also have a loss if the Sale Price is less than what you paid for your units. This will depend on your personal taxation circumstances. Please consult your own tax or financial adviser if you have questions about your personal taxation circumstances.

15. What will I be sent as confirmation that my units have been sold?

GARDA will send you a payment advice notice setting out the number of GDF units sold through the Sale Facility, the Sale Price and the amount of your sale proceeds. GARDA expects to send these documents to you on or about 27 March 2017. You will need to keep these documents for your taxation records.

16. Can I withdraw my Unit Retention Form?

Yes. To withdraw your Unit Retention Form you must provide written notice to the GDF unit registry at:

GARDA Diversified Property Fund
C/O - Link Market Services Pty Ltd
Locked Bag A14
Sydney South NSW 1235.

so it is received no later than 5.00pm (AEST) on the Closing Date.

If you do withdraw your Unit Retention Form, your units will be sold through the Sale Facility and you will no longer be a GDF unitholder.

17. Suspension, termination, re-scheduling of, or changes to, the Sale Facility

GARDA reserves the right to:

- (a) suspend or terminate the Sale Facility at any time and, for any reason;
- (b) change the terms and conditions of the Sale Facility at any time; and
- (c) change any of the dates referred to in this letter,

by giving notice to ASX and on the GDF website at www.gardacapital.com.au, but no such change will apply to any sale of units already completed through the Sale Facility.

Each Eligible Unitholder is bound by any such suspension, termination or change whether or not they receive personal notice of the suspension, termination or change.

18. What if GDF becomes the subject of a takeover offer?

If a takeover bid for GDF is announced after the Sale Facility opens, no sales (or no further sales) will be made until after the close of offers made under the takeover bid.

19. No financial advice and no recommendation

GARDA and Morgans are not giving, and are not obliged to give, any advice to you. These terms and conditions and the attached letter do not constitute advice or a recommendation to sell or retain your units, nor a representation that participating in the Sale Facility is the best way for you to sell your units.



GARDA Capital Limited
(ABN 53 095 039 366) (AFSL 246714)
as the responsible entity of the
GARDA Diversified Property Fund (ARSN 104 391 273)

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 1300 554 474
Facsimile: +61 2 9287 0303
ASX Code: GDF
Website: www.linkmarketservices.com.au

SRN/HIN:

**Number of Units held as at
the Record Date, 6:00pm (AEST)
on 6 January 2017:**

IMPORTANT NOTICE

Please return this slip if you do not wish your Units in GARDA Diversified Property Fund to be sold. If you do not understand this notice you should immediately consult your financial adviser.

UNIT RETENTION FORM

If you wish to retain your Unit holding in GARDA Diversified Property Fund ("GDF") you must detach this slip and return it to GDF's Registry, so that it is received no later than 5.00pm (AEST), on 22 February 2017. Slips may be mailed or delivered to the addresses below.

Mailing Address

GARDA Diversified Property Fund
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

or

Hand Delivery

GARDA Diversified Property Fund
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

(Do not use this address for mailing purposes)

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5.00PM (AEST) ON THE 22 FEBRUARY 2017**

If you require further information regarding this form, please contact the GARDA Diversified Property Fund on 07 3002 5362 .

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE UNIT HOLDER AND HOLDING RECORDED ABOVE.

Please detach

SRN/HIN:



GARDA Capital Limited
(ABN 53 095 039 366) (AFSL 246714)
as the responsible entity of the
GARDA Diversified Property Fund (ARSN 104 391 273)



RETENTION SLIP

I/We the Unit holder(s) described above by returning this retention slip, hereby give notice that I/we wish to retain my/our Unit holding in GDF, pursuant to Clause 37 of the GARDA Diversified Property Fund's Constitution.



DO NOT SELL MY UNITS

CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name