

26 August 2010

Dear Investor

RE: Multiplex Property Income Fund (Fund) – Investor Update for year ended 30 June 2010

The Directors of Brookfield Multiplex Capital Management Limited (BMCML), provide the following update to investors for the year ended 30 June 2010.

Key financial results for the period are:

- distributions of 3.14 cents per unit;
- net loss of \$6.2 million;
- portfolio value of \$40 million; and
- NTA for Income Unitholders of \$0.74;

Investment Portfolio Update

The value of the Fund's underlying investment portfolio has reduced by 13% from the 30 June 2009 balance of \$45.2 million to \$39.5 million at 30 June 2010. However, with values stabilising in the wider property market, the rate of decline in the second half of the financial year has decreased from 8% in the six months to 31 December 2009 to 5% in the six months to 30 June 2010.

The total assets of the Fund, is now reflected in an NTA of \$0.74 per Income unit. Ordinary units in the Fund held by Multiplex Acumen Property Fund have an NTA of nil.

As at 30 June 2010, the Fund's portfolio consisted of 36 investments with 5.2% (by value) of the investments held in listed securities with the balance in unlisted securities.

During the period the Fund received proceeds of \$1 million upon the wind up of Northgate Property Trust and participated in a redemption process offered by the Multiplex New Zealand Property Fund. The Fund participated in the Rights Offering by the RP Trust by taking up a pro-rata share of 330,000 units in the Pelorus Telstra House Trust and took up its full entitlement for its four for seven non-renounceable units in the Challenger Diversified Property Group, equating to 176,000 units.

Distributions

The Fund paid a full year distribution of 3.14 cents per unit equating to an annualised yield of 3.14% on an issue price of \$1. The distributions trend in the latter half of the financial year show distributions of 2.44 cents per unit which contributes circa 70% of the full year distribution.

As at 30 June 2010, the Fund did not meet the targeted monthly priority distribution payment to Income Unitholders, which is calculated on a 12 month rolling basis with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum). Therefore, Multiplex Acumen Property Fund as the holder of the Ordinary Units in the Fund, is prevented from making a distribution payment to its unitholders.

BMCML will continue to provide monthly updates through our website to investors regarding earnings of the Fund as well as timing and quantum of distributions.

Future Direction and Redemption Policy

BMCML is committed to preserving the capital value of the Fund and will continue to pursue the Fund's investment policies in accordance with the Product Disclosure Statement.

As previously communicated, redemptions will remain suspended and further consideration will be given to reopening redemptions when the value of the underlying investment portfolio increases to \$1.00 per Income Unit. As this may take some time, BMCML continues to review the strategy for the Fund and, in particular the Fund's relationship with the holder of the Ordinary Units in the Fund, Multiplex Acumen Property Fund. Any proposals arising from this review will be communicated to all investors.

Key Financials Update

	As at 30 June 2010	As at 30 June 2009	Twelve month movement
Total Asset (\$'000)	39,527	45,205	13% decrease
Total Liabilities (\$'000)	281	14	1,907% decrease
Net Assets (\$'000)	39,245	45,191	13% decrease
Number of Income Units ('000)	52,791	52,791	No Change
Number of Ordinary Units ('000)	30,076	30,076	No Change
NTA Income Unit (\$)	0.74	0.86	14% decrease
NTA Ordinary Units	nil	nil	n/a

Yours sincerely



Sue Ly
Fund Manager
Multiplex Property Income Fund