Brookfield

Brookfield Capital Management Limited
ABN 32 094 936 866
Level 22, 135 King Street
Sydney NSW 2000

Multiplex Property Income Fund
ARSN 117 674 049

GPO Box 172
Sydney NSW 2001

Tel +61 2 9322 2000
Fax +61 2 9322 2001
www.au.brookfield.com

11 May 2012

Dear Investor

Investor Update - Multiplex Property Income Fund (Fund)

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides the following update to investors for the March 2012 quarter.

Net Tangible Asset (NTA)

The Fund's unaudited NTA was 72 cents per income unit and nil per ordinary unit as at 31 March 2012. This is an increase of approximately three cents per unit on the 31 December 2011 NTA of 69 cents per unit. The cash balance as at 31 March was $4.9 million which is an increase of $0.4 million on the 31 December 2011 balance.

The increase in NTA is largely due to an increase in value of APN Champion Retail Fund's NTA. Since publishing the Fund's 31 December 2011 audited financials, APN Champion determined the NTA for 31 December 2011 to be 34 cents per unit.

AREIT Portfolio

During the quarter ended 31 March 2012, the Fund sold all its investment in Australand Property Group (ALZ) and realised cash proceeds of approximately $157,000. A loss of approximately $16,000 occurred from the disposal. There were no further acquisitions or disposals during the period.

The Fund currently holds ten A-REIT investments. The A-REIT portfolio is currently valued at $4.2 million which is in line with the 31 December 2011 carrying values.

Unlisted Portfolio

There were no redemptions offered during the March 2012 quarter by the underlying unlisted investments. The unlisted portfolio is currently valued at $28.6 million which is slightly above the valuation at 31 December 2011 as a result of the revaluation of APN Champion investment.

Underlying Investments

Major underlying updates during the March 2012 quarter include:

- **MCS 21 Centro Roselands.** Discussions with Centro indicate that the sale of Centro Roselands and wind up of the syndicate will likely take place during the 2013 financial year, rather than the 2012 financial year.

- **Arena Childcare Property Fund (previously Orchard).** On 30 December 2011, Morgan Stanley Real Estate Investing acquired the Orchard funds management business and the fund was renamed Arena Childcare Property Fund (Arena).

  Arena also announced in April that it has settled the sale of its New Zealand property portfolio consisting of 25 childcare centre properties for a net profit of $1.0 million. Net sale proceeds were used to retire debt and restructure existing interest rate swaps. The fund's LVR has reduced from 48% to 46%.

Brookfield

- **Australian Unity Diversified Property Fund.** In March 2012, Australian Unity sold a 50% interest in their Canning Vale property for $61.5 million (book value on 100% interest of $118 million). The fund is continuing to pursue the sale of its remaining 50% interest, which has been valued by the responsible entity at $63.5 million. The higher valuation incorporates a forthcoming property rental increase.

  Sale of the remaining 50% interest would enable the fund to make a limited withdrawal offer during 2012. The fund made two limited withdrawal offers in 2010 and 2011.

- **MAB Diversified Property Fund** is currently in wind up, however we have been advised in February 2012 that the divestment program has been deferred for approximately two to three years to allow time for property markets to stabilise and recover. MAB has experienced difficulty during its divestment program and is seeking to achieve a return of capital to investors in excess of the fund's December 2011 NTA of $0.64 per unit.

  MAB intends to complete the sales of its two New Zealand assets (currently subject to conditional sale contracts) and in the meantime will implement asset improvement strategies on the six remaining assets in an effort to enhance unitholder value. The fund will continue to pay an income distribution of three cents per unit per annum (yield of 4.7%).

Distribution Policy and the effect of the Distribution Stopper

Future distributions are dependent on the performance of the Fund's investment portfolio.

Despite improvement in distribution income the Fund did not meet the targeted monthly priority distribution payment (PDP) to Income Unitholders. This 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). The PDP shortfall is calculated to be $2.4 million as at 31 March 2012.

BCML will continue to keep investors updated on the ongoing assessment of opportunities and progress of the Fund.

Yours sincerely

Sue Ly
Fund Manager

Phone: 1800 570 000
Email: clientenquiries@au.brookfield.com