Brookfield

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Multiplex Property Income Fund
ARSN 117 674 049

1 December 2010

Dear Investor

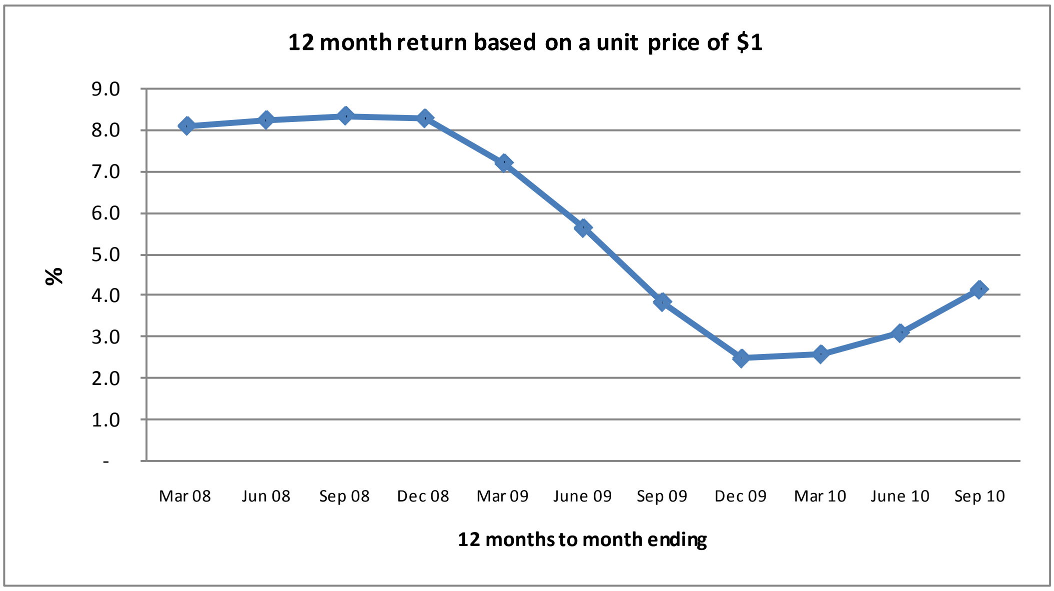
Multiplex Property Income Fund (Fund) – Investor Update

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

Distribution Policy

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

The graph below shows the 12 month return (to the relevant month end) since inception for the Fund based on a unit price of $1 per unit. The 12 month return to September 2010 was 4.2%. The gradual improvement in income return since December 2009 reflects a number of unlisted funds reinstating distributions.



Distribution Stopper

Brookfield Australian Opportunities Fund (BAO) owns 100% of ordinary units of the Fund. Income unitholders in the Fund have a targeted monthly priority distribution payment (PDP) of 7.5% to 8.5% per annum. As the Fund is currently distributing less than the PDP, BAO continues to be prevented from making distributions to its unitholders unless the shortfall has been met. The distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months has been paid to income unitholders.

Portfolio Update

Please note that the following updates are based on latest information available as at 1 December 2010. The underlying investment funds each have their own individual reporting timetable and not all funds report on a quarterly basis.

Unlisted Investments

NTA

At 30 June 2010, the NTA per ordinary unit was nil and the NTA per income unit was $0.74. There were no acquisitions or disposals of unlisted investments during the September 2010 quarter. Audited net tangible asset values as at 30 June 2010 are now available for all the unlisted funds. Overall the value of the unlisted investment portfolio remained fairly consistent between 30 September 2010 and 30 June 2010 with a slight increase in portfolio investment values of 1% or $0.3 million.

Distribution Income

Currently 16 of the 25 unlisted funds are paying distributions.

Orchard's Childcare Property Fund recommenced distribution payments during the September 2010 quarter after a successful assignment of former ABC Childcare Centre leases to Goodstart Childcare Ltd. The fund paid a special distribution of 2.65 cpu for FY10 and declared a recommencement of quarterly distributions from the September 2010 quarter of 4.0 cpu annualised or a 4.6% yield. This will contribute $80,000 pa to the Fund's annual distribution income.

APN National Storage Fund has not recommenced quarterly distributions, however post completion of refinancing of their senior and mezzanine debt have declared a distribution of 0.35354 cpu for FY10 and payment of a promissory note of 0.70258 cpu that was made to unitholders in FY09. Total payment will be circa $12,000 to the Fund.

Stockland Direct Office Trust 3 (SDOT3) suspended distributions from the June 2010 quarter given their requirements to maintain the loan to value ratio (currently 64.8% against a covenant of 65%), manage lease expiry risk and the funding of future capital expenditure. The fund's managers are reviewing the fund's strategy to ensure that the covenant can continue to be met given that shortening weighted average lease expiries will impact valuations. Stockland Trust Management Ltd has provided SDOT3 with a loan facility offer valid to August 2011. In light of this, the fund's financier has agreed to waive a breach in the loan to value ratio up to 80% for this period.

The suspension of SDOT3's distributions will not have a material impact on the Fund's future distributable income as the fund was only contributing approximately $32,000 of annual income or about 1% of the total income distributed by the Fund in the 12 months to 30 September 2010.

Return of Capital

During November 2010, the Fund participated in Multiplex New Zealand Property Fund's 2010 Liquidity Facility Offer and received $49,591 from the redemption of 76,294 units.

Two funds are currently in wind up. These are:

- Gordon Property Fund – a formal sales campaign for the retail asset concluded in April 2010 with a number of offers, but at below book value. The fund will continue to seek an acceptable sale value, but in the interim will continue to operate and pay distributions.

- MAB Diversified Property Fund – a unitholder meeting was held in September 2010, with the fund seeking an extension of the term of the fund for a further 3 year period. Unitholders did not approve this recommendation and an orderly wind up of the fund is proceeding with a forecast completion date of March 2012.

Orchard's The Essential Healthcare Trust has entered into a conditional sale agreement with Vital Healthcare Property Trust to sell the investment properties owned by the fund for $160 million plus reimbursement for all approved capital expenditure actually paid by the fund from 1 July 2010 to completion. A unitholder meeting held on the 25 November 2010 approved this transaction. The Fund should receive a return of capital of approximately $1.2 million.

Other major investments

- Investa Diversified Office Fund (IDOF) - Whilst IDOF's portfolio is almost fully occupied (96% as at 30 September 2010) distributions are suspended to preserve capital for future expenses and contingencies as IDOF's gearing ratio is too high. At 30 September 2010, the gearing ratio was 55.5% compared to the targeted gearing ratio of between 40% and 45%. As a result, reducing the level of borrowings is important. The main strategy to reduce borrowings is to sell assets and use the net sale proceeds to reduce borrowings. The manager is assessing the sale of various IDOF assets.

- Multiplex New Zealand Property Fund (MNZPF) - MNZPF's primary objective in the short to medium term is to address the requirement to further reduce gearing levels, taking into account the possibility of further valuation decrements and the need to maintain sufficient levels of cash to meet its financial commitments. The terms of the debt facility prohibit payment of distributions unless there is financier consent. As a result, it is unlikely distributions will be paid during the remainder of 2010. MNZPF is due to be reviewed by investors on 1 September 2011. At that time, investors will be given the opportunity to withdraw from MNZPF. Alternatively, the period may be extended by up to 12 months if this is considered by the responsible entity to be in the best interests of investors in MNZPF.

AREIT Portfolio

There were no acquisitions or disposals of listed investments during the September 2010 quarter. During the September 2010 quarter the AREIT portfolio increased in value by 2.6% or $48,000.

Summary of Investment Portfolio

A summary of the Fund's listed and unlisted investment portfolio as at 30 September 2010 and distribution yield per investment is detailed below:

Unlisted Property Funds	**Carrying Value $'m**	**Distribution Yield**
APN Champion Fund	5.6	8.5%
APN National Storage Property Trust	1.1	n/a
APN Regional Property Trust	0.5	4.2%
APN UKA Poland Retail Fund	0.0	n/a
APN UKA Vienna Retail Fund	0.0	n/a
Australian Unity Diversified Property Fund	0.8	6.9%
BGP Holdings Beneficial Interest Share	0.0	n/a
Charter Hall Diversified Property Fund	3.2	5.9%
Charter Hall Umbrella Fund	3.1	5.9%
Gordon Property Investment Trust	0.3	5.3%

Investa Diversified Office Fund	2.5	n/a
Investa Fifth Commercial Trust	2.7	5.0%
MAB Diversified Property Fund	1.8	4.7%
MCS 21 - Centro Roseland Holding Trust	1.0	0.9%
MCS 22 - Centro Kidman Park Investment Trust	1.1	15.2%
MCS 28 Investment Trust	0.7	2.6%
PFA Diversified Property Trust	2.5	7.3%
Multiplex New Zealand Property Fund	0.8	n/a
Pengana Credo European Property Trust	0.0	n/a
Pelorus Telstra House Trust	0.3	10.3%
RP Trust / Pelorus	1.7	n/a
Rimcorp Property Trust No. 3	0.5	10.3%
Stockland Direct Office Trust 3	0.5	n/a
The Childcare Property Fund	1.7	4.6%
The Essential Health Care Trust	1.3	8.6%
Total / Weighted Average	**33.8**	**5.4%**

Listed Property Funds	**Carrying Value $'m**	**Distribution Yield (%)**
Abacus Property Group	0.2	7.2
Aspen Property Group	0.2	9.2
Challenger Diversified Property Group	0.2	7.8
Cromwell Group	0.2	9.8
Charter Hall Office REIT (previously MOF)	0.2	6.7
GPT Group	0.2	5.6
Mirvac Group	0.1	5.9
Stockland Group	0.6	5.7
Total / Weighted Average	**1.9**	**7.0**

NOTE: distribution yields are based on distribution rates as at 30 September 2010, the unlisted property funds' audited net tangible asset values at 30 June 2010 and the AREIT's closing bid prices as at 30 September 2010. The above schedule excludes Rubicon Europe Trust Group, Rubicon Japan Trust and Rubicon America Trust which are all insolvent and in liquidation.

Post the redemption of 76,294 units from Multiplex New Zealand Property Fund in November, the carrying value of for the fund would decline from $0.82 million to $0.77 million.

Future Updates

A number of potential investment opportunities are in the process of review. The realisation of a number of investments in the next 6 to 12 months will provide capital to pursue these opportunities.

BCML will continue to keep investors updated on the progress of the Fund during the course of the year.

Yours sincerely

Brookfield Client Services Team
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