

Brookfield Multiplex Capital Management Limited  
(ACN 094 936 866)

17 September 2009

Dear Valued Investor

**Multiplex Diversified Property Fund (ARSN 123 879 630)**

Brookfield Multiplex Capital Management Limited (BMCML), the Responsible Entity of Multiplex Diversified Property Fund (Fund), provides the following update for investors.

**2009 Financial Report**

Key financial results for the year ended 30 June 2009 are as follows:

- The Fund currently has investments in 1 listed and 2 unlisted property trusts which provide indirect exposure to 48 listed and unlisted property funds across 25 managers and 5 property sectors;
- The Fund recorded a net loss of \$32.9 million including a net loss of \$30.6 million from equity accounted investments;
- Total distributions paid to investors were \$2.5 million (equivalent to 3.11 cents per unit);
- Total net assets of \$31.5 million and Net Tangible Assets (NTA) of \$0.39 per unit; and
- There is no debt at the Fund level.

The audited financial report for the year ended 30 June 2009 is available on our website [www.brookfieldmultiplex.com](http://www.brookfieldmultiplex.com). If you would like a hard copy of the report, please contact Brookfield Multiplex Customer Service on 1800 570 000.

**Investment Update**

A summary of the Fund's investments at 30 June 2009 is shown below:

	<b>Investment (\$m)</b>	<b>total assets (%)</b>
Multiplex Acumen Property Fund	10.7	34
Multiplex New Zealand Property Fund	2.6	8
APN Champion Retail Fund	2.5	8
<b>Total investment in property securities</b>	<b>15.8</b>	
Cash	15.7	50
<b>Total Assets</b>	<b>31.5</b>	

The Fund's largest investment is Multiplex Acumen Property Fund (MPF). In MPF's annual results, announced to the ASX on 31 August 2009, MPF advised that it had signed a term sheet relating to a new debt facility setting out terms on which MPF's financier will extend MPF's debt facility until December 2011. The terms include a waiver of covenant breaches, removal of the gearing and ERL covenants and relaxation of the ICR covenant. In return, while MPF has agreed to a staged pay down of its existing debt, higher interest costs and potential conversion of outstanding debt to equity at December 2011, the extended facility provides a basis for MPF to "trade through" current market conditions. Additionally, if MPF is able to reduce debt more quickly than agreed, MPF will be able to reduce the additional coupon payable and remove the conversion option entirely. The term sheet is subject to finalising formal documentation by 30 September and various conditions precedent. For further information on MPF's annual results announcement please visit [www.brookfieldmultiplex.com](http://www.brookfieldmultiplex.com).

Multiplex New Zealand Property Fund (MNZPF) recently provided investors with an update on its debt facilities and expects to lodge its annual accounts for year ended 30 June 2009 at the end of this month. MNZPF has not paid a distribution to its investors since September 2008 and this position is expected to continue for at least the short term.

APN Champion Retail Fund (APNCRF) also notified investors that no distributions will be paid for the year ended 30 June 2009 in order to facilitate the resolution of APNCRF currency hedging arrangements. The resolution of these arrangements is expected to put APNCRF in a position to resume paying distributions (subject to market conditions). However, there is no certainty that the hedging arrangements will be resolved.

### **Distributions**

In light of the Fund's investments suspending distributions and the likelihood of this scenario continuing in the short term, it is unlikely that the Fund will pay distributions during the remainder of 2009.

### **Future Direction**

The Fund is currently closed to applications and redemptions (in full or in part). Some of the considerations in taking this course of action are that:

- The Fund's accounting policy regarding MPF would mean that any redemption price is based on MPF's ASX trading price which is at a substantial discount to MPF's NTA (before any other redemption discount is applied);
- It has been determined that the Fund should retain cash pending clarification of the financial strategy for its major investments; and
- The underlying investments of the Fund have suspended distributions making it necessary to retain a larger portion of the Fund's assets in cash to generate sufficient income to pay operating costs.

It is acknowledged that this situation, if it were to continue indefinitely, is not ideal.

BMCML is currently considering a number of alternatives for the Fund in order to deliver investors the underlying value of their investment. It is expected that Unitholders will be updated regarding the Fund's future by January 2010.

If you have any questions regarding the annual results or the Fund, please don't hesitate to contact Brookfield Multiplex Customer Service on 1800 570 000, or email [clientservices@brookfieldmultiplex.com](mailto:clientservices@brookfieldmultiplex.com).

Yours sincerely



**Lawrence Wong**  
Fund Manager  
Multiplex Diversified Property Fund