

22 February 2010

Dear Investor

RE: Multiplex Diversified Property Fund (Fund) - Termination and wind-up of the Fund

As investors are aware, the Fund has been closed to new applications and redemptions since 17 December 2008.

The Board of Brookfield Multiplex Capital Management Limited (BMCML) as responsible entity of Multiplex Diversified Property Fund has concluded that it is in the best interests of investors to terminate and wind-up the Fund and distribute the assets of the Fund to investors. Accordingly, the Board has resolved to terminate and wind-up the Fund. This decision has been reached after considering issues such as current economic conditions, the Fund's ability to raise additional capital to achieve true diversification and liquidity requirements of investors.

Formal notice to investors

Pursuant to clauses 2.3 and 19.1 of the Fund constitution, BMCML gives notice to investors that it has resolved to terminate the Fund effective on **19 February 2010 (Termination Date)**. BMCML will now proceed to wind-up the Fund in accordance with the Fund's constitution by satisfying all outstanding debts and liabilities and then distributing the remaining Fund assets to investors.

No further action is required by investors in order for BMCML to terminate and wind-up the Fund. Termination and winding up of the Fund does not require investor consent or a meeting of investors. The Fund will remain closed to applications and redemptions throughout the wind-up process. Other than distributions made during the wind-up process, no distributions (such as quarterly distributions) will be made.

Election by investors of the form of their entitlement on wind-up

On the wind-up of the Fund, investors are entitled to receive a pro-rata share of the net assets of the Fund (i.e. assets remaining after the payment of debts and liabilities) based on each investor's percentage unitholding in the Fund. For example, an investor who holds 10% of the units in the Fund is entitled to receive 10% (by value) of the net assets of the Fund.

On wind-up of the Fund, investors may elect to receive:

1. an all cash distribution (the 'all cash option'); or
2. a combination of cash and non-cash assets in the Fund distributed in specie for all or part of their holding in the Fund (the 'cash and in-specie option').

Investors should be aware that the value per unit distributed to investors (under the all cash option or the cash and in-specie option) will be the same under either option.

Further information on how to elect is set out in 'what you need to do' on page 5. **An election will only need to be made where an investor elects to receive the cash and in-specie option in relation to part or all of their holding in the Fund. Where investors wish to elect the all cash option for all of their holding no election will be required.** Investors failing to complete and lodge an election by **19 March 2010** will be deemed to have elected the all cash option for their entire holding in the Fund.

Valuation of the Fund's assets

The Fund's assets and current estimated values are:

- Cash (net of estimated wind-up costs) of \$15.8 million;
- Securities held in the ASX listed Multiplex Acumen Property Fund as at close of trading on 18 February 2010 of \$5.0 million;
- Securities held in the unlisted Multiplex New Zealand Property Fund of \$2.8 million; and
- Securities held in the unlisted APN Champion Retail Fund of \$1.6 million.

The amount to be received by investors per unit upon wind-up (under any option) will depend on the value of the Fund's net assets (i.e. assets remaining after the payment of debts and liabilities), which will be calculated in accordance with the Fund's valuation policy. For present purposes this policy provides that the Fund's assets are valued in the following manner:

- listed investments – valued at their last sale price on the relevant market;
- unlisted investments – valued at their net asset backing upon the most recent information published by their respective fund managers.

Distributions made to investors under any option will be based on the value of the Fund's assets **as at the date that distributions are made to investors**, determined in accordance with the valuation methodology set out above.

The above values have been used to provide estimates of distributions set out for the options below and may be different at the time of distribution of the assets in the course of the wind-up. Further, the cash distribution per unit under the all cash option and the cash component under the cash and in specie option may be higher or lower than disclosed due to payments made, or income received, during the winding-up process (e.g. cash held by the Fund will be used to pay outstanding debts and liabilities of the Fund). **The estimates provided in the examples below are therefore provided only as a guide for investors.**

All cash option

Brookfield Multiplex Group (Brookfield) currently holds 70.5% of the units on issue in the Fund. Brookfield will elect the cash and in-specie option in respect of its entire holding in the Fund and, as the Fund has sufficient cash reserves, BMCML expects that all other investors requesting the 'all cash option' will be able to be satisfied in cash.

Example

On the basis of the above current valuations, the *estimated* cash distribution would be **30.90 cents per unit** (or \$309.00 for every one thousand units held) if an investor chooses to receive the all cash option. If a cash distribution per unit includes a fraction of a cent it will be rounded up to the nearest whole cent.

Cash and in-specie option

For investors who elect to receive the 'cash and in-specie option' (in respect of part or all of their holding in the Fund), BMCML will distribute to investors the following on a pro-rata basis according to the number of units of each Investor participating in the cash and in specie option:

1. the cash held by the Fund remaining after payment of liabilities and after cash has been set aside to satisfy the entitlements of investors who receive cash under the all cash option; and
2. the property securities held by the Fund in Multiplex Acumen Property Fund, Multiplex New Zealand Property Fund and APN Champion Retail Fund.

The makeup of the cash and in-specie distribution on wind-up will be determined by the number of investors' units participating in the all cash option. Firstly, the cash distributed to investors under the cash and in-specie option will be the cash remaining after cash has been set aside to satisfy the entitlements of investors who participate in the all cash option. Secondly, the number of units in the underlying funds that investors will receive will be determined by the number of investors' units participating in the cash and in-specie option. Therefore, it is not possible to provide investors with the precise combination of cash and in-specie assets that they will ultimately receive under the cash and in-specie option until all elections have been received.

Example

If no investors participate in the all cash option, based on the current asset holding of the Fund and the current values of the assets as calculated on 18 February 2010, for every one thousand units an investor holds in the Fund, the following is the estimated distribution under the cash and in-specie option:

- \$193.21 in cash; ^{1, 2}
- 49 units in the unlisted Multiplex New Zealand Property Fund; and
- 37 units in the unlisted APN Champion Retail Fund.
- 532 units in the ASX listed Multiplex Acumen Property Fund;

The following table provides an indication by range of what a distribution in-specie may contain (per 1000 units in the Fund participating in the cash and in specie option) based on the relevant percentage of units held by non-Brookfield investors participating in the cash and in specie option:

Percentage of units held by non-Brookfield unitholders that elect cash and in-specie option	25%	50%	75%	100% (as per above)
Cash (net of estimated wind-up costs)	\$160.29	\$173.16	\$183.99	\$193.21
Multiplex New Zealand Property Fund (units)	62	57	53	49
APN Champion Retail Fund (units)	48	44	40	37
Multiplex Acumen Property Fund (units)	683	624	574	532

¹ Please note that the cash component of the in-specie distribution per one thousand units in the Fund may be higher or lower than disclosed due to payments made, or income received, during the winding-up process (e.g. the cash held by the Fund will be used to pay outstanding debts and liabilities of the Fund).

² Where the number of units of Investors that are participating in the cash and in specie option is not divisible by one thousand, investors will receive a proportional return rounded up to the nearest cent in the case of cash returned and rounded up to the nearest unit in the case of assets distributed in-specie.

To assist in making your election, please refer to the attachment headed 'Investment Information' that provides information on websites containing publicly available information on the Fund's listed and unlisted investments. Before deciding between the options, investors should carefully consider this information. Investors should be aware that the value of securities that they receive on winding up may increase or decrease in value after distribution. BMCML gives no guarantee as to the future value or performance of the Fund's listed and unlisted investments.

Timing

Cash and other assets held by the Fund will be distributed to investors as soon as practicable after 19 March 2010. It is anticipated that the wind-up of the Fund will be completed by 30 June 2010. Final audited completion accounts for the Fund will be prepared following the completion of the winding up process.

For investors electing the cash and in-specie option, BMCML will work with the unit registries of the underlying funds to complete registration of each investor's unit holding. Additional investor information will be required by the unit registry for the APN Champion Retail Fund as set out below. No stamp duty or brokerage will be payable by investors in respect of the transfer to investors of the Fund's holding in the underlying funds.

Once all of the net assets of the Fund have been distributed to investors, the Fund will be deregistered and cease to exist as a managed investment scheme.

Tax considerations

Investors should seek their own professional advice in relation to the tax consequences associated with the wind-up of the Fund. However, the following is provided as a guide to assist Australian resident individuals in calculating any tax capital gain or loss upon disposal of the units in the Fund. Please note the information below may not apply to an investor who is regarded as a trader or holds the units as part of a business activity:

- The wind-up of the Fund will result in a disposal of the units in the Fund at the time the wind-up is completed and the units in the Fund are cancelled;
- The consideration received by investors will be equal to the cash received (under the all cash option) or the cash received plus the market value of units received in the underlying funds (under the cash and in-specie option) at the time of their receipt;
- The gain or loss to be taken into account for the purposes of determining an investor's taxable income is the difference between the consideration received by investors and the cost base (or reduced cost base) of the units held in the Fund. Certain investors may be entitled to apply the CGT discount to a gain if the units are held for more than 12 months. Any losses may be able to be utilised against other capital gains or carried forward by investors for use against future capital gains;
- A small component of the cash distributed may be assessable income and will be included in the tax statement to be provided to investors. To the extent that cash received is assessable income it will not form part of the consideration received for the disposal of the units in the Fund;
- For those investors who choose the cash and in-specie option, the cost base of the units in the underlying funds acquired will equal their market value at the time of acquisition; and
- In order to assess the market value of the units acquired in Multiplex Acumen Property Fund, investors may refer to the ASX on the date of transfer. As Multiplex New Zealand Property Fund and APN Champion Retail Fund are unlisted funds, there is no traded price, however the respective fund managers provide information on the funds' websites containing the latest net asset backing of the funds.

What you need to do

1. Consider the above information, and if necessary, seek independent advice in relation to the alternatives available to you.
2. If you wish to receive the all cash option, there is no need to complete or return the enclosed Investor Election Form.
3. In order to elect to receive the cash and in-specie option upon wind-up of the Fund (in relation to all or part of your holding) you must complete the enclosed Investor Election Form and return it in the reply paid envelope enclosed by no later than 19 March 2010.
4. If you elect the cash and in-specie option you may nominate the cash and in-specie option in respect of part only of your current unit holding in the Fund. This can be done by indicating on the Investor Election Form the relevant percentage of your holding that you wish to participate in the cash and in-specie option. The remainder of your holding will participate in the all cash option. If you elect the cash and in-specie option and do not nominate a percentage, the cash and in-specie option will be applied to your entire holding in the Fund.
5. If you elect the cash and in-specie option the name and address details we have recorded on our registry will also be used to transfer units in the underlying funds to you on winding up (and to record your details on the registers of the underlying funds). Please let us know in writing if your name or address details have changed.
6. If you elect the cash and in-specie option you will be required to provide further information to facilitate the transfer of the units in the APN Champion Retail Fund. The relevant forms will be forwarded to you when your Investor Election Form has been received by us.
7. If you elect the cash and in-specie option you may write your Holder Identification Number (HIN) on the Investor Election Form if you are already a CHESS participant or sponsored by a CHESS participant.
8. For all investors: if you have not previously provided your current bank account details or your bank account details have changed, please complete the enclosed Bank Account Form and return it in the reply paid envelope enclosed by no later than 19 March 2010. This will ensure that the cash proceeds of winding up can be paid directly to your account. If you do not complete this form, and have previously provided bank account details, we will pay the proceeds to that account.

If you do not fully and properly complete and return the Investor Election Form by 5pm Australian Eastern Daylight Time on 19 March 2010, you will receive the all cash option in respect of your entire holding in the Fund.

No general advice

BMCML makes no recommendation and expresses no opinion as to which option (i.e. all cash option or cash and in specie option) investors should choose. This notice does not constitute, or contain any, general or personal financial product advice.

Further queries

If you have any questions or wish to discuss this matter, please don't hesitate to contact Daniel Skirving, National Sales Manager, Brookfield Multiplex on 0414 778 433, Registries Limited on 1800 766 011, or email clientservices@brookfieldmultiplex.com.

In light of the substantial change in economic circumstances facing the Fund, BMCML considers this course of action to be in the best interests of all investors. On behalf of the Board of BMCML, thank you for your support of this Fund.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Allan McDonald', written in a cursive style.

Allan McDonald
Chairman