

22 August 2012

Dear Unitholder

RESTRUCTURE OF BROOKFIELD AUSTRALIAN OPPORTUNITIES FUND AND ANNUAL RESULTS

Brookfield Capital Management Limited (BCML) as responsible entity of Multiplex Property Income Fund (MPIF) refers to the ASX announcement made today by Brookfield Australian Opportunities Fund (BAO) regarding the potential wind up of that fund (Transaction).

Transaction

BAO has announced that a meeting of its unitholders will be held on 24 September 2012 to consider a proposal to de-list and wind up that fund. If approved by BAO investors, **MPIF income unitholders will receive a payment directly from BAO of approximately 5.7 cents per unit** (approximately \$3.0 million in total). If approved, payment will be paid to you approximately 4-5 weeks after approval by BAO investors.

The amount that you will receive will represent the shortfall in distribution payments you have received from MPIF for the 12 months prior to the payment when measured against a return calculated at 8.5% per annum on your \$1 per unit invested. Calculation and method of payment will be as set out in the documents governing the relationship between MPIF and BAO. For Australian taxation purposes the amount received from BAO will represent income that is taxable to unitholders in the year ended 30 June 2013.

The payment that you will receive will have the effect of releasing the 'distribution stopper' which has remained in place since December 2008 and which has prevented BAO from making distributions to its unitholders for some time. Under the Transaction it is proposed that, immediately after payment to you, BAO will be wound up and its investments (after debt repayment) distributed to its unitholders.

As BCML acts as the responsible entity of MPIF and BAO, the Board has been concerned to ensure that the proposal complies with the documents governing the relationship between BAO and MPIF. The Board has adopted a rigorous process and given proper consideration to this issue and has concluded that the Transaction complies with those documents.

Outlook

If BAO is wound up, MPIF will continue with its current operations and will make monthly distributions subject to the performance of its underlying investments. The payment you receive from BAO will be in addition to these distributions. As BAO will be wound up, no further payments will be made to you by BAO. Management fees for MPIF will be waived for as long as an entity controlled by Brookfield Asset Management Inc remains as responsible entity of MPIF.

Financial results

Audited financial statements for MPIF for the year ended 30 June 2012 are available at www.au.brookfield.com.

MPIF reported a net loss after tax of \$4.7 million for the year, which includes a \$6.8 million valuation decrement in its investments. The NTA as at 30 June 2012 was approximately 65 cents per unit. The majority of the valuation decrement \$ 5.4 million or 10.32 cents per unit is due to the investment in APN Champion Property Fund which invests in a number of supermarkets in Greece and has been written down to a carrying value of nil.

Attached is an investor update regarding the financial statements and MPIF's underlying investments.

BCML will continue to consider appropriate investment strategies for MPIF and on behalf of the Board thank you for your ongoing support.



Allan McDonald
Independent Chairman

22 August 2012

Dear Investor

Multiplex Property Income Fund (Fund) - Investor update for the full year ended 30 June 2012

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides an update to investors for the full financial year ended 30 June 2012.

Key messages in this update are as follows:

- the continued decline in the value of European fund assets has resulted in total assets of the Fund declining by 16% to \$34.5 million (30 June 2011: \$41.2 million) and a decline in the net tangible asset (NTA) per Income Unit of 16% to \$0.65 (30 June 2011: \$0.78);
- distributions to Income Unit holders decreased by 5% to 3.98 cents per unit (30 June 2011: 4.19 cents per unit) as a result of reduced distributions generated by the portfolio during the period; and
- the Fund continues to participate in available capital liquidity events relating to its unlisted investments.

KEY FINANCIALS

A summary of the Fund's performance is as follows:

	As at 30 June 2012	As at 30 June 2011	Movements
Total asset (\$'000)	34,493	41,178	16% decrease
Total liabilities (\$'000)	244	205	19% increase
Net assets (\$'000)	34,249	40,973	16% 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 Units (\$)	\$0.65	\$0.78	16% decrease
NTA Ordinary Units (\$)	nil	nil	n/a
	For the year ended 30 June 2012	For the year ended 30 June 2011	Variance
Total revenue (\$'000)	2,357	2,579	9% decrease
Total expenses (\$'000)	7,047	1,278	451% increase
Net profit / (loss) for the period (\$'000)	(4,690)	1,301	460% decrease
Distributions (cents per unit)	3.9812	4.1959	5% decrease

INVESTMENT PORTFOLIO UPDATE AS AT 30 JUNE 2012

The value of the Fund's underlying investment portfolio decreased by 16% to \$34.2 million and reflects an NTA of \$0.65 per Income Unit. Ordinary units in the Fund held by Brookfield Australian Opportunities Fund (BAO) have an NTA of nil.

In determining the Fund NTA, the carrying value of unlisted investments is assessed using the net asset value provided as at 30 June 2012, or where this has not been provided, the latest available net asset value for each underlying investment. A-REITs (listed investments) are shown at the ASX closing price on 30 June 2012.

The following investments experienced a major decline in carrying value:

APN Champion Retail Fund

The carrying value of the Fund's investment in APN Champion Fund was written down to nil from \$5.4 million. The decline in value represents approximately 10.32 cents per unit to the NTA.

The fund's portfolio of 16 supermarkets across Greece is in the process of being independently valued. Indications show the decline in portfolio value will be significant enough to see a write down in the fund's June 2012 NTA to zero.

The Greek economy is expected to contract further in second half of 2012, and sales are likely to suffer against a backdrop of austerity and rising unemployment. Occupier and investor demand is expected to be subdued for the foreseeable future and rents will come under further downward pressure. The response of potential users to retail space continues to be limited following general market conditions which deteriorated due to political and economic uncertainty.

P-REIT

P-REIT (formerly known as RP Trust) is a listed open-ended trust with a portfolio of direct properties and unlisted property securities. As at 30 June 2011, P-REIT was unlisted and the Fund carried this investment at 20.97 cents per unit (below the audited NTA of 25.00 cents per unit) pending its listing on the ASX. Consistent with valuation policies, the ASX closing price on 30 June 2012 for P-REIT of 10.50 cents per unit was used to determine the carrying value of the holding in P-REIT. The decline of \$0.6 million over the period equates to 1.09 cents per unit.

APN Vienna Retail Fund

Conditions in the European markets continue to have an adverse effect on the Fund's investment in APN Vienna Retail Fund. The underlying property value in the fund is anticipated to fall as a result of a new competitor in the area which have reduced the level of sales and foot traffic in the centre.

The carrying value of the Fund's investment in APN Vienna Retail Fund has been written down by \$0.4 million to \$1.0 million which equates to 0.83 cents per unit to the NTA.

The following investments in the Fund experienced an increase in carrying value:

Arena Childcare Property Fund

Subject to receiving final valuation reports as at 30 June 2012, the fund is expecting a 4.3% increase in value of their property portfolio. A rise in value of the portfolio will provide an increase in the fund's NTA from \$0.9387 per unit in December 2011 to \$1.02 per unit.

Australian Unity Fifth Commercial Trust

As a result of two new leases signed during the December 2011 quarter the trust achieved valuation increases across its property portfolio which saw a 9% increase in the fund's NTA from \$1.50 per unit at 30 June 2011 to \$1.64 per unit (unaudited) at 30 June 2012.

Other significant investment updates include:

Multiplex New Zealand Property Fund (MNZPF)

MNZPF unitholders are required to provide their decision as to whether they wish to stay invested in MNZPF before 17 September 2012. The fund also completed the sale of a number of properties including ASB Bank Centre, Auckland to Auckland Council for NZ\$104 million which settled on 27 July 2012. As at 30 June 2012, debt was reduced with gearing now at 46% (30 June 2011: 59.5%).

APN National Storage Property Trust (ANSPT)

ANSPT will likely hold a unitholder meeting prior to December 2012 at which time it will seek an extension of time to 30 June 2014 to provide liquidity to unitholders. APN is progressing with the objective of listing the fund on the ASX by 30 June 2014. If conditions are not conducive to a successful listing, APN will propose a sale of the fund's assets. APN has identified significant deeper investor demand for self storage. In line with this strategy, it is currently negotiating with National Storage Operations for the purchase of the 27 self storage businesses which operate out of the fund's properties.

PFA Diversified Property Trust (PFA)

Charter Hall have replaced APGF Management Limited as the responsible entity of PFA Diversified Property Trust.

As at 30 June 2012, the Fund's portfolio consisted of 37 investments including three Rubicon Trusts which have been delisted from the ASX and are in the process of being wound-up. These investments are carried at nil value in the Fund's accounts. The Fund's A-REIT portfolio is valued at \$5.1 million and represents 15% (by value) of the Fund's gross assets.

The Fund's investment portfolio is as follows:

Listed Property Securities	Investment portfolio (%)	Distribution Yield ¹ (%)
Abacus Property Group	0.5	8.1
Aspen Group	0.4	8.0
BlackWall Property Funds Limited	0.2	0.0
Challenger Diversified Property Group	0.8	7.6
Charter Hall Retail REIT	1.5	7.9
Colonial First State Retail Property Trust	0.4	6.7
Commonwealth Property Office Fund	2.9	6.0
Dexus Property Group	2.2	5.8
GPT Group	0.7	5.7
Investa Office Fund <i>(formerly ING Office Fund)</i>	2.5	6.5
Mirvac Group	1.5	6.6
P-REIT <i>(formerly RP Trust)</i>	1.8	0.0
Unlisted Property Securities³		
APN Champion Retail Fund	0.0	0.0
APN National Storage Property Trust	3.3	7.3
APN Regional Property Fund ²	1.5	4.6
APN UKA Poland Retail Fund	0.0	0.0
APN UKA Vienna Retail Fund	3.0	0.0
Australian Unity Office Property Fund	7.1	8.2
Australian Unity Diversified Property Fund	1.2	6.1
Australian Unity Fifth Commercial Trust	9.5	16.6
BGP Holdings Beneficial Interest Share	0.0	0.0
BlackWall Telstra House Trust	1.0	10.6
Centro MCS 21 Roseland Investment Trust	3.5	2.2
Centro MCS 22 Kidman Park Investment Trust	0.0	18.3
Centro MCS 28 Investment Unit Trust	2.5	2.0
Charter Hall Diversified Property Fund	8.0	5.8
Charter Hall Umbrella Fund	5.3	8.4
MAB Diversified Property Trust	3.9	4.9
Multiplex New Zealand Property Fund	1.9	0.0
Pengana Credo European Property Trust	0.0	0.0
PFA Diversified Property Trust	6.2	8.8
Rimcorp Property Trust No.3	1.7	10.3
Stockland Direct Office Trust No.3	1.7	0.0
Arena Childcare Property Fund	6.2	6.1
Cash Asset	17.1	3.3
Total	100.00	6.12²

1. Distribution yield is calculated based on the distributions accrued and received by the Fund including special distributions for the 12 months to 30 June 2012 divided by the investment carrying value as at 30 June 2012.
2. Distribution yield to the Fund is calculated based on all the income received for the 12 months to 30 June 2012 less expenses incurred during the period divided by total net asset value as at 30 June 2012
3. Excludes three Rubicon Trusts which have delisted from the ASX and are in the process of being wound-up.

DISTRIBUTIONS

Distributions of 3.9812 cents per unit were paid for the twelve months to 30 June 2012. This represents a distribution yield of 3.98% on the issue price of \$1.00 (prior year 4.2%) and 6.12% on the Fund's current NTA (prior year 5.4%).

REDEMPTIONS AND RETURN OF CAPITAL

The Fund participated in the following during the year:

- disposal of several A-REITs including Charter Hall Office Trust, Stockland and Australand - realising approximately \$0.4 million;
- a total capital return of approximately \$0.8 million from various unlisted investments including Centro MCS 22 from the sale of Kidman Park Distribution Centre and Charter Hall Diversified Property Fund; and
- redeemed and realised approximately \$1.7 million from liquidity offers made by Charter Hall Umbrella Fund, Australian Unity Diversified Property Fund and Australian Unity Office Fund.

FUTURE LIQUIDITY

Centro MCS 28

The syndicate settled on the sale of the fund's 50% interest in Perth City Central in January 2012 and returned 8.50 cents per unit of capital. One asset remains in the syndicate - a 50% interest in Centro Bankstown. A Flexible Exit Mechanism is in place which provides investors with an opportunity to exit their investment at the end of the syndicate term. Units will be acquired, either with cash, stapled securities in Centro Retail Australia or a combination of both at an indicative value per unit of \$0.915 (December 2011 NTA: \$0.87 per unit). A Put Option notice will be sent to investors in August 2012 to facilitate the exit.

Centro MCS 21

MCS 21 are currently engaged in discussions with Centro Australia Wholesale Fund, the 50% co-owner of Centro Roselands to acquire the fund's 50% share of the asset or to market the 100% interest in the asset to external parties. Sale timing is expected to complete early to mid 2013.

FINANCIAL RESULTS

It is recommended that investors review the financial report for the year ended 30 June 2012 which is available at www.au.brookfield.com.

BCML will continue to provide updates via the website to investors regarding Fund earnings as well as timing and quantum of distributions.

Yours sincerely



Sue Ly
Fund Manager
Multiplex Property Income Fund