PROPERTY INVESTMENT RESEARCH
Leaders in independent research

Independent Research September 2005

Multiplex Development & Opportunity Fund

RESEARCH CREDENTIALS

Under Corporations Act 2001, Property Investment Research Pty Ltd ("PIR") ABN 97 006 425 083 holds an Australian Financial Services Licence (No. 252599). Established in 1989, PIR is Australia's leading independent specialist research group on property related investments. PIR is the major supplier of independent property research to Investment Managers and Financial Advisers. Financial Advisers are required by s945A(1)(b) of the Corporations Act 2001 to properly research the financial products they recommend. PIR's independent research plays a vital compliance role for ASIC licensed Investment Advisers and Securities Dealers in that it: provides knowledge of investment promoters, their track record, the investment market and the risks involved; and ensures, where specialised in-house research is not available, reliable and impartial research is obtained.

STATEMENT OF INDEPENDENCE

Property Investment Research (PIR) has received fees from **Multiplex Investments Limted** for the preparation of this report. PIR is a property investment specialist and applies a strict and rigorously independent process for production of research reports and has no direct or indirect vested interest in the success or otherwise of any investment offer evaluated by PIR.

Under section 923a of the Financial Services Reform Act there are restrictions and penalties relating to the misuse of the word 'independent'. Neither PIR nor its directors, its employees or associates receive success fees, commissions, or remunerations based on transaction volume, gifts or any other peripheral benefits that may materially influence the direction of reports.

Additionally PIR's independent ownership means it has neither potential conflicts nor vested interests, such as those arising through ownership by real estate, stockbroking, financial planning or fund management organisations. Furthermore PIR has a policy of not entering into any agreements or alliances with product providers.

Neither PIR Directors nor PIR personnel or PIR consultants directly connected with the production of this report hold substantial interests (if any) in the securities analysed in this report.

DISCLAIMER

This independent research report was not prepared for inclusion in, or in connection with any Product Disclosure Statement or other offer document and should not be relied upon to provide all the necessary information for investment decisions. Although great care has been taken to ensure the accuracy of this report, PIR gives no warranties in relation to the statements and information contained herein and disclaims all liability arising from any persons acting on the information and statements in this report. PIR reserves the right to change its opinion, ratings and/or withdraw the report at any time on reasonable grounds. PIR research provides general opinion and not personal securities recommendations. All investors are strongly advised to consult professional financial advisers whose role it is to provide appropriate investment advice, taking into account an individual investors' investment objectives, financial situations and particular needs. PIR assumes no responsibility or obligation to provide updates on this published report. This report is prepared and issued by PIR for the purpose of the assessment of securities in this scheme. This assessment is valid for capital raising purposes for a period of six months on the provision that no material changes are effected. Please consult the Responsible Entity or your financial adviser for further information.

Richard Cruickshank, Managing Director.

To find out more about Property Investment Research (PIR), visit http://www.pir.com.au

Research – Property Development Fund (Update) **September 2005**

Multiplex Development & Opportunity Fund

Summary

Offer Overview

Multiplex Investments Limited, the Responsible Entity (RE) seeks investor equity for investment in the Multiplex Development & Opportunity Fund (the Fund), an unlisted, opened-ended property development trust. The Fund aims to invest in property developments and other property related opportunities which present potential for value adding to investors. The Fund, previously known as the Multiplex Development Trust II (MDTII), is currently valued at $144.37 million as at 30 June 2005 based on historic costs.

Evaluation Summary

The Fund has the flexibility to invest in non-Multiplex developments and overseas, primarily in NZ and the UK. Whilst on current projects, the RE has lowered the development risk profile with substantial pre-commitments and the majority of fixed cost development agreements, this may not always be the case. The Fund will have investment in a portfolio of developments and is mandated to not have an exposure to any one development greater than 40% of the Funds' assets. At this time, there is a heavy weighting to residential developments, however these sites are considered prime with the majority having desirable water views.

Management

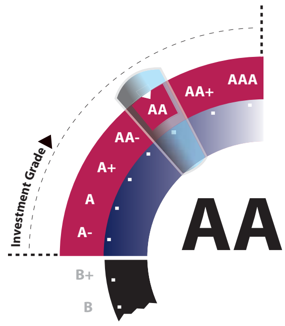
The RE is a wholly owned subsidiary of Multiplex Ltd a publicly listed company. Multiplex entities currently manage 3 unlisted property funds and the Multiplex Acumen Property Fund which have total assets of approximately $5.5 billion world wide.

Major Considerations

- ▲ Opportunity to invest in the funding of property developments projecting high income returns on development profits with a detailed management strategy to minimise downside investor risk.
- ▲ The Fund is structured to co-invest with Multiplex entities, an experienced developer/builder, with Multiplex guaranteeing an 8% return until 30 June 2008.
- ▲ The RE has undertaken to buy a maximum of $20 million in units as a limited liquidity facility for investors.
- ◀▶ The ongoing success of the open-ended trust will be linked to long-term property fundamentals, astute RE development selection and risk management.
- ▼ In the event that the Multiplex income guarantee is not renewed after June 2008, investor returns may be uneven and dictated by realisation of property developments after this date.

Overall Investment Rating

Ratings vary with investor profile and option – refer Page 2.



Scheme Details	
Multiplex Development & Opportunity Fund	
ARSN 100 563 488	(PDS dated 14 September 2005)
Fund type	Property Development Fund
Duration of investment	Open – ended trust
Unit price	Calculated monthly
Minimum investment	$10,000
Distribution frequency	Quarterly
Liquidity	Limited
Adviser Commissions	Up to 4% up front and up to 0.65% trailing
Responsible Entity (RE)	
Multiplex Investments Limited (ABN 48 096 295 233)	
Custodian	
Multiplex Funds Management Ltd (ABN 15 105 371 917)	

Investment Profile	
Number of properties	19
Initial property locations	SA, QLD, NSW,VIC, WA
Property sector	Retail, Office, Residential
Future borrowing commitments	Nil
Gearing ratio (% of Total Assets)	N/A
Gearing ratio (% of Purchase Price)	N/A
Asset value: total funds	96%

Returns targeted by the Responsible Entity

Year end 30 June	2006	2007
Target Income return	15.0%	15.0%

This report, dated 21 September 2005 expires after 6 months or if there are any material changes in relation to the information contained in this report. This report was not prepared for inclusion in any offer document and investors must only rely on information contained in the offer document and other associated information. PIR reserves the right to change its opinion, ratings and/or withdraw the report at any time on reasonable grounds.

FOR STATEMENT OF INDEPENDENCE, RESEARCH CREDENTIALS AND DISCLAIMER, REFER BACK PAGE OF REPORT.

Property Investment Research Pty Ltd (PIR) A.B.N. 97 006 425 083 AFS Licence No. 252599

Level 6, 423 Bourke Street Melbourne 3000 Australia (GPO Box 4723 Melbourne 3001 Australia)

Telephone: (03) 9670 7767 Facsimile: (03) 9642 5579 e-mail: propinv@pir.com.au www.pir.com.au

Conclusion

Qualitative Criteria	Star Ratings Assessment (0 – 5)
Projected quality of asset(s)	★★★★
Strength of relative property markets	★★½
Quality of income stream	★★★★
Potential upside for vehicle (capital growth)*	**Not applicable**
Diversification	★★½
Investor's initial value	★★★★
Level of fees	★★★
Capital structure and debt management	★★★
Quality of disclosure	★★★★
Track record and capacity of Management	★★★★

*Distributions through progressive project realisation will affect unit value therefore capital growth is not relevant in this context.

Table i

This capital raising provides the Fund with more leverage to take on more property developments. The Fund aims long term to generate annual returns of at least 15% net of fees and expenses on the equity invested. This return is based on distributions of income. This is based on the Fund entitlement to a proportion of development profits on each selected property development. On project revenue exceeding all development costs, the Fund is entitled to a 15% annual return on the Fund equity invested in the development and then a further 50% of the remaining development profit above 15%. On those projects in which the Fund has an initial interest, the RE is targeting a minimum pre tax return (after costs) of between 15% and 20% p.a.

PIR Investment Ratings by investor profile*

		Investor's risk **tolerance**		
		High	Average	Low
Tax rate	48.5%	**AA-**	**AA-**	**AA-**
	31.5%	**AA**	**AA**	**AA**
	15.0%	**AA+**	**AA+**	**AA+**

PIR's investment ratings are derived directly from estimates of after-tax IRRs adjusted for risk. Because this system determines a rating for specific tax rates and levels of risk tolerance, it recognises that investors have different attitudes. For an investor profile, it also enables direct and valid comparison with any other offer rated on the same basis for the same specific profile. The investment grade ratings range is: A-, A, A+, AA-, AA, AA+, AAA.

** For further explanation refer to the back page of this report or visit www.pir.com.au/investors*

Table ii

As the Fund will reinvest capital on completion of each project, to the extent that the same rate of return is maintained on new projects the IRR should improve. Multiplex is initially guaranteeing an 8% annual income return on net asset value of the Fund to 30 June 2008, regardless of performance of the developments. PIR considers that the interests of the RE and investors are well aligned.

It is important for the RE to put in place a pipeline of suitable development projects, as when the funds are not invested they will be in a cash account. While this would have the effect of being dilutionary on earnings in the current investment environment, the investor guaranteed return of 8% will remain in effect until June 2008, which relies on the continued solvency of the guarantor company.

To date, the RE has from time to time been required to honour that guarantee even though the completed projects have delivered sufficient returns to investors to meet the minimum 15% return to investors.

Going forward, projections from the RE provided to PIR indicated that payment of this guarantee amount will be necessary due to the long term nature of most of the projects. As a result, in the interim, it is probable that the annualised return of the monthly distributions will be below the forecast 15% return and the annualised monthly income return will more likely be around 8%.

PIR remains confident that over the long term the RE will be able to provide investors with the projected returns.

Since inception the fund has invested in projects that were successfully completed and has been able to source a significant quantity of new developments to absorb a significant flow of investment into the fund.

Overall the portfolio is diversified, although there is currently a heavy weighting to NSW, Sydney in particular. Whilst in terms of asset class it is somewhat diversified, there is a heavy weighting towards residential development, including subdivision of land, which appears likely to increase as the future projects identified by the RE are primarily residential. However PIR has visited the majority of sites, existing and proposed, and the residential sites are considered prime with the majority having desirable water views.

Investments in property development projects normally require higher levels of return to offset the higher risk when compared with alternative property investments. Issues relating to finance, construction time frames, building costs and marketing require project management expertise. PIR believes that Multiplex's experience, risk management strategies, and available resources can reduce the level of risk associated with the development and still generate the targeted returns.

The Fund structure and relationship with Multiplex delivers an opportunity to invest in a large diversified portfolio of property developments and to benefit from Multiplex's experience and resources. Approved investments under this new structure and investment mandate include traditional equity investments within Multiplex developments as well as a variety of other property related investments. The increased size of the Fund should bring greater diversity, fund liquidity and permit a broader range of investment opportunities than under the previous structure.

The overall Multiplex group has received significant adverse media coverage in early 2005 based on a sizable loss on a construction project, Wembley Stadium in London, England. Although this has affected the security price of the Multiplex Group substantially, PIR views this as a one off incident and after in-depth interviews with senior Multiplex management has been assured that the company has significantly reviewed it's construction operation and risk assessment and management procedures. PIR would like to point out that the problems did not relate to the Multiplex Capital and funds management division (the RE of this offer), the capacity of both of which PIR holds in relatively high regard.

The problems with the Wembley stadium related to the nature of the engineering construction and third party contractor problems (steel in particular) and management of the Multiplex UK construction arm.

However as the fund invests in Multiplex developments which are managed by the construction arm, PIR believes that this issue is significant and has been addressed. During meetings and discussions with senior management and directors of Multiplex, PIR was advised that the fund would not be investing in offshore developments in the foreseeable future. Given the pipeline of future projects in Australia PIR is confident that this will be the case. In addition Multiplex assured PIR that the fund would not invest in the type of development projects that had significant engineering components as opposed to the construction component at which Multiplex is experienced.

In addition as the Directors of the Fund are separate from the directors of the construction company and are considered experienced professionals, PIR believes that any similar occurrence to the Wembley stadium is unlikely to affect investors in this fund, although this risk cannot be avoided.

This offer should appeal to investors seeking high-income returns and who are comfortable with relatively higher development related risk. Even though the core activity of property development is normally considered to be high risk, the return structure on development profit places a priority on the Fund's entitled returns. Investors should note that their returns depend on the ongoing quality of future Multiplex developments and that with all property investments, returns are highly sensitive to the timing and sale value of future property developments. It should be noted that all of the Funds' investments into Multiplex developments are subject to the unanimous approval of the RE's three independent directors.

UPDATE REPORTS

PIR may from time to time produce a report on a property investment vehicle as an update report. These reports are normally undertaken between six and 18 months after the initial report as a result of the RE acquiring further assets (in the case of unlisted property trusts), changing a loan book (mortgage funds) or as part of a ongoing assessment of a property securities fund.

As stated on the front of every PIR report, a PIR rating of any fund expires when the initial offer closes or after 6 months or if there are any material changes in relation to the information contained in the evaluation. If a fund has received an update report, the rating is done on a point in time basis and as such, the new rating may not necessarily match a rating given in the previous report.

Ratings may vary due to movements in property markets, composition of a funds' assets or changes to a Manager's strategy or movements in the risk free rate. A change in a fund's rating should be viewed as PIR's view on the fund in question *at the time the report is completed*. The rating does not necessarily relate to previous ratings given to the fund by PIR, and should be viewed in context of current market conditions.

PIR reserves the right to change its opinion, ratings and/or withdraw the report at any time on reasonable grounds.

Key Assessment Issues

Development funds are by their nature generally a higher risk investment than a standard property syndicate containing established properties generating rental returns. Commensurate with that higher level of risk is a potential for higher return.

PIR believes that the RE's target return is achievable given their experience and track record, both in former versions of this Fund and in extensive business experience. However investors should note that they are only likely to achieve this return over a long term (period greater than five years) of investment in this fund.

This is coupled with a flexible investment/development mandate allowing the RE to source potential returns from a variety of projects. However the returns are heavily dependent on the RE maintaining a suitable pipeline of projects, which will result in a degree of volatility in income returns over the life of the Fund.

Existing development projects are heavily weighted to NSW and to the potentially volatile residential property sector. This risk is somewhat mitigated by the quality of the development sites, primarily the waterfront properties and further proposed developments in QLD and WA.

This is an ungeared fund with a sizable liquidity feature which potentially reduces some degree of risk to the investor.

Income Returns

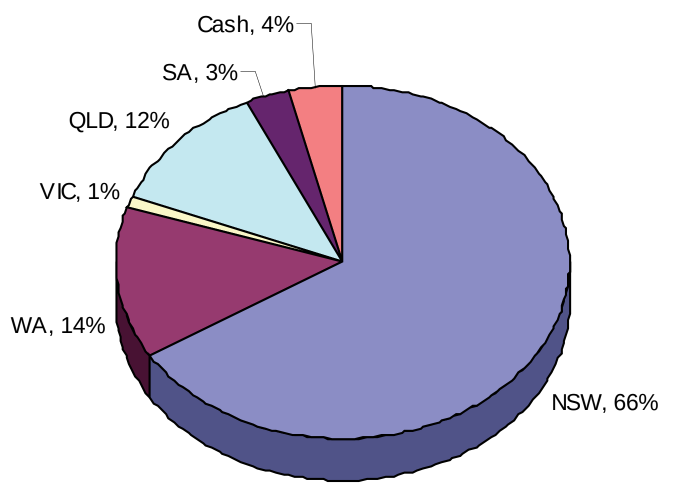
PIR has examined the Funds' current investments and based on the supporting evidence is satisfied that the current property portfolio is able to generate sufficient yield to enable the RE to distribute the 15% yield in the medium term, subject to best practice corporate governance being undertaken by the RE's Directors, staff and consultants and the absence of an unforseen property market downturn.

Since inception to 30 June 2005, the fund has returned 13.65% gross income to investors plus 3% growth in unit value. Over that past year to 30 June 2005 the fund has returned 15.48% gross income return to investors plus 1.98% growth in unit price.

Investors should note that this is primarily an income return fund and increases in unit value are mostly temporary and reflective of unrealised development profit which will later be paid to investors in the form of distributions.

The developments in the Fund are diversified by region, although there is a heavier weighting to NSW. This will change in the future as the majority of the currently proposed developments are located in QLD and WA. The Fund is well diversified by the number of projects which will be utilised in the Fund portfolio, with 19 current projects.

Figure 1 **MDOF Geographic Allocation of Funds**



PIR notes that that there is currently a heavy concentration of three different projects essentially on the same site in Sydney, that being the Latitude project (the old World Square project in George Street Sydney), however the majority of this development has significant tenant pre-commitments.

At present, the Fund is showing a majority allocation to the residential sector, consisting of land subdivision, residential apartments and serviced apartments. As at the date of this report, Fund exposure to the residential sector was approximately 73% by asset value.

The Fund currently has a well diversified realisation profile of its current projects. It is on realisation (completion) of projects that investors will receive the bulk of their returns, being those returns in excess of the 8% guaranteed minimum (guarantee only until 2008). This guarantee acts as a smoothing reserve due to the infrequent nature of realisation of development profits. Multiplex is able to recover these guarantee payments at a later date out of the realisation of development profits. It should further be noted that this realisation profile relates to completion of construction. The realisation of the profits may not occur at the same time if the project is not fully pre sold at that time in the case of residential developments.

In addition, whilst a presale is a binding contract, it is not a guarantee that all purchasers will be able to settle their purchases upon completion. The purchaser's deposit is a risk mitigant, however purchaser forfeit does impact on cash flow and can potentially instigate adverse market perception. In terms of the commercial construction projects, there may be some delay in achieving full occupancy. In addition, these are development projects and there is no guarantee that they will be pre-sold to investors with the capacity to purchase such large investments.

Due to the nature of the Fund, as a development fund, income only occurs when a project is sold or the Fund's interest in a project is sold. Whilst development time frames are generally adhered to there are numerous events that often result in variation of the timing of expected returns. As a result the RE has made no financial projections. PIR accepts that this strategy is not unreasonable. PIR has modelled various scenarios and assumptions. PIR has modelled varying cash flows that show an overall average return of 17.5% over a seven year time frame based on confidential discussions with the RE and analysis of individual projects. These cash flows have been used in the model as an integral part of the determination of the risk adjusted PIR rating. As a result of these factors PIR has not included a table of financial forecasts for this fund as PIR believes that this may be misleading.

Project (As at 30 June 2005)	**Capital Invested $'000**	**Expected Realisation Date**	**% of Portfolio**
Bulli,NSW	9,650	Jul 08	6.7%
163 Castlereagh St, Sydney	14,000	Oct 06	9.7%
Cotton Beach Casurina, NSW	8,300	Jun 07	5.7%
Ettalong, NSW	5,050	Oct 05	3.5%
Latitude East (Site C), Sydney	12,500	Sep 06	8.7%
Latitude Retail and Car Park	21,916	Jul 05	15.2%
650 George St (Latitude Strata Office), Sydney	3,084	Oct 05	2.1%
King Street Wharf Site 1, Sydney	10,000	Dec 07	6.9%
Port Adelaide Waterfront	3,645	Sept 07	2.5%
Chancellor Double Bay, Sydney	5,000	Oct 05	3.5%
Raffles, Perth	3,643	Apr 06	2.5%
Vale stages 2-6, Perth	15,000	Jun 09	10.4%
Fund investment into MDT (Raffles Project)	1,546	Apr 06	1.1%
Lakeland Apartments, QLD	4,700	May 07	3.3%
Lakeland Villas, QLD	2,170	Oct 05	1.5%
Portside Wharf, Brisbane	10,000	Sept 06	6.9%
Rhodes, Sydney	5,900	Nov 08	4.1%
Arcadia, Tarneit, Melbourne	1,500	Oct 06	1.0%
Walsh Bay Moorings, Sydney	1,100	Dec 05	0.8%
Cash	5,661		3.9%
Total	**144.365**		**100.0%**

Table iii

Capital Returns

Owing to the nature of this Fund as a development trust, Fund income returns tend to be generated by returns through the sale of assets of the Fund rather than the rental income returns typical of most unlisted property trusts. At any time, the unit price is determined by the current asset value divided by units on issue, thus a unit price at a variance to the subscription price represents a movement in capital value of the units.

During the developmental phase, it is expected that the net asset value and hence unit price will increase in value reflecting the unrealised development profit. This profit will be paid out to investors in the form of a distribution (when the development is realised) and the unit price is at those times is expected to revert to close to par. As a result of the unique nature of this fund, this resembles more an income fund rather than a typical unlisted property trust, which combines income plus capital growth. As such, PIR's standard CRV calculations are not relevant.

PIR has adopted an average terminal capitalisation rate for the expected cash flows at that time, such that the entire initial capital will be able to be returned to investors under PIR's expected case scenario.

Debt

The Fund does not intend to borrow or otherwise gear into any investment at the fund level. However underlying sub trusts or subsidiaries will most likely be geared. This gearing is typically for between 65%-80% of the value of a development and will be non recourse to investors in the Fund.

Taxation

Income tax: The RE anticipates (and PIR have assumed) that the Fund will be treated as a private company for tax purposes, which means that as a taxable entity, profits will be distributed on an after tax basis. Any distribution will therefore have the benefit of franking credits and investors would be entitled to a tax offset (for Australian taxation purposes) against their pro-rata share of the tax paid by the Fund. Should the Fund be treated as a public company by the Australian Taxation Office, franking of distributions are likely to be treated differently. The RE will inform unitholders if the taxation treatment of the Fund changes.

Capital Gains Tax: Tax paid on accumulated tax deferrals as well as on increase in investment value (net of sale costs). The cost base used in calculating such capital gain will be reduced by any amounts already claimed as a deduction. PIR understands that given the nature of the Fund's proposed activities, it is likely that none of the distributions of the Fund will be tax advantaged.

GST treatment: The RE believes that GST will have a minimal impact on the financial performance of the Fund other than as set out in the PDS in relation to fees.

The taxation implications of investing in the Fund may vary according to the investment structure adopted by investors and potential changes to the Taxation Act.

It is strongly recommended that investors seek/obtain professional and independent financial advice before choosing to purchase units in this or any investment property vehicle.

Risk and Total Returns

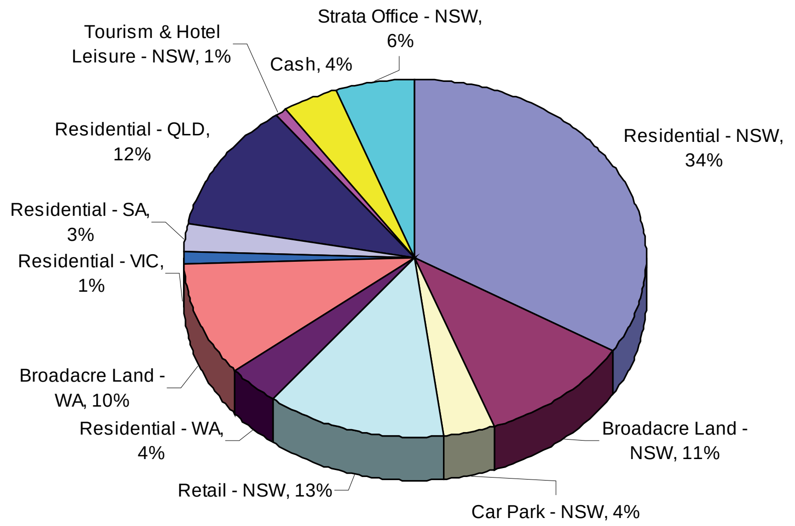
To compare the Fund's returns with alternative property investment vehicles, PIR financial analysis is based on the Fund's current investments in the existing property developments with an assumption that the capital is returned to the equity investors at the end of seven years. While this provides a basis for a seven-year financial review, the RE advises that it intends to re-invest the capital into future property developments subject to meeting defined investment criteria.

Having regard to data supplied by the RE, and assumptions made by PIR, PIR's standard seven year cash financial analysis yielded an expected IRR of 10.24% per annum after tax was calculated for investors with a marginal tax rate of 48.5% and 0% gearing. Using the standard PIR methodology, a downside IRR of 8.6% per annum was derived, with an estimated 16% chance that the actual outcome will be lower than this. An upside IRR of 12.24% after tax was calculated, with an estimated 16% chance that the actual outcome will be higher than this. The relatively narrow IRR range across these scenarios reflects the quality of Multiplex's risk management strategies.

Investment ratings are high considering the nature of property development risks.

The ability of the RE to deliver quality of investment and rate of return reflects Multiplex's development track record and the pipeline of future developments. PIR has met with the Managing Director and Fund Manager of Multiplex Investments Limited and received information on past and future Multiplex developments. These are covered in this report on the basis of an overview, as there are issues of confidentiality and disclosure of commercially sensitive information. However based on Multiplex's track record and management strategies there is comfort that future Multiplex property developments should provide the desired return on equity invested on average over the long term.

Figure 2 MDOF Geographic Allocation of Funds



Risk is measured by the variance from the expected case. For the upside and downside scenarios, alternative assumptions have been used in accordance with the standard PIR methodology. PIR's income assumptions for the portfolio are based on the information presented by the RE and PIR's knowledge of the property and development industry.

Any cash investment in the Fund is seen as dilutionary for any significant period where the Fund is not investing in development projects although this will not take effect until after the expiry of the income return guarantee of 8% which expires in June 2008 presupposing the RE can meet its guarantee commitment. An investment in cash after that period will result in significantly reduced returns to investors. PIR's scenario analysis has taken this into consideration. This analysis assumes that there is no loss of capital on any of the projects undertaken or in which the Fund is invested. It also assumes that the Fund is able to remain relatively fully invested in high yielding development projects. Where the Fund is awaiting investment opportunities, the balance of funds is invested in cash (currently returning around 5% p.a.). While this would have the effect of being dilutionary in the current investment environment, the investor guarantee of 8% will remain in effect until June 2008.

Due to the nature of the Fund, being a development fund, income only occurs when a project is completed or the Fund's interest in a project is sold. Whilst development time frames are generally adhered to there are numerous events that often result in variation of the timing of expected returns.

As with any investment, investors must consider the potential rewards and balance these against possible risks. Beyond the range of 'reasonable likelihood', a range of potential risks must be considered by investors.

The range of after tax IRR's across the three marginal tax rates and PIR's upside and downside scenarios can be found in Table iv below.

Fund estimated after-tax IRRs	Downside	Expected	Upside
48.5%	8.60%	10.24%	12.52%
31.5%	10.54%	12.26%	14.64%
15%	12.27%	14.02%	16.44%

Table iv

Risk to returns

The nature of the investment being offered gives rise to risks that are particular to this type of investment. The RE considers these risks can be effectively managed utilising the experience and resources of the total Multiplex Group. The ultimate responsibility for investment decisions is with the Board of the RE and no commitment of funds can be made without the unanimous approval of the three Independent Directors to any Multiplex development.

Construction and delivery risk

During the construction stage, control of time and costs are essential. The construction cost allowance is subject to an independent confirmation by a quantity surveyor as to reasonableness. Some developments may require the developer to bear such risks of costs exceeding those agreed to in the feasibility assessment, however in some circumstances the Fund may bear some of the risks under certain scenarios. Multiplex has a reasonable track record of "on time" delivery and on the whole, a reputation for completing developments in accordance with contractual obligations.

However, PIR notes that the completion dates of several of the projects into which the Fund has invested have been extended and the projected returns have been reduced in recent times. This is in line with the current construction boom and increased delays and resultant costs.

The projects with construction risk are, Vale, Cotton Beach, and Lakelands, although the Lakelands Villas development is nearing completion.

Property market risk

The nature of property development projects is the risk that project interests may be difficult to on-sell at the time of completion due to the time required to complete the development, by which time demand for the type of development may have changed. Mitigating this risk is the diversification of asset allocation by property type, amount and location. Further factors in aiding risk mitigation is the sourcing of levels of pre-sale contracts or pre-lease agreements prior to the Fund investing. The Fund structure also allows contracts for the sale of property developments to be executed before practical completion.

Risk of default on pre commitment sales and leasing transactions

Multiplex undertakes due diligence investigations and enters into legal contracts on all pre-sale contracts or pre-lease agreements with suitable collateral obligations (non-refundable deposits) to reduce potential losses.

Town planning/ permit risk

Multiplex has extensive experience in obtaining necessary planning approvals and due diligence procedures to identify likely planning issues. Typically planning approvals will be procured before the Fund commits capital to a development, however the Fund may undertake investment where development approval has yet to be obtained (a higher risk strategy). Through due diligence, the Fund may take the opportunity to enhance returns although this will be at the cost of an increased level of risk.

Environmental risk

As part of the RE's due diligence process, environmental issues such as land contamination are identified and remedial work considered. The Fund may bear environmental risk in situations deemed appropriate by the RE.

Funding risk

Debt structures and interest rate movement can affect development costs. The RE will generally aim to ensure that appropriate risk mitigation strategies are in place to bear the risk of interest costs exceeding those used in the feasibility assessment.

Regulatory and legal risks

The Fund can be affected by changes in the law, government policy and accounting standards. The RE will attempt to anticipate or respond to any such changes in whatever manner seems practical and in the interests of investors. If the response requires a fundamental change to the Fund, approval of investors may be required.

Industrial relations

Industrial disputes can delay completion of property developments.

Investment Criteria

All property developments to be undertaken by the Fund must satisfy the following criteria:

(i) No more than 40% of the Fund's assets will be invested in one development (including staged developments);

(ii) No more than 60% of the Fund's assets will be invested in the same property sector within the same geographic sector;

(iii) Up to 25% of the Fund's assets may be invested in developments that are located in international markets where Multiplex maintains operations, although this is not envisaged by the RE in the foreseeable future.

The Fund may invest in both property development and other direct or indirect property related investments, however no investment into Multiplex developments will be made by the Fund unless the three independent directors have agreed to the investment proposal.

The comprehensive guidelines on the selection of prospective property developments provide the Fund with required diversification across the range of property developments.

Offer Structure

The offer is an open-ended trust with a duration limited by the constitution to 80 years which expires in 2082.

The issue price of each unit under the current offer will be determined by the net asset value divided by number of units on issue. The minimum initial investment in the Fund is $10,000, with additional investments in multiples of $1,000. There is no minimum aggregate capital raising for this offer and the Fund has not been underwritten.

Investments made by the Fund will be structured on a case by case basis. In some circumstances, property development loans will be secured separately over each property development and property development trust and therefore limits the property finance recourse to the asset within the project development trust and places no recourse on the equity investors or other Fund assets. In addition, it provides an alternative disposal option, as units in the project development trust can be sold as an alternative to the sale of the property.

Prior to the change in structure to the Fund the previous offer (Multiplex Development Trust II) was for a minimum investment of $50,000. In addition, the investment criteria were more prescriptive and restrictive. The RE held a meeting with existing unit holders in September 2004 to restructure the Fund as outlined in the PDS. Amendments to the Fund constitution were approved at that meeting.

Approved investments under this new structure include traditional equity investments as well as:

- Opportunistic property investments such as acquisition, renovation/refurbishment and resale;
- Mezzanine property financing;
- Up to 25% of assets may be invested in Multiplex developments in international markets where Multiplex has a presence;
- Other property related transactions with a view to earning targeted returns providing that Multiplex have a development management role or some other involvement in the project.

The increased size of the Fund should bring greater diversity, fund liquidity and permit a broader range of investment opportunities than under the previous structure. It should be noted that the RE may change the investment strategy after giving reasonable prior notice to unitholders.

Specific investment criteria on diversification, asset class allocation and investment horizons are outlined in the PDS. The Fund will seek a target return of 15% p.a. by maintaining a portfolio of property developments and other value add projects. The RE's three independent directors are required to unanimously approve any Multiplex investment before the Fund can invest.

Liquidity and Exit Mechanism

When the Fund is deemed to be illiquid in accordance with the terms of the Corporations Act, there will be no rights of redemption to unitholders unless the RE determines to make a withdrawal offer to all unitholders. However, the RE has provided a $20 million cash liquidity facility to allow the RE to buy units from unit holders who wish to withdraw over the life of the Fund. The RE in its personal capacity, has offered to acquire units from unitholders in the Fund under this arrangement. The acquisition price is calculated as being equal to the net asset value divided by the number of units on issue. Depending on the length of time a unit has been held, the RE will charge a range of fees for administration relating to unit transfers (see fees section below for details).

PIR notes that this liquidity feature is for a fixed amount whilst the RE intends to grow the size of the fund. As a result investors should be aware that the benefits of such a liquidity feature are diluted as the fund grows.

As the investments are made in development projects, this investment should be considered to be a long term investment.

The underlying investments, the development projects, are extremely illiquid (currently the weighted average investment period for projects into which the fund is invested is 24 months).

Should the unit holders vote to wind up the Fund the net proceeds will be distributed to unit holders. However as most of the Fund's assets will be in development projects under construction, there may be a significant delay in realising the assets. Alternatively there could be a significant capital loss if a purchaser is sought for the Fund's interests in any incomplete project.

The RE intends the Fund to be an open ended trust and intends to accept subscriptions of capital every month. To the extent that the RE holds units it has acquired under the liquidity facility, the RE can transfer these units to new applicants instead of issuing new units, thereby replenishing the liquidity facility.

Fees

The RE and others are entitled to several fees. The principal fees are outlined below.

Fees relating to either the purchase or transfer of Fund units are as follows;

- Either an up-front application fee for an initial investment into the Fund of 4% of the amount subscribed (Subsequent investments in the Fund will also be subject to an application fee); or
- A Purchase fee charged to a unitholder each time units are purchased from the RE (which it has acquired under the liquidity facility). This fee equates to 4% of the value of the purchase price of the units.

The RE is entitled to ongoing fees for management of the Fund. The principal fees are outlined as follows:

- A management fee of 1.5% p.a. of the NAV of the Fund.
- On redemption of units, the RE is entitled to the greater of 1% of the redemption proceeds or $100.
- The RE can recoup all costs in relation to the business and administration of the Fund. This is capped at a relatively low 0.3% per annum of the Fund's net asset value. Above this figure the RE will meet the cost of operating the Fund.
- The fee structure places a strong incentive for the RE to perform for the unitholder's benefit.

The RE is entitled to administration fees for the purchase of units under the liquidity facility. The fee the RE will charge will be dependent upon the length of time that the unit has been on issue and is determined as follows:

- Units held for less than 3 years, 4% of the proceeds
- Units held for between 3 and 5 years, 2% of the proceeds.
- Units held through an IDPS or an IDPS -like scheme, 1% of the proceeds (irrespective of when the units, the subject of the transfer, were issued).
- Units held for greater than 5 years 0% of the proceeds.

All transactions under the liquidity facility will be subject to the administration fee payable to the RE as listed above.

Capacity of Manager

Multiplex Group is an integrated and diversified business with operations in construction, development, facilities management and investment management.

Multiplex Capital is the Investment Management division and is responsible for the management of the Multiplex Group's property investment vehicles.

The division comprises the responsible entities for a number of property investment vehicles including the ASX listed Multiplex Acumen Property Fund the ASX listed Multiplex Property Trust and the Multiplex New Zealand Property Fund. The division is managed by a team of professionals with property and funds management experience. Multiplex Capital is focused on developing and implementing the investment strategies for all the property vehicles within the Group.

The division is responsible for:

- Multiplex Funds Management Limited, as the Responsible Entity of Multiplex Property Trust
- Multiplex Investments Ltd, as the Responsible Entity of the Multiplex Development and Opportunity Fund;
- Multiplex Capital Limited, as the Responsible Entity for three direct property investments and manager of one direct property investment;
- Acumen Capital Securities Limited as the Responsible Entity of the ASX listed Multiplex Acumen Property Fund.

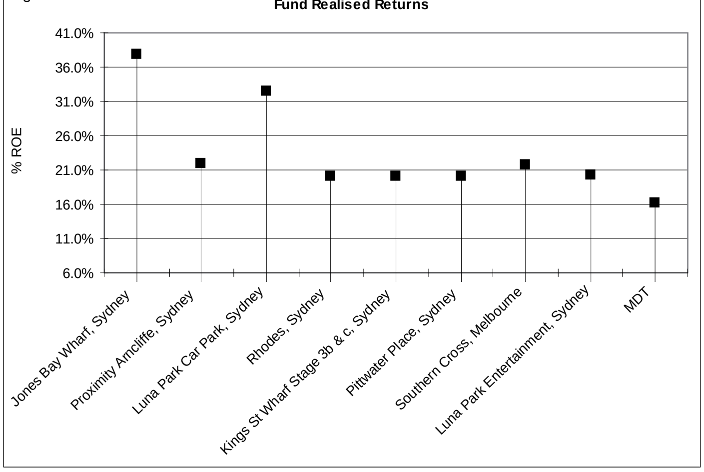
The parent company, Multiplex was established as a private company in 1962 and today is a diversified property business that listed on the Australian Stock Exchange in December 2003. It had a fully paid market capitalisation as at 22 August 2005 of approximately $2.69 billion. It employs over 2,000 people in construction, facilities management, property development and investment management divisions. It is a stapled security with a large diversified portfolio.

Fund Performance

Fund performance for the period 1 July 2004 to 30 June 2005 was 17.46% (before tax, after operating expenses). This included income returns of 15.48%, with franking credits resulting in a net return of 10.83% (before an individual investor's marginal tax rate is considered). The return also includes an increase in unit value of 1.98%. PIR notes that this level of returns is less than the RE's original target before tax, after development expenses return for the Fund of 19.7% (or 20% before tax and expenses).

Figure 3 below outlines the performance of the Fund's realised investments from inception date to 30 June 2005.

Figure 3



Custodial services are currently being provided by Multiplex Funds Management Ltd, which is a wholly owned subsidiary of Multiplex.

Executive Directors of the Company and key personnel are:

Ian O'Toole (Managing Director): Ian has over 22 years experience in funds management and real estate. As a former Director of ING Real Estate Asset Management Limited, he is experienced in capital transactions and asset management.

Dr Peter Morris B Eng, Ph.D. (Independent Director): With a career spanning over 30 years, Peter has held several senior positions including over 20 years as the managing director of Bovis Australia (now Bovis Lend Lease). Peter is currently a Non-Executive Director of Galileo Funds Management which has assets of over $450 million under management. His specialist skills are in the areas around establishing delivery strategies for major development and construction projects.

Mike Hodgetts B Comm, MBA, FAIQS, FRICS, JP. (Independent Director): A qualified Quantity Surveyor, Mike has over 30 years experience in the property industry and was managing director, then Chairman of the Rider Hunt Group. He is a past national president of the Australian Institute of Quantity Surveyors and has represented the profession at key national and international conferences.

Robert McCuaig API, FRICS. (Independent Director): Has extensive experience in the Australian property industry, having established McCuaig & Colliers in 1967. Currently Robert is the Chairman of Colliers International (Australia) and a director of several companies including non-profit organisations.

Rob Rayner (Divisional Director Funds Management): Rob has over 15 years property and financial experience in both the listed and unlisted sectors of the property funds management industry. Rob is primarily responsible for both the growth and development of the funds management business.

Leon Boyatzis (Fund Manager): Leon has over 15 years experience in investment analysis across a range of industries in both London and Australia. Most recently, Leon was Research Manager of a stockbroking firm before turning his investment analysis skills to the property industry where he was responsible for the analysis of a number of major property developments as well as overseeing the performance of significant property portfolios. Leon has a Chartered Accounting qualification and holds masters of Property.

PIR undertook a compliance review of Multiplex Capital Limited in July 2005. This compliance system is the same for Multiplex Investments Limited, the RE of the Fund. Multiplex Capital Limited has experienced considerable growth over the last 12 months. The Multiplex Group controls Five Responsible entities, has two AFS Licences and 11 schemes under management.

The Funds Management business has the Group Compliance Manager overseeing the compliance requirements for the scheme. A computerized compliance monitoring system is used to monitor compliance and allows the Compliance Manager to readily identify shortcomings and delays. Compliance risks are communicated and controlled by the publication of policies and guidelines via the intranet and referred to in the compliance plan.

The review concluded that Multiplex is committed to complying with applicable laws and regulations. There is a compliance review program in place, which addresses significant components of compliance on a rotational basis. This is a good control for ensuring that all areas of compliance are being adequately addressed.

Property and Location Analysis

1. Arcadia, Tarneit, Melbourne VIC			
% of Portfolio	1.0%	**Expected Realisation Date**	October 2006
Fund Interest	100%	**Fund Investment**	$5.0 million
Title	Freehold	**Type**	Residential Land Subdivision
Location	Tarneit Victoria	**Total Site Area**	14.78 ha

Table v

A residential subdivision development site located on Sayers Road approximately 25 km west of the Melbourne Central Business District ("CBD") that was purchased for subdivision. The site has been subdivided into 174 lots, with an average size of approximately 554 Sq metres.

Well located in Melbourne's West, adjacent to the Princess Freeway with good access to all arterial roads in a growing area.

2. Latitude (World Square) Retail & Carpark, Sydney, NSW			
% of Portfolio	15.2%	**Expected Realisation Date**	July 2005
Fund Interest	100%	**Fund Investment**	$21.9 million
Title	Freehold	**Type**	16,313m^2
Type	Retail & Carpark	**Total Site Area**	N/A
Location	Sydney NSW		

Table vi

Branded World Wqaure Shopping Centre, the retail centre officially opened on 2 June 2005. World Square Shopping Centre comprises over 90 stores spanning 3 levels of an entire city block, catering for fashion, house wares, lifestyle, fresh food and restaurants. Major tenants include the largest Coles supermarket in the city, Sony Central, Retravision and Rebel Sport. The shopping centre is supported by a 550 space public carpark.

3. Newport Quays, Stage 1, Port Adelaide Waterfront, SA			
% of Portfolio	2.5%	**Expected Realisation Date**	September 2007
Fund Interest	50%	**Fund Investment**	$3.645 million
Title	Freehold	**Type**	Residential
Location	Port Adelaide, SA		

Table vii

"Newport Quays" is a major mixed use redevelopment of the waterfront land around the inner harbour of Port Adelaide. The first stage comprises approximately 170 residential dwellings ranging from one bedroom to three bedroom apartments, townhouses and mansion style dwellings. Located close to the Adelaide CBD in a desirable location. PIR has not inspected this site.

4. 40 Walker St, Rhodes, Sydney, NSW			
% of Portfolio	4.1%	**Expected Realisation Date**	November 2008
Fund Interest	100%	**Fund Investment**	$5.9 million
Title	Freehold	**Type**	Residential Land Subdivision
Location	Sydney NSW	**Total Site Area**	

Table viii

Multiplex have formed a joint venture with Trafalgar Corporate to remediate and develop the harbourfront site at Rhodes, adjacent to the Olympic precinct, into a major new residential precinct. The site has a master plan Development Consent for 1,250 dwellings over 8 super lots. Remediation work on the land commenced in May 2005 and remediation is scheduled to be delivered in three stages over a period of approximately three and a half years. Building construction of stage one could commence by mid 2007. PIR considers this realisation date to be ambitious. PIR has not inspected this site.

5. Ettalong, Central Coast, NSW			
% of Portfolio	3.5%	**Expected Realisation Date**	October 2005
Fund Interest	100%	**Fund Investment**	$5.05 million
Title	Freehold	**Type**	Residential, Hotel
Location	Central Coast NSW		

Table ix

The development comprises Club premises and a 4-star hotel / serviced apartment resort complex. The ground floor Club facilities include eateries, restaurant and bars, gaming room, health club, business centre, conference facilities and entertainment lounge. The hotel / serviced apartment resort comprises a combination of studios, one, two and three bedroom serviced apartments. Located on the NSW Central Coast, the apartments are arranged in a stepped form with water views across Brisbane Waters to Lion Island and Palm Beach. Location is beside the sizable Ettalong Beach RSL club and only a few metres from the non surf beach and shops.

6. 650 George Street (Latitude Strata Office), Sydney, NSW			
% of Portfolio	2.1%	**Expected Realisation Date**	July 2005
Fund Interest	100%	**Fund Investment**	$3.08 million
Title	Freehold/Strata	**Type**	Strata office
Location	Sydney, NSW	**Total Site Area**	4,700m^2

Table x

The five level building (levels 11 to 15) known as the North West Quadrant of the Latitude (World Square) project, comprises 68 strata commercial suites. Practical completion of the upper part of the Latitude retail/carpark development mentioned was achieved on 2 June 2005. 76% of this development was presold.

7. King Street Wharf Site 1, Sydney, NSW			
% of Portfolio	6.9%	**Expected Realisation Date**	December 2007
Fund Interest	50%	**Fund Investment**	$10.0 million
Title	Freehold/Strata	**Type**	Residential, strata office, retail
Location	Sydney, NSW	**Total Site Area**	N/A

Table xi

Part of the mixed use development of Darling Harbour Wharves 9 & 10 on the western edge of the Sydney Central Business District. Site 1 is a development site with development approval for a mix of uses including residential apartments, retail and commercial suites and associated car parking. Situated on the waterfront, this residential development should have good harbour views upon completion.

8. The Chancellor, Double Bay, Sydney, NSW			
% of Portfolio	3.5%	**Expected Realisation Date**	December 2005
Fund Interest	100%	**Fund Investment**	$3.64 million
Title	Freehold	**Type**	Retail, Residential
Location	Sydney NSW		

Table xii

Thirteen luxury residential apartments of the highest quality, above a ground floor retail offering that is anticipated to attract a mix of boutique retailers. All apartments are specified to contain 3 bedrooms and three bathrooms with the complex being approximately 60% pre sold at the time of this report.

This is an excellent location, in the heart of Double Bay which is a premium harbour side eastern suburbs location and is located adjacent to shops and the café culture. Construction is in the later stages with the upper level residential apartments expected to have good views and should command premium prices.

9. Raffles Perth, WA			
% of Portfolio	2.5%	**Expected Realisation Date**	May 2006
Fund Interest	100%	**Fund Investment**	$5.0 million
Title	Freehold	**Type**	Retail, Residential
Location	Perth, WA	**Total Site Area**	

Table xiii

A redevelopment of the heritage listed Raffles hotel in Applecross, Perth to comprise over one hundred luxury apartments as well as associated commercial space. The planned development will entail a high rise fifteen level tower with two low rise five level wings with apartments capturing panoramic views of the Swan River and Perth CBD to the north and east and views of the Canning River to the south.

This project is 100% presold. The location is excellent with good freeway access and being only 5 minutes from downtown Perth. Practical completion is forecast for April 2006.

10. Vale, stages 2 to 6, Perth, WA			
% of Portfolio	10.4%	**Expected Realisation Date**	June 2007-June 2009
Fund Interest	100% (Stages 2 - 6)	**Fund Investment**	$15.0 million
Title	Freehold	**Type**	Residential Land Subdivision
Location	Perth, WA	**Total Site Area**	

Table xiv

A master planned community located in the Swan Valley, approximately 22 kilometres north east of Perth's CBD. The project is located near to natural parkland, The Vines golf course and Swan Valley. The concept of the development at Vale is to create a private master-planned community complete with recreational, retail and commercial facilities, plus private and public education. The project plan provides for 4,500 homes with two village centres linked by a recreational and conservation precinct to be developed over 15 years. Stage 2 is scheduled to comprise 365 residential lots with marketing of the lots expected has commenced. The land subject to syndication comprises Stages 2-6. Stage 2 is now substantially pre-sold. Stage 2 also comprises a 10 ha private school site that has been sold.

Stages 3 to 6 will comprise 1,199 lots, retirement and town centre sites, together with the development of significant parklands and conservation and recreational areas. The development will be undertaken via a staged construction program which is scheduled to begin in the 2005 financial year.

Stage1 sold out prior to completion with lot values rising during construction. Construction has commenced.

The two sites are located within a 30 minute drive of Perth, in an area that offers affordable land. It is adjacent to the Vines subdivision, another planned community with hotel and a links style golf course.

11. Latitude Site C, Sydney, NSW			
% of Portfolio	8.7%	**Expected Realisation Date**	September 2006
Fund Interest	50%	**Fund Investment**	$12.5 million
Title	Freehold/Strata	**Type**	Residential, Strata office
Location	Sydney, NSW	**Total Site Area**	N/A

Table xv

The final component of the World Square redevelopment, located in Sydney's Central Business District. The project is to comprise a mix of strata commercial office, apartments designed around a "home office" use and residential tower. Currently there are no pre sales and construction has yet to commence.

12. 163 Castlereagh Street, Sydney, NSW			
% of Portfolio	9.7%	**Expected Realisation Date**	October 2006
Fund Interest	N/A*	**Fund Investment**	$14.0 million
Title	Freehold	**Type**	Residential, Serviced Apartments
Location	Sydney, NSW	**Total Site Area**	N/A

Table xvi

An amalgamation of five sites with frontage to Castlereagh and Pitt Streets in the heart of the Sydney Central Business District to comprise ground floor retail and upper levels with a potential mix of 717 serviced and residential apartments. This comprises a site currently on five titles with different frontages to both Castlereagh and Pitt streets. Currently these older buildings primarily house retail tenants on short leases. The upper levels of the development should obtain Hyde Park views, although these may be built out at a later date.

13. Investment in MDT			
% of Portfolio	1.1%	**Expected Realisation Date**	May 2006
Fund Interest	100%	**Fund Investment**	$1.55 million

Table xvii

This proportion of the investment portfolio is wholly invested in the Raffles Perth project, through MDT.

14. Lakeland Apartments, Gold Coast, QLD			
% of Portfolio	3.3%	**Expected Realisation Date**	May 2007
Fund Interest	100%	**Fund Investment**	$4.70 million
Title	Freehold	**Type**	Residential
Location	Gold Coast, QLD		

Table xviii

Lakelands Signature Living is a residential development situated at Merrimac, a short distance from the Gold Coast's beaches. With views of the Jack Nicklus designed golf course, hinterland and Gold Coast City skyline, Lakelands is expected to be a sought after Gold Coast golf resort. Stage 4 of the Lakelands project (the villas comprise stage 3), Lakelands Signature Living Apartments will comprise 53 two and three bedroom luxury apartments in two buildings. Construction has yet to commence.

15. Lakeland Villas, Gold Coast, QLD			
% of Portfolio	1.5%	**Expected Realisation Date**	October 2005
Fund Interest	100%	**Fund Investment**	$2.17 million
Title	Freehold	**Type**	Residential
Location	Gold Coast, QLD		

Table xix

Lakelands Signature Living is a boutique master planned community located on the Gold Coast in Queensland. The property is located within the grounds of the Lakelands Golf Club, Australia's only Jack Nicklaus designed golf course. Stage 3 of the development comprises of twenty lake front villas, the construction of which is complete. Settlement is to occur in the following months.

16. Cotton Beach, Casurina, NSW			
% of Portfolio	5.7%	**Expected Realisation Date**	June 2007
Fund Interest	100%	**Fund Investment**	$8.30 million
Title	Freehold	**Type**	Residential
Location	Casurina, Tweed Coast NSW		

Table xx

Casuarina Beach is an award winning master planned community on the Tweed coast in Northern NSW. Casuarina, which is partly completed, offers 3.5 kilometres of beach frontage. Casurina has experienced rapid growth, particularly from retirees moving to the area. Cotton Beach at Casuarina is a development to comprise in total 470 apartments, villas and beach houses over 8 hectares of beachfront land, many will obtain desirable sea views. The site fronts a reserve and beyond that the beach. The Multiplex Development and Opportunity Fund is investing into Stage 1 of Cotton Beach. Stage 1 is to comprise 129 premium beachfront apartments and a café. Construction has yet to commence although some subdivision works have taken place.

17. Part Stage 1, Portside Wharf, Brisbane, QLD			
% of Portfolio	6.9%	**Expected Realisation Date**	September 2006
Fund Interest	100%	**Fund Investment**	$10.0 million
Title	Freehold	**Type**	Residential Apartments
Location	Brisbane, QLD		

Table xxi

"Portside Wharf" is a major waterfront development designed to accommodate the Brisbane International Cruise Ship Terminal together with some 381 prestige residential apartments and extensive retail / commercial areas. The residential, commercial and retail components of the development are contained within eight buildings and will be undertaken in three stages.

The first stage comprises the Cruise ship terminal, retail and commercial complex, "Loft" building to comprise a restaurant and five apartments and two residential apartment buildings, "Infinity" featuring 63 apartments and "Flare" featuring 96 apartments. The Multiplex Development and Opportunity Fund is only invested into the Infinity and Flare residential buildings. PIR considers this to be a very impressive riverfront site. Located approximately 4.5 kilometres north of the Brisbane CBD, all levels of the residential development at the front should obtain city and river views. The views from the upper levels will be sweeping. Considerable presales have been achieved.

Construction has commenced although PIR believes that the completion date is optimistic.

18. Bulli, NSW			
% of Portfolio	6.7%	**Expected Realisation Date**	July 2008
Fund Interest	100%	**Fund Investment**	$9.65million
Title	Freehold	**Type**	Residential Land Subdivision
Location	South Coast NSW		

Table xxii

The site is located in the northern suburbs of Wollongong on the Sydney coastal escarpment, offering ocean views. Conceptual designs for the 54 hectare site allow for a variety of housing lot sizes, ranging from 300 square metres to over 1,200 square metres. Located close to a rail line. Planning permission has not yet been granted.

19. Walsh Bay Moorings, 8 & 9, Sydney, NSW			
% of Portfolio	0.8%	**Expected Realisation Date**	December 2005
Fund Interest	100%	**Fund Investment**	$1.10million
Title	Freehold	**Type**	Marina
Location	Sydney NSW		

Table xxiii

The project comprises the construction and strata subdivision of a 15 berth private mooring facility at Walsh Bay. Walsh Bay is located on the northern fringe of the Sydney Central Business District. The total lease area comprises 2,590 square meters and is located on the eastern side of Pier 8/9.

Future Multiplex Developments

As a leading Australian property development and construction company, Multiplex has secured development rights over major property projects. Issues of confidentially limit the disclosure on several property developments. As an overview, the RE advises that Multiplex has property development works in progress totalling $14.3 billion as at 30 June 2005 spread across various geographic locations and property asset classes.

Projects noted below are those not under commercial-in-confidence developments which Multiplex has secured and where preliminary development approval work has commenced. The examples illustrate the range of future Multiplex property developments which the Fund may co-invest into with Multiplex. The geographic location provides the benefits of diversification and is part of the RE's risk amelioration strategy. Similar to the initial property development portfolio, future Multiplex property developments may be pre-leased and pre-sold. At the end of June 2005, the Fund Manager had recommended (and the Directors approved) that the two investment opportunities detailed below satisfy the Fund's investment criteria and will commence during the September 2005 quarter.

Nedlands Park Hotel, Perth, WA

Located opposite a reserve on the Swan River and currently a popular hotel. This is an excellent location, less than 10 minutes drive from the Perth CBD. Wide river and city views are expected to be obtained form this development. This development is expected to be a mixture of residential and hotel, with a small retail component containing licensed premises.

Stages 1-4 Blue Water, Cairns, QLD

Blue Water comprises a 173 hectare site close to Trinity Beach, in Cairns in Far North Queensland. It is proposed to develop the land into approximately 670 lots incorporating a 10 hectare central lake and parkland. There is a significant amount of existing rainforest on the site, which will create a unique form of Development with the need for architecturally designed pole homes.

Stages 1-4 will comprise a total of 305 residential lots which will include lakeside lots and rainforest lots – both of which will be marketed as premium product.

PIR has not inspected this site.

Due Diligence

Property Investment Research Pty Ltd (PIR) advises that in the compilation of this report, we have not conducted a full due diligence on this offer. Investors would be well advised to consult the offer document, conduct their own inquiries, and receive professional advice specific to their needs and circumstances. This report was not prepared to form any part of any offer document.

PIR has relied upon information contained in the offer document, for the Multiplex Development & Opportunity Fund, Product Disclosure Statement dated 14 September 2005 and information provided by Multiplex during various discussions with PIR. PIR has carried out its own independent inquires. PIR has inspected all properties mentioned in this report except where otherwise mentioned and met representatives of the Responsible Entity. There were no issues apparent from a physical inspection of the properties, or from discussions with the Responsible Entity, that would have a detrimental impact on an investment in the Fund, other than those identified in the offer document or other material received or identified in this report.

PIR has reviewed copies of the Fund Constitution and Compliance Plan which have been registered by the Australian Securities and Investment Commission (ASIC) and accounting reports including the tax schedule.

PIR has undertaken a compliance review of Multiplex Capital Limited dated 13 August 2004 in relation to the evaluation of a separate Multiplex Fund. While this review was not involved with Multiplex Investments Limited, Multiplex have informed PIR that the compliance committee members and systems are the same for the Multiplex Development & Opportunity Fund. This review highlighted that there is no written policy regarding Related Party Transactions however the timetable to introduce a formal policy would be escalated. Multiplex has since informed PIR that a formal policy has been developed and accepted by the Board. This is relevant due to the close relationship between the Fund and Multiplex as the prime constructor in most projects.

PIR has reviewed all the valuations, quantity surveyors reports and building condition reports.

Explanation of Investment Rating

The Investment Rating Financial Model (patent pending) provides a single measure of the overall investment merit of this vehicle for various investor profiles. It incorporates the level of expected returns (IRRs) from the investment and adjusts these for both illiquidity and risk associated with this investment, presenting them across the three main marginal tax rates. The Investment Rating is based on the premium of the estimated risk-free, after-tax IRR adjusted for illiquidity over the prevailing 10-year bond rate. This measure enables the valid comparison of an investment with any other for nine (tax rate and risk tolerance) investor profiles. This facilitates the task of tailoring investment selection to the needs of the individual investor. Further, it provides ratings in which the advisers and investors can have unprecedented confidence. The ratings presented in the risk tolerance/tax rate matrix are only a representative sample of those available on PIR's unique individually tailored on-line investment selection system.

Visit www.pir.com.au or phone (03) 9670 7767 for assistance.

Except when investor gearing is involved, a lower marginal investor tax rate would normally attract a higher rating because investors on higher tax rates (nearly) always pay more tax. An investment which rates AA- for a 48.5% tax rate investor may be relatively better for that investor profile than for a 15% taxpayer for which the rating is AA+. A high rating for a higher marginal investor tax rate is generally less common than the same rating for a lower marginal investor tax rate.

Comparison across investor tax rates is not meaningful, nor is comparison across investor risk tolerances.

For ease of comprehension, the Investment Rating uses symbols similar to those applied by credit rating agencies. These ratings should not, however, be confused or compared with those used by credit rating agencies. The seven published Investment Ratings from lowest to highest are: **A- A A+ AA- AA AA+ AAA**. Projects with ratings below A- are not considered investment grade and reports on such projects are not published by PIR.

Investors should visit pir.com.au to view and download a detailed explanation of the PIR Investment Rating System or phone

(03) 9670 7767 for a complimentary copy.

RESEARCH CREDENTIALS

Under Corporations Act 2001, Property Investment Research Pty Ltd ("PIR") ABN 97 006 425 083 holds an Australian Financial Services Licence (No. 252599). Established in 1989, PIR is Australia's leading independent specialist research group on property related investments. PIR is the major supplier of independent property research to Investment Managers and Financial Advisers. Financial Advisers are required by s945A(1)(b) of the Corporations Act 2001 to properly research the financial products they recommend. PIR's independent research plays a vital compliance role for ASIC licensed Investment Advisers and Securities Dealers in that it: provides knowledge of investment promoters, their track record, the investment market and the risks involved; and ensures, where specialised in-house research is not available, reliable and impartial research is obtained.

STATEMENT OF INDEPENDENCE

Property Investment Research (PIR) has received fees from **Multiplex Investments Limted** for the preparation of this report. PIR is a property investment specialist and applies a strict and rigorously independent process for production of research reports and has no direct or indirect vested interest in the success or otherwise of any investment offer evaluated by PIR.

Under section 923a of the Financial Services Reform Act there are restrictions and penalties relating to the misuse of the word 'independent'. Neither PIR nor its directors, its employees or associates receive success fees, commissions, or remunerations based on transaction volume, gifts or any other peripheral benefits that may materially influence the direction of reports.

Additionally PIR's independent ownership means it has neither potential conflicts nor vested interests, such as those arising through ownership by real estate, stockbroking, financial planning or fund management organisations. Furthermore PIR has a policy of not entering into any agreements or alliances with product providers.

Neither PIR Directors nor PIR personnel or PIR consultants directly connected with the production of this report hold substantial interests (if any) in the securities analysed in this report.

DISCLAIMER

This independent research report was not prepared for inclusion in, or in connection with any Product Disclosure Statement or other offer document and should not be relied upon to provide all the necessary information for investment decisions. Although great care has been taken to ensure the accuracy of this report, PIR gives no warranties in relation to the statements and information contained herein and disclaims all liability arising from any persons acting on the information and statements in this report. PIR reserves the right to change its opinion, ratings and/or withdraw the report at any time on reasonable grounds. PIR research provides general opinion and not personal securities recommendations. All investors are strongly advised to consult professional financial advisers whose role it is to provide appropriate investment advice, taking into account an individual investors' investment objectives, financial situations and particular needs. PIR assumes no responsibility or obligation to provide updates on this published report. This report is prepared and issued by PIR for the purpose of the assessment of securities in this scheme. This assessment is valid for capital raising purposes for a period of six months on the provision that no material changes are effected. Please consult the Responsible Entity or your financial adviser for further information.

Richard Cruickshank, Managing Director.

To find out more about Property Investment Research (PIR), visit http://www.pir.com.au