

28 February 2013

Dear Investor

Multiplex Property Income Fund (Fund) - Investor update

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides an update to investors for the half year ended 31 December 2012.

Wind Up

On 18 December 2012 investors resolved to wind up the Fund. BCML has commenced the process of realising assets and returning cash to investors.

Financial Results

At 31 December 2012 the Fund had assets under management of \$26.2 million and an NTA of \$0.40 per unit. A summary of the Fund's performance is as follows:

	As at 31 December 2012	As at 30 June 2012	Movements
Total asset (\$'000)	26,234	34,493	24% decrease
Total liabilities (\$'000)	4,893	244	1905% increase
Net assets (\$'000)	21,341	34,249	38% 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 (\$)	\$0.40	\$0.65	38% decrease
NTA Ordinary Units (\$)	nil	nil	n/a
	For the Half year ended 31 December 2012	For the Half year ended 31 December 2011	Variance
Total revenue (\$'000)	2,156	1,304	65% increase
Total expenses (\$'000)	549	4,264	87% decrease
Net profit / (loss) for the period (\$'000)	1,607	(2,960)	154% Increase
Distributions (cents per unit)	1.5431	1.9252	20% decrease

Distributions

A capital distribution of 0.95 cents per unit has been declared and will be paid on 6 March 2013. This capital distribution is in addition to the capital distributions of 14.7 cents per unit paid on 21 December 2012 and 9.02 cents per unit paid on 3 January 2013.

Income distributions of 1.5431 cents per unit were paid for the six months to 31 December 2012. This represents an annualised distribution yield of 7.5% on the Fund's current NTA. The Fund will continue to pay its income distributions when it receives distributions from the underlying investments. This is likely to occur on a quarterly basis.

Investment Portfolio Update as at 31 December 2012

The value of the Fund's underlying investment portfolio decreased by 38% to \$21.3 million and reflects an NTA of \$0.40 per Income Unit. The Ordinary units in the Fund are now held by BAO Trust (previously held by Brookfield Australian Opportunities Fund (BAO)) and 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 31 December 2012, or where this has not been provided, the latest available net asset value for each underlying investment. The two remaining A-REITs are shown at the ASX closing price on 31 December 2012.

The decline in NTA from 30 June 2012 was due largely to the capital returns made during the period. Other contributors included small movements in the carrying value of the investments with the exception of the APN Vienna Retail Fund.

The European markets continue to have an adverse effect on the Fund's investment in APN Vienna Retail Fund and as a result the investment has been written down by \$0.5 million to \$0.5 million which equates to 0.91 cents per unit.

Other significant investment updates include:

Australian Unity Office Property Fund (AUOPF)

A withdrawal offer of \$3.5 million was made available to unitholders in November 2012. The Fund applied for redemption of its entire holding at a price equal to a discount of 0.5% to current NTA but was scaled back to approximately 6.5%. The Fund redeemed 174,766 units and realised \$156,817.

Multiplex New Zealand Property Fund (MNZPF)

MNZPF is in wind up. An expression of interest campaign was undertaken in December 2012 for the sale of the majority of the Fund's properties. This process led to a number of parties entering into a formal due diligence review. Stage one of the due diligence is likely to complete in March 2013. There is no guarantee that this process will lead to a sale of the properties in the near future.

PFA Diversified Property Trust (PFA)

A withdrawal offer of \$5 million was made available to unitholders in November 2012. The Fund applied for redemption of its entire holding at a price equal to a discount of 8% to current NTA but was scaled back to 10.56%. The Fund redeemed 263,890 units and realised \$197,601.

In a bid to continue to deliver some limited liquidity and to reduce debt, the fund has commenced marketing campaigns for the sale of three assets; The Octagon office in Parramatta, Cairns Hypermarket and Civic Tower in Sydney.

Retail Direct Property 21 (formerly Centro MCS 21)

Following from Centro's re-branding to Federation Centres, Centro MCS 21 has recently been renamed Retail Direct Property 21. The sales campaign for the Syndicate's 50% interest in Roselands Shopping continues. The manager is targeting a sale of the asset in 2013.

The Fund's investment portfolio is as follows:

Listed Property Securities	Investment Value	Distribution Yield¹ (%)
BlackWall Property Funds Limited	0.09	4.5
P-REIT	0.55	0.0
Unlisted Property Securities³		
APN Champion Retail Fund	0.00	0.0
APN National Storage Property Trust	1.08	7.6
APN Regional Property Fund ²	0.50	5.2
APN UKA Poland Retail Fund	0.00	0.0
APN UKA Vienna Retail Fund	0.50	1.3
Arena Childcare Property Fund	2.02	7.9
Australian Unity Office Property Fund	2.23	8.1
Australian Unity Diversified Property Fund	0.42	5.8
Australian Unity Fifth Commercial Trust	3.23	7.7
BGP Holdings Beneficial Interest Share	0.00	0.0
BlackWall Telstra House Trust	0.32	11.4
Charter Hall Diversified Property Fund	2.44	6.9
Charter Hall Umbrella Fund	1.52	5.5
MAB Diversified Property Trust	1.28	6.6
Multiplex New Zealand Property Fund	0.57	0.0
Pengana Credo European Property Trust	0.00	0.0
PFA Diversified Property Trust	1.73	9.4
Retail Direct RHT 21	1.03	2.5
Rimcorp Property Trust No.3	0.61	9.6
Stockland Direct Office Trust No.3	0.62	0.8
Cash Asset	0.59	2.6
Portfolio Income Yield	21.34	5.8²

1. Distribution yield is calculated based on distributions accrued by the Fund for the 6 months to 31 December 2012 multiplied by two, divided by the investment carrying value as at 31 December 2012, excluding one off distributions during the period.
2. Portfolio Income yield is calculated based on the above and divided by the average total assets of the Fund.
3. Excludes three Rubicon Trusts which delisted from the ASX and are in the process of being wound-up.

Redemptions and Return of Capital

- \$4.8 million of capital was returned to the Fund from disposing of the majority of its A-REIT investments;
- Centro MCS 28 and MCS 22 returned approximately \$0.8 million of capital as the syndicates were terminated and assets realised;
- Multiplex New Zealand Property Fund returned \$0.06 million of capital upon commencement of its wind up;
- Charter Hall Umbrella Fund offered a limited liquidity withdrawal under which the Fund redeemed 369,502 units and received \$0.2 million in cash;
- Australian Unity Office Property Fund offered its six monthly liquidity offer of circa \$3.5 million. The Fund redeemed 174,766 units and received \$0.2 million in cash; and
- PFA Diversified Property Fund offered a \$5 million limited liquidity offer from which the Fund redeemed 263,890 units and received \$0.2 million in cash.

Future Liquidity

Further withdrawal opportunities may become available from underlying unlisted funds, however there is no guarantee that such offers will continue or be offered on a regular basis.

Further information and financial results as at 31 December 2012

The Fund's interim financial report for the half year ended 31 December 2012 is available at www.au.brookfield.com and it is recommended that investors review this document.

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
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Multiplex Property Income Fund