

Multiplex Property Income Fund
Interim financial report
For the half year ended
31 December 2011

Multiplex Property Income Fund

ARSN 117 674 049

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Multiplex Property Income Fund

For the half year ended 31 December 2011

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Directory

Multiplex Property Income Fund

For the half year ended 31 December 2011

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Brian Motteram
Barbara Ward
Russell Proutt
Shane Ross

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Custodian

JP Morgan Chase Bank N.A. (Sydney Branch)
Level 35, Suncorp Building
259 George Street
Sydney NSW 2000

Location of Share Registry

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
Telephone: +61 1300 737 760
Facsimile: + 61 1300 653 459

Auditor

Deloitte Touche Tohmatsu
The Barrington
Level 10, 10 Smith Street
Parramatta NSW 2150
Telephone: + 61 2 9840 7000
Facsimile: + 61 2 9840 7001

Directors' Report

Multiplex Property Income Fund

For the half year ended 31 December 2011

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex Property Income Fund (ARSN 117 674 049) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2011 and the Independent Auditor's Review Report thereon.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald (appointed 1 January 2010)	Non-Executive Independent Chairman
Brian Motteram (appointed 21 February 2007)	Non-Executive Independent Director
Barbara Ward (appointed 1 January 2010)	Non-Executive Independent Director
Russell Proutt (appointed 1 January 2010)	Executive Director
Shane Ross (appointed 16 May 2011)	Executive Director

Principal activities

The principal activity of the Consolidated Entity is the investment in Australian Securities Exchange (ASX) listed and unlisted property securities.

Review of operations

The Consolidated Entity has recorded a net loss of \$2,960,000 for the six month period ended 31 December 2011 (2010: net profit of \$775,000). The reported net loss includes \$4,131,000 in impairment losses (2010: \$460,000).

Some of the significant events during the period are as follows:

- total revenue and other income of \$1,304,000 (2010: \$1,245,000);
- distributions to income unitholders of \$1,016,000 and distributions per unit (DPU) of 1.9252 cents per unit (2010: \$873,000 and 1.6532 cents per unit);
- net assets of \$36,668,000 (30 June 2011: \$40,973,000);
- ASX listed security portfolio value of \$4,733,000 (30 June 2011: \$4,678,000);
- unlisted security portfolio value of \$27,057,000 (30 June 2011: \$33,203,000); and
- net tangible assets (NTA) per income unit was \$0.69 (30 June 2011: \$0.78).

The major contributors to the decline in NTA at 31 December 2011 compared to 30 June 2011 were in investments in the APN Champion Retail Fund which contributed \$3.0 million (equating to 5.66 cents per unit) and P-REIT which contributed \$0.7 million (equating to 1.34 cents per unit).

The Consolidated Entity has 52,791,450 income units on issue at the reporting date. Under the terms of the Fund's Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where the Consolidated Entity does not meet the PDP to its income unitholders, Brookfield Australian Opportunities Fund (BAO), the Consolidated Entity's ordinary unitholder, will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.

As the Consolidated Entity distributed less than the PDP for the period January 2011 to December 2011, BAO will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of the Fund. At 31 December 2011, the shortfall totalled \$2,277,000 (31 December 2010: \$2,104,000).

The issue and redemption price of income units is \$1.00 per unit and is not determined by reference to the value of the Fund's and Consolidated Entity's assets. In practical terms, any increase in value above \$1.00 will accrue to the ordinary unitholder as will any decrease in value, unless the value falls below the amount contributed by income unitholders. At 31 December 2011, the value of the Consolidated Entity's assets is below the value contributed by income unitholders by \$16,292,000 (30 June 2011: deficiency of \$11,987,000). At 31 December 2011 and at the date of this report, the Fund remains closed to new applications and redemptions.

Acquisition of Consolidated Entity assets

During the period, the Directors of BCML as Responsible Entity of the Fund received a conditional offer from BCML as responsible entity of BAO to buy 8 investments in unlisted property funds and 1 investment listed on the Bendigo Stock Exchange as held by the Consolidated Entity. Following a unitholder vote on 22 November 2011, the offer was rejected by the unitholders of the Fund and the assets remain with the Consolidated Entity.

Directors' Report continued

Multiplex Property Income Fund

For the half year ended 31 December 2011

Rounding of amounts

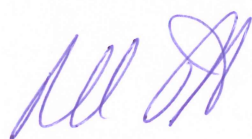
The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2011.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Dated at Sydney this 24th day of February 2012.



Russell Proutt

Director

Brookfield Capital Management Limited

The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex Property Income Fund)
135 King Street
SYDNEY, NSW 2000

24 February 2012

Dear Directors

MULTIPLEX PROPERTY INCOME FUND

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of Multiplex Property Income Fund.

As lead audit partner for the review of the financial statements of Multiplex Property Income Fund for the half year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Comprehensive Income

Multiplex Property Income Fund

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For the half year ended 31 December 2011

	Note	Consolidated Half year ended 31 December 2011 \$'000	Half year ended 31 December 2010 \$'000
Revenue and other income			
Distribution income from ASX listed and unlisted property trusts		1,238	1,078
Gain on disposal of ASX listed and unlisted property trusts		–	52
Interest income		66	115
Total revenue and other income		1,304	1,245
Expenses			
Loss on disposal of ASX listed and unlisted property trusts		18	–
Impairment expense	6	4,131	460
Other expenses		115	10
Total expenses		4,264	470
Net (loss)/profit for the period		(2,960)	775
Other comprehensive income			
Changes in fair value of available for sale financial assets		(329)	1,715
Other comprehensive (loss)/income for the period		(329)	1,715
Total comprehensive (loss)/income for the period		(3,289)	2,490
Net profit/(loss) attributable to:			
Ordinary unitholders		–	–
Income unitholders		(2,960)	775
Net (loss)/profit for the period		(2,960)	775
Total comprehensive income/(loss) attributable to:			
Ordinary unitholders		–	–
Income unitholders		(3,289)	2,490
Total comprehensive (loss)/income for the period		(3,289)	2,490

The Condensed Consolidated Interim Statement of Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Financial Position

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Multiplex Property Income Fund

As at 31 December 2011

	Note	Consolidated 31 December 2011 \$'000	30 June 2011 \$'000
Assets			
Current assets			
Cash and cash equivalents		4,485	2,809
Trade and other receivables		489	488
Investments – available for sale	6	4,733	4,678
Total current assets		9,707	7,975
Non-current assets			
Investments – available for sale	6	27,057	33,203
Total non-current assets		27,057	33,203
Total assets		36,764	41,178
Liabilities			
Current liabilities			
Trade and other payables		96	–
Distribution payable		–	205
Total current liabilities		96	205
Total liabilities		96	205
Net assets		36,668	40,973
Equity			
Units on issue – Ordinary units	7	30,076	30,076
Units on issue – Income units	7	52,960	52,960
Reserves		4,245	4,574
Undistributed losses		(50,613)	(46,637)
Total equity		36,668	40,973

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Changes in Equity

Multiplex Property Income Fund

For the half year ended 31 December 2011

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Consolidated Entity	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity \$'000
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	
Opening equity - 1 July 2011	30,076	(30,076)	–	–	52,960	(16,561)	4,574	40,973	40,973
Changes in fair value of available for sale financial assets	–	–	–	–	–	–	(329)	(329)	(329)
Other comprehensive loss for the period	–	–	–	–	–	–	(329)	(329)	(329)
Net loss for the period	–	–	–	–	–	(2,960)	–	(2,960)	(2,960)
Total comprehensive loss for the period	–	–	–	–	–	(2,960)	(329)	(3,289)	(3,289)
Transactions with unitholders in their capacity as unitholders:									
Distributions paid	–	–	–	–	–	(1,016)	–	(1,016)	(1,016)
Total transactions with unitholders in their capacity as unitholders	–	–	–	–	–	(1,016)	–	(1,016)	(1,016)
Closing equity - 31 December 2011	30,076	(30,076)	–	–	52,960	(20,537)	4,245	36,668	36,668

Condensed Consolidated Interim Statement of Changes in Equity continued

Multiplex Property Income Fund

For the half year ended 31 December 2011

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Consolidated Entity	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity \$'000
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	
Opening equity - 1 July 2010	30,076	(30,076)	–	–	52,960	(15,647)	1,933	39,246	39,246
Changes in fair value of available for sale financial assets	–	–	–	–	–	–	1,715	1,715	1,715
Other comprehensive income for the period	–	–	–	–	–	–	1,715	1,715	1,715
Net profit for the period	–	–	–	–	–	775	–	775	775
Total comprehensive income for the period	–	–	–	–	–	775	1,715	2,490	2,490
Transactions with unitholders in their capacity as unitholders:									
Distributions paid	–	–	–	–	–	(873)	–	(873)	(873)
Total transactions with unitholders in their capacity as unitholders	–	–	–	–	–	(873)	–	(873)	(873)
Closing equity - 31 December 2010	30,076	(30,076)	–	–	52,960	(15,745)	3,648	40,863	40,863

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex Property Income Fund

For the half year ended 31 December 2011

	Consolidated Half year ended 31 December 2011 \$'000	Half year ended 31 December 2010 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	1,238	1,024
Cash payments in the course of operations	(18)	–
Interest received	64	125
Net cash flows from operating activities	1,284	1,149
Cash flows from investing activities		
Payments for purchase of available for sale assets	–	(2,748)
Proceeds from sale of available for sale assets	1,613	359
Net cash flows from/(used in) investing activities	1,613	(2,389)
Cash flows from financing activities		
Distributions paid	(1,221)	(1,154)
Net cash flows used in financing activities	(1,221)	(1,154)
Net increase/(decrease) in cash and cash equivalents	1,676	(2,394)
Cash and cash equivalents at the beginning of the period	2,809	3,590
Cash and cash equivalents at 31 December	4,485	1,196

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

Multiplex Property Income Fund

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For the half year ended 31 December 2011

1 Reporting entity

Multiplex Property Income Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial report of the Fund as at and for the six months ended 31 December 2011 comprises the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Basis of preparation

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report and should be read in conjunction with the annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2011.

The financial statements are presented in Australian dollars, which is the Fund's presentation and functional currency.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

3 Significant accounting policies

The accounting policies applied in this consolidated interim financial report are the same as those applied in the consolidated financial report as at and for the year ended 30 June 2011, except for the impact of the new or revised Standards and Interpretations that are first effective in the current reporting period, as described below.

AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 January 2011)

AASB 2010-4 amends a number of pronouncements as a result of the International Accounting Standards Board's (IASB's) 2008-2010 cycle of annual improvements. Key amendments include clarification of content of statement of changes in equity, financial instrument disclosures and significant events and transactions in interim reports.

AASB 2010-5 *Amendments to Australian Accounting Standards* (effective for annual reporting periods beginning on or after 1 January 2011)

AASB 2010-5 makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.

AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

AASB 2010-6 makes amendments to AASB 7 *Financial Instruments: Disclosures* to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect, in particular, entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.

Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards*

The amendment clarifies the definition of a related party and includes an explicit requirement to disclose commitments involving related parties.

The adoption of the above amendments have not resulted in any material changes to the Consolidated Entity's accounting policies or adjustments to amounts reported in the current or prior periods.

4 Estimates

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

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For the half year ended 31 December 2011

5 Distributions

During the current and prior periods, no distributions were paid by the Fund to Ordinary unitholders.

Distributions paid/payable to income unitholders were as follows:

	Cents per unit	Total amount \$'000	Date of payment
Income units			
July 2011 distribution	0.4590	242	19 August 2011
August 2011 distribution	0.7371	389	20 September 2011
September 2011 distribution	0.3375	178	20 October 2011
October 2011 distribution	0.0353	19	21 November 2011
November 2011 distribution	0.3563	188	20 December 2011
Total distribution for the six months ended 31 December 2011	1.9252	1,016	
Income units			
July 2010 distribution	0.2289	121	20 August 2010
August 2010 distribution	0.3119	165	20 September 2010
September 2010 distribution	0.6455	341	20 October 2010
October 2010 distribution	0.2678	141	22 November 2010
November 2010 distribution	0.1991	105	20 December 2010
Total distribution for the six months ended 31 December 2010	1.6532	873	

The Consolidated Entity has 52,791,450 income units on issue at the reporting date. Under the terms of the Fund's Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where the Consolidated Entity does not meet the PDP to its income unitholders, Brookfield Australian Opportunities Fund (BAO), the Consolidated Entity's ordinary unitholder, will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.

As the Consolidated Entity distributed less than the PDP for the period from January 2011 to December 2011, BAO will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of the Fund. At 31 December 2011, the shortfall totalled \$2,277,000 (31 December 2010: \$2,104,000).

	Consolidated Half year ended 31 December 2011 \$'000	Half year ended 31 December 2010 \$'000
6 Investments – available for sale		
ASX listed investments		
Carrying amount as at beginning of period	4,678	1,838
Movement due to acquisitions, disposals and return of capital	922	2,527
Changes in fair value recognised in reserves	138	17
Impairments recognised during the period	(1,005)	(44)
Carrying amount at end of period	4,733	4,338
Unlisted investments		
Carrying amount as at beginning of period	33,203	33,621
Movement due to acquisitions, disposals and return of capital	(2,553)	(310)
Changes in fair value recognised in reserves	(467)	1,698
Impairments recognised during the period	(3,126)	(416)
Carrying amount at end of period	27,057	34,593
Total investments - available for sale	31,790	38,931

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

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For the half year ended 31 December 2011

6 Investments – available for sale continued

Impairment

During the period, the Consolidated Entity recognised an impairment expense in accordance with accounting standards of \$4,131,000 in relation to its available for sale investments (2010: \$460,000).

The impairment expense recognised during the period in relation to available for sale investments represents the difference between the cost of the investments and their market value as at 31 December 2011, less any previously recorded impairment losses and reductions to accumulated reserves.

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Consolidated Entity's ASX listed and unlisted property trust portfolio is impaired. This determination has arisen due to the significant and prolonged decline in value of ASX listed and unlisted property trusts during the period, their further subsequent decline in value after year end and market conditions within the property sector generally.

Investment in unlisted property securities

The Consolidated Entity invests directly in 25 unlisted property securities funds. Due to a lack of liquidity in the underlying investment portfolios, 5 have suspended redemptions, 14 have always been closed to redemptions due to the investment structure as outlined in their original constitutions, 3 investments were listed on the ASX but are now deemed insolvent and 3 have limited liquidity features, meaning that the Consolidated Entity, should it want to, has limited ability to realise these investments due to limited or no redemption options available through these structures.

Consistent with 30 June 2011, the Consolidated Entity has valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2011, or where this has not been provided, the latest available net asset value. In circumstances where the latest available net asset value has not been obtained, an assessment of the appropriateness of the value has been made based on knowledge of valuation and transactional movements in the underlying investment's structure as compared to similar portfolios. As the Consolidated Entity is not seeking to sell its assets in the near term, an additional discount would not normally be applied.

Although the Directors of the Responsible Entity consider this value to represent fair value as at the reporting date, uncertainty exists as to the likely unit price of each of the unlisted property securities funds when these funds re-commence acceptance of redemptions.

Acquisition of Consolidated Entity assets

During the period, the Directors of BCML as Responsible Entity of the Fund received a conditional offer from BCML as responsible entity of BAO to buy 8 investments in unlisted property funds and 1 investment listed on the Bendigo Stock Exchange as held by the Consolidated Entity. Following a unitholder vote on 22 November 2011, the offer was rejected by the unitholders of the Fund and the assets remain with the Consolidated Entity.

	Half year ended 31 December 2011 \$'000	Half year ended 31 December 2011 units	Year ended 30 June 2011 \$'000	Year ended 30 June 2011 Units
7 Units on issue				
Ordinary units				
Opening balance	30,076	30,075,871	30,076	30,075,871
Closing balance	30,076	30,075,871	30,076	30,075,871
Income units				
Opening balance	52,960	52,791,450	52,960	52,791,450
Closing balance	52,960	52,791,450	52,960	52,791,450

The issue and redemption price of income units is \$1.00 per unit and is not determined by reference to the value of the Fund's and Consolidated Entity's assets. In practical terms, any increase in value above \$1.00 will accrue to the ordinary unitholder as will any decrease in value, unless the value falls below the amount contributed by income unitholders. At 31 December 2011, the value of the Consolidated Entity's assets is below the value contributed by income unitholders by \$16,292,000 (30 June 2011: deficiency of \$11,987,000). At 31 December 2011 and at the date of this report, the Fund remains closed to new applications and redemptions.

Notes to the Condensed Consolidated Interim Financial Statements continued Multiplex Property Income Fund

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For the half year ended 31 December 2011

8 Related parties

Acquisition of Consolidated Entity assets

During the period, the Directors of BCML as Responsible Entity of the Fund received a conditional offer from BCML as responsible entity of BAO to buy 8 investments in unlisted property funds and 1 investment listed on the Bendigo Stock Exchange as held by the Consolidated Entity. Following a unitholder vote on 22 November 2011, the offer was rejected by the unitholders of the Fund and the assets remain with the Consolidated Entity. Costs of this proposal were borne by BAO.

Other than the above, there have been no significant changes to the related party transactions as disclosed in the annual report for the period ended 30 June 2011.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2011 (30 June 2011: nil).

10 Capital and other commitments

There were no capital or other commitments at 31 December 2011 (30 June 2011: nil).

11 Events subsequent to the reporting date

Subsequent to 31 December 2011 period end, a distribution to income unitholders for the December 2011 month was declared. The distribution was for \$172,000 or 0.3252 cents per unit and was paid on 20 January 2012.

Other than the matters disclosed above, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex Property Income Fund

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For the half year ended 31 December 2011

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex Property Income Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 15, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 24th day of February 2012



Russell Proutt
Director
Brookfield Capital Management Limited

Independent Auditor's Review Report to the Unitholders of Multiplex Property Income Fund

We have reviewed the accompanying half-year financial report of Multiplex Property Income Fund ("the Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2011, and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex Property Income Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James
Partner
Chartered Accountants
Parramatta, 24 February 2012