



# Multiplex Property Income Fund Overview

**MULTIPLY**  
CAPITAL

## March 2007

### Fund overview

Multiplex Property Income Fund (Fund) is an open-ended, unlisted unit trust that is a registered managed investment scheme. The responsible entity is Multiplex Capital Securities Limited (Manager), a company which is part of Multiplex Capital, the funds management division of Multiplex Group.

Investors may apply for Income Units which will be issued at a price of \$1.00 per unit plus any accrued income at the time of issue. The unit price is not determined by reference to the value of the Fund's assets.

### Objectives

To provide Investors with the opportunity for:

- a steady and attractive level of income distributions of between 7.5% and 8.5% per annum (based on a \$1.00 per unit issue price);
- a component of income distributions which are tax deferred; and
- capital stability on invested funds.

### Initial portfolio

The Fund currently owns the Initial Portfolio which is valued at \$30.08 million and comprises investments in 20 unlisted property funds, providing Investors with exposure to nine fund managers and over 300 underlying property assets.

Many of these unlisted property funds have been established for some time and have a demonstrated history of delivering regular income returns to their investors.

The managers of these unlisted property funds are well established and include Centro, Investa, DB RREEF, Westpac, APN, SAITeysMcMahon and Multiplex Capital.

The Initial Portfolio was acquired from the ASX listed Multiplex Acumen Property Fund (MPF) to comprise the seed investments for the Fund. The consideration received by MPF was 30.08 million Ordinary Units in the Fund.

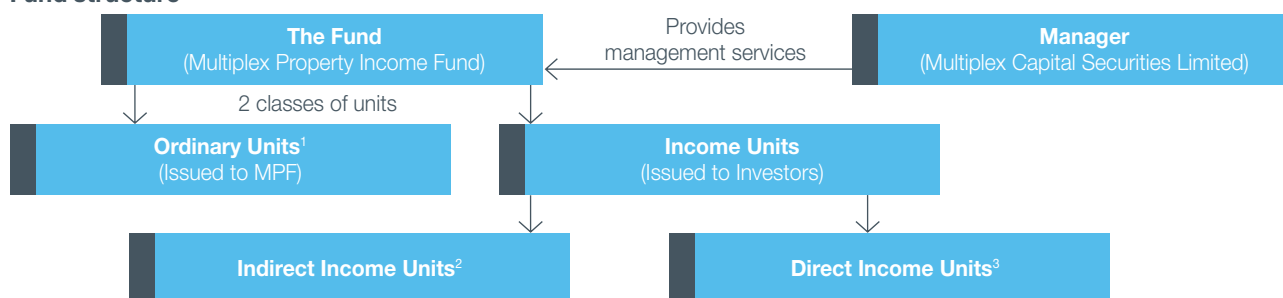
### Priority of distributions

To the extent that the Manager determines there will be a distribution of income each month, Investors (the holders of Income Units) will be entitled to receive monthly income distributions in priority to any distribution paid to MPF (the holder of the Ordinary Units). This is referred to as a Priority Distribution Payment (PDP). The PDP is calculated as 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index, between 7.5% and 8.5%.

If the PDP is not paid in full then MPF must not pay cash distribution to MPF members. This is referred to as the Distribution Stopper.



## Fund structure



1 Issued to MPF as consideration for the transfer by MPF of the Initial Portfolio to the Fund.

2 Issued to Administration Service (such as an investor directed portfolio service) that will hold the units on behalf of Indirect Investors.

3 Issued to Direct Investors who invest directly into the Fund pursuant to the PDS and not through an Administration Service.

## Withdrawals

The Manager intends to satisfy withdrawal requests monthly, subject to a 5% limit per quarter of the total number of Income Units on issue. Withdrawal requests may be satisfied on a pro rata basis in the event that requests exceed the threshold.

## Direct Investors

May request a withdrawal any time after 12 months from making their investment. The Manager may elect to redeem the Direct Income Units for either:

- Cash, at \$1.00 per unit; or
- MPF Units, by converting the Direct Income Units into an equivalent dollar value of MPF Units which may then be traded on the ASX.

## Indirect Investors

May request a withdrawal at any time. The Manager may only elect to redeem the Indirect Income Units for cash at \$1.00 per unit.

## Capital stability

Investors are expected to receive \$1.00 for each Income Unit redeemed. Investors are not subject to the risk of capital loss, except in the unlikely event that the value of the Fund falls by at least the value of the Ordinary Units (which is \$30.08 million as at the date of this PDS).

## Relationship with MPF

MPF is an ASX listed unit trust (ASX code MPF) that, as at 31 December 2006, had total assets of \$344 million and an ASX market capitalisation of \$237 million. MPF is a constituent of the S&P/ASX 300 Property Trust Index.

The Fund is linked to MPF in the following manner:

- the Distribution Stopper;
- MPF holds all the Ordinary Units on issue in the Fund;
- the Initial Portfolio was acquired by the Fund from MPF in consideration for the issue of Ordinary Units;
- the Fund and MPF have the same responsible entity, being Multiplex Capital Securities Limited; and
- the Manager may satisfy a redemption request from a Direct Investor by converting the investor's Income Units to an equivalent dollar value of MPF Units, which may then be traded on ASX.

## Investment strategy

The Manager intends to maintain an asset allocation that is predominantly weighted towards investments in a diversified spread of property based securities, and in particular, securities with a strong focus on producing steady rental income. The Manager intends for the investment portfolio of the Fund to be diversified in terms of fund manager, tenant exposure, property sector and geographic sector.

The table below shows the principal asset categories and indicative asset allocation ranges of the Fund along with the current allocations as at the date of the PDS.

Asset type	As at date of PDS %	Target %
Unlisted property securities	100	50 to 100
Listed property securities	0	0 to 50
Direct property	0	0 to 20
Property investment companies	0	0 to 10
Cash and cash equivalents	0	0 to 10
<b>Sector</b>		
Office	33	20 to 60
Retail	41	20 to 60
Industrial	11	10 to 40
Other	15	0 to 20
<b>Underlying property</b>		
Australia	75	40 to 80
International	25	20 to 60

The Manager has elected to outsource the management of the Fund's listed property securities portfolio to an industry expert in the field, SG Hiscock, a firm that, as at the date of this PDS, manages property securities valued at more than \$1.3 billion.

# Initial Portfolio

## Initial Portfolio

The Fund currently holds the Initial Portfolio comprising investments in 20 unlisted property funds, managed by 9 different property fund managers which have an indirect interest in more than 300 underlying properties. Additional investments will be made in accordance with the Fund's investment strategy. The table below provides an overview of the Initial Portfolio.

	ARSN	Fund manager
Abbotsford Property Trust	092 632 883	DB RREEF
APN National Storage Property Trust	101 227 712	APN
APN Regional Property Fund	110 488 821	APN
APN/UKA Poland Retail Fund	122 452 779	APN/UKA
APN/UKA Vienna Retail Fund	119 990 840	APN/UKA
Centro MCS 21	093 356 480	Centro
Centro MCS 22	090 930 902	Centro
Centro MCS 28	103 353 055	Centro
Gordon Property Trust	092 632 052	DB RREEF
Investa Brisbane Commercial Trust	096 106 142	Investa
Investa Diversified Office Fund	113 369 627	Investa
Investa Fifth Commercial Trust	104 184 072	Investa
Investa Sixth Commercial Trust	106 690 162	Investa
MAB Diversified Property Trust	103 463 467	MAB
Multiplex New Zealand Property Fund	110 281 055	Multiplex Capital
Northgate Property Trust	092 632 481	DB RREEF
Rimcorp Property Trust #3	116 193 241	Rimcorp
The Child Care Property Fund	106 891 641	SAITeysMcMahon
The Essential Health Care Property Trust	102 470 333	SAITeysMcMahon
Westpac Diversified Property Fund	119 620 674	Westpac
<b>Total</b>		

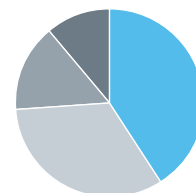
1 As at 31 December 2006.

2 Last stated.

Investment allocation (%)	Market value per unit, (\$) <sup>1</sup>	Market value (\$ million)	Number of properties <sup>2</sup>
0.2	2.16	0.07	1
4.3	1.13	1.29	34
2.8	1.19	0.85	5
9.9	1.00	3.03	1
8.0	1.00	2.40	1
3.8	2.05	1.13	1
4.5	2.09	1.35	1
3.9	1.28	1.16	2
1.4	2.56	0.43	1
4.0	2.12	1.21	2
5.5	1.23	1.65	9
8.8	1.38	2.63	4
4.5	1.42	1.35	4
7.0	1.00	2.10	11
5.5	1.25	1.66	41
5.5	3.23	1.66	1
2.1	0.83	0.62	2
7.0	1.06	2.12	170
3.9	0.89	1.16	9
7.4	1.00	2.21	9
<b>100.0</b>		<b>30.08</b>	<b>309</b>

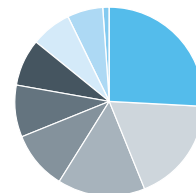
#### Current sectoral allocation\*

- 41% Retail
- 33% Office
- 15% Other
- 11% Industrial



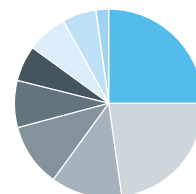
#### Current geographic diversification\*

- 26% New South Wales
- 18% Europe
- 15% Queensland
- 10% Victoria
- 9% South Australia
- 8% Western Australia
- 7% New Zealand
- 6% Tasmania
- 1% Australian Capital Territory



#### Current managerial allocation\*

- 25% APN
- 23% Investa
- 12% Centro
- 11% SAITeysMcMahon
- 7% Westpac
- 7% DB RREEF
- 7% MAB
- 6% Multiplex Capital
- 2% Rimcorp



\* As at 13 March 2007.



## Risk

Although Investors have priority in entitlement to income distributions and return of capital on winding up, there is no guarantee that income distributions will be made and capital is not guaranteed. Other risks of an investment in the Fund include those typically associated with an investment in a property based investment fund.

There are also risks associated with an investment in MPF Units (in the event a withdrawal request from a Direct Investor is satisfied by issuing MPF Units).

Prospective investors should carefully consider the risks before investing.

## Multiplex Capital

Multiplex Capital is the property funds management division of Multiplex Group. Multiplex Capital manages a diversified range of listed and unlisted property funds. The division employs over 40 people that among them have extensive experience in many areas of the property funds management industry. Total funds under management (FUM), as at 31 December 2006, exceed \$6 billion.

Other Multiplex Funds are listed below.

FUM (\$m)  
as at 31 Dec 2006

### Listed funds

Multiplex Acumen Property Fund	322
Multiplex Property Trust	3,097
Multiplex Prime Property Fund	671
AMP NZ Office Fund*	943

### Unlisted funds

Multiplex New Zealand Property Fund	804
Multiplex Development and Opportunity Fund	149
Single Property Funds	78

### Property syndicates

Multiplex Acumen Vale Syndicate Limited	68
	<b>6,132</b>

\* Multiplex owns 50% of the manager. This fund is listed on the New Zealand Stock Exchange. The FUM number shown is the total assets under management to this Fund.

Information about each Multiplex Fund can be found at [www.multiplexcapital.biz](http://www.multiplexcapital.biz)

## New Funds

### Multiplex Diversified Property Fund

The Diversified Fund is an unlisted fund that will provide investors with:

- direct and indirect exposure to the commercial, industrial and retail property market, in Australia and offshore;
- an attractive and maintainable level of tax-deferred income; and,
- the potential for capital growth over the medium to longer term.

The Diversified Fund will invest in a broad range of property investment assets, including unlisted and listed property funds, direct property and property investment companies.

### Multiplex European Property Fund

Multiplex Capital plans to bring to the market in 2007 the Multiplex European Property Fund, which will house an initial portfolio of 67 property assets throughout Germany valued at approximately \$600 million.

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Important notices: Interests in Multiplex Property Income Fund ARSN 117 674 049 and interests in Multiplex Diversified Property Fund ARSN 123 879 630 are issued by Multiplex Capital Securities Limited (ACN 103 736 081, AFSL 226442). PDSs for these funds are available which detail the terms of each offer as well as the various assumptions on which the information contained in this document is based. If you wish to acquire or continue to hold an investment in either fund, you should first read and consider the contents of the relevant PDS. Applications must be made by completing the application form attached to or accompanying the relevant PDS. The contents of this document should not be considered as advice or relied upon as such. Neither this document nor the PDS have been prepared with the objectives, financial situation or needs of any particular investor in mind. Investors are encouraged to obtain independent financial advice before making an investment decision.

Later in 2007, Multiplex Capital Management Limited (ACN 094 936 866, AFSL 223889) will issue PDSs offering investment in Multiplex European Property Fund. This PDS will be available from Multiplex Capital upon its release.