Appendix 4E – Additional Disclosure
Multiplex Acumen Property Fund

For the year ended 30 June 2009

Name of Fund:	Multiplex Acumen Property Fund (MPF)
Details of reporting period	
Current reporting period:	1 July 2008 to 30 June 2009
Prior corresponding period:	1 July 2007 to 30 June 2008

This Financial Report should be read in conjunction with the Financial Report for the year ended 30 June 2009. It is also recommended that the Financial Report be considered together with any public announcements made by the Fund during the year ended 30 June 2009 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Results for announcement to the market

	Year ended 30 June 2009 $'000	**Year ended 30 June 2008 $'000**
Total revenue and other income [1]	10,818	43,304
Total expenses	(114,175)	(61,130)
Minority interests	(3,664)	(3,464)
Net profit attributable to the unitholders of MPF	(107,021)	(21,290)
Property fair value adjustments from investments accounted for using the equity method included in the above	(18,749)	1,975
Earnings per unit (cents)	(52.8)	(10.5)

Distributions

Distributions paid/payable by the Fund to ordinary unitholders and minority interests were as follows:

	Cents per unit	Total amount $'000	Date of payment
Ordinary units			
September 2008 distribution	2.2500	4,564	3 November 2008
Total distribution for the year ended 30 June 2009	**2.2500**	**4,564**	
Ordinary units			
June 2008 distribution	2.8325	5,746	1 August 2008
March 2008 distribution	2.8325	5,746	30 April 2008
December 2007 distribution	2.7500	5,579	31 January 2008
September 2007 distribution	2.7500	5,579	31 October 2007
Total distribution for the year ended 30 June 2008	**11.1650**	**22,649**	

During the current year there were no distributions paid by the Fund to ordinary unitholders other than the September 2008 distribution paid on 3 November 2008. Distributions paid by the Fund's subsidiary Multiplex Property Income Fund to the Fund's minority interest are detailed below.

Appendix 4E – Additional Disclosure
Multiplex Acumen Property Fund

For the year ended 30 June 2009

Distributions continued

	Cents per unit	Total amount $'000	Date of payment
Multiplex Property Income Fund Income units – minority interest			
May 2009 distribution	0.39366	250	22 June 2009
April 2009 distribution	0.13648	87	21 May 2009
March 2009 distribution	0.17831	113	23 April 2009
February 2009 distribution	0.38976	247	20 March 2009
January 2009 distribution	0.45464	289	20 February 2009
December 2008 distribution	0.52423	333	22 January 2009
November 2008 distribution	0.69672	450	17 December 2008
October 2008 distribution	0.71995	473	19 November 2008
September 2008 distribution	0.69672	465	20 October 2008
August 2008 distribution	0.71995	488	18 September 2008
July 2008 distribution	0.71995	469	19 August 2008
Total distribution for the year ended 30 June 2009	**5.63037**	**3,664**	
Multiplex Property Income Fund Income units – minority interest			
June 2008 distribution	0.6967	434	17 July 2008
May 2008 distribution	0.7199	431	17 June 2008
April 2008 distribution	0.6967	401	14 May 2008
March 2008 distribution	0.7199	401	15 April 2008
February 2008 distribution	0.6753	353	18 March 2008
January 2008 distribution	0.7219	350	20 February 2008
December 2007 distribution	0.6956	319	14 January 2008
November 2007 distribution	0.6452	248	13 December 2007
October 2007 distribution	0.6727	189	14 November 2007
September 2007 distribution	0.6781	142	11 October 2007
August 2007 distribution	0.6896	110	14 September 2007
July 2007 distribution	0.6710	86	10 August 2007
Total distribution for the year ended 30 June 2008	**8.2826**	**3,464**	

This preliminary final report is given to the ASX in accordance with Listing Rule 4.3.A.

Commentary and analysis of the result for the current year can be found in the attached Multiplex Acumen Property Fund ASX release dated 31 August 2009. This ASX release forms part of the Appendix 4E.

The Fund has a formally constituted Audit Committee of the Board of Directors. The release of the report was approved by resolution of the Board of Directors on 31 August 2009.

Multiplex Acumen Property Fund
Financial report
For the year ended
30 June 2009

Multiplex Acumen Property Fund

ARSN 104 341 988

Table of Contents

Multiplex Acumen Property Fund

For the year ended 30 June 2009

Directory
Multiplex Acumen Property Fund
For the year ended 30 June 2009

Responsible Entity
Brookfield Multiplex Capital Management Limited
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Directors of Brookfield Multiplex Capital Management Limited
Peter Morris
Brian Motteram
Robert McCuaig
Mark Wilson
Brian Kingston

Company Secretary of Brookfield Multiplex Capital Management Limited
Neil Olofsson

Principal Registered Office
1 Kent Street
Sydney NSW 2000
Telephone: (02) 9256 5000
Facsimile: (02) 9256 5001

Custodian
ANZ Nominees Limited
Level 25
530 Collins Street
Melbourne VIC 3000
Telephone: 1 800 177 254

Stock Exchange
The Fund is listed on the Australian Securities Exchange (ASX Code: MPF). The Home Exchange is Sydney.

Location of Share Registry
Registries (Victoria) Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Facsimile: (02) 9279 0664

Auditor
KPMG
10 Shelley Street
Sydney NSW 2000
Telephone: (02) 9335 7000
Facsimile: (02) 9299 7077

Introduction

The Directors of Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex Acumen Property Fund (ARSN 104 341 988) (Fund), present their report together with the financial report of the Consolidated Entity, being the Fund and its subsidiaries, for the year ended 30 June 2009 and the Independent Auditor's Report thereon.

The Fund was constituted on 16 November 2006 and it was registered as a Managed Investment Scheme on 3 April 2007.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Multiplex Capital Management Limited (BMCML) who was appointed as Responsible Entity on 26 October 2007. The registered office and principal place of business of the Responsible Entity and the Fund is 1 Kent Street, Sydney.

Directors

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

Name	Capacity
Peter Morris (Director since 14 April 2004)	Non-Executive Independent Chairman
Brian Motteram (Director since 21 February 2007)	Non-Executive Independent Director
Robert McCuaig (Director since 31 March 2004)	Non-Executive Independent Director
Mark Wilson (Director since 27 August 2008)	Executive Director
Brian Kingston (Director since 27 August 2008)	Executive Director
Robert Rayner (Director since 31 October 2000 – resigned 22 August 2008)	Executive Director
Bob McKinnon (Director since 7 December 2007 – resigned 18 July 2008)	Non-Executive Director

Information on Directors

Peter Morris, Non-Executive Independent Chairman

Peter has more than 38 years of experience in property, initially in project and development management and more recently in funds management. He is a recognised leader in the development and project management fields, having played a major role in the growth of professional project management as a specialist skill in Australia. For 14 years he acted as Managing Director of Bovis Australia (now part of Bovis Lend Lease) and its forerunners. During this time he was responsible for the delivery of some of Australia's largest and most high profile commercial projects. Peter acts as Independent Chairman of BMCML. There are no listed companies of which Peter has served as a director during the past three years.

Brian Motteram, Non-Executive Independent Director

Brian has in excess of 32 years of experience working in the area of finance and accounting. He has worked with international accounting firms, in his own private practice, and during the last 18 years in private enterprise in both the mining and property industries. He spent eight years (from 1996 to 2004) as an executive of a Perth-based property company in the position of Chief Financial Officer and, later, as Financial Director. There are no listed companies of which Brian has served as a director during the past three years.

Robert McCuaig, Non-Executive Independent Director

Robert is Chairman of the Advisory Board of Colliers International Property Consultants in Australia. Along with David Collier, he formed McCuaig and Collier, which in 1988 became the New South Wales office of Colliers International. He was a forerunner in the establishment of Colliers in Australia, now one of the world's largest professional property service groups. Robert has acted as a property adviser to the University of Sydney, Westpac, Qantas Airways, Presbyterian Church, Sydney Ports Authority, Benevolent Society of New South Wales, the State of New South Wales and the Commonwealth of Australia. There are no listed companies of which Robert has served as a director during the past three years.

Mark Wilson, Executive Director

Mark is the CEO for Funds Management and Infrastructure for Brookfield Multiplex Limited. Mark has overall responsibility for the strategy and operations of the funds management business. In his 12 years at Brookfield Multiplex Limited, Mark has also held various managerial roles including Executive General Manager, Corporate Development and Group Company Secretary. Mark has been instrumental in a number of major equity capital markets transactions undertaken by Brookfield Multiplex, including the establishment of the Brookfield Multiplex Capital division and the Brookfield Multiplex Group Initial Public Offering in 2003. Mark has 19 years' operating and investing experience and is a Fellow of Finance with Financial Services Institute of Australasia. There are no listed companies of which Mark has served as a director during the past three years.

Brian Kingston, Executive Director
Brian is the Chief Financial and Investment Officer of Brookfield Multiplex Limited. Brian joined Brookfield Asset Management Inc. in 2001 and has held various senior management positions within Brookfield and its affiliates, including mergers and acquisitions, merchant banking and real estate advisory services. There are no listed companies other than Brookfield Multiplex Limited (delisted December 2007) of which Brian has served as a director during the past three years.

Information on Company Secretary

Neil Olofsson
Neil has over 13 years of international company secretarial experience including having worked at KPMG, Clifford Chance and Schroder Investment Management prior to joining Brookfield Multiplex Group Company Secretariat.

Directors' interests

The following table sets out each Director's relevant interest in the units, debentures, rights or options over such instruments, interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report:

Director	Multiplex Acumen Property Fund units held
Peter Morris	–
Brian Motteram	411,379
Robert McCuaig	30,000
Mark Wilson	–
Brian Kingston	–

No options are held by/have been issued to Directors.

Directors' meetings

		Board Meetings		Audit Committee Meetings	
Director		A	B	A	B
Peter Morris		15	15	3	3
Brian Motteram		13	15	3	3
Robert McCuaig		12	15	3	3
Mark Wilson		14	14	n/a	n/a
Brian Kingston		12	14	n/a	n/a
Robert Rayner	(Resigned 22 August 2008)	1	1	n/a	n/a
Bob McKinnon	(Resigned 18 July 2008)	–	–	n/a	n/a

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

Committee meetings

There were no other Board committee meetings held during the year other than those stated above.

Principal activities

The principal activity of the Consolidated Entity is the investment in A-REITs and unlisted property securities in Australia.

Review of operations

The Consolidated Entity has recorded a net loss of $103,357,000 for the year ended 30 June 2009 (2008: $17,826,000). The reported net loss of $103,357,000 includes $78,443,000 in impairment losses on the A-REIT and unlisted property securities portfolios.

Some of the significant events during the year are as follows:
- total revenue and other income of $10,818,000 (2008: $43,304,000)
- earnings per unit (EPU) attributable to ordinary unitholders of (52.8) cents (2008: (10.5) cents);
- distributions per ordinary unit (DPU) of 2.25 cents (2008: 11.165 cents);
- net assets as at 30 June 2009 of $125,254,000 (2008: $285,606,000);
- net tangible assets (NTA) per unit attributable to ordinary unitholders at 30 June 2009 of $0.36 (2008: $1.10);
- the value of the Consolidated Entity's A-REIT portfolio as at 30 June 2009 was $20,879,000. Unrealised impairment losses totalling $34,858,000 in relation to the A-REIT portfolio were recorded as an expense in the Fund's Income Statement in accordance with accounting standards. The impairment loss represents the difference between the cost of the portfolio and the market value as at 30 June 2009.

Update on debt renewal

At 30 June 2009 the Fund had a $74,200,000 debt facility (Facility) which was fully drawn. This Facility is scheduled to mature on 31 December 2009. The Facility has three financial covenants: the interest coverage ratio (ICR), a gearing covenant and an extension ratio limit (ERL).

At 30 June 2009 and at the date of this report the Fund is not in compliance with its ICR, gearing or ERL covenants. Management have held discussions with the financier in relation to the financial covenants and a detailed term sheet setting out the terms on which the financier will extend the new facility was signed on 28 August 2009. This term sheet is subject to finalising formal documentation and various conditions precedent and specifies a staged pay down of the existing debt, removal of the gearing and ERL covenants, relaxation of the existing ICR covenant and extension of the Facility to 31 December 2011. The financier has waived the ICR, gearing and ERL covenant breaches until 30 September 2009, by which time it is anticipated that the extended facility will have been formally documented.

Investment in unlisted property securities

The Consolidated Entity invests directly in 30 unlisted property securities funds. Due to a lack of liquidity in their underlying investment portfolios, or due to the initial structure of the Fund as detailed in their original product disclosure statements and constitutions, 8 have suspended redemptions, 21 have always been closed to redemptions due to the investment structure as outlined in their original constitutions and 14 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. Unit prices have continued to be provided by the respective managers on either a monthly or quarterly basis.

Consistent with 30 June 2008, 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 30 June 2009, 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 Fund is not seeking to sell its assets in the near term, an additional discount would not normally be applied. However further consideration was then given to each net asset value in the current environment to determine whether an additional discount should be applied by assessing other prevailing market evidence, including transactional evidence and an assessment of the ability of the underlying investments to continue as a going concern.

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.

Controlled entity and priority distribution payment

The Fund owns 100% of the ordinary units of Multiplex Property Income Fund (MPIF). The results of MPIF are consolidated into the results of the Multiplex Acumen Property Fund financial report. MPIF, on a stand-alone basis, holds $1,220,973 in cash at 30 June 2009 and has an investment portfolio of listed and unlisted property securities of $43,288,000 at the balance date.

MPIF has 52,791,450 income units on issue at the reporting date. Under the terms of the MPIF 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 MPIF does not meet the PDP to its income unitholders, the Fund will be prevented from making distributions to its unitholders unless the shortfall has been met within 2 months of the end of the month in which the shortfall occurred.

As MPIF distributed less than the PDP for the months December 2008 through June 2009, the Fund 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 twelve months is, or has been, paid to Income unitholders of MPIF. The PDP shortfall at 30 June 2009 was $1,702,506 (2008: nil).

Investment accounted for using the equity method

The Consolidated Entity owns 24.32% of the ordinary units of Multiplex New Zealand Property Fund (MNZPF). In accordance with accounting standards, the Consolidated Entity therefore has significant influence over MNZPF and accounts for its investment under the equity accounting method whereby the Fund records its share of profit or loss of MNZPF's operations. Any changes to the results and operations of the underlying investment are presented in the Consolidated Entity's financial report through the share of net loss/profit of equity accounted investments line item in the income statement and the carrying value of the equity accounted investment in the balance sheet.

MNZPF has an existing debt facility of NZ$434,180,048 that is scheduled to mature on 30 August 2009. It is understood that MNZPF has been in discussions with the existing financiers of its facility regarding refinancing.

MNZPF has reported that the existing debt facility has four financial loan covenants: the interest coverage ratio (ICR), the loan to value ratio (LVR), a gearing covenant and a tangible assets ratio (TTA), being unitholder funds to total assets. MNZPF was not in compliance with the TTA covenant at 31 December 2008. At the date of this report, being 31 August 2009, it has been reported to the Consolidated Entity that the management of MNZPF hold the opinion that MNZPF was in compliance with the ICR, the LVR and the gearing covenants however the TTA will not be met.

MNZPF has reported to the Consolidated Entity as a significant investor the existing debt facility is scheduled to mature on 30 August 2009 based on the original terms of the debt facility. However at the date of this report, being 31 August 2009, the MNZPF debt facility has not been renegotiated. If MNZPF is unable to renegotiate its existing debt facility on favourable terms, the Consolidated Entity may be unable to realise the full value of its underlying investment as currently reflected in the financial report.

In accordance with AASB 136, Impairment of assets, an assessment must be made at each reporting date whether there is any indication that an asset is impaired. A review of the equity accounted investment was performed at the reporting date and, due to a continued drop in value of underlying investment properties, and in light of the above, the equity accounted investment in MNZPF was deemed to be impaired. This conclusion was reached upon assessment of the value in use of the equity accounted investment, or the present value of the future cash flows expected to be derived from the investment, to ensure the current carrying value does not exceed the value in use. Value in use was determined by discounting the expected future cash flows from the equity accounted investment to present day using a discount rate of 20%. The impairment analysis performed on the equity accounted investment at 30 June 2009 determined that an impairment charge of $9,029,746 was required to ensure value in use does not exceed carrying value.

Corporate governance

This section outlines the main corporate governance practices that are currently in place for Brookfield Multiplex Capital Management Limited (Company) in its capacity as Responsible Entity for the Fund. The Company as Responsible Entity of the Fund is committed to maintaining the required standards of corporate governance.

The Fund was listed on the Australian Securities Exchange in 8 July 2003. The Company, as the Fund's Responsible Entity, has operated within a corporate governance system that the Directors and management have developed over time. Corporate governance is a dynamic force that keeps evolving and for that reason, our systems, policies and procedures are regularly reviewed and tailored to changing circumstances.

The Company is a wholly owned Brookfield Asset Management Inc. (BAM) subsidiary. BAM is listed on the New York, Toronto and Euronext Stock Exchanges.

Best practice principles

The Australian Securities Exchange (ASX) has established best practice guidelines that are embodied in eight principles (Principles). The Board is supportive of the Principles and has applied these Principles to the extent relevant to the Fund. The Board's approach has been guided by the Principles and practices which are in the best interests of investors while ensuring compliance with legal requirements. In pursuing its commitment to these governance standards, the Board will continue to review and improve its governance practices.

The Principles as set out by the Corporate Governance Council are intended only as guidelines. The ASX Listing Rules require listed companies (or in the case of a listed fund, the responsible entity of that fund) to include in their annual report a statement disclosing the extent to which they have followed the Principles during the financial period.

The Principles have been adopted, where appropriate, to ensure that the Company as Responsible Entity of the Fund continues to protect stakeholder interests. This Corporate Governance Statement sets out each Principle and provides details of how these Principles have been addressed by the Company as Responsible Entity of the Fund.

Principle 1: Lay solid foundations for management and oversight

It is the responsibility of the Board to ensure that the foundations for management and oversight of the Fund are established and appropriately documented.

Role of the Board

The Board has adopted a Board charter that details its functions and responsibilities, a summary of which is available at www.brookfieldmultiplexcapital.com.

The Fund has a Fund Manager who is responsible for the day-to-day management of the Fund's operations and who reports to the Chief Executive Officer (CEO).

The Company holds Australian Financial Services Licence (AFSL) No. 223809 and is an experienced Responsible Entity. It is subject to duties imposed by its AFSL, the Fund's constitution, the *Corporations Act*, the ASX Listing Rules, the Fund's compliance plan and the law. The Company has appointed Key Persons and Responsible Managers (who are executives within the Brookfield Multiplex Capital business) and they are named on its AFSL. Their duties are to assist with and ensure the Company's ongoing compliance with the conditions of the AFSL and the law.

Management are employees of Brookfield Multiplex Limited, and therefore all senior management responsible for the operation of the Fund are subject to Brookfield Multiplex Group's performance evaluation.

Principle 2: Structure the Board to add value

The ASX views independence of Board members as a key element of an effective corporate governance regime. It recommends that a majority of the Board be independent, that the Chairperson be independent, that the roles of Chairperson and the Chief Executive Officer be split and further that the Board establish a Nomination Committee with a charter in line with best practice recommendations.

The Board believes that sound corporate governance is crucial to protecting the interests of investors. The Board has a broad range of relevant financial and other skills, experience and expertise necessary to meet its objectives and is subject to a continuous review of its composition. The Board meets formally at least four times per year and whenever necessary to deal with specific matters needing attention between scheduled meetings. As at 30 June 2009 the Board consists of five Directors.

Profiles of each of the Directors including age and length of service may be found in the annual report.

Independence

The Chairman of the Board, Dr Peter Morris, is an independent Director. The roles of Chairman and Chief Executive Officer are not exercised by the same individual. This is in line with the ASX best practice principle. The Board also identified non-executive Directors, Robert McCuaig and Brian Motteram as being independent in accordance with the relationships affecting independent status listed by the ASX Corporate Governance Principles.

As a wholly owned subsidiary of BAM, the Board has not established a nomination committee as it believes the consideration of Director appointments is a matter for BAM in conjunction with the views of the Board.

The Board conducted a self evaluation of its performance and that of individual Directors for the year ended 30 June 2009 by way of a survey of each Director, followed by an analysis and discussion of responses by the Board. As part of the review, consideration was given to the skills and competency of Board members as well as the appropriate mix of skills required for managing the Company and the Fund. An assessment of Board, committee and individual Director performance is intended to occur on an annual basis and may in the future include an external mediator.

Access to information and advice

All Directors have unrestricted access to records of the Company and the Fund and receive regular detailed financial and operational reports from senior management to enable them to carry out their duties. Non-executive Directors may obtain independent professional advice at the expense of the Company or the Fund with the prior approval of the Chairman.

The company secretary supports the effectiveness of the Board by monitoring Board policies and procedures followed, and co-ordinating the timely completion and dispatch of Board agenda and briefing material. All Directors have access to the company secretary.

Principle 3: Promote ethical and responsible decision making

The Board has established both a Code of Business Conduct and Ethics and a Security Trading Policy.

Code of Business Conduct and Ethics

Neither the Fund nor the Company employs individuals. However, all Directors, managers and employees involved in the operation of the Fund and the Company are employees of Brookfield Multiplex Limited and, along with all other employees in Brookfield Multiplex Group (BMG), are required to act honestly and with integrity. The Board is committed to recognising the interests of investors and other stakeholders as well as all staff involved in the management and operation of the Company and the Fund. In addition, the Board has a statutory obligation to give priority to the Fund investors' interests over the Company's interests when there is a conflict of interest. The Board acknowledges that all BMG employees are subject to a Code of Business Conduct and Ethics that governs workplace and human resource practices, risk management and legal compliance. This Code therefore applies to all Directors, managers and employees of Brookfield Multiplex Limited involved in the operation of the Fund and the Company. The Code is aligned to BMG's core values of teamwork, integrity and performance and is fully supported by the Board. A summary of the Code is available at www.brookfieldmultiplex.com.

Employees are encouraged to report any breaches of the code in accordance with the BMG Whistle Blower Policy. This includes access to a whistle blowing hotline which is managed independently of BAM. A summary of the code is available at www.brookfieldmultiplexcapital.com.

Security Trading Policy

All Directors of the Company and BMG employees are subject to restrictions under the law relating to dealing in certain financial products, including securities in a company, if they are in possession of inside information. The BMG Security Trading Policy has been formally adopted by the Board and specifically lists securities issued by the Fund as restricted securities for the purposes of the policy. A summary of the Security Trading Policy is available at www.brookfieldmultiplex.com under About Brookfield Multiplex under the heading About Us – Corporate Governance.

BMG also has a Chinese Walls Policy for the control and monitoring of the flow of sensitive information to minimise potential conflicts of interest. In accordance with ASIC Regulatory Guide 181 – "Licensing: Managing conflicts of interest," Brookfield Multiplex Capital has established a Conflicts Policy and Register for the management of actual and perceived conflicts of interest.

Principle 4: Safeguard integrity in financial reporting

The approach adopted by the Board is consistent with the Principle. The Board requires the Chief Executive Officer and the Chief Financial Officer to provide a written statement that the financial statements of the Fund present a true and fair view, in all material aspects, of the financial position and operational results.

Audit Committee

The Company established an audit committee which meets on a regular basis and reports to the Board the results of its deliberations.

The members of the Audit Committee throughout the financial year are set out below:

Director	Capacity	Number of Meetings in Period	Number of Meetings Attended
Brian Motteram	Chairperson	3	3
Robert McCuaig	Member	3	3
Peter Morris	Member	3	3

The duties and responsibilities of the Audit Committee are set out in the Committee Charter, a summary of which appears at www.brookfieldmultiplexcapital.com. The Audit Committee has rights of access to management, including the right to seek any explanations or additional information and access to auditors (internal and external), without management present.

The Audit Committee reports to the Board in relation to the financial statements and notes, as well as the external audit report. An external auditor, KPMG, has been appointed to audit the Fund and the Fund's compliance plan.

A procedure for the selection and appointment of external auditors, and for the rotation of external audit engagement partners, has been approved by the Board.

Principle 5: Make timely and balanced disclosure

The Company is committed to the promotion of investor confidence by providing full and timely information to all investors about the Fund's activities and by complying with the continuous disclosure obligations, contained in the *Corporations Act 2001* and the ASX Listing Rules. The Board has adopted a Brookfield Multiplex Capital Continuous Disclosure Policy which governs how the Company as Responsible Entity communicates with investors and the market. All price-sensitive information is to be disclosed to the ASX. A summary of the policy is available at www.brookfieldmultiplexcapital.com.

Principle 6: Respect the rights of the Fund unitholders

In addition to its statutory reporting obligations, the Fund and the Company are committed to timely and ongoing communication with the unitholders.

The Company has a Communications Policy which sees it provide ongoing communication through the distribution of the Capital Magazines and annual and half yearly reports each year and through updates to all investors whenever significant developments occur.

The Fund has its own section on the Brookfield Multiplex website that provides up to date Fund information including any continuous disclosure notices given by the Fund, financial reports and distribution information.

As the Fund is a listed managed investment scheme, there is no mandatory requirement to hold annual general meetings. In the future the Company may decide to hold annual general meetings of the Fund investors if the Company forms the view that there is sufficient demand from the Fund investors to incur that cost.

Fund investors are able to contact either the Fund Registry or the Fund Manager during business hours to discuss any queries in relation to their investment or the operation of the fund.

As part of the Company's commitment to fund investors it has an internal dispute resolution mechanism in place which is designed to meet the requirements of the *Corporations Act* and its AFSL. The process complies with the key principles of Australian Standard AS ISO 10002:2004 "Customer satisfaction – Guidelines for complaints handling in organisations" and the minimum requirements of the ASIC Regulatory Guide 165 – "Licensing: Internal and external dispute resolution". If a dispute cannot be resolved through the internal dispute resolution mechanism, it can be referred to the Financial Ombudsman Service, an independent complaint resolution service of which the Company is a member.

The Company encourages Fund investors to visit its website regularly and communicate with the Company electronically as a first preference.

Principle 7: Recognise and manage risk

Management is responsible for developing and implementing policies and procedures to identify, manage and mitigate the risks across the Company's and the Fund's operations. These policies are designed to ensure relevant risks are effectively and efficiently managed and monitored to enable the achievement of the Company's and the Fund's objectives.

Brookfield Multiplex as a subsidiary of Brookfield Asset Management is responsible for establishing and maintaining adequate internal control over financial reporting that meet the Sarbanes Oxley Act 2002 s404 requirements. The company's compliance is reviewed annually by the Company's external auditors as part of Brookfield Asset Management's compliance program.

The Compliance Committee comprises two external members (non-Company Directors) and the BMG General Manager Accounting. The committee discharges Part 5C.5 obligations under the *Corporations Act* in relation to managed investment schemes. It has a charter, a summary of which appears at www.brookfieldmultiplexcapital.com.

BMG has an internal audit function which as part of its annual program may review aspects of the Company business and the Fund. The internal audit function communicates with the Audit Committee and the Compliance Committee.

The procedures adopted by the Company are consistent with those in Principle 7, in that the Chief Executive Officer and the Chief Financial Officer approve the sign off of financial statements based upon a sound system of risk management and confirm that the internal compliance and control system is operating efficiently in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Principle 8 suggests that the Company should establish a dedicated Remuneration Committee. As neither the Fund nor the Company have employees of their own no remuneration committee has been established.

The independent and non-executive Directors receive fees for serving as Directors. These fees are not linked to the performance of the Company or the Fund. The executive Directors do not receive payment for his role as a Director, instead receiving remuneration in his capacity as an employee of BMG.

The Company as Responsible Entity of the Fund believes that it has followed the best practice recommendations set by the ASX.

Interests of the Responsible Entity

Management Fees

For the year ended 30 June 2009 the Fund incurred $1,030,000 in management fees to the Responsible Entity (2008: $1,608,000). These fees were paid out of the assets of the Fund.

Related party unitholders

The following interests were held in the Consolidated Entity during the financial period:

- JPMorgan Nominees Australia Limited, as custodian for Brookfield Multiplex Capital Management Limited, as Responsible Entity for Multiplex Diversified Property Fund, holds 43,430,615 units or 21.41% of the Fund (2008: 43,430,615 units or 21.41%).

Events subsequent to the reporting date

A-REIT portfolio

The fair value of the Consolidated Entity's listed property trust portfolio at close of business on the business day immediately prior to the date the financial statements were approved was $22,470,331, which represents a change of $2,231,370 from the fair value at 30 June 2009. The financial statements have not been amended to reflect this change in fair value. Had the financial statements been amended, the impact would have been to decrease impairment expense and increase available for sale assets by $2,231,370.

The fair value of the Fund's listed property trust portfolio at close of business on the business day immediately prior to the date the financial statements were approved was $20,751,160, which represents a change of $1,948,960 from the fair value at 30 June 2009. The financial statements have not been amended to reflect this change in fair value. Had the financial statements been amended, the impact would have been to decrease impairment expense and increase available for sale assets by $1,948,960.

Deferred settlement

On 24 August 2009 one of the Fund's significant investments, Multiplex Prime Property Fund, announced to the ASX that it intends to conduct a capital raising of $50 million by way of a rights offering of ordinary partly paid units to all unitholders (Entitlement Offer). The Entitlement Offer permits eligible unitholders to participate on a pro-rata basis to their existing holdings which will enable the unitholder to acquire ordinary partly paid units issued at a price of 0.1 cents payable on application and a further 0.2237 cents payable on the same terms as the final instalment of the existing units currently due in June 2011. The Entitlement Offer will allow eligible unitholders to purchase another 178 units for every 1 unit they currently own.

As part of the Entitlement Offer, the underwriter has agreed that under certain conditions, it will provide unitholders with an opportunity to exit their investment in Multiplex Prime Property Fund if they wish to do so. This will be implemented by granting unitholders on the register at the record date for the Entitlement Offer with a cash-out facility in relation to their existing units. The price under the cash-out facility will be 0.1 cents per unit. The cash-out facility is subject to certain conditions including formal launch of the Entitlement Offer, despatch of the offer materials, completion of the Entitlement Offer and receipt of necessary approvals and regulatory relief.

It is likely the Fund will not participate in the proposed Entitlement Offer. Should the Entitlement Offer be completed successfully, and should the Fund not participate in the Entitlement Offer, the Fund will participate in the cash-out facility. Participation in the Entitlement Offer's cash-out facility will increase the Fund's cash balances by $27,894 (representing the cash-out facility price of 0.1 cents per 27,894,723 units held by the Fund), decrease available for sale investments by $10,326,626 and decrease the deferred settlement liability disclosed in Note 14 by $10,298,732 to nil. The total impact of these changes is a net nil impact to the Fund's net assets.

Interest bearing liabilities

At 30 June 2009 and at the date of this report the Fund is not in compliance with its ICR, gearing or ERL covenants. Management have held discussions with the financier in relation to the financial covenants and a detailed term sheet setting out the terms on which the financier will extend the new facility was signed on 28 August 2009. This term sheet is subject to finalising formal documentation and various conditions precedent and specifies a staged pay down of the existing debt, removal of the gearing and ERL covenants, relaxation of the existing ICR covenant and extension of the Facility to 31 December 2011. The financier has waived the ICR, gearing and ERL covenant breaches until 30 September 2009, by which time it is anticipated that the extended facility will have been formally documented.

Other

On 27 August 2009, the manager of Northgate Property Trust (Trust), a significant investment of the Consolidated Entity, announced the exchange of contracts for the sale of the Northgate Shopping Centre, the sole underlying asset of the Trust, for $70,100,000. Settlement is expected to occur by 30 September 2009 with a subsequent wind-up of the Trust occurring. The value attributable to the Trust investment in the 30 June 2009 Consolidated Entity Balance Sheet is $12,893,000. The value attributable to the Trust investment in the 30 June 2009 Fund Balance Sheet is $11,603,000. The value of this investment that will be realised by the Consolidated Entity and the Fund is unknown at the date of this report, or 31 August 2009, and is dependent on the costs associated with the final sale and wind-up of the Trust.

Other than the matters disclosed above, there are no matters or circumstances which have arisen since the end of the financial year 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 years.

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year not otherwise disclosed in this report or in the financial report.

Likely developments

Information on likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations has not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Consolidated Entity.

Environmental regulation
The Consolidated Entity has systems in place to manage its environmental obligations. Based upon the results of enquiries made, the Responsible Entity is not aware of any significant breaches or non-compliance issues during the year covered by this report.

Distributions
Distributions paid/payable by the Fund to ordinary unitholders and minority interests are detailed below. During the current year there were no distributions paid by the Fund to ordinary unitholders other than the September 2008 distribution paid on 3 November 2008.

	Cents per unit	Total amount $'000	Date of payment
Ordinary units			
September 2008 distribution	2.25	4,564	3 November 2008
Total distribution to ordinary unitholders for the year ended 30 June 2009	**2.25**	**4,564**	
MPIF Income units - minority interest			
May 2009 distribution	0.39366	250	22 June 2009
April 2009 distribution	0.13648	87	21 May 2009
March 2009 distribution	0.17831	113	23 April 2009
February 2009 distribution	0.38976	247	20 March 2009
January 2009 distribution	0.45464	289	20 February 2009
December 2008 distribution	0.52423	333	22 January 2009
November 2008 distribution	0.69672	450	17 December 2008
October 2008 distribution	0.71995	473	19 November 2008
September 2008 distribution	0.69672	465	20 October 2008
August 2008 distribution	0.71995	488	18 September 2008
July 2008 distribution	0.71995	469	19 August 2008
Total distribution to Income unitholders for the year ended 30 June 2009	**5.63037**	**3,664**	
Ordinary units			
June 2008 distribution	2.8325	5,746	1 August 2008
March 2008 distribution	2.8325	5,746	30 April 2008
December 2007 distribution	2.7500	5,579	31 January 2008
September 2007 distribution	2.7500	5,578	31 October 2007
Total distribution to ordinary unitholders for the year ended 30 June 2008	**11.1650**	**22,649**	
MPIF Income units – minority interest			
June 2008 distribution	0.6967	434	17 July 2008
May 2008 distribution	0.7199	431	17 June 2008
April 2008 distribution	0.6967	401	14 May 2008
March 2008 distribution	0.7199	401	15 April 2008
February 2008 distribution	0.6753	353	18 March 2008
January 2008 distribution	0.7219	350	20 February 2008
December 2007 distribution	0.6956	319	14 January 2008
November 2007 distribution	0.6452	248	13 December 2007
October 2007 distribution	0.6727	189	14 November 2007
September 2007 distribution	0.6781	142	11 October 2007
August 2007 distribution	0.6896	110	14 September 2007
July 2007 distribution	0.6710	86	10 August 2007
Total distribution to Income unitholders for the year ended 30 June 2008	**8.2826**	**3,464**	

Distributions paid for the year ended 30 June 2009 and 2008 have been paid out of operating earnings.

Indemnification and insurance premiums

Under the Fund's Constitution, the Responsible Entity's officers and employees are indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

The Fund has not indemnified any auditor of the Consolidated Entity.

No insurance premiums are paid out of the Fund's assets in relation to cover for the Responsible Entity, its officers and employees, the Compliance Committee or auditors of the Fund.

Non-audit services

All amounts paid to KPMG for audit, review and regulatory services are disclosed in Note 7.

Details of non-audit services fees incurred by the Consolidated Entity and Fund to KPMG during the year are set out below. These amounts were paid out of the assets of the Consolidated Entity and Fund.

	Consolidated 2009 $	Fund 2009 $
Services other than statutory audit:		
Non-audit services relating to the Fund	8,300	8,300
Non-audit services relating to the Fund's subsidiary MPIF	5,200	5,200
Total fees related to non-audit services	**13,500**	**13,500**

Remuneration Report

a Remuneration of Directors and Key Management Personnel of the Responsible Entity

The Fund does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Fund and this is considered the key management personnel (KMP). The Directors of the Responsible Entity are KMP of that entity and their names are:

- Peter Morris - Non-Executive Independent Chairman
- Brian Motteram - Non-Executive Independent Director
- Robert McCuaig - Non-Executive Independent Director
- Mark Wilson - Executive Director (Appointed 27 August 2008)
- Brian Kingston - Executive Director (Appointed 27 August 2008)
- Robert Rayner - Executive Director (Resigned 22 August 2008)
- Bob McKinnon - Non-Executive Director (Resigned 18 July 2008)

The Responsible Entity is entitled to a management fee which is calculated as a proportion of gross asset value. Details of the fees are shown below.

No compensation is paid directly by the Fund to Directors or to any of the KMP of the Responsible Entity. Since the end of the financial year, no Director or KMP of the Responsible Entity has received or become entitled to receive any benefit because of a contract made by the Responsible Entity with a Director or KMP, or with a firm of which the Director or KMP is a member, or with an entity in which the Director or KMP has a substantial interest, except at terms set out in the Fund Constitution.

Loans to Directors and Key Management Personnel of the Responsible Entity

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the Directors and KMP or their personally related entities at any time during the reporting period.

Other Transactions with Directors and Specified Executives of the Responsible Entity

From time to time, Directors and KMP or their personally related entities may buy or sell units in the Fund. These transactions are subject to the same terms and conditions as those entered into by other Fund investors.

No Director or KMP has entered into a contract for services with the Responsible Entity since inception and there were no contracts involving Directors or KMP subsisting at period end.

b Management fees

The management fee incurred by the Fund to the Responsible Entity for the year ended 30 June 2009 was $1,030,000 (2008: $1,608,000).

Lead auditor's independence declaration under Section 307C of the *Corporations Act 2001*
The lead auditor's independence declaration is set out on page 15 and forms part of the Directors' Report for the year ended 30 June 2009.

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.

Dated at Sydney this 31st day of August 2009.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Mark Wilson
Director
Brookfield Multiplex Capital Management Limited

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Brookfield Multiplex Capital Management Limited, as Responsible Entity of Multiplex Acumen Property Fund.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

T. Gilerman

Tanya Gilerman
Partner

Sydney
31 August 2009

Income Statement
Multiplex Acumen Property Fund
For the year ended 30 June 2009

	Note	Consolidated Year ended 30 June 2009 $'000	Consolidated Year ended 30 June 2008 $'000	Fund Year ended 30 June 2009 $'000	Fund Year ended 30 June 2008 $'000
Revenue and other income					
Share of net profit of investments accounted for using the equity method	5	–	4,180	–	–
Distribution income from listed and unlisted property trusts		10,015	23,908	8,520	23,634
Distribution income from controlled entities		–	–	–	3,318
Brokerage income		–	1,402	–	241
Gain on disposal of listed and unlisted property trusts		–	10,210	–	10,353
Interest income		803	819	232	367
Net gain on revaluation of financial derivatives	6	–	2,785	–	2,785
Total revenue and other income		**10,818**	**43,304**	**8,752**	**40,698**
Expenses					
Share of net loss of investments accounted for using the equity method	5	22,420	–	–	–
Impairment expense		78,443	51,723	100,876	41,358
Finance costs to external parties		4,995	6,120	4,995	6,120
Loss on disposal of listed and unlisted property trusts		2,468	–	1,703	–
Net loss on settlement of financial derivatives	6	3,623	–	3,623	–
Management fees		1,030	1,608	1,030	1,608
Other expenses		1,196	1,679	1,198	1,326
Total expenses		**114,175**	**61,130**	**113,425**	**50,412**
Net loss		**(103,357)**	**(17,826)**	**(104,673)**	**(9,714)**
Attributable to:					
Ordinary unitholders		(107,021)	(21,290)	(104,673)	(9,714)
Minority interest – MPIF income unitholders		3,664	3,464	–	–
Net loss		**(103,357)**	**(17,826)**	**(104,673)**	**(9,714)**

Earnings per unit		
Basic and diluted earnings per ordinary unit (cents)	(52.8)	(10.5)

The Income Statement should be read in conjunction with the Notes to the Financial Statements.

Balance Sheet
Multiplex Acumen Property Fund
As at 30 June 2009

	Note	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000	Fund 30 June 2009 $'000	Fund 30 June 2009 $'000
Assets					
Current assets					
Cash and cash equivalents		2,439	10,518	1,218	1,306
Trade and other receivables	10	3,551	17,610	2,891	16,421
Fair value of financial derivatives		–	241	–	241
Total current assets		**5,990**	**28,369**	**4,109**	**17,968**
Non-current assets					
Investments – available for sale	11	172,992	284,247	161,685	273,886
Investments accounted for using the equity method	5	32,036	63,529	–	–
Fair value of financial derivatives		–	5,742	–	5,742
Investment in controlled entity	12	–	–	–	30,076
Total non-current assets		**205,028**	**353,518**	**161,685**	**309,704**
Total assets		**211,018**	**381,887**	**165,794**	**327,672**
Liabilities					
Current liabilities					
Trade and other payables	13	1,265	505	1,291	542
Distribution payable		–	6,453	–	6,016
Interest bearing liabilities	15	74,200	–	74,200	–
Total current liabilities		**75,465**	**6,958**	**75,491**	**6,558**
Non-current liabilities					
Interest bearing liabilities	15	–	80,200	–	80,200
Deferred settlement	14	10,299	9,123	10,299	9,123
Total non-current liabilities		**10,299**	**89,323**	**10,299**	**89,323**
Total liabilities		**85,764**	**96,281**	**85,790**	**95,881**
Net assets		**125,254**	**285,606**	**80,004**	**231,791**
Equity					
Units on issue – ordinary units	16	203,381	203,381	203,381	203,381
Minority interest – MPIF income units	16	52,960	62,260	–	–
Reserves	17	(10,503)	28,964	–	42,550
Undistributed losses	18	(120,584)	(8,999)	(123,377)	(14,140)
Total equity		**125,254**	**285,606**	**80,004**	**231,791**

The Balance Sheet should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

Multiplex Acumen Property Fund

For the year ended 30 June 2009

	Note	Consolidated Year ended 30 June 2009 $'000	Consolidated Year ended 30 June 2008 $'000	Fund Year ended 30 June 2009 $'000	Fund Year ended 30 June 2008 $'000
Opening equity		285,606	297,874	231,791	286,428
Movement in units on issue					
Reinvested distributions	16	–	2,092	–	2,092
Movement in minority interests					
Minority interest – MPIF income units issued		8,934	56,004	–	–
Minority interest – MPIF income units redeemed		(18,234)	(3,340)	–	–
Movement in hedge reserve					
Fair value movement in financial derivatives	17	(3,198)	1,315	(3,198)	1,315
Movement in available for sale reserve					
Fair value movement in relation to available for sale investments	17	(106,698)	(58,013)	(109,798)	(67,039)
Net change in fair value of available for sale investments recognised as impairment expense	17	69,412	51,723	70,446	41,358
Movement in foreign currency translation reserve					
Share of movement in reserves of investment accounted for using the equity method	17	1,017	(18,110)	–	–
Movement in undistributed (losses)					
Net (loss) attributable to:					
– Ordinary unitholders	18	(107,021)	(21,290)	(104,673)	(9,714)
– Minority interest – MPIF income units	16	3,664	3,464	–	–
Distributions paid – ordinary units	9	(4,564)	(22,649)	(4,564)	(22,649)
Distributions paid – MPIF income units	9	(3,664)	(3,464)	–	–
Closing equity		**125,254**	**285,606**	**80,004**	**231,791**

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

Cash Flow Statement

Multiplex Acumen Property Fund

For the year ended 30 June 2009

	Note	Consolidated Year ended 30 June 2009 $'000	Consolidated Year ended 30 June 2008 $'000	Fund Year ended 30 June 2009 $'000	Fund Year ended 30 June 2008 $'000
Cash flows from operating activities					
Cash receipts in the course of operations		16,917	30,169	14,332	27,505
Cash payments in the course of operations		(1,543)	(2,656)	(1,543)	(2,656)
Interest received		850	756	247	348
Financing costs paid		(5,231)	(5,764)	(5,231)	(5,764)
Net cash flows from operating activities	20	**10,993**	**22,505**	**7,805**	**19,433**
Cash flows from investing activities					
Payments for available for sale assets		(470)	(67,234)	(231)	(22,292)
Proceeds from sale of available for sale assets		11,947	29,793	9,486	29,213
Distributions received from investments accounted for using the equity method		–	–	–	–
Net cash flows from/(used in) investing activities		**11,477**	**(37,441)**	**9,255**	**6,921**
Cash flows from financing activities					
Proceeds from issue of income units		8,771	56,004	–	–
Payments for redemption of income units		(18,233)	(3,340)	–	–
Proceed from settlement of derivatives		(838)	–	(838)	–
Proceeds from interest bearing liabilities		–	8,000	–	8,000
Repayments of interest bearing liabilities		(6,000)	(16,800)	(6,000)	(16,800)
Distributions paid		(14,249)	(23,063)	(10,310)	(19,974)
Net cash flows (used in)/from financing activities		**(30,549)**	**20,801**	**(17,148)**	**(28,774)**
Net increase/(decrease) in cash and cash equivalents		(8,079)	5,865	(88)	(2,420)
Cash and cash equivalents at 1 July		10,518	4,653	1,306	3,726
Cash and cash equivalents at 30 June		**2,439**	**10,518**	**1,218**	**1,306**

The Cash Flow Statement should be read in conjunction with the Notes to the Financial Statements.

1 Reporting entity

Multiplex Acumen Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Multiplex Capital Management Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the year ended 30 June 2009 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Basis of preparation

a Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial reports of the Consolidated Entity and the Fund (financial statements) comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Boards (IASB).

The financial statements were authorised for issue by the Directors on this 31st day of August 2009.

b Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for the following:

- derivative financial instruments which are measured at fair value
- equity accounted investments which are measured using the equity method;
- available for sale financial assets which are measured at fair value; and
- deferred settlement liability which is measured at fair value.

The methods used to measure fair value are discussed further in Note 3.

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

The Fund 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.

It should be noted that the Fund has a debt facility which is currently classified as a current liability and therefore current liabilities exceed current assets by $69,475,000. Available for sale assets totalling $172,992,000 are classified as non-current assets.

In accordance with AASB 101, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. At the date of this report, management has no intention to either liquidate the Fund or to cease trading and believes realistic alternatives to liquidation or cessation of trading are available. These realistic alternatives include the successful completion of the refinancing of the existing debt facility, as outlined in the Directors' Report and Note 24. As such the financial statements have been prepared on a going concern basis.

If the formal documentation related to the refinancing of the debt facility is not successfully completed, the Fund may not be in a position to repay the existing debt facility should it be called upon by the financier. If the formal documentation related to the refinancing of the debt facility is successfully completed, there are reasonable grounds to believe that the Fund will continue as a going concern.

c Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is provided in Note 11, investments – available for sale, and Note 19, derivative financial instruments.

3 Significant accounting policies

The significant policies set out below have been applied consistently to all periods presented in these financial statements.

a Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiaries. Control is achieved where the Fund has the power to govern the financial and operational policies of an entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in the consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity. The assets and liabilities of foreign controlled entities are translated into Australian dollars at rates of exchange current at balance date, while their income and expenditure are translated at the exchange rate at the date of the transactions.

All intra-group transitions, balances, income and expenses, including unrealised profits arising from intra-group transactions, are eliminated in full in the consolidated financial statements. In the separate financial statements of the Fund, intra-group transactions (common control transactions) are generally accounted for by reference to the existing carrying value of the items. Where the transaction value of common control transactions differs from their carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the Fund's financial statements investments in controlled entities are carried at cost, less impairment.

b Revenue recognition

Revenues are recognised at the fair value of the consideration received for the sale of goods and services, net of the amount of Goods and Services Tax (GST), rebates and discounts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific criteria for the major business activities must also be met before revenue is recognised. Where amounts do not meet these recognition criteria, they are deferred and recognised in the period in which the recognition criteria are met.

Dividends and distributions

Revenue from dividends and distributions is recognised when the right of the Consolidated Entity or the Fund to receive payment is established, which is generally when they have been declared.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Gains or losses on available for sale financial assets

Listed and unlisted investments are classified as being available for sale and are stated at fair value, with any resulting gain or loss recognised directly in equity in the Balance Sheet, except for impairment losses, which are recognised directly in the Income Statement. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in equity in the Balance Sheet is recognised in the Income Statement.

The fair value of listed investments is the quoted bid price at the Balance Sheet date.

c Expense recognition

Finance costs

Finance costs are recognised as expenses using the effective interest rate method, unless they relate to a qualifying asset.

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings, including amounts paid or received on interest rate swaps;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease charges; and
- certain exchange differences arising from foreign currency borrowings.

Management fees

A base management fee calculated on the gross value of assets is payable to the Responsible Entity. The fee is payable by the Fund quarterly in arrears.

3 Significant accounting policies continued

Performance fee

A performance fee of 20% (including GST less any reduced input tax credits) of the outperformance of the Consolidated Entity against the Benchmark return (S&P/ASX A-REIT Accumulation Index) is recognised on an accruals basis. Any previous underperformance must be recovered before a performance fee becomes payable.

Other expenditure

Expenses are recognised by the Consolidated Entity on an accruals basis.

d Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

e Income tax – funds

Under current income tax legislation, the Fund is not liable for Australian income tax provided that the taxable income is fully distributed to unitholders each year. The Fund fully distributes its taxable income each year, calculated in accordance with the Trust Constitution and applicable legislation to unitholders who are presently entitled to income under the Constitution.

Tax allowances for buildings, plant and equipment are distributed to unitholders in the form of a tax deferred component of the distributions.

f Cash and cash equivalents

For purposes of the Cash Flow Statement, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

g Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Impairment charges are brought to account as described in Note 3l. Non-current receivables are measured at amortised cost using the effective interest rate method.

h Available for sale financial assets

Listed and unlisted investments are classified as being available for sale. Available for sale financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent to initial recognition they are measured at fair value, with any resulting gain or loss recognised directly in equity. Where there is evidence of impairment in the value of the investment, usually through adverse market conditions, the impairment loss will be recognised directly in the Income Statement. Where listed and unlisted investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the Income Statement.

i Associates

The Consolidated Entity's investments in associates are accounted for using the equity method of accounting in the consolidated financial report. An associate is an entity in which the Consolidated Entity has significant influence, but not control, over their financial and operating policies.

Under the equity method, investments in associates are carried in the consolidated Balance Sheet at cost plus post-acquisition changes in the Consolidated Entity's share of net assets of the associates. After application of the equity method, the Consolidated Entity determines whether it is necessary to recognise any additional impairment loss with respect to the Consolidated Entity's net investment in the associates. The consolidated Income Statement reflects the Consolidated Entity's share of the results of operations of the associates.

When the Consolidated Entity's share of losses exceeds its interest in an associate, the Consolidated Entity's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Consolidated Entity has incurred legal or constructive obligations or made payments on behalf of an associate.

Where there has been a change recognised directly in the associate's equity, the Consolidated Entity recognises its share of changes and discloses this in the consolidated Statement of Changes in Equity.

3 Significant accounting policies continued

Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Consolidated Entity's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the associate.

j Derivative financial instruments

The Consolidated Entity uses derivative financial instruments to hedge its exposure to interest rate risk from operational, financing and investment activities. The Consolidated Entity does not hold or issue derivative financial instruments for trading purposes.

Hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Consolidated Entity only enters into hedges of actual and highly probable forecast transactions (cash flow hedges). It does not enter into, nor does it have any, hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or hedges of net investments in foreign operations (net investment hedges).

The Consolidated Entity documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Consolidated Entity also documents its assessment, both at the inception of the hedge and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the fair values of cash flows of the hedged items.

The effective portion of changes in the fair value of cash flow hedges is recognised directly in equity. Movements on the hedging reserve are shown in the Statement of changes in equity. The gain or loss relating to any ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated in equity are transferred in the Income Statement in the period when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a liability, the gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

k Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at a fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Consolidated Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Consolidated Entity's contractual rights to the cash flows from the financial assets expire or if the Consolidated Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchase and sales of financial assets are accounted for at trade date, i.e. the date that the Consolidated Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Consolidated Entity's obligations specified in the contract expire or are discharged or cancelled.

Accounting policies for cash and cash equivalents (Note 3f), trade and other receivables (Note 3g), available for sale financial assets (Note 3h), trade and other payables (Note 3n) and interest bearing liabilities (Note 3o) are discussed elsewhere within the financial report.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

3 Significant accounting policies continued

l Impairment

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the Income Statement. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to the Income Statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in the Income Statement. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non financial assets

The carrying amount of the Consolidated Entity's non financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists then the asset's recoverable amount is estimated.

m Earnings per unit

The Consolidated Entity presents basic and diluted earnings per unit (EPU) data for all its ordinary unitholders. Basic EPU is calculated by dividing the profit or loss attributable to ordinary unitholders of the Consolidated Entity by the weighted average number of ordinary units outstanding during the period. Diluted EPU is determined by adjusting the profit or loss attributable to ordinary unitholders and the weighted average number of ordinary units outstanding for the effects of all dilutive potential ordinary units.

n Trade and other payables

Payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o Interest bearing liabilities

Interest bearing liabilities are recognised initially at fair value less any attributable transaction costs. Subsequent to initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings on an effective interest rate basis. Interest bearing loans and borrowings are classified as current liabilities unless the Consolidated Entity has an unconditional right to defer settlement of the liability to at least 12 months after the Balance Sheet date.

p Distributions

A provision for distribution is recognised in the Balance Sheet if the distribution has been declared prior to balance date. Distributions paid and payable on units are recognised as a reduction in net assets attributable to unitholders. Distributions paid are included in cash flows from financing activities in the Cash Flow Statement.

q Units on issue

Issued and paid up units are recognised as changes in net assets attributable to unitholders at the fair value of the consideration received by the Consolidated Entity, less any incremental costs directly attributable to the issue of new units.

3 Significant accounting policies continued

r New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009 but have not been applied preparing this financial report:

Revised AASB 3 Business Combinations (2008) incorporates the following changes that are likely to be relevant to the Consolidated Entity's operations:

- the definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
- contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss;
- transaction costs, other than share and debt issue costs, will be expensed as incurred;
- any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss; and
- any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised AASB 3, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Consolidated Entity's 2010 consolidated financial statement.

Amended AASB 127 Consolidated and Separate Financial Statements (2008) requires accounting for changes in ownership interests by the Consolidated Entity in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Consolidated Entity loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Consolidated Entity's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.

AASB 8 Operating Segments introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, will require a change in presentation and disclosure of segment information based on the internal reports regularly reviewed by the Consolidated Entity's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Consolidated Entity presents segment information in respect of its business and geographical segments see Note 4. Under the management approach, the Consolidated Entity will present segment information in respect of listed and unlisted property securities.

Revised AASB 101 Presentation of Financial Statements (2008) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the Income Statement and all non-owner changes in equity in a single statement) or, in an Income Statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Consolidated Entity plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.

Revised AASB 123 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Consolidated Entity's 30 June 2010 financial statements however it is not expected to have any impact on the financial statements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Consolidated Entity's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

3 Significant accounting policies continued

AASB 2008-7 Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate changes the recognition and measurement of distribution receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Consolidated Entity's 30 June 2010 financial statements. The Consolidated Entity has not yet determined the potential effect of the amendments.

AASB Interpretation 17 Distributions of Non-Cash Assets to Owners provides guidance in respect of measuring the value of distributions of non-cash assets to owners. AASB Interpretation 17 will become mandatory for the Consolidated Entity's 30 June 2010 consolidated financial statements. The Consolidated Entity has not yet determined the potential effect of the Interpretation.

AASB 2009-3 introduced a three level hierarchy for determining the amount of information to be disclosed around estimating fair values and clarifies quantitative disclosure on liquidity risk. The amendments require that fair value measurement disclosures use a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values. The revised standard is applicable from 1 January 2009. The amendments to the standard are expected impact the disclosures made in future financial statements.

4 Segment reporting

The Consolidated Entity operates in a single, primary business and geographical segment, being investment in property securities within Australia.

	Consolidated 2009 $'000	2008 $'000
5 Investment accounted for using the equity method		
Multiplex New Zealand Property Fund	41,066	63,529
Impairment	(9,030)	–
	32,036	**63,529**
Share of net (loss)/profit from investments accounted for using the equity method:		
Multiplex New Zealand Property Fund	**(22,420)**	**4,180**

Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Consolidated Entity, at 31 December 2008 and 30 June 2008 is detailed below.

At the date of this report, the financial information for Multiplex New Zealand Property Fund has not been published. As such the most recent published financial information has been detailed below, being 31 December 2008 for Balance Sheet amounts:

	December 2008 $'000	June 2008 $'000
Current assets	138,055	11,521
Non-current assets	597,069	754,055
Total assets	**735,124**	**765,576**
Current liabilities	503,166	32,884
Non-current liabilities	40,765	471,685
Total liabilities	**543,931**	**504,569**

Summary Income Statement financial information is detailed below:

	June 2009 $'000	June 2008 $'000
Revenues	71,951	82,754
Expenses	(164,150)	(65,581)
Profit	**(92,199)**	**17,173**

5 Investment accounted for using the equity method continued

The Consolidated Entity owns 24.32% of the ordinary units of Multiplex New Zealand Property Fund (MNZPF) (2008: 24.34%). In accordance with accounting standards, the Consolidated Entity therefore has significant influence over MNZPF and accounts for its investment under the equity accounting method whereby the Consolidated Entity records its share of profit or loss of MNZPF's operations. Any changes to the results and operations of the underlying investment are presented in the Consolidated Entity's financial report through the share of net loss/profit of equity accounted investments line item in the income statement and the carrying value of the equity accounted investment in the balance sheet. The investment in MNZPF is accounted for as an available for sale investment in the stand-alone Fund.

MNZPF has an existing debt facility of NZ$434,180,048 that is scheduled to mature on 30 August 2009. It is understood that MNZPF has been in discussions with the existing financiers of its facility regarding refinancing.

MNZPF has reported that the existing debt facility has four financial loan covenants: the interest coverage ratio (ICR), the loan to value ratio (LVR), a gearing covenant and a tangible assets ratio (TTA), being unitholder funds to total assets. MNZPF was not in compliance with the TTA covenant at 31 December 2008 and remains in breach of the TTA covenant at 30 June 2009. At the date of this report, being 31 August 2009, it has been reported to the Consolidated Entity that the management of MNZPF hold the opinion that, at 30 June 2009, MNZPF was in compliance with the ICR, the LVR and the gearing covenants.

MNZPF has reported to the Consolidated Entity that the existing debt facility is scheduled to mature on 31 August 2009 based on the original terms of the debt facility. However at the date of this report, being 31 August 2009, the MNZPF debt facility has not been renegotiated. If MNZPF is unable to renegotiate its existing debt facility on favourable terms, the Consolidated Entity may be unable to realise the full value of its underlying investment as currently reflected in the financial report.

In accordance with AASB 136, Impairment of assets, an assessment must be made at each reporting date whether there is any indication that an asset is impaired. A review of the equity accounted investment was performed at the reporting date and, due to a continued drop in value of underlying investment properties, and in light of the above, the equity accounted investment in MNZPF was deemed to be impaired. This conclusion was reached upon assessment of the value in use of the equity accounted investment, or the present value of the future cash flows expected to be derived from the investment, to ensure the current carrying value does not exceed the value in use. Value in use was determined by discounting the expected future cash flows from the equity accounted investment to present day using a discount rate of 20%. The impairment analysis performed on the equity accounted investment at 30 June 2009 determined that an impairment charge of $9,029,746 was required to ensure value in use does not exceed carrying value. The carrying amount of impairment on equity accounted investments in the Consolidated Entity is detailed below:

	2009 $'000	2008 $'000
Impairment of investments in associates		
Carrying amount at beginning of period	–	–
Impairment recognised in the current period	(9,030)	–
Carrying amount at end of period	**(9,030)**	**–**

6 Net gains and losses on revaluation of financial derivatives

Net unrealised gains on revaluation of financial derivatives are as follows:

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Exchange rate swaps	–	2,785	–	2,785
Net unrealised gain on revaluation of financial derivatives	**–**	**2,785**	**–**	**2,785**

Net realised losses on settlement of financial derivatives are as follows:

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Interest rate swaps	(4,363)	–	(4,363)	–
Exchange rate swaps	740	–	740	–
Net realised loss on settlement of financial derivatives	**(3,623)**	**–**	**(3,623)**	**–**

	Consolidated 2009 $	Consolidated 2008 $	Fund 2009 $	Fund 2008 $
7 Auditors' remuneration				
Auditors of the Fund, KPMG:				
Audit and review of financial reports	155,800	119,000	155,800	119,000
Non-audit services relating to the Fund	8,300	7,893	8,300	7,893
Non-audit services relating to the Fund's subsidiary	5,200	–	5,200	–
Total auditor's remuneration	**169,300**	**126,893**	**169,300**	**126,893**

All costs incurred in relation to the Fund's subsidiary, Multiplex Property Income Fund (MPIF), are borne by the Fund. Fees paid to the auditors of the Fund and MPIF in relation to compliance plan audits are borne by the Responsible Entity.

8 Earnings per unit

Classification of securities as ordinary units

All securities have been classified as ordinary units and included in basic earnings per unit (EPU), as they have the same entitlement to distributions. There are no dilutive potential ordinary units; therefore diluted EPU is the same as basic EPU.

Earnings per unit

Earnings per ordinary unit has been calculated in accordance with the accounting policy per Note 3m.

		Consolidated 2009	Consolidated 2008
Net loss attributable to unitholders	$'000	(107,021)	(21,290)
Weighted average number of ordinary units	'000	202,861	202,861
Basic and diluted earnings per ordinary unit	cents	(52.8)	(10.5)

9 Distributions

Distributions paid/payable by the Fund to ordinary unitholders are detailed below. During the current year there were no distributions paid by the Fund to ordinary unitholders other than the September 2008 distribution paid on 3 November 2008.

	Cents per unit	Total amount $'000	Date of payment
Ordinary units			
September 2008 distribution	2.2500	4,564	3 November 2008
Total distribution for the year ended 30 June 2009	**2.2500**	**4,564**	
Ordinary units			
June 2008 distribution	2.8325	5,746	1 August 2008
March 2008 distribution	2.8325	5,746	30 April 2008
December 2007 distribution	2.7500	5,579	31 January 2008
September 2007 distribution	2.7500	5,579	31 October 2007
Total distribution for the year ended 30 June 2008	**11.1650**	**22,649**	

Distributions paid for the year ended 30 June 2009 have been paid out of the Fund's realised revenues and expenses.

9 Distributions continued

Distributions paid/payable to Income unitholders of MPIF were as follows:

	Cents per unit	Total amount $'000	Date of payment
MPIF Income units – minority interest			
May 2009 distribution	0.39366	250	22 June 2009
April 2009 distribution	0.13648	87	21 May 2009
March 2009 distribution	0.17831	113	23 April 2009
February 2009 distribution	0.38976	247	20 March 2009
January 2009 distribution	0.45464	289	20 February 2009
December 2008 distribution	0.52423	333	22 January 2009
November 2008 distribution	0.69672	450	17 December 2008
October 2008 distribution	0.71995	473	19 November 2008
September 2008 distribution	0.69672	465	20 October 2008
August 2008 distribution	0.71995	488	18 September 2008
July 2008 distribution	0.71995	469	19 August 2008
Total distribution for the year ended 30 June 2009	**5.63037**	**3,664**	
MPIF Income units – minority interest			
June 2008 distribution	0.6967	434	17 July 2008
May 2008 distribution	0.7199	431	17 June 2008
April 2008 distribution	0.6967	401	14 May 2008
March 2008 distribution	0.7199	401	15 April 2008
February 2008 distribution	0.6753	353	18 March 2008
January 2008 distribution	0.7219	350	20 February 2008
December 2007 distribution	0.6956	319	14 January 2008
November 2007 distribution	0.6452	248	13 December 2007
October 2007 distribution	0.6727	189	14 November 2007
September 2007 distribution	0.6781	142	11 October 2007
August 2007 distribution	0.6896	110	14 September 2007
July 2007 distribution	0.6710	86	10 August 2007
Total distribution for the year ended 30 June 2008	**8.2826**	**3,464**	

MPIF has 52,791,450 income units on issue at the reporting date. Under the terms of the MPIF 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 MPIF does not meet the PDP to its income unitholders, the Fund will be prevented from making distributions to its unitholders unless the shortfall has been met within 2 months of the end of the month in which the shortfall occurred.

As MPIF distributed less than the PDP for the months December 2008 through June 2009, the Fund 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 twelve months is, or has been, paid to Income unitholders of MPIF. The PDP shortfall at 30 June 2009 was $1,702,506 (2008: nil).

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
10 Trade and other receivables				
Distributions receivable – unlisted and listed investments	2,543	8,370	1,907	6,387
Distributions receivable – controlled entities	–	–	–	1,332
Brokerage receivable	–	11	–	11
Other receivables	355	8,758	331	8,220
Prepayments	653	471	653	471
	3,551	**17,610**	**2,891**	**16,421**

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
11 Investments – available for sale				
Listed investments				
Listed investments at cost	65,745	111,383	60,872	91,892
Impairment	(44,866)	(51,723)	(41,429)	(41,358)
	20,879	**59,660**	**19,443**	**50,534**
Unlisted investments				
Unlisted investments at cost	191,105	192,306	183,760	184,000
Fair value adjustments	–	32,281	–	39,352
Impairment	(38,992)	–	(41,518)	–
	152,113	**224,587**	**142,242**	**223,352**
Total	**172,992**	**284,247**	**161,685**	**273,886**

Reconciliation of the carrying amount of impairment is set out below:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Investments – available for sale (listed property trusts)				
Carrying amount as at 1 July	(51,723)	–	(41,358)	–
Reduction of impairment balance due to disposal of investments	41,715	–	28,857	–
Impairment recognised in the current period	(34,858)	(51,723)	(28,928)	(41,358)
Carrying amount as at 30 June	**(44,866)**	**(51,723)**	**(41,429)**	**(41,358)**
Investments – available for sale (unlisted property trusts)				
Carrying amount as at 1 July	–	–	–	–
Reduction of impairment balance due to disposal of investments	17	–	–	–
Impairment recognised in the current period	(39,009)	–	(41,518)	–
Carrying amount as at 30 June	**(38,992)**	**–**	**(41,518)**	**–**

Reconciliation of the impairment expense is set out below:

	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000	Fund 30 June 2009 $'000	Fund 30 June 2008 $'000
Investments – available for sale				
Reduction of impairment balance due to prior year gains recognised in reserves	4,454	–	–	–
Impairment recognised – listed property trusts	(34,858)	(51,723)	(28,928)	(41,358)
Impairment recognised – unlisted property trusts	(39,009)	–	(41,518)	–
Investments – associates				
Impairment recognised – investments accounted for using the equity method	(9,030)	–	–	–
Investments – controlled entities				
Impairment recognised – investment in controlled entities	–	–	(30,076)	–
Other				
Impairment recognised – receivable from controlled entities	–	–	(354)	–
Net impairment expense recognised in the Income Statement	**(78,443)**	**(51,723)**	**(100,876)**	**(41,358)**

11 Investments – available for sale continued

Impairment

During the year, the Consolidated Entity recognised an impairment loss in accordance with accounting standards of $73,867,177 in relation to its available for sale investments (listed and unlisted property trusts) (2008: listed property trusts of $51,722,697). The Fund recognised an impairment loss in relation to its available for sale investments of $70,445,968 (2008:listed property trusts of $41,358,190). The Fund also recognised an impairment loss in relation to its investment in controlled entities and its receivable from controlled entity totalling $30,429,689 (2008: nil). Further information related to investment in controlled entities can be found in Note 12 of the financial report.

The impairment loss recognised in relation to available for sale investments represents the difference between the cost of the portfolio and the market value as at 30 June 2009, less any previously recorded impairment losses.

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Consolidated Entity's listed and unlisted property trust portfolio is impaired. This determination has arisen due to the significant and prolonged decline in value of listed and unlisted property trusts during the period and market conditions within the property sector generally. As such, any declines in value recognised in the available for sale reserve have been recognised directly in the Income Statement.

Investments in unlisted property securities

The Consolidated Entity invests directly in 30 unlisted property securities funds. Due to a lack of liquidity in their underlying investment portfolios, or due to the initial structure of the Fund as detailed in their original product disclosure statements and constitutions, 8 have suspended redemptions, 21 have always been closed to redemptions due to the investment structure as outlined in their original constitutions and 14 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. Unit prices have continued to be provided by the respective managers on either a monthly or quarterly basis.

Consistent with 30 June 2008, 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 30 June 2009, 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 Fund is not seeking to sell its assets in the near term, an additional discount would not normally be applied. However further consideration was then given to each net asset value in the current environment to determine whether an additional discount should be applied by assessing other prevailing market evidence, including transactional evidence and an assessment of the ability of the underlying investments to continue as a going concern.

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.

11 Investments - available for sale continued

Material investments

Investments by the Consolidated Entity which constitute 5% or more by value of that investment are disclosed below.

	2009 Units	2009 % ownership	2008 Units	2008 % ownership
Unlisted property securities				
APN Champion Retail Fund	13,900,000	20.0	13,900,000	20.0
APN Regional Property Fund	3,571,428	10.9	3,571,428	10.9
APN UKA Poland Retail Fund	7,542,100	19.9	7,542,100	19.9
APN UKA Vienna Retail Fund	6,000,000	13.1	6,000,000	13.1
Austock Childcare Fund	1,000,000	7.4	1,000,000	7.4
Centro MCS 21	5,525,000	13.9	5,525,000	13.9
Centro MCS 22	1,291,743	11.6	1,291,743	11.6
Charter Hall Diversified Property Fund	4,783,316	5.6	4,783,316	5.6
Gordon Property Trust	1,683,000	7.8	1,683,000	7.8
Investa Diversified Office Fund	27,231,302	16.3	27,231,306	16.3
Investa Fifth Commercial Trust	9,550,000	19.1	9,550,000	19.1
Investa Second Industrial Trust	1,479,154	5.5	1,479,154	5.5
MAB Diversified Property Trust	7,000,000	10.6	7,000,000	10.6
Multiplex Development and Opportunity Fund	9,320,388	5.7	9,320,388	5.7
Northgate Property Trust	5,136,191	25.7	5,136,191	25.7
Pengana Credo European Property Trust	10,400,000	19.9	10,400,000	19.9
Reed Property Trust	5,515,213	8.2	5,515,213	8.2
Rimcorp Property Trust No. 3	1,500,000	18.5	1,500,000	18.5
St Hilliers Enhanced Property Fund No. 2	2,000,000	10.0	2,000,000	10.0
The Essential Health Care Trust	8,713,838	12.3	8,713,838	12.3
Westpac Diversified Property Fund	13,905,979	7.0	14,316,283	7.2
Listed property securities				
Multiplex Prime Property Fund[1]	27,894,723	9.9	27,894,723	9.9
Multiplex European Property Fund	12,750,000	5.2	12,750,000	5.2

1 The Consolidated Entity's 30 June 2009 investment in Multiplex Prime Property Fund of 27,894,723 units valued at $10,326,626 comprises $27,894 being an initial call partly paid to $0.60 per unit and $10,298,732 (2008: $9,123,000) being the present value of the final call of $0.40 per unit payable in June 2011. The final call also creates a deferred settlement liability of $10,298,732 (2008: $9,123,000). The discount rate used to determine the present value is 4.01% (2008: 6.73%).

11 Investments - available for sale continued

Investments by the Fund which constitute 5% or more by value of that investment are disclosed below:

	2009 Units	2009 % ownership	2008 Units	2008 % ownership
Unlisted Property Securities				
APN Regional Property Fund	2,857,142	8.8	2,857,142	8.8
APN UKA Poland Retail Fund	4,525,260	11.9	4,525,260	11.9
APN UKA Vienna Retail Fund	3,600,000	7.9	3,600,000	7.9
Austock Childcare Fund	1,000,000	7.4	1,000,000	7.4
Centro MCS 21	4,972,500	12.5	4,972,500	12.5
Centro MCS 22	645,871	5.8	645,871	5.8
Gordon Property Trust	1,514,700	7.0	1,514,700	7.0
Investa Diversified Office Fund	24,334,618	14.6	24,334,618	14.6
Investa Fifth Commercial Trust	7,642,000	15.3	7,642,000	15.3
Investa Second Industrial Trust	1,479,154	5.5	1,479,154	5.5
MAB Diversified Property Trust	4,900,000	7.4	4,900,000	7.4
Multiplex Development and Opportunity Fund	9,320,388	5.7	9,320,388	5.7
Multiplex New Zealand Property Fund	51,699,756	23.7	51,699,756	23.8
Northgate Property Trust	4,622,572	23.1	4,622,572	23.1
Pengana Credo European Property Trust	9,400,000	18.0	9,400,000	18.0
Rimcorp Property Trust No.3	750,000	9.3	750,000	9.3
St Hilliers Enhanced Property Fund No.2	2,000,000	10.0	2,000,000	10.0
The Essential Health Care Trust	7,406,762	12.3	7,406,762	12.3
Westpac Diversified Property Fund	12,884,655	6.4	12,884,655	6.4
Listed Property Securities				
Multiplex Prime Property Fund[1]	27,894,723	9.9	27,894,723	9.9
Multiplex European Property Fund	12,750,000	5.2	12,750,000	5.2

1 The Fund's 30 June 2009 investment in Multiplex Prime Property Fund of 27,894,723 units valued at $10,326,626 comprises $27,894 being an initial call partly paid to $0.60 per unit and $10,298,732 (2008: $9,123,000) being the present value of the final call of $0.40 per unit payable in June 2011. The final call also creates a deferred settlement liability of $10,298,732 (2008: $9,123,000). The discount rate used to determine the present value is 4.01% (2008: 6.73%).

	Fund			
	2009 Ownership %	2009 $'000	2008 Ownership %	2008 $'000
12 Investment in controlled entity				
Investment in Multiplex Property Income Fund – ordinary units	100	30,076	100	30,076
Provision for impairment		(30,076)		–
		–		**30,076**

The Fund owns 30,075,871, or 100% of the ordinary units in MPIF which are consolidated into the results of the Fund's consolidated financial report. Income unitholders are not entitled to any profits from MPIF other than income unit distributions and have no right to influence or control MPIF. MPIF owns 100% of Multiplex Income UPT International Investments Trust (2008: 100%) and owns 100% of Multiplex Income UPT Domestic Investments Trust (2008: 100%).

A review of the carrying value of the investment in controlled entity at 30 June 2009 indicated that the investment in the ordinary units of MPIF is impaired. A provision of $30,075,861 was therefore recorded in the current year to reflect the value of net assets of the underlying subsidiary attributable to MPF as the ordinary unitholder, or nil.

In addition to the above, the Fund recognised an impairment of $354,000 in relation to its receivable from its controlled entity in the current year.

The headline items of the MPIF stand-alone financial position are detailed below:

	Consolidated	
	30 June 2009 $'000	30 June 2008 $'000
Assets		
Total current assets	1,917	12,123
Total non-current assets	43,288	73,733
Total assets	**45,205**	**85,856**
Liabilities		
Total current liabilities	14	1,770
Total liabilities	**14**	**1,770**
Net assets	**45,191**	**84,086**

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
13 Trade and other payables				
Management fee payable	697	335	697	335
Amounts owed to controlled entities	–	–	40	37
Accruals and other payables	568	170	554	170
	1,265	**505**	**1,291**	**542**

14 Deferred settlement

The Consolidated Entity's and Fund's 30 June 2009 investment in Multiplex Prime Property Fund of 27,894,723 units valued at $10,326,626. This value is comprised of the fair value of the Fund's units of $27,894, which relates to the initial capital call paid to $0.60 per $1.00 unit, and the present value of the final call of $0.40 per unit payable in June 2011 of $10,298,732 (2008: $9,123,000). The final call of $10,298,732 (2008: $9,123,000) is recorded as a deferred settlement liability and is shown in non-current liabilities in the Balance Sheet. The discount rate used to determine the present value is 4.01% (2008: 6.73%).

	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000	Fund 30 June 2009 $'000	Fund 30 June 2008 $'000
15 Interest bearing liabilities				
Current				
Secured bank debt	74,200	–	74,200	–
Non - current				
Secured bank debt	–	80,200	–	80,200
Total interest bearing liabilities	**74,200**	**80,200**	**74,200**	**80,200**

	Expiry Date	Consolidated 30 June 2009 $'000	Consolidated 30 June 2008 $'000
Finance arrangements			
Facilities available			
Bank debt facility	31 December 2009	49,357	93,400
Less: Facilities utilised		(74,200)	(80,200)
Facilities (overutilised)/not utilised		**(24,843)**	**13,200**

The Facility is provided by National Australia Bank (NAB) and is comprised of a $74,200,000 facility that is reviewed annually and due for renewal every two years. The Facility has three financial covenants: the interest coverage ratio (ICR), a gearing covenant and an extension ratio limit (ERL). At 30 June 2009 and at the date of this report the Fund is not in compliance with its ICR, gearing or ERL covenants. Management have held discussions with the financier in relation to the financial covenants and a detailed term sheet setting out the terms on which the financier will extend the new facility was signed on 28 August 2009. This term sheet is subject to finalising formal documentation and various conditions precedent and specifies a staged pay down of the existing debt, removal of the gearing and ERL covenants, relaxation of the existing ICR covenant and extension of the Facility to 31 December 2011. The financier has waived the ICR, gearing and ERL covenant breaches until 30 September 2009, by which time it is anticipated that the extended facility will have been formally documented.

The ICR requires that earnings before interest and taxes divided by total interest shall not be less than 3 times. Based on the financial report dated 31 August 2009, the ICR would be 0.7 times. The gearing covenant requires that the gearing of the Fund must not exceed 25%, and if in excess of 25% must be reduced below 25% within 90 days. Based on the financial report dated 31 August 2009, the gearing covenant would be 34.4%. The ERL provides that the amount drawn under the Facility must not be greater than the sum of 60% of the value of its A-REIT portfolio and 20% of the value of its unlisted property securities portfolio. Based on the financial report dated 31 August 2009, the amount drawn under the ERL would be $49,357,436 compared to $74,200,000 which has been drawn.

	30 June 2009 $'000	30 June 2009 Units	30 June 2008 $'000	30 June 2008 Units
16 Units on issue				
Ordinary units				
Opening balance	203,381	202,860,930	201,289	201,215,338
Units issued	–	–	–	1,645,592
Unit issue costs	–	–	2,092	–
Closing balance	**203,381**	**202,860,930**	**203,381**	**202,860,930**
Minority interest – income units				
Opening balance	62,260	62,331,445	9,596	9,557,653
Issue of income units	8,934	8,687,012	56,004	56,114,127
Redemption of units	(18,234)	(18,227,007)	(3,340)	(3,340,335)
Net profit attributable to minority interest	3,664	–	3,464	–
Distributions to minority interest	(3,664)	–	(3,464)	–
Closing balance – minority interest – income units	**52,960**	**52,791,450**	**62,260**	**62,331,445**

The above table for ordinary units represents the ordinary units of the Consolidated Entity and the Fund. The minority interest represents income units issued by Multiplex Property Income Fund and are only shown in the consolidated financial statements.

In accordance with the Fund's Constitution, each unitholder is entitled to receive distributions as declared from time to time and is entitled to one vote per unit at unitholder meetings. In accordance with the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

17 Reserves

Reserves

A summary reserves balances is as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Available for sale reserve	–	37,286	–	39,352
Foreign currency translation reserve	(10,503)	(11,520)	–	–
Hedge reserve	–	3,198	–	3,198
Total reserves	**(10,503)**	**28,964**	**–**	**42,550**

Available for sale reserve

Movements in the available for sale reserve were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Opening balance	37,286	43,576	39,352	65,033
Fair value movement in relation to unlisted investments	(71,840)	3,088	(80,870)	(16,210)
Fair value movement in relation to listed investments	(34,858)	(61,101)	(28,928)	(50,829)
Impairment recognised on available for sale assets	69,412	51,723	70,446	41,358
Closing balance	**–**	**37,286**	**–**	**39,352**

Hedge reserve

Movements in the hedge reserve were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Opening balance	3,198	1,883	3,198	1,883
Fair value movement in relation to interest rate swaps	(3,198)	1,315	(3,198)	1,315
Closing balance	**–**	**3,198**	**–**	**3,198**

17 Reserves continued

Foreign currency translation reserve

Movements in the foreign currency translation reserve were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Opening balance	(11,520)	6,590	–	–
Share of associate's reserves	1,017	(18,110)	–	–
Closing balance	**(10,503)**	**(11,520)**	**–**	**–**

18 Undistributed income

Movements in undistributed income were as follows:

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Opening balance	(8,999)	34,940	(14,140)	18,223
Net loss	(107,021)	(21,290)	(104,673)	(9,714)
Distributions to unitholders	(4,564)	(22,649)	(4,564)	(22,649)
Closing balance	**(120,584)**	**(8,999)**	**(123,377)**	**(14,140)**

19 Financial instruments

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in Note 3 to the financial statements.

a Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence and the sustainable future growth of the Fund. The Responsible Entity monitors the market unit price of the Fund against the Fund's and Consolidated Entity's net tangible assets (attributable to ordinary unitholders), along with earnings per unit invested and distributions paid per unit.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the security afforded by a sound capital position. As per the Fund's Product Disclosure Statement, the Responsible Entity seeks to restrict the level of short-term borrowings (up to 12 months in maturity) to 30% of the total tangible assets of the Fund. The Consolidated Entity is in discussions with the financier regarding refinancing of the existing facility which is currently classified as current interest bearing liabilities.

On 17 December 2008, the Responsible Entity of the Fund's subsidiary MPIF resolved to temporarily close MPIF to applications and redemptions. On 28 April 2009, the Responsible Entity of MPIF resolved to redeem units to a maximum value of the cash reserves at that time, or $10,700,000. At the balance date, MPIF remains temporarily closed to applications and redemptions. There were no other changes in the Fund's or Consolidated Entity's approach to capital management during the year.

b Financial risk management

Overview

The Fund and Consolidated Entity are exposed to financial risks in the course of their operations. These exposures arise at two levels, direct exposures, which arise from the Fund's and Consolidated Entity's use of financial instruments and indirect exposures, which arise from the Fund's and Consolidated Entity's equity investments in other funds (Underlying Funds), and can be summarised as follows:

- credit risk;
- liquidity risk; and
- market risk (including interest rate risk, foreign currency risk and equity price risk).

The Underlying Funds are exposed to financial risks in the course of their operations, which can impact their profitability. The profitability of the Underlying Funds impacts the returns the Fund and Consolidated Entity earn from these investments and the investment values.

The Responsible Entity has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Fund's and Consolidated Entity's financial performance. The Board of the Responsible Entity is responsible for developing risk management policies and the Compliance Committee (which is established by the Board) is responsible for ensuring compliance with those risk management policies as outlined in the compliance plan.

19 Financial Instruments continued

Compliance with the Fund and Consolidated Entity's policies is reviewed by the Responsible Entity on a regular basis. The results of these reviews are reported to the Board and Compliance Committee of the Responsible Entity quarterly.

Investment mandate

The Fund's investment mandate, as disclosed in its Constitution and Product Disclosure Statement, is to invest in listed and unlisted property trust securities.

Derivative financial instruments

Whilst the Fund utilises derivative financial instruments, it does not enter into or trade derivative financial instruments for speculative purposes.

c Credit risk

Sources of credit risk and risk management strategies

Credit risk is the risk of financial loss to the Fund or Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Fund and Consolidated Entity are exposed to both direct and indirect credit risk in the normal course of their operations. Direct credit risk arises principally from the Consolidated Entity's investment securities (in terms of distributions receivable and capital invested). For the Fund, credit risk arises principally from investment securities (in terms of distributions receivable and capital invested), and receivables due from subsidiaries. Other credit risk also arises for both the Fund and Consolidated Entity from cash and cash equivalents.

Indirect credit risk arises principally from the Underlying Funds' property tenants and derivative counterparties.

Trade and other receivables

The Fund's and Consolidated Entity's exposures to credit risk are influenced mainly by the individual characteristics of each customer and counterparty. The Fund and Consolidated Entity manage and minimise exposure to credit risk by actively reviewing the investment portfolio to ensure committed distributions are paid.

Investments - available for sale – listed property trusts

Credit risk arising from investments is mitigated by investing in securities in accordance with the Fund's Constitution and Product Disclosure Statement. The Fund's and Consolidated Entity's investments can be made in the following asset classes within specified ranges:

- unlisted property securities – up to a maximum of 100% of total assets;
- listed property securities – up to a maximum of 50% of total assets;
- direct property – up to a maximum of 20% of total assets and spread across the main property sectors of commercial, retail, industrial and diversified property securities; and
- cash and cash equivalents – up to a maximum of 20% of total assets.

The Fund and Consolidated Entity must limit their exposures in the portfolio to the following property sectors and geographic locations:

- individual asset manager – 30% of portfolio;
- individual property security – 20% of direct property portfolio; and
- individual tenants – 30% of direct property portfolio.

Prior to making an investment in an Underlying Fund, the Responsible Entity will assess the Underlying Funds' asset portfolio to ensure the risk investment strategy of the Underlying Fund is consistent with the investment objectives of the Fund.

Fair value of financial derivatives

Transactions with derivative counterparties are limited to established financial institutions that meet the Fund's and Consolidated Entity's minimum credit rating criteria. The Fund also utilises the International Swaps and Derivatives Association's (ISDA's) agreements with derivative counterparties where possible to limit the credit risk exposure of such transactions by allowing settlement of derivative transaction on a net rather than gross basis.

The Fund's and Consolidated Entity's overall strategy of credit risk management remains unchanged from 2008.

19 Financial Instruments continued

Exposure to credit risk

The table below shows the maximum exposure to credit risk at the reporting date. The carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Cash and cash equivalents	2,439	10,518	1,218	1,306
Trade and other receivables	3,551	17,610	2,891	16,421
Investments – available for sale	172,992	284,247	161,685	273,886
Fair value financial derivatives	–	5,983	–	5,983
Total	**178,982**	**318,358**	**165,794**	**297,596**

Concentrations of credit risk exposure

The Fund and Consolidated Entity do not have any significant concentrations of credit risk at the reporting date.

Collateral obtained/held

Where applicable, the Fund and Consolidated Entity obtain collateral from counterparties to minimise the risk of default on their contractual obligations. At the reporting date the Fund and Consolidated Entity did not hold any collateral in respect of its financial assets (2008: nil). During the year ended 30 June 2009 neither the Fund nor the Consolidated Entity called on any collateral provided (2008: nil).

Financial assets past due but not impaired

The ageing of the Fund's and Consolidated Entity's receivables at the reporting date is detailed below:

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Current	680	17,610	659	16,421
Past due 0-30 days	2,501	–	1,905	–
Past due 31-120 days	43	–	–	–
Past due 121 days to one year	–	–	–	–
More than one year	–	–	–	–
Total	**3,244**	**17,610**	**2,564**	**16,421**

For the Fund and Consolidated Entity, amounts recognised above are not deemed to be impaired. There are no significant financial assets that have had their terms renegotiated that would otherwise have rendered the financial assets past due or impaired (2008: nil). During the year ended 30 June 2009, receivables totalling $126,675 were written off by the Consolidated Entity (2008: nil). The Fund wrote off receivables totalling $108,425 during the year ended 30 June 2009 (2008: nil).

d Liquidity risk

Sources of liquidity risk and risk management strategies

Liquidity risk is the risk the Fund and Consolidated Entity will not be able to meet their financial obligations as and when they fall due. The Fund and Consolidated Entity are exposed to direct and indirect liquidity risk in the normal course of their operations.

The main sources of liquidity risk for the Fund and Consolidated Entity are refinancing of interest bearing liabilities and unlisted investment securities. The Fund's approach to managing liquidity risk is to work to ensure that it has sufficient cash available to meet its liabilities as and when they fall due without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund and Consolidated Entity also manage liquidity risk by maintaining adequate banking facilities, through continuous monitoring of forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

The main source of indirect liquidity risk for the Fund and Consolidated Entity is the refinancing of interest bearing liabilities held by the Underlying Funds, as this can directly impact the amount of distributions the Underlying Funds remit to the Fund and Consolidated Entity. The Fund and Consolidated Entity manage this risk by ensuring the Fund only invests in funds with investment strategies consistent with the investment objectives of the Fund and monitoring the performance of those funds.

The Fund's and Consolidated Entity's specific risk management strategies are discussed below.

Interest bearing liabilities

The Consolidated Entity is exposed to liquidity risk (refinancing risk) on its interest bearing loans. The Consolidated Entity manages this risk by ensuring debt maturity dates and loan covenants are regularly monitored and negotiations with counterparties are commenced well in advance of the debt's maturity date.

19 Financial Instruments continued

Unitholders

The Fund is not exposed to liquidity risk associated with unitholder redemptions as its units are traded on the Australian Securities Exchange. The Consolidated Entity is exposed to liquidity risk on the Income units issued by MPIF, as these can be redeemed by unitholders, subject to the following conditions:

- Indirect unitholders (via wrap platforms) – unit redemptions were made at the beginning of every month at a price of $1.00 per unit;
- Redemptions were subject to the total number of units redeemed not exceeding 5% of the total number of units on issue (as at the preceding quarter end), and that each request is made at least five working days before the redemption date; and
- Direct unitholders – redemptions of units were only made after the units have been held for a minimum period of twelve months. Unit redemptions may be settled either in cash or by issuance of units in Multiplex Acumen Property Fund. The terms of settlement were at the discretion of the Responsible Entity.

Effective 17 December 2008, MPIF temporarily closed to applications and redemptions. This liquidity risk therefore existed for a portion of the current year only.

Investments – available for sale

The Fund's and Consolidated Entity's listed investments are considered readily realisable as they are listed on the Australian Securities Exchange. The Fund's and Consolidated Entity's unlisted investments are not considered as liquid as listed investments. The Fund and Consolidated Entity manage this risk by ensuring the Fund only invests in funds with investment strategies consistent with the investment objectives of the Fund and monitoring the performance of those funds.

The Fund's and Consolidated Entity's liquidity risk is also managed in accordance with their investment strategy, as disclosed in the Product Disclosure Statement.

The Fund's and Consolidated Entity's overall strategy to liquidity risk management remains unchanged from 2008.

Defaults and breaches

At 31 December 2008, the Fund was not in compliance with the ERL covenant. A notice of default was served however to date the financier has not accelerated repayment of the Facility. At 30 June 2009, the Fund's ICR covenant has been met, however the gearing and ERL covenants have not been met. Refer to Note 15 for further details regarding covenants associated with the existing Facility. During the financial year ended 30 June 2008, the Fund and the Consolidated Entity did not default or breach any terms of their loan amounts or covenants.

Maturity analysis of financial liabilities

The following are the contractual maturities of financial liabilities, including estimated interest payments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund and Consolidated Entity can be required to pay.

Consolidated $'000

	Carrying amount	Contractual cash flows	0 to 12 months	1 to 2 years	2 to 5 years	Greater than 5 years
2009						
Trade and other payables	1,265	1,265	1,265	–	–	–
Interest bearing liabilities	74,200	75,510	75,510	–	–	–
Deferred settlement	10,299	11,158	–	11,158	–	–
Total financial liabilities	**85,764**	**87,933**	**76,775**	**11,158**	**–**	**–**
2008						
Trade and other payables	505	505	505	–	–	–
Interest bearing liabilities	80,200	90,727	7,018	83,709	–	–
Distributions payable	6,453	6,453	6,453	–	–	–
Deferred settlement	9,123	11,158	–	–	11,158	
Effect of interest rate swap	(3,198)	(3,249)	(2,166)	(1,083)	–	–
Total financial liabilities	**93,083**	**105,594**	**11,810**	**82,626**	**11,158**	**–**

19 Financial Instruments continued

	Fund $'000					
	Carrying amount	Contractual cash flows	0 to 12 months	1 to 2 years	2 to 5 years	Greater than 5 years
2009						
Trade and other payables	1,291	1,291	1,291	–	–	–
Interest bearing liabilities	74,200	75,510	75,510	–	–	–
Deferred settlement	10,299	10,299	–	–	10,299	–
Total financial liabilities	**85,790**	**87,100**	**76,801**	**–**	**10,299**	**–**
2008						
Trade and other payables	542	542	542	–	–	–
Interest bearing liabilities	80,200	90,727	7,018	83,709	–	–
Distributions payable	6,016	6,017	6,017	–	–	–
Deferred settlement	9,123	11,158	–	–	11,158	
Effect of interest rate swap	(3,198)	(3,249)	(2,166)	(1,083)	–	–
Total financial liabilities	**92,683**	**105,195**	**11,411**	**82,626**	**11,158**	**–**

e Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's and Consolidated Entity's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

Sources of market risk and risk management strategies

The Fund and Consolidated Entity are exposed to both direct and indirect market risk in the normal course of their operations. Direct market risk arises principally from the Consolidated Entity's interest rate risk on interest bearing liabilities and equity price risk on the listed and unlisted property securities investment portfolio. Indirect market risk arises in the form of equity price risk, interest rate risk and foreign currency risk.

The Fund will only invest in funds with investment strategies consistent with the investment objectives of the Fund and will monitor the performance of those funds.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents balances will also fluctuate with changes in interest rates due to interest earned. The key source of interest rate risk for the Fund and Consolidated Entity is derived from interest bearing liabilities and cash balances.

19 Financial Instruments continued

The table below shows the Fund's and Consolidated Entity's direct exposure to interest rate risk at year end.

	Floating rate $'000	Non-interest bearing $'000	Total $'000
Consolidated 2009			
Financial assets			
Cash and cash equivalents	2,439	–	2,439
Trade and other receivables	–	3,551	3,551
Investments – available for sale	–	172,992	172,992
Total financial assets	**2,439**	**176,543**	**178,982**
Financial liabilities			
Trade and other payables	–	1,265	1,265
Interest bearing liabilities	74,200	–	74,200
Deferred settlement	–	10,299	10,299
Total financial liabilities	**74,200**	**11,564**	**85,764**
Fund 2009			
Financial assets			
Cash and cash equivalents	1,218	–	1,218
Trade and other receivables	–	2,891	2,891
Investments – available for sale	–	161,685	161,685
Total financial assets	**1,218**	**164,576**	**165,794**
Financial liabilities			
Trade and other payables	–	1,291	1,291
Interest bearing liabilities	74,200	–	74,200
Deferred settlement	–	10,299	10,299
Total financial liabilities	**74,200**	**11,590**	**85,790**
Consolidated 2008			
Financial assets			
Cash and cash equivalents	10,518	–	10,518
Trade and other receivables	–	17,610	17,610
Investments – available for sale	–	284,247	284,247
Financial derivatives	5,983	–	5,983
Total financial assets	**16,501**	**301,857**	**318,358**
Financial liabilities			
Trade and other payables	–	505	505
Distributions payable	–	6,453	6,453
Interest bearing liabilities	80,200	–	80,200
Deferred settlement	9,123	–	9,123
Total financial liabilities	**89,323**	**7,470**	**96,281**
Fund 2008			
Financial assets			
Cash and cash equivalents	1,306	–	1,306
Trade and other receivables	–	16,421	16,421
Investments – available for sale	–	273,886	273,886
Financial derivatives	5,983	–	5,983
Total financial assets	**7,289**	**290,307**	**297,596**
Financial liabilities			
Trade and other payables	–	542	542
Distributions payable	–	6,016	6,016
Interest bearing liabilities	80,200	–	80,200
Deferred settlement	9,123	–	9,123
Total financial liabilities	**89,323**	**6,558**	**95,881**

19 Financial Instruments continued

Sensitivity analysis

A change of +/- 1% in interest rates at the reporting date would have increased/(decreased) profit or loss and net assets available to unitholders by the amounts shown below. This analysis assumes that all other variables remain constant.

	2009 + 1% Profit and loss $'000	2009 + 1% Equity $'000	2009 - 1% Profit and loss $'000	2009 - 1% Equity $'000	2008 + 1% Profit and loss $'000	2008 + 1% Equity $'000	2008 - 1% Profit and loss $'000	2008 - 1% Equity $'000
Consolidated Entity								
Interest on cash	157	157	(157)	(157)	114	114	(114)	(114)
Interest bearing liabilities	(767)	(767)	767	767	(873)	(873)	873	873
Swap proceeds	365	365	(365)	(365)	739	739	(739)	(739)
Fair value of derivatives	–	–	–	–	–	1,853	–	(1,942)
Deferred settlement	–	203	–	(207)	–	276	–	(268)
Total increase/(decrease)	**(245)**	**(42)**	**245**	**38**	**(20)**	**2,109**	**20**	**(2,190)**
Fund								
Interest on cash	44	44	(44)	(44)	51	51	(51)	(51)
Interest bearing liabilities	(767)	(767)	767	767	(873)	(873)	873	873
Swap proceeds	365	365	(365)	(365)	739	739	(739)	(739)
Fair value of derivatives	–	–	–	–	–	1,853	–	(1,942)
Deferred settlement	–	203	–	(207)	–	276	–	(268)
Total increase/(decrease)	**(358)**	**(155)**	**358**	**151**	**(83)**	**2,046**	**83**	**(2,127)**

Foreign currency risk

Foreign currency risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

During the current year the Fund and Consolidated Entity have not been exposed to direct foreign currency risk (2008: nil). The Fund and Consolidated Entity are exposed to indirect foreign currency risk due to their investment in entities that are exposed to foreign currency risk related to their overseas operations. The Fund and Consolidated Entity manage this risk by ensuring the Fund only invests in funds with investment strategies consistent with the investment objectives of the Fund and monitoring the performance of those funds.

Whilst the Fund and Consolidated Entity have an indirect risk exposure to foreign currency risk, no sensitivity analysis has been performed as the impact of a reasonably possible change in foreign exchange rates on the Consolidated Entity cannot be reliably measured.

19 Financial Instruments continued

f Other market risk

Other market risk is the risk that the total value of investments will fluctuate as a result of changes in market prices. The primary source of other market risk for the Fund and Consolidated Entity is associated with its listed and unlisted investment portfolio. The Responsible Entity manages the Fund's and Consolidated Entity's market risk on a daily basis in accordance with the Fund's and Consolidated Entity's investment objectives and policies. These are detailed in the Fund's constitution and Product Disclosure Statement.

Sensitivity analysis

A 10% increase in equity prices would have increased/(decreased) profit and loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant.

	2009		2009		2008		2008	
	+ 10% Profit and loss $'000	+ 10% Equity $'000	- 10% Profit and loss $'000	- 10% Equity $'000	+ 10% Profit and loss $'000	+ 10% Equity $'000	- 10% Profit and loss $'000	- 10% Equity $'000
Consolidated Entity								
Listed investments	2,088	2,088	(2,088)	(2,088)	5,966	5,966	(5,966)	(5,966)
Unlisted investments	15,211	15,211	(15,211)	(15,211)	–	22,459	–	(22,459)
Total increase/(decrease)	**17,299**	**17,299**	**(17,299)**	**(17,299)**	**5,966**	**28,425**	**(5,966)**	**(28,425)**
Fund								
Listed investments	1,944	1,944	(1,944)	(1,944)	5,053	5,053	(5,053)	(5,053)
Unlisted investments	14,224	14,224	(14,224)	(14,224)	–	22,335	–	(22,335)
Total increase/(decrease)	**16,168**	**16,168**	**(16,168)**	**(16,168)**	**5,053**	**27,388**	**(5,053)**	**(27,388)**

g Fair values

Methods for determining fair values

A number of the Fund's and Consolidated Entity's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values versus carrying amounts

The carrying amounts of the Fund's and Consolidated Entity's financial assets and liabilities reasonably approximate their fair values.

20 Reconciliation of cash flows from operating activities

	Consolidated 2009 $'000	Consolidated 2008 $'000	Fund 2009 $'000	Fund 2008 $'000
Net loss for the period	(103,357)	(17,826)	(104,673)	(9,714)
Adjustments for:				
Items classified as investing activities				
Loss/(gain) on sale of investments	2,468	(10,210)	1,703	(10,353)
Distributions from associates	1,060	5,036	–	–
Non cash items				
Impairment expense	78,443	51,723	100,876	41,358
Change in fair value of derivatives	3,623	(2,785)	3,623	(2,785)
Share of associate's profit	22,420	(4,180)	–	–
Operating profit before changes in working capital	**4,657**	**21,758**	**1,529**	**18,506**
Changes in assets and liabilities during the period:				
Decrease in trade and other receivables	6,173	1,012	6,124	921
Increase/(decrease) in trade and other payables	163	(265)	151	6
Net cash flow from operating activities	**10,993**	**22,505**	**7,805**	**19,433**

21 Related parties

Key management personnel

The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund and the Consolidated Entity. The Directors of the Responsible Entity are key management personnel of that entity and their names are Dr Peter Morris, Mr Brian Motteram, Mr Robert McCuaig, Mr Mark Wilson and Mr Brian Kingston. Messrs Robert Rayner and Bob McKinnon resigned during the year.

The Responsible Entity is entitled to a management fee which is calculated as a proportion of gross assets attributable to unitholders. Refer below for further details related to the management fee and other fees the Responsible Entity is entitled to.

No compensation is paid to any of the key management personnel of the Responsible Entity directly by the Fund or Consolidated Entity.

Directors' interests

The following table sets out each Director's relevant interest in the units, debentures, rights or options over such instruments, issued interests in registered schemes and rights or options over such instruments issued by the companies within the Consolidated Entity and other related bodies corporate as at the reporting date:

Director	Multiplex Acumen Property Fund units held
Peter Morris	–
Brian Motteram	411,379
Robert McCuaig	30,000
Mark Wilson	–
Brian Kingston	–

Responsible Entity's fees and other transactions

In accordance with the Fund Constitution, Brookfield Multiplex Capital Management Limited is entitled to receive:

Management fee

A management fee based on the gross value of assets is payable to the Responsible Entity. The management fee expense for the year ended 30 June 2009 was $1,030,000 (2008: $1,609,000). As at 30 June 2009, the management fee payable to the Responsible Entity was $697,492 (2008: $334,955).

A performance fee is payable if the benchmark is met. No performance fee has been paid this year.

Related party unitholders

The following related parties held units in the Fund during the year:

– JPMorgan Nominees Australia Limited, as custodian for Brookfield Multiplex Capital Management Limited, as Responsible Entity for Multiplex Diversified Property Fund, holds 43,430,615 units or 21.41% of the Fund (2008: 43,430,615 units or 21.41% of the Fund).

21 Related parties continued

Related party unitholdings

ANZ Nominees Limited, as custodian for Brookfield Multiplex Capital Management Limited, as Responsible Entity for Multiplex Acumen Property Fund, holds the following investments in related party entities:

- Multiplex European Property Fund – 12,750,000 units or 5.2% (2008: 12,750,000 or 5.2%);
- Multiplex New Zealand Property Fund – 53,025,391 units or 24.32% (2008: 53,025,391 units or 24.34%);
- Multiplex Prime Property Fund – 27,894,723 units or 9.9% of the fund (2008: 27,894,723 units or 9.9%); and
- Multiplex Development and Opportunity Fund – 9,320,388 units or 5.7% (2008: 9,320,388 units or 5.7%).

	Consolidated		Fund	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Transactions with controlled entities				
Distribution income	–	–	–	3,318
Investments (held at cost less impairment, if applicable)	–	–	–	30,076
Intercompany receivable	–	–	–	1,332
Intercompany payable	–	–	40	37
Transactions with associates				
Distribution income	1,060	5,036	–	–
Distribution receivable	–	1,259	–	–
Transactions with the Responsible Entity				
Management fees	1,030	1,608	1,030	1,608
Expense reimbursements	445	845	445	845
Management fee payable	697	335	697	335
Expense reimbursements payable	118	–	118	–
Transactions with related parties of the Responsible Entity				
Distribution income				
- Multiplex New Zealand Property Fund	–	–	1,034	4,911
- Multiplex Development and Opportunity Fund	–	770	–	770
- Multiplex Prime Property Fund	279	1,339	279	1,339
- Multiplex European Property Fund	638	1,095	558	1,095
Investments held (at fair value)				
- Multiplex New Zealand Property Fund	–	–	31,504	62,112
- Multiplex Development and Opportunity Fund	10,252	8,860	10,252	8,860
- Multiplex Prime Property Fund	10,327	20,281	10,327	20,281
- Multiplex European Property Fund	1,403	6,120	1,403	6,120
Distributions receivable				
- Multiplex New Zealand Property Fund	–	–	1,304	1,228
- Multiplex Development and Opportunity Fund	–	199	–	199
- Multiplex Prime Property Fund	–	335	279	335
- Multiplex European Property Fund	80	268	558	268

Transactions with related parties are conducted on normal commercial terms and conditions. Distributions paid by the Consolidated Entity to related party unitholders are made on the same terms and conditions applicable to all unitholders.

22 Contingent liabilities and assets

No contingent liabilities or assets existed at 30 June 2009 (30 June 2008: nil).

23 Capital and other commitments

The Consolidated Entity had no capital or other commitments at 30 June 2009 (30 June 2008: nil).

24 Events subsequent to the reporting date

A-REIT portfolio

The fair value of the Consolidated Entity's listed property trust portfolio at close of business on the business day immediately prior to the date the financial statements were approved was $22,470,331, which represents a change of $2,231,370 from the fair value at 30 June 2009. The financial statements have not been amended to reflect this change in fair value. Had the financial statements been amended, the impact would have been to decrease impairment expense and increase available for sale assets by $2,231,370.

The fair value of the Fund's listed property trust portfolio at close of business on the business day immediately prior to the date the financial statements were approved was $20,751,160, which represents a change of $1,948,960 from the fair value at 30 June 2009. The financial statements have not been amended to reflect this change in fair value. Had the financial statements been amended, the impact would have been to decrease impairment expense and increase available for sale assets by $1,948,960.

Deferred settlement

On 24 August 2009 one of the Fund's significant investments, Multiplex Prime Property Fund, announced to the ASX that it intends to conduct a capital raising of $50 million by way of a rights offering of ordinary partly paid units to all unitholders (Entitlement Offer). The Entitlement Offer permits eligible unitholders to participate on a pro-rata basis to their existing holdings which will enable the unitholder to acquire ordinary partly paid units issued at a price of 0.1 cents payable on application and a further 0.2237 cents payable on the same terms as the final instalment of the existing units currently due in June 2011. The Entitlement Offer will allow eligible unitholders to purchase another 178 units for every 1 unit they currently own.

As part of the Entitlement Offer, the underwriter has agreed that under certain conditions, it will provide unitholders with an opportunity to exit their investment in Multiplex Prime Property Fund if they wish to do so. This will be implemented by granting unitholders on the register at the record date for the Entitlement Offer with a cash-out facility in relation to their existing units. The price under the cash-out facility will be 0.1 cents per unit. The cash-out facility is subject to certain conditions including formal launch of the Entitlement Offer, despatch of the offer materials, completion of the Entitlement Offer and receipt of necessary approvals and regulatory relief.

It is likely the Fund will not participate in the proposed Entitlement Offer. Should the Entitlement Offer be completed successfully, and should the Fund not participate in the Entitlement Offer, the Fund will participate in the cash-out facility. Participation in the Entitlement Offer's cash-out facility will increase the Fund's cash balances by $27,894 (representing the cash-out facility price of 0.1 cents per 27,894,723 units held by the Fund), decrease available for sale investments by $10,326,626 and decrease the deferred settlement liability disclosed in Note 14 by $10,298,732 to nil. The total impact of these changes is a net nil impact to the Fund's net assets.

Interest bearing liabilities

At 30 June 2009 and at the date of this report the Fund is not in compliance with its ICR, gearing or ERL covenants. Management have held discussions with the financier in relation to the financial covenants and a detailed term sheet setting out the terms on which the financier will extend the new facility was signed on 28 August 2009. This term sheet is subject to finalising formal documentation and various conditions precedent and specifies a staged pay down of the existing debt, removal of the gearing and ERL covenants, relaxation of the existing ICR covenant and extension of the Facility to 31 December 2011. The financier has waived the ICR, gearing and ERL covenant breaches until 30 September 2009, by which time it is anticipated that the extended facility will have been formally documented.

Other

On 27 August 2009, the manager of Northgate Property Trust (Trust), a significant investment of the Consolidated Entity, announced the exchange of contracts for the sale of the Northgate Shopping Centre, the sole underlying asset of the Trust, for $70,100,000. Settlement is expected to occur by 30 September 2009 with a subsequent wind-up of the Trust occurring. The value attributable to the Trust investment in the 30 June 2009 Consolidated Entity Balance Sheet is $12,893,000. The value attributable to the Trust investment in the 30 June 2009 Fund Balance Sheet is $11,603,000. The value of this investment that will be realised by the Consolidated Entity and the Fund is unknown at the date of this report, or 31 August 2009, and is dependent on the costs associated with the final sale and wind-up of the Trust.

Other than the matters disclosed above, there are no matters or circumstances which have arisen since the end of the financial year 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 years.

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

a The Fund and Consolidated financial statements and notes, set out in pages 16 to 49, are in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the Fund and Consolidated Entity's financial position as at 30 June 2009 and of its performance for the financial year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) the *Corporations Regulations 2001*;

b The financial report also complies with International Financial Reporting Standards as disclosed in Note 2a.

c There are reasonable grounds to believe that the Fund will be able to successfully complete the documentation in relation to refinancing its debt facility as described in the Directors' Report and will be able to pay its debts as and when they become due and payable. If the formal documentation related to the refinancing of the debt facility is not successfully completed, the Fund may not be in a position to repay the existing debt facility should it be called upon by the financiers.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the Directors of Brookfield Multiplex Capital Management Limited pursuant to Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney, this 31st day of August 2009.

Mark Wilson
Director
Brookfield Multiplex Capital Management Limited

KPMG

Independent auditor's report to the unitholders of Multiplex Acumen Property Fund

Report on the financial report

We have audited the accompanying financial report of Multiplex Acumen Property Fund (the Fund), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 24 and the directors' declaration of the Consolidated Entity comprising the Fund and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of Brookfield Multiplex Capital Management Limited (the Responsible Entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting

Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Fund and the Consolidated Entity's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

Whilst we draw attention to the significant uncertainties as described below, in our opinion:

(a) the financial report of Multiplex Acumen Property Fund is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Fund's and the Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Significant uncertainty regarding continuation as a going concern

Without qualification to the opinion expressed above attention is drawn to notes 2(b) and 15 of the financial statements. The Consolidated Entity is dependent on the ongoing debt facility provided by its financier to continue as a going concern. We note that the debt facility is due to expire in December 2009, and at reporting date the Consolidated Entity was in breach of its interest cover ratio, gearing and extension ratio limit covenant ratios as calculated under the terms of the debt facility.

The Consolidated Entity is currently in the process of finalising refinancing discussions with its financier. As at the date of this report, a term sheet, which is subject to finalisation of formal documentation and various conditions precedent, setting out the proposed terms of a new facility has been provided by the financier, and the financial statements of the Consolidated Entity have been prepared on a going concern basis. If the debt facility is unable to be renewed and alternative financing options are unsuccessful, significant uncertainty will be cast on the ability

KPMG

of the Consolidated Entity to continue as a going concern and as such the Consolidated Entity may be required to realise its assets at amounts lower than those stated in the financial statements.

Carrying value of investments in unlisted property funds

Without qualification to the opinion expressed above attention is drawn to note 11 of these financial statements. The Consolidated Entity holds material investments in unlisted property security funds, which as a result of a lack of liquidity have suspended redemptions or only have limited liquidity facilities. As outlined in note 11 of the financial statements, the directors of the Responsible Entity have adopted the net asset value as the fair value of each of the underlying property security funds at 30 June 2009 with an additional discount applied to specific investments; however significant uncertainty exists as to whether the underlying property security funds will be able to be realised at the net asset value when redemption facilities re-open.

Carrying value of equity accounted investments in Multiplex New Zealand Property Fund

Without qualification to the opinion expressed above attention is drawn to note 5 of the financial statements. The Consolidated Entity holds a material investment in an associate, Multiplex New Zealand Property Fund ("MNZPF"). MNZPF is currently in discussions with its bankers in relation to the renewal of its debt facility. The outcome of these negotiations is uncertain. If the debt facility is unable to be renewed, significant uncertainty will be cast on the ability of MNZPF to continue as a going concern. This may ultimately impact on the ability of the Fund and the Consolidated Entity to realise its investment in MNZPF at the amount stated in the financial statements at 30 June 2009.

KPMG

KPMG

T. Gilerman

Tanya Gilerman
Partner

Sydney

31 August 2009