

Product Disclosure Statement Multiplex Property Income Fund ARSN 117 674 049

Responsible Entity

Multiplex Capital Securities Limited ACN 103 736 081

March 2007

Income Fund

MULTIPLY
CAPITAL



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Important Notices

Multiplex Property Income Fund

This Product Disclosure Statement (PDS) is dated 13 March 2007 and relates to the offer of Income Units in the Multiplex Property Income Fund (ARSN 117 674 049, APIR code MLP0002AU) (Fund) by Multiplex Capital Securities Limited (ACN 103 736 081, AFSL 226 442) in its capacity as responsible entity of the Fund (Manager). Income Units held by Direct Investors may, at the discretion of the Manager, be converted into units in the ASX listed Multiplex Acumen Property Fund (ARSN 104 341 988) (MPF). Multiplex Capital Securities Limited is also the responsible entity of MPF.

Electronic PDS

An electronic version of this PDS appears at: www.multiplexcapital.biz. It may also be viewed on the website of some other companies that hold an AFSL.

Availability of Offer

The offer of Income Units under this PDS is only available to persons receiving this PDS (electronically or otherwise) in Australia. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS outside of Australia may be restricted by law and persons who come into possession of this PDS should seek advice on and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Applications for Income Units can only be submitted on the Application Form that is attached to or accompanies this PDS or that is accompanied by an electronic version of this PDS. A recipient of this PDS in electronic form

is entitled to obtain a paper copy (including the Application Form) free of charge by calling the Manager on 1800 570 000.

Responsible entity and custodian

The Manager is the responsible entity of the Fund and the issuer of the Income Units offered under this PDS. The Manager is a wholly owned subsidiary of Multiplex Limited (ACN 008 687 063) (Multiplex). Contact details of the Manager are on the inside back cover of this PDS. The custodian of the Fund is JPMorgan Chase Bank, N.A. (Custodian). The Custodian is not the issuer of this PDS and makes no representations as to, and takes no responsibility for, the accuracy or truth of any statement in, or omission from any part of this PDS.

None of the Manager, the Custodian, Multiplex Group and their associates, directors and members guarantees the success of the Fund, the repayment of capital or any particular rate of capital or income return. An investment in the Fund is not an investment in the Multiplex Group, the Manager or the Custodian and is subject to investment and other risks (see Section 6).

The Manager has not authorised any person to give any information or to make any representation in connection with the Offer which is not contained in this PDS. No such information or representation may be relied upon as having been authorised by the Manager in connection with the Offer or the Fund.

Important information

This PDS contains important information and prospective Investors should read it carefully. In preparing this document the Manager did not take into account the individual investment objectives, financial or taxation situation or particular needs of any particular person.

Before making an investment decision, prospective Investors should consider whether the investment is appropriate to their needs, objectives and circumstances. Investors are encouraged to obtain independent financial and taxation advice before making an investment decision.

Information contained in this PDS (and any supplementary product disclosure statement) may change from time to time. If such a change is materially adverse to the Offer, the Manager will issue a supplementary product disclosure statement if required by the Corporations Act. However, if the change will not be materially adverse, then the Manager will provide updated information on its website at www.multiplexcapital.biz. Upon request, the Manager will provide a paper copy of any updated information free of charge.

This PDS is intended for use by persons investing directly in the Fund (Direct Investors) as well as persons investing indirectly through an Administration Service (Indirect Investors). For investors investing through an Administration Service, references to "Investors" in this PDS are references to the operator or custodian of the relevant Administration Service (who holds the Income Units) and references to "Indirect Investors" are reference to the investors for whom the Income Units are held by the operator or custodian of an Administration Service.

Certain terms used in this PDS are defined in the Glossary in Section 12. That Section should be read in conjunction with the rest of this PDS.

Photos in this PDS do not represent assets that are directly held by the Fund. The photos are of properties held by property security funds in which the Fund has an interest as at the date of this PDS.

Unless otherwise specified, references to dollar amounts are expressed in Australian dollars.



The following table summarises some of the key features of the Fund. This summary is not intended to be exhaustive. To find more detailed information, refer to the relevant Section of this PDS. Prospective Investors should read the entire PDS to make an informed decision about whether to acquire Income Units.

Feature	Summary	Refer to Section
The Fund	Multiplex Property Income Fund, an open-ended, unlisted unit trust.	2.1
The Manager	Multiplex Capital Securities Limited, an experienced property securities fund manager.	5.3
Objectives	To provide Investors with the opportunity for: <ul style="list-style-type: none"> – a steady and attractive level of income distributions of between 7.5% and 8.5% per annum; – a component of income distributions which is Tax Deferred; and – capital stability on invested funds. 	2.2
Strategy	The Fund will invest into diversified property investments comprising the following asset classes: <ul style="list-style-type: none"> – unlisted property trusts; – listed property trusts; – direct real property; – property investment companies; and – cash and fixed interest securities. 	2.5
Initial Portfolio	As at the date of this PDS, the Fund has investments valued at \$30.08 million which provide direct exposure to nine property fund managers and 20 unlisted property funds and indirect exposure to over 300 underlying property assets.	4
	Multiplex Acumen Property Fund (MPF), an ASX listed fund, transferred the Initial Portfolio to the Fund in consideration for the issue of 30.08 million Ordinary Units in the Fund.	2.1
Unit classes	Income Units There will be two classes being: <ul style="list-style-type: none"> – Direct Income Units, issued to Direct Investors who invest pursuant to this PDS; and – Indirect Income Units, issued to Administration Services that invest on behalf of Indirect Investors. 	2.4
	Ordinary Units There will be one class which will only ever be issued to MPF.	2.12
Unit pricing	Daily, with Income Units being issued at \$1.00 per unit (plus an amount for accrued income).	3.3
Investor distributions	The Manager intends to pay distributions monthly at a rate of 2.50% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index, subject to a minimum yield of 7.5% per annum and a maximum yield of 8.5% per annum (based on an issue price of \$1.00 per Income Unit).	2.9
Priority of distributions	To the extent the Manager determines there will be a distribution of income each month, Investors (the holders of Income Units) will be entitled to receive monthly income distributions in priority to any distribution paid to MPF (the holder of the Ordinary Units). This is why the proposed distribution to Investors is referred to as a Priority Distribution Payment (PDP).	2.9

Feature	Summary	Refer to Section
Distribution Stopper	The responsible entity of MPF is prohibited from paying cash distributions to MPF Unitholders unless Investors have been paid the PDP for the past 12 months.	2.10
Capital stability	Investors are not subject to the risk of capital loss, except in the unlikely event that the value of the Fund falls by at least the value of the Ordinary Units (which is \$30.08 million as at the date of this PDS).	2.2
Withdrawals	<p>Direct Investors May request a withdrawal any time after 12 months from the date they make their investment. The Manager may elect to redeem Direct Income Units for either:</p> <ul style="list-style-type: none"> – Cash, at \$1.00 per unit; or – MPF Units, by converting the Direct Income Units into an equivalent dollar value of MPF Units which may then be traded on the ASX. <p>Indirect Investors May request a withdrawal at any time. The Manager may only elect to redeem Indirect Income Units for cash at \$1.00 per unit.</p>	3.6
Withdrawal limits	The Manager intends to satisfy withdrawal requests monthly, subject to a 5% limit per quarter of the total number of Income Units on issue. Withdrawal requests may be satisfied on a pro rata basis in the event that requests exceed the threshold.	3.6
Risks	<p>Although Investors have priority in entitlement to income distributions and return of capital on winding up, there is no guarantee that income distributions will be made and capital is not guaranteed. Other risks of an investment in the Fund include those typically associated with an investment in a property based investment fund.</p> <p>There are also risks associated with an investment in MPF Units (in the event a withdrawal request from a Direct Investor is satisfied by issuing MPF Units). Prospective Investors should carefully consider the risks before investing.</p>	6 11.6
Removal of responsible entity	<p>If there is a proposal to change the responsible entity of the Fund to a company that is not a related body corporate of the Manager:</p> <ul style="list-style-type: none"> – MPF has an option to re-acquire, at market value, the Initial Portfolio; and – MPF, as the holder of Ordinary Units, may require termination of the Income Fund. 	9.7 9.1
Investor reporting	<p>When investing/withdrawing: Confirmation of transaction.</p> <hr/> <p>Monthly: Distribution advice.</p> <hr/> <p>Quarterly: Fact sheets.</p> <hr/> <p>Yearly: Audited reports and accounts, tax statements.</p>	10.8

Feature	Summary	Refer to Section
Minimum initial investment	\$10,000 (no minimum for Administration Services) and in \$1,000 increments thereafter.	3.1
Distribution reinvestment plan	As at the date of this PDS a distribution reinvestment plan is available which allows Investors to reinvest all or part of their distributions to acquire additional Income Units.	3.5
Regular investment plan	As at the date of this PDS a regular investment plan option is available which allows Investors to make regular additional investments in the Fund.	3.2
Contribution fee	Direct Investors: Up to 2.2% (including GST) of application money. This is not paid by Direct Investors, but from the assets of the Income Fund and therefore reduces the value of the Ordinary Units held by MPF.	7.2
	Indirect Investors: Nil. The contribution fee is not charged when an investment is made through an Administration Service.	7.2
Management costs	Management fee: The responsible entity may charge up to 0.55% (including GST) per annum of the gross asset value of the Fund. However, for so long as the Manager remains as responsible entity of the Fund, it will be nil.	7.4.3
	Expense recoveries: Estimated at 0.3% per annum of the Fund's net asset value.	7.4.4
Tax	There are tax implications arising from an investment in the Fund.	8
Complaints	The Manager has a complaints resolution procedure and is a member of the Financial Industry Complaints Service.	10.5
Cooling off	A 14 day cooling off period will apply to applications at any time when the Fund is Liquid, which it is as at the date of this PDS.	3.7



2.1 Fund overview

The Fund is an open-ended, unlisted unit trust that is a registered managed investment scheme. As at the date of this PDS, the Fund owns the Initial Portfolio which is valued at \$30.08 million and comprises investments in 20 unlisted property funds, providing Investors with exposure to nine property fund managers and indirect exposure to over 300 underlying property assets (see Section 4).

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

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

The Initial Portfolio was acquired from MPF to comprise the seed investments for the Fund. The consideration received by MPF for the sale of the Initial Portfolio to the Fund was 30.08 million Ordinary Units in the Fund.

The Manager intends to make further investments on behalf of the Fund from proceeds raised under this PDS. New investments will be made into unlisted and listed property trusts, direct real property and property investment companies (see Section 2.5). Funds raised may also be used to repay debt if drawn (see Section 2.7) or to fund withdrawal requests (see Section 3.6).

2.2 Fund objectives

The Manager aims to provide Investors with:

Regular income

Monthly distributions calculated at a 2.5% per annum margin above the distribution yield on the S&P/ASX 200 Property Trust Index (as last published in the Australian Financial Review in the month prior to the commencement of the relevant distribution period), subject to a minimum monthly payment at a rate of 7.5% per annum and a maximum of 8.5% per annum.

Based upon the distribution yield on the S&P/ASX 200 Property Trust Index as last published in February 2007 and a \$1.00 per unit issue price, the income distribution yield would be 7.67% per annum. Please note that historical performance of the index is not indicative of likely future performance.

The Manager has a discretion whether to pay income distributions. However, to provide Investors with a level of comfort in relation to the payment of the PDP:

- the PDP will be paid in priority to any distribution paid to MPF as the holder of Ordinary Units; and
- MPF is not able to pay cash distributions to MPF Unitholders unless Income Units have been paid their PDP for the past 12 months (this undertaking is referred to as the Distribution Stopper).

Tax Deferred income

A component of income distributions paid to Investors is expected to be Tax Deferred.

Capital stability

Income Units should be redeemed for \$1.00 per unit, and are generally not exposed to any change in the capital value of the Fund's investments.

MPF, through changes in the value of its Ordinary Units, receives or bears any increase or decrease in the capital value of the Fund's investments.

Income Units will only be exposed to a change in the capital value of the Fund's investments should the value of the Ordinary Units reduce to nil. As at the date of this PDS, the Ordinary Units have a value of \$30.08 million.

To further protect Investors, in the event that the Fund is wound up, Income Units have priority over Ordinary Units for the repayment of capital to the extent required for Investors to receive \$1.00 per Income Unit.

2.3 Background to Fund establishment

In December 2005, MPF Unitholders approved the establishment of the Fund, and in so doing, agreed to transfer to the Fund a portion of MPF's investments as seed investments. The transfer of the Initial Portfolio occurred on 8 March 2007.

In return, MPF received Ordinary Units in the Fund as consideration for the transfer of these investments.

Through holding these Ordinary Units, MPF expects to receive:

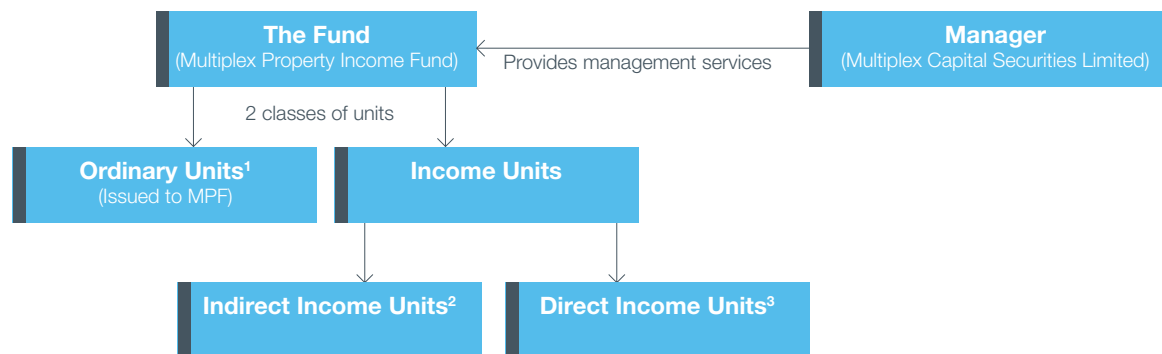
- the excess income of the Fund (if any) after the payment of the PDP to Investors; and
- the change in capital value, up or down, in the assets of the Fund.

To provide Investors with greater certainty, MPF Unitholders also approved that:

- no cash distribution could be paid to MPF Unitholders unless Investors received the PDP (Distribution Stopper);
- MPF be charged a management fee based on the difference between the gross asset value of the Fund and the value of the Ordinary Units, the effect of which is that no management fee is charged to the Fund. This provides greater net income to the Fund from which to pay the PDP to Investors; and
- in the event the Fund is wound up, Investors will receive capital in priority to MPF as the holder of Ordinary Units to the extent required for Investors to receive \$1.00 per Income Unit.

The investment strategy of MPF is similar to that of the Fund, in that it primarily invests into unlisted property trusts. This is the reason MPF has been able to transfer to the Fund a diversified portfolio of units in unlisted property trusts, many of which have a well established history of paying regular income distributions.

2.4 Fund structure



Notes:

- 1 Issued to MPF as consideration for the transfer by MPF of the Initial Portfolio to the Fund. Ordinary Units will only ever be issued to MPF.
- 2 Issued to Administration Services (such as an investor directed portfolio service) that will hold the units on behalf of Indirect Investors.
- 3 Issued to Direct Investors who invest directly into the Fund pursuant to this PDS and not through an Administration Service.

Overview of Fund units

	Direct Income Units	Indirect Income Units	Ordinary Units
Number on issue as at the date of this PDS	Nil	Nil	30.08 million
Issued to	Direct Investors (being potential investors who apply for and are issued units pursuant to this PDS).	Administration Services which acquire units pursuant to this PDS on behalf of Indirect Investors.	MPF
Withdrawal request¹	May be lodged any time after 12 months from the date of issue.	May be lodged at any time.	May be lodged at any time, however it is not the intention of the manager of MPF to redeem any Ordinary Units ³ .
Withdrawal consideration	At the election of the Manager, either: – cash at \$1 per unit; or – the issue of an equivalent value of MPF Units ² .	Cash at \$1 per unit.	Net asset value less Income Units value, divided by the number of Ordinary Units.
Priority on winding up	Rank equal to Indirect Income Units but in priority to Ordinary Units.	Rank equal to Direct Income Units but in priority to Ordinary Units.	Rank behind Income Units but will receive all capital (if any) above \$1.00 per Income Unit.
Priority of distributions	Entitled to receive monthly distributions in priority to any distributions paid on Ordinary Units.	Entitled to receive monthly distributions in priority to any distributions paid on Ordinary Units.	No distributions unless the PDP is paid in full.
How calculated	A rate of 2.50% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index, within a band of 7.5% to 8.5% per annum.	A rate of 2.50% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index, within a band of 7.5% to 8.5% per annum.	Any remaining income distributed after payment of the PDP.

Notes:

- 1 The Manager is not obliged to meet a withdrawal request. However, the Manager intends to satisfy withdrawal requests monthly, subject to a 5% limit per quarter of the total number of Income Units on issue.
- 2 Depending upon the term of the investment, MPF Units may be issued at a discount to the price which MPF Units are traded on the ASX (see Section 3.6).
- 3 As at the date of this PDS.

2.5 Investment strategy

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

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

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

The Manager has elected to outsource the management of the Fund's listed property securities portfolio to an industry expert in the field, SG Hiscock, a firm that, as at the date of this PDS, manages property securities valued at more than \$1.3 billion (see Section 5.6).

The Manager may amend these indicative asset allocation ranges and asset categories at any time. If it elects to do so, the Manager will provide Investors with at least 20 Business Days' notice. The Manager will provide Investors with details of the Fund's portfolio and targeted acquisitions through the Fund's quarterly reports.

The Manager will not, on behalf of the Fund, invest:

- directly into any property development projects; or
- directly into any mortgage trust or securitised mortgage instrument that primarily advances loan funds secured by properties that are subject to development or being held for speculative purposes.

2.6 Investment criteria

Each investment opportunity must meet the following broad criteria. It must:

- assist in meeting the Fund's objectives of paying regular income returns (a component of which are Tax Deferred) and providing for capital stability;
- comply with the Fund's investment strategy of maintaining a diversified portfolio of property related investments; and
- be approved by the Board, which contains a majority of independent directors.

2.7 Borrowings

The Constitution permits the Manager to borrow on behalf of the Fund. As at the date of this PDS, the Fund has no borrowings.

However, the Fund may borrow to make investments in listed and unlisted property trusts and property investment companies. However, this will only be done after first considering the borrowing levels already present in the relevant investment vehicles.

The Fund may borrow money when acquiring any direct real property investment at a level of up to 65% of the value of the relevant property.

It is intended that the ratio of the Fund's total direct borrowings, excluding any borrowings used to acquire direct property, will not exceed 20% of the Fund's gross assets, except for periods of time in order to take advantage of particular investment opportunities.

Any borrowings undertaken by the Fund will be made by the Manager on the basis the lenders have no recourse to Investors.

If money is borrowed by the Fund, the Manager may seek to hedge some or all of the interest rate for the term of the borrowings to reduce the Fund's exposure to fluctuations in interest rates while those hedging arrangements remain in place.

2.8 Investment into Multiplex Funds

Multiplex Capital is the funds management division of Multiplex Group. It currently operates several funds (see Section 5.2) and intends, on an ongoing basis, to set up new property based funds.

The Fund may invest into existing or yet to be created property funds operated by Multiplex Capital on the following basis:

- the investment is on arm's length terms; and
- the investment is within the investment criteria and asset allocation profile for the Fund.

If the Fund was to invest into a Multiplex Fund it would only do so with the approval of a majority of the independent directors and in accordance with the Manager's conflicts policy. The Fund may in time hold a material level of Investments in Multiplex Funds.

If such an investment is made, Investors should be aware that a Multiplex entity will receive fees in its capacity as manager of the relevant fund. The manager of the relevant Multiplex Fund may, as a condition of issuing units to the Fund, require that the units be sold back to that manager (or its nominee) at then current market value in the event that there is a proposal to change the responsible entity of the Fund to a company that is not part of the Multiplex Group.

2.9 Priority Distribution Payment (PDP)

The PDP is calculated monthly by reference to a 2.5% per annum margin above the distribution yield on the S&P/ASX 200 Property Trust Index, as last published in the Australian Financial Review in the month prior to the commencement of the relevant distribution period.

In relation to the PDP:

- the margin of 2.5% per annum may not be changed;
- the minimum level of the PDP (based on an issue price of \$1.00 per Income Unit), regardless of the performance of the index, is 7.5% per annum; and
- the maximum level of the PDP (based on an issue price of \$1.00 per Income Unit), regardless of the performance of the index, is 8.5% per annum.

Based upon the distribution yield on the S&P/ASX 200 Property Trust Index as last published in February 2007 of 5.17%, the PDP yield would have been 7.67% per annum (based upon a \$1.00 issue price). Please note that historical yields may not be indicative of likely future yields.

If the distribution yield on the index ceases to be published by the Australian Financial Review, or any other media or website outlet, the Manager will calculate the index yield and have this calculation independently verified. The Manager will then post the verified index yield on its website. In the event the composition of the S&P/ASX 200 Property Trust Index changes substantially, the Manager will select an alternative comparable index based yield.

Investors are expected to receive the PDP, but will not participate beyond that level of distribution, regardless of the performance of the Fund's assets. Income generated above the PDP may be paid to MPF as the holder of Ordinary Units.

Although the Manager has a discretion in paying the PDP, its intention is that it will be paid monthly to Investors. As at the date of this PDS, the Manager is confident it can pay the PDP to Investors for the following reasons:

- the income generated by the Fund will be applied to pay the PDP to Investors in priority to any distributions being paid to MPF as the holder of Ordinary Units;
- the Initial Portfolio is producing income prior to the issue of any Income Units;
- MPF may elect to transfer additional investments to the Fund which will also produce income;

- MPF may elect to lend money to the Fund; and
- Investors have the benefit of the Distribution Stopper mechanism (see Section 2.10).

2.10 Distribution Stopper

The Distribution Stopper provides a level of comfort to Investors that the PDP will be paid.

When a PDP is not paid in full, the responsible entity of MPF must not:

- pay cash distributions to MPF Unitholders; or
- redeem or buy-back any MPF Units.

If activated, the Distribution Stopper will be lifted where an amount equivalent to the PDP for the preceding 12 months is, or has been, paid in full to Investors.

There are a number of options available to MPF to enable the Fund to be able to pay the PDP to Investors, even if the Fund has insufficient income. For example, MPF may lend money to the Fund or transfer additional assets to the Fund (in consideration for receiving additional Ordinary Units) to ensure the Fund is in a position to pay the PDP.

2.11 Relationship with MPF

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

The Fund is linked to MPF in the following manner:

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

As Direct Investors may have their Income Units converted to MPF Units, this PDS contains information in relation to MPF (see Section 11).

2.12 Ordinary Units

There will be one class of Ordinary Units which will be issued to MPF.

Investors are paid the PDP in priority to any income paid to MPF as the holder of Ordinary Units. Income paid to MPF may therefore be greater or less than the PDP, depending upon the net income generated by the Fund's assets.

Upon a winding up of the Fund, Investors will participate in the distribution of assets in priority to MPF as the holder of Ordinary Units to the extent required for Investors to receive \$1.00 per Income Unit.



3.1 How to invest

The Fund is open-ended, which means there is no fixed closing date. As at the date of this PDS, the Manager intends to continue accepting applications to acquire Income Units on an ongoing basis. The Manager may, however, cease to accept applications for a period of time or close the Offer.

The Manager may accept or reject applications, in whole or part, at its absolute discretion. To the extent the Manager does not accept an application, the Manager will refund the relevant application monies, without interest, within five Business Days.

Direct Investors

To acquire Income Units directly, an applicant can do one of the following:

- complete the yellow Application Form attached to or accompanying this PDS and send it to the Registry, together with the application money; or
- complete both the yellow Application Form and grey Direct Debit Request Form (Initial Investment) attached to or accompanying this PDS and send them to the Registry; or
- complete an online Application Form on the Manager's website and use the BPAY service of the applicant's bank to pay the application money.

The Constitution limits any individual Direct Investor (and their associates) from holding greater than 5% of Income Units on issue.

Unless the Manager otherwise agrees, the minimum initial amount for an investment in the Fund by a Direct Investor is \$10,000 and then in multiples of \$1,000. Instructions on how to complete the Application Form are provided in Section 13.

Indirect Investors

Investments through an Administration Service are made by instructing the operator of the relevant service to make an investment in the Fund. The Constitution limits any person (for example an Administration Service holding on behalf of its customers who are Indirect Investors) from holding more than 19.9% of Income Units on issue even if they hold for different beneficial owners. There is no minimum investment for an Indirect Investor.

3.2 Regular investment plan

As at the date of this PDS, the Manager also offers Investors the ability to participate in a regular investment plan which facilitates regular additional investments in the Fund by completing the blue coloured Direct Debit Request Form (Regular Investment Plan). Applicants should refer to Section 13.5 for further details.

3.3 Unit pricing

Income Units will be issued at a price of \$1.00 per unit plus any accrued income at the time of issue. By way of example, assuming the PDP is 8% per annum and distributions are being paid monthly, the Unit Price for a 30 day month would be \$1.00 on the first day of the month immediately after a distribution is declared and would increase to \$1.0066 on the last day of the month, just prior to the declaration of a distribution.

In relation to applications for Indirect Income Units, if a correctly completed Application Form and payment (in cleared funds) is received and accepted by the Registry prior to 3.00pm (Sydney time) on any Business Day, the application will be processed using the Unit Price at the close of that Business Day. Applications for Indirect Income Units received and accepted after 3.00pm (Sydney time) on any Business Day, will be processed using the Unit Price at the close of the following Business Day.

Applications for Direct Income Units will, in general, be accepted for processing as at the first Business Day of a month. If the Manager receives an application for Direct Income Units during a month, it will hold the application money in its trust account for the applicant until the end of the month and will at that time decide whether to accept the application. No interest will be paid to applicants on moneys held in the trust account.

The Unit Price is not determined by reference to the value of the Fund's assets. This is because any increase (or decrease) in the value of the Fund's assets will accrue to MPF as the holder of Ordinary Units.

Investors are therefore not exposed to any capital loss on their investment (i.e. a Unit price below \$1.00) unless the value of the assets of the Fund falls by at least the value of the Ordinary Units (which is \$30.08 million as at the date of this PDS).

3.4 Investor distributions

Income distributions will be determined at the end of each month and paid within 15 Business Days to those Investors who appear on the register on the last day of the distribution period.

Investors may elect to have income distributions to which they are entitled:

- paid by electronic funds transfer to a nominated Australian bank, building society or credit union account; or
- reinvested to acquire further Units (see Section 3.5).

If no choice is made, then all distributions will be automatically reinvested on behalf of the Investor.

Distributions will not be paid by cheque.

Investors may change their distribution instructions by notifying the Registry in writing, provided at least ten Business Days' notice is given before the end of the relevant distribution period.

3.5 Distribution reinvestment plan

As at the date of this PDS, the Manager operates a distribution reinvestment plan, under which Investors may choose to reinvest all or part of their distributions from the Fund to acquire further Income Units. Investors may choose to join or withdraw from the distribution reinvestment plan at any time by providing the Registry with at least ten Business Days' notice in writing prior to the end of the relevant distribution period. Investors should note that if they do not participate in the distribution reinvestment plan, then the percentage of the Fund they own will reduce over time, relative to Investors who participate.

Income Units will be issued under the distribution reinvestment plan at the Unit Price applying on the day they are issued.

The Manager may at any time change the terms of the distribution reinvestment plan or decide to cancel, suspend or reactivate the plan. The Manager will give Investors at least 20 Business Days' notice in writing before making any changes to or cancelling, suspending or reactivating the plan. Such notice will be posted on the Manager's website.

3.6 Withdrawing from the Fund

When the Fund is Liquid, which it is as at the date of this PDS, an Investor may lodge a withdrawal request at any time, subject to the restriction for Direct Investors noted below. The Manager has a discretion as to whether to accept a withdrawal request and redeem Income Units. The Manager intends to satisfy requests up to an overall cap of 5% of the total number of Income Units on issue for the prior quarter (or up to 1.67% per month). For example, if there are 120 million Income Units on issue at the end of the June quarter, then the Manager intends to satisfy redemption requests during the September quarter of up to six million Income Units (or up to two million per month).

Withdrawal requests may be satisfied on a pro rata basis in the event that requests exceed the threshold. The Manager may permit withdrawals in excess of the 5% cap at its discretion.

Withdrawal requests may be lodged on any day but will not be processed until after the end of the month in which the withdrawal request is accepted. If the Manager accepts a withdrawal request, funds will be paid to Investors within 10 Business Days of the end of the month provided the request is received at least five Business Days prior to the end of the relevant month. If the Manager accepts a withdrawal applications received in the last five Business Days of a month, funds will be paid within 10 Business Days of the end of the following month.

In relation to Direct Investors whose withdrawal applications are satisfied through the issue of MPF Units, those units will be issued within 10 Business Days of the end of the month in which the withdrawal request is accepted provided the request is received at least five Business Days prior to the end of the relevant month. If the Manager accepts a withdrawal application received in the last five Business Days of a month, MPF Units will be issued within 10 Business Days of the end of the following month.

The Manager expects to be able to meet the 5% per quarter redemption level for the following reasons:

- the Fund will have an exposure to listed property trusts and other marketable securities which can be sold at short notice;
- the Fund will have an exposure to unlisted property trusts which wind up periodically;
- proceeds from the distribution reinvestment plan may be retained in the Fund;
- application proceeds are likely to be received from new Investors; and
- the Manager is likely to meet Direct Income Unit withdrawal requests through the issue of MPF Units.

Please note that while the Manager intends to meet withdrawal requests each month, the Constitution allows the Manager up to 12 months to satisfy a withdrawal request.

If at any time the Fund is not Liquid, then there will be no opportunity for Indirect Investors to withdraw from the Fund, unless the Manager decides to make a withdrawal offer. The Manager is not obliged to make withdrawal offers and will only do so to the extent the Fund has cash available to meet withdrawal requests. While the Fund is not Liquid it may still be possible for Direct Investors to withdraw from the Fund pursuant to ASIC relief (see Section 10.3) but, as with all withdrawals, this would be at the Manager's discretion.

Direct Investors

Direct Investors may not lodge a withdrawal request within the first 12 months of the issue date of the relevant Income Units.

The Manager may, at its discretion, effect a withdrawal for cash or convert the Income Units to MPF Units. If the Manager elects to convert Income Units to MPF Units, the following discounts will apply:

- a discount of 0% to the volume weighted average price (VWAP) of MPF Units as traded on ASX if converted during the period which is 13 to 30 months (inclusive) after the relevant Income Units were issued;
- a discount of 2% to the VWAP of MPF Units as traded on ASX if converted during the period which is 31 to 36 months (inclusive) after the Income Units were issued; and
- a discount of 3% to the VWAP of MPF Units as traded on ASX if converted after that time.

The Manager expects Direct Investors will therefore receive on redemption, either (at the Manager's discretion), cash of \$1.00 per Income Unit or the equivalent dollar value of MPF Units including, if applicable, the benefit of the above discounts.

By way of example, if a withdrawal request for 10,000 Income Units was to be satisfied by the issue of MPF Units (assuming a VWAP of \$1.30) and the Direct Investor had held the relevant Income Units for 34 months, the issue price of MPF Units would be \$1.274 (\$1.30 less 2% discount). The number of MPF Units to be issued would be 7,849 (\$10,000 divided by \$1.274 per MPF Unit), thereby realising \$10,203.70 of value (7,849 units times \$1.30 per MPF Unit). When calculating the number of MPF Units the Manager will round up or down to the nearest whole unit.

The Manager may, without a Direct Investor having lodged a withdrawal request, redeem Income Units at any time after they have been on issue for at least 12 months. In this situation, a time linked discount from the VWAP of MPF Units, at the percentage stated above, would apply if the Manager elected to satisfy such a redemption through the issue of MPF Units. The Manager may also, without a Direct Investor having lodged a withdrawal request, convert Income Units to MPF Units if there has been a change of control event, such as a takeover bid under Chapter 6 of the Corporations Act to acquire all or some of the MPF Units. In this situation, Income Units will be converted at a discount of 3% to the VWAP of MPF Units as traded on ASX, irrespective of when the Income Units were issued.

Indirect Investors

Indirect Investors may lodge a withdrawal request at any time and the Manager may redeem Indirect Income Units held by an Administration Service for Indirect Investors at any time.

Indirect Income Units can only be redeemed for cash of \$1.00 per unit and may not be converted to MPF Units.

3.7 Cooling off period

At all times when the Fund is Liquid, Direct Investors will have cooling off rights under the Corporations Act.

In accordance with these rights, a Direct Investor has the right to return Income Units and to have their application money repaid, subject to adjustments allowed by law for changes in the value of the Fund's assets and tax (if applicable), and a reasonable charge for administration costs. The right to return the Income Units can only be exercised during the period of 14 days commencing from the earlier of:

- the date the Direct Investor receives the confirmation of their investment; or
- the end of the fifth Business Day after the day on which Income Units were issued to the Investor.

This cooling off right ceases to apply if a Direct Investor chooses to exercise certain Investor's rights or powers before the end of the 14 days.

These cooling-off rights do not apply to wholesale clients (as defined in the Corporations Act) and to Indirect Investors. Indirect Investors should seek advice from their Administration Service about any cooling-off rights that may apply to their investment.

3.8 Anti-money laundering

New laws in relation to anti-money laundering were enacted in Australia on 12 December 2006. The obligations under this legislation become binding in stages over the 24 months following enactment. As at the date of this PDS, final rules in relation to this legislation have not been issued by the Australian Transaction Reports and Analysis Centre (AUSTRAC). The Manager may in future require additional information to verify the identify of an Investor and any underlying beneficial owner of Income Units and the source of any payment. Where the Manager requests such information, processing of applications or withdrawals may be delayed until the requested information is received in a satisfactory form.



4.1 Initial Portfolio

As at the date of this PDS, the Fund holds the Initial Portfolio comprising investments in 20 unlisted property funds, managed by 9 different property fund managers which have an indirect interest in more than 300 underlying property assets. As Income Units are progressively issued pursuant to this PDS, additional investments will be made in accordance with the Fund's investment strategy as summarised in Section 2.5. The table below provides an overview of the Initial Portfolio as at the date of this PDS. For the latest information in relation to the Fund's investments, please visit www.multiplexcapital.biz

	ARSN	Fund manager	Investment allocation (%)
Abbotsford Property Trust	092 632 883	DB RREEF	0.2
APN National Storage Property Trust	101 227 712	APN	4.3
APN Regional Property Fund	110 488 821	APN	2.8
APN/UKA Poland Retail Fund	122 452 779	APN/UKA	9.9
APN/UKA Vienna Retail Fund	119 990 840	APN/UKA	8.0
Centro MCS 21	093 356 480	Centro	3.8
Centro MCS 22	090 930 902	Centro	4.5
Centro MCS 28	103 353 055	Centro	3.9
Gordon Property Trust	092 632 052	DB RREEF	1.4
Investa Brisbane Commercial Trust	096 106 142	Investa	4.0
Investa Diversified Office Fund	113 369 627	Investa	5.5
Investa Fifth Commercial Trust	104 184 072	Investa	8.8
Investa Sixth Commercial Trust	106 690 162	Investa	4.5
MAB Diversified Property Trust	103 463 467	MAB	7.0
Multiplex New Zealand Property Fund	110 281 055	Multiplex Capital	5.5
Northgate Property Trust	092 632 481	DB RREEF	5.5
Rimcorp Property Trust #3	116 193 241	Rimcorp	2.1
The Child Care Property Fund	106 891 641	SAITeysMcMahon	7.0
The Essential Health Care Property Trust	102 470 333	SAITeysMcMahon	3.9
Westpac Diversified Property Fund	119 620 674	Westpac	7.4
Total			100.0

Notes:

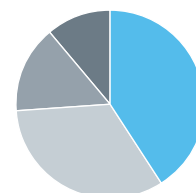
1 As at 31 December 2006.

2 Last stated.

Market value per unit (\$) ¹	Market value (\$ million)	Number of properties ²
2.16	0.07	1
1.13	1.29	34
1.19	0.85	5
1.00	3.03	1
1.00	2.40	1
2.05	1.13	1
2.09	1.35	1
1.28	1.16	2
2.56	0.43	1
2.12	1.21	2
1.23	1.65	9
1.38	2.63	4
1.42	1.35	4
1.00	2.10	11
1.25	1.66	41
3.23	1.66	1
0.83	0.62	2
1.06	2.12	170
0.89	1.16	9
1.00	2.21	9
	30.08	309

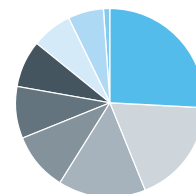
Sector allocation*

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



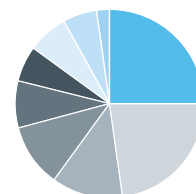
Geographic diversification*

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



Manager allocation*

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



Note:

*As at the date of this PDS.



5

5.1 Multiplex Group

Multiplex Group is a fully integrated and diversified property business, with operations in property funds management, development, construction and facilities management. With more than 2,000 employees, Multiplex Group offices are located in Australia, New Zealand, the United Kingdom and the United Arab Emirates.

5.2 Multiplex Capital

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

Multiplex Funds	FUM (\$m) (31 Dec 2006)
Listed funds	
Multiplex Acumen Property Fund	322
Multiplex Property Trust	3,097
Multiplex Prime Property Fund	671
AMP NZ Office Fund*	943
Unlisted funds	
Multiplex New Zealand Property Fund	804
Multiplex Development and Opportunity Fund	149
Single property funds	78
Property syndicates	
Multiplex Acumen Vale Syndicate Limited	68
	6,132

Note:

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

Information about each Multiplex Fund can be found at www.multiplexcapital.biz. Multiplex Capital anticipates establishing a number of new funds in 2007.

5.3 The Manager

Multiplex Capital Securities Limited (formerly known as Acumen Capital Securities Limited) is the responsible entity of the Fund and is referred to in this PDS as the Manager. The Manager was incorporated on 14 February 2003 and is wholly owned by Multiplex. The Manager holds AFSL number 226442 which authorises it to operate and manage the Fund.

The Manager is responsible for the management of the Fund and must perform its role in accordance with its duties under the Corporations Act, the Constitution and the Compliance Plan. In exercising its powers and duties, the Manager must act honestly, with care and diligence and in the best interests of Investors. Where there is a conflict between the Manager's own interests and that of Investors, it must prefer the interests of Investors over its own interests.

The Manager has established a broad compliance program governing the operations of the Fund, which is set out in the Compliance Plan. A compliance committee has also been appointed. The majority of members of the compliance committee are external, independent members. The compliance committee is responsible for monitoring and reporting on the Manager's compliance with the Constitution, the Compliance Plan and the Corporations Act.

5.4 The Board

Peter Morris, Non-executive Chairman

Peter has over 35 years 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 Multiplex Capital Management Limited, Multiplex Capital Investments Limited and Multiplex Capital Securities Limited. He is also an independent director of Galileo Funds Management, the responsible entity of Galileo Shopping America Trust, a listed property trust owning retail assets in the USA valued at over US\$2.1 billion.

Rex Bevan, Non-executive Director

Rex has many years' business experience in the areas of financial management, investment banking and the provision of economic and investment advice.

From 1988 to 2005 he filled a number of roles within Western Pacific Portfolio Planning Pty Ltd (now Western Pacific Finance Ltd), including the position of Research Manager, and later, Managing Director. From 1994 to 1998, Rex was a director of the master trust operator, Flexiplan Australia Ltd, prior to its acquisition by MLC.

Brian Motteram, Non-executive Director

Brian has in excess of 30 years' 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 the Hawaiian Group of companies in positions of Chief Financial Officer and later, Finance Director.

Robert McCuaig, Non-executive 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 services groups. Robert has acted as a property adviser to the University of Sydney, Westpac, Qantas Airways, Presbyterian Church, Sydney Ports Authority, Benevolent Society of NSW, the State of New South Wales and the Commonwealth of Australia.

Ian O'Toole, Executive Director

Ian has responsibility for the overall direction and strategy of the Multiplex Capital funds management business, including both Multiplex Property Trust and the external funds management business of Multiplex Capital. He has over 24 years' experience in funds management and prior to joining Multiplex Capital in 2003, was responsible for both capital transactions and asset management within ING Real Estate Investment Management Limited.

Robert Rayner, Executive Director

Robert has responsibility for the day-to-day operation and development of Multiplex Capital's funds management activities. Robert has been involved in property and property funds management for more than 17 years and has extensive property and financial experience in both the listed and unlisted sectors of the funds management industry. Robert was a founding shareholder and director of the Acumen Capital funds management business, since renamed Multiplex Capital.

5.5 Fund management

The fund manager is responsible for monitoring the performance of the Fund's assets (and the performance of SG Hiscock), recommending new investments and ensuring overall compliance with various statutory requirements and Manager policies. The fund manager also produces Investor reports to keep Investors updated and informed about the Fund.

5.6 The LPT Manager**SG Hiscock & Company Limited**

SG Hiscock manages the Fund's listed property trust portfolio. SG Hiscock manages more than \$1.3 billion in listed property securities and \$2.7 billion in total funds. Managed Investment Assessments Pty Ltd, an independent property investment research group, have rated SG Hiscock as a 'Strong' manager in relation to its ability to manage domestic listed property securities funds. Their EQT SGH Property Fund was recently rated a 4 star fund by Standard and Poor's, the highest rating in that category. In addition, SG Hiscock was a finalist in the 2006 Money Management Property Securities Fund Manager of the Year Awards.

SG Hiscock is a boutique investment manager specialising in property securities, small companies and absolute return funds. The principals at SG Hiscock have a long track record and expertise in managing listed property security portfolios.



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Investors in the Fund are exposed to a number of risks. It is the Manager's aim to manage the Fund so that these risks are minimised, while at the same time endeavouring to achieve the objectives of the Fund. However, the Manager cannot eliminate all risks and cannot guarantee the way in which it manages these risks will always be successful.

Before investing, potential Investors should consider whether the Fund is a suitable investment given their investment objectives, needs and financial and taxation situation. Potential Investors should read this PDS in full and, if they require further information on any possible risks of an investment in the Fund, seek appropriate financial advice.

Key risks of an investment in the Fund are that:

- no distributions, or distributions lower than the PDP, are paid to Investors;
- the Manager has a discretion to pay the PDP;
- Investors are subject to restrictions on withdrawing from the Fund;
- on withdrawal or winding up of the Fund, a capital loss could be incurred; and
- on withdrawal, Direct Investors could receive MPF Units rather than cash.

The Manager has designed the Fund in order to mitigate these risks.

- There is a risk the Manager will not pay the PDP. This risk is mitigated by the fact the Fund has been seeded with the Initial Portfolio, the PDP is paid in priority to any distributions on Ordinary Units and the Distribution Stopper (which acts as an incentive for MPF to ensure that the PDP is paid).
- It is at the Manager's discretion as to whether it satisfies withdrawal requests. The Manager has stated that if a withdrawal request is lodged that is within the 5% per quarter limit then, while the Fund is Liquid, the Manager intends to satisfy that request. Section 3.6 sets out the reason why the Manager believes it can satisfy withdrawal requests within this limit.
- Upon a withdrawal or winding up of the Fund, an Investor may incur a capital loss. The risk of this occurring is mitigated by the Fund being seeded with the Initial Portfolio and that Investors will receive capital in priority to MPF as the holder of Ordinary Units to the extent required for Investors to receive \$1.00 per Income Unit.

The following additional risk factors, which are not exhaustive, should also be considered.

Investment risk

The returns which the Fund receives from the investments it makes are dependent upon the underlying strength of the cash flows, balance sheets and management of the entities in which the Fund invests. In particular, the returns are affected by the supply of and demand for investment property and space, vacancies, rental rates, borrowing levels and the level of net income (including the amounts of Tax Deferred income) derived from the underlying properties.

Market risk

The returns from investments in listed and unlisted property trusts are affected by a range of economic factors, including changes in interest rates, exchange rates, inflation, general market conditions, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for property, shares, bonds and other tradable investments, and the general state of the domestic and world economies. The value of securities in which the Fund has (or may) invest, can go down as well as up, due to circumstances affecting the economy generally, or other factors which may affect the value of these securities.

Property market risks

The investments of the Fund are essentially investments in property assets. The value of the property assets will be affected by a number of risks, some of which include, without limitation:

- the level of tenancy vacancies may fluctuate with market forces;
- a downturn in the value of a property, or in the property market in general;
- pricing or competition policies of any competing properties or tenants;
- increased competition from new or existing property; and
- increases in supply or falls in demand in any of the sectors of the property market to which the Fund is exposed.

A key factor to mitigate these risks is asset diversification.

Borrowing and interest rate risk

Changes in interest rates can have a positive or negative impact directly or indirectly on the value of returns of the Fund's investments and the Fund itself. For example, as a result of interest rate changes, the cost of the borrowings of an entity in which the Fund invests can decrease or increase or the income return on interest bearing securities can become more or less favourable. This risk may be mitigated by the Manager investing in unlisted and listed securities with levels of interest rate hedging.

Further, the Manager may borrow on behalf of the Fund which would mean that the Fund would be directly exposed to interest rate risk, unless the Manager entered into interest rate hedging arrangements.

Currency risk

The Fund currently has an indirect exposure to property assets located outside Australia. In the future, the Fund may also acquire international property directly and additional investments with exposure to property assets located outside Australia. As such, the level of income generated by these foreign assets may be affected by movements in foreign exchange rates. In some cases, these movements may have a negative impact on the returns paid to the Fund. A weaker Australian dollar will result in the value of investments held in foreign currencies increasing in value. Conversely, if there is an upward movement of the Australian dollar against the foreign currency in which an investment is held, the value of the assets held in the foreign currency will fall.

The Manager will take into account an investment manager's currency management strategy when selecting investments for the Fund. Further, the Manager may enter into currency rate hedging arrangements.

Fund risk

These are risks specific to the Fund. These risks include that the Fund could terminate, the fees and expenses of the Fund could change, the Manager could be replaced as responsible entity or the Manager's investment team could change.

If there is a proposal to change the responsible entity of the Fund to a company that is not a related body corporate of the Manager, Investors should be aware that:

- MPF has an option to re-acquire, at market value, the Initial Portfolio (see Section 9.7); and
- MPF, as the holder of Ordinary Units, may require termination of the Income Fund (see Section 9.1).

Asset risk

Asset risk is the risk of inadequate asset research or monitoring, or material changes in asset characteristics.

To mitigate this risk, the Manager undertakes research on the various property markets in which it invests and the specific investments held by the Fund.

Underlying fund risk

The Manager will invest assets of the Fund in other funds managed by other fund managers. Those other funds may be subject to each of the risks outlined above, as well as other risks specific to those funds and the jurisdictions in which they operate.

To manage this risk the Manager will only invest in funds with investment strategies consistent with the investment objectives of the Fund and will monitor the performance of those funds.

Key personnel risk

This is the risk that key individuals employed by the managers of entities in which the Fund invests are no longer able to fulfil their obligations. The Manager aims to ensure that managers of entities in which the Fund invests have adequately qualified and experienced teams to mitigate key person risk.

The Manager intends to have sufficient resources to enable the Fund to continue unaffected should any member of its team leave.

Changes in law or government policy

Changes in income tax, indirect tax or stamp duty legislation or policy may affect the Fund's returns. The Fund is likely to be exposed to these risks. As changes in revenue law or policy and other legal or regulatory changes often cannot be foreseen, the Manager will attempt to respond to any such changes in whatever manner seems practical and in the interests of Investors.

MPF risk

A consequence of a Direct Investor withdrawing from the Fund may be the ownership of MPF Units. The risks associated with being an MPF Unitholder are dealt with in Section 11.6.



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Government regulations require the Manager to include the following standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all product disclosure statements and is not specific to information on fees and charges in the Income Fund.

7.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

7.2 Fees and other costs

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Information on taxation is set out in Section 8. You should read all information about fees and costs as it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee		
The fee to open your investment.	Nil	Not applicable
Contribution fee		
The fee on each amount contributed to your investment.	Up to 2.2% of application money paid to acquire Direct Income Units ¹ . This fee is not a cost to Investors and will (indirectly) be borne by MPF as the owner of Ordinary Units ² . Contribution fees will not be charged in relation to Indirect Income Units.	If payable, this fee is paid from the Fund to the Manager when Direct Income Units are issued.
Withdrawal fee		
The fee on each amount you take out of your investment.	Nil	Not applicable

Notes:

1 This amount includes GST. It is from this fee that the Manager will pay commissions to advisers and financial planners for introducing Direct Investors (see Section 7.4.7).

2 See Section 7.4.2 for more information.

Type of fee or cost	Amount	How and when paid
Termination fee The fee to close your investment.	Nil	Not applicable
Management costs The fees and costs for managing your investment.	Management fee – nil ³ as of the date of this PDS and whilst the Manager remains as the responsible entity of the Fund. Expenses of operating the Fund are estimated to be 0.3% per annum of the Fund's net assets.	Not applicable Paid from the assets of the Fund as and when incurred. ⁴
Service fees Investment switching fee The fee for changing investment options.	Nil	Not applicable

Notes:

3 See Section 7.4.3 for how and when this fee might be charged.

4 Due to the operation of the PDP, these expenses will not normally affect Investors as the holders of Income Units as they are effectively borne by MPF as the holder of Ordinary Units (see Section 7.4.4).

7.3 Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example	Balance of \$50,000 with a contribution of \$5,000 during the year	
Contribution fee	Nil ¹	For every additional \$5,000 you put in, you will be charged \$0.
PLUS		
Management costs	Nil ²	And , for every \$50,000 you have in the Fund, you will be charged \$0 each year.
EQUALS		
Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and put in an additional \$5,000 during a year, you would be charged \$0.

Notes:

1 The adviser service fee will be paid by the Fund but will not affect Investors as the holders of Income Units as it is effectively borne by MPF as the holder of Ordinary Units (see Sections 7.4.1 and 7.4.2).

2 The expenses of operating the Fund, which are estimated to be 0.3% per annum of the Fund's net asset value, are paid out of the Fund. However, they will not normally affect Investors as the holders of Income Units as they are effectively borne by MPF as the holder of Ordinary Units (see Sections 7.4.1 and 7.4.4).

7.4 Additional explanation of fees and costs

7.4.1 How is the Manager paid for managing the Income Fund?

Although the amount of fees and expenses incurred by Investors in connection with their investment is currently expected to be nil, this does not mean that the Manager has no possibility of reward for managing the Fund.

Under MPF's constitution, the responsible entity of that fund is entitled to a management fee of 0.5% per annum (including GST) of the difference between the value of the gross assets of the Fund and the value of the Ordinary Units, in addition to its normal fee on the assets of MPF. In this way, Multiplex Capital Securities Limited (for so long as it remains the responsible entity of MPF), has potential to be rewarded for managing the Fund.

7.4.2 Contribution fee

The Constitution authorises payment to the Manager of a fee equal to 2% (plus GST) of the application price of Income Units issued, other than Indirect Income Units. This amount is not deducted from the application money or allocated to reduce the number of units issued to the applicant. Rather, it is paid from the assets of the Fund and will be effectively borne by MPF as the holder of Ordinary Units and would not normally have any effect on an Investor's income or the capital value of their Income Units.

In respect of an application for Income Units from Direct Investors, the Manager proposes to charge only that part of the 2% (plus GST) fee required to remunerate the investment adviser or financial planner who introduces a particular application.

7.4.3 Management fee

Under the Constitution, the Manager is entitled to receive a management fee of 0.55% per annum (including GST) of the gross assets of the Fund. As set out in this PDS, the Manager waives the entire fee, and intends to continue to do so while Multiplex Capital Securities Limited remains responsible entity of both MPF and the Fund. If Multiplex Capital Securities Limited was removed as responsible entity of the Fund, the new responsible entity could begin to charge part or all of the allowable management fee by giving 30 days' notice to Investors of its intention to do so.

7.4.4 Expenses of the Fund

The Manager is entitled to be reimbursed out of the Fund for costs, charges and expenses properly incurred in relation to the Fund. These expenses include, but are not limited to, the cost of items such as administration, asset custody, bank charges, audit and tax advice, compliance costs, stationery, postage, legal costs, printing and information technology expenses and the services of external consultants. The Manager currently estimates that the amount of these costs will be approximately 0.3% per annum of the net asset value of the Fund.

These expenses will be effectively borne by MPF, as the holder of the Ordinary Units. However, if the net income of the Fund after expenses for a distribution period (normally a month) is less than the PDP, then for that distribution period the expenses of the Fund (including any management fee which might be charged in future) would have a financial impact on an Investor by increasing the extent to which the distribution paid is less than the PDP for that month. The Manager is confident that it can pay the PDP for the reasons set out in Section 2.9. Further, as set out in Section 2.10, MPF may wish to exercise one of the options available to it to enable the Fund to be able to pay the PDP.

7.4.5 Administration Services

Persons investing through an Administration Service, such as a master trust or wrap account, should be aware that they will, in addition to the other fees described above, be liable to pay fees to the operator of their service as described in the offer document or guide for the relevant Administration Service.

The Manager may (in its personal capacity) make two types of payments to operators of Administration Services:

- product access payments (as a flat dollar amount per annum) for administration and investment related services, which may be an amount of up to \$40,000 per annum (GST inclusive) per Administration Service; and/or
- fund manager payments (based on volumes of business generated) which may be an amount of up to 0.20% of amounts invested.

The amount of these payments may change during the life of this PDS. The Manager may also draw on its own resources to provide marketing and product support to an Administration Service.

7.4.6 Wholesale investments

The Manager may, on an individual basis, negotiate with 'wholesale clients' (as that term is defined in the Corporations Act) in relation to rebates on ongoing management fees in circumstances permitted by the Corporations Act or by applicable relief granted by ASIC.

The Manager may also negotiate ongoing management fees for employees of the Manager or related bodies corporate of the Manager. However, the Manager may only do this if the number of votes that may be cast on a resolution of Investors by such employee Investors is no more than 5% of all votes of Investors.

Any rebates negotiated with wholesale clients, employees or related bodies corporate of the Manager are payable by the Manager from the Manager's own funds and therefore do not affect the fees payable by other Investors.

As mentioned in Section 7.4.3, no management fees are charged as at the date of this PDS.

7.4.7 Adviser remuneration

The Manager may pay commissions to advisers whose clients acquire Direct Income Units. Any such commissions will be paid by the Manager, but may be recovered from the Fund in the form of the contribution fee. As explained in Section 7.4.2, any contribution fee which is paid will effectively be borne by MPF as the holder of Ordinary Units in the Fund.

These commissions do not include any other fees and expenses that may be agreed between an Investor and their adviser. An Investor's adviser should give the Investor details of the fees they charge.

The Manager may pay an adviser a commission within the following ranges:

- 0–2% (plus GST) of the client's application monies as an upfront payment (for example, at 2% the payment will be \$200 plus \$20 in GST for every \$10,000 invested); or
- 0–0.25% per annum of the client's application monies for five years as a trail commission (for example, at 0.25% the payment will be \$25 plus \$2.50 in GST per annum for every \$10,000 invested).

Alternatively, the Manager may pay advisers both an upfront commission and a trail (in each case, the amount of the commission will be lower than the maximum commissions listed above).

In some circumstances, the Manager may negotiate with an adviser to pay the adviser a commission in excess of 2% of the client's application money. In such circumstances, as with all commissions, the payment is borne out of the Manager's own resources and does not represent a cost to the Fund or to any Investor.

Commission will only be paid to persons who hold an AFSL or are otherwise permitted by law to receive such payments. Trail fees will continue for five years, until the Income Units are redeemed or the Investor or the financial planner advises the Manager in writing that the Investor is no longer a client of the financial planner.

Where an indirect investment is made through an Administration Service, no commission is paid by the Manager, however fees may be payable by the Indirect Investor to the operator of the service and/or the adviser who assists in making the investment.

7.4.8 Changes to fees and charges

Under the Constitution, the Manager is entitled to charge a maximum annual management fee of 0.55% of the Fund's gross assets per annum (including GST).

If the Manager intends to begin charging any part of the management fee, then the Manager will give Investors 30 days' written notice. As mentioned in Section 7.4.3, the Manager waives the entire fee, and intends to continue to do so while Multiplex Capital Securities Limited remains responsible entity of both MPF and the Fund.

The Manager may accept lower fees than it is entitled to receive or may defer payment for any period. Where payment is deferred, the fees accrue daily until paid.



8.1 Overview

The comments in this Section are intended to assist Investors in relation to the income tax (including capital gains tax, or CGT) implications of their investment in the Fund. The comments are based on current law and practice, and are of a general nature only. Investors should consider seeking their own advice, where appropriate, specific to their own circumstances.

The comments below are relevant only for Investors who will hold their Income Units as capital assets, such that only the CGT provisions would be relevant to them on a disposal of those units. The comments address income tax/CGT matters relevant to the monthly distributions that the Manager expects to pay to Investors, as well as the disposal (by redemption or otherwise) by an Investor of its units.

The comments below are not applicable to any Investor who carries on a business of dealing in securities or who would (for any other reason) hold its Income Units on revenue account.

The Manager intends that each year the Fund will distribute to its Unitholders an amount at least equal to its taxable income. The Manager also expects that the taxable income of the Fund will be taxable in the hands of its Unitholders (including the Income Unitholders), and not in the hands of the Manager.

There are certain provisions in the income tax law which, where they apply, cause a trust to be taxed in a similar manner to a company. The Manager does not expect those provisions to apply to the Fund.

After the end of each income year (30 June), the Manager will issue an annual taxation statement to each Investor, giving information necessary for purposes of that Investor's income tax return.

8.2 Investors who are residents of Australia for income tax purposes

Taxation of distributions

Distributions will include assessable income. Investors who are residents of Australia for income tax purposes will be required to include that assessable income in their income tax returns.

The Manager expects the Fund will hold its assets on capital account. To the extent that distributions from the Fund include realised capital gains, those gains will need to be taken into account in calculating the CGT liability of Investors for the relevant years. If the gains relate to assets held for at least 12 months, the CGT discount (50% in the case of individuals and most trusts and one third in the case of most superannuation entities) should be available to Investors in relation to those gains.

The Manager also expects that part of the distributions will be Tax Deferred. Tax Deferred distributions will normally not be assessable to Investors on their receipt, but will reduce the cost base of their units for CGT purposes. If the situation is reached where the cost base of any unit is eliminated by Tax Deferred distributions received by the holder of that unit, any further Tax Deferred receipts would themselves constitute capital gains to that Unitholder.

Distributions may also include the part of any capital gain made by the Fund which is attributable to the 50% CGT discount that will be taken into account (where applicable) in the Fund. Distributions to Income Unitholders of such amounts should not be assessable to them and should not reduce the CGT cost base of their units.

The Fund's assets may include investments in assets outside Australia and/or in companies in Australia. In that event it may be necessary for Investors to gross-up their cash distributions for tax purposes to reflect additional assessable income in relation to any foreign tax suffered by the Fund, or in relation to imputation credits on franked dividends received by the Fund. In that case, Investors should normally be able to claim a foreign tax credit or a tax offset in relation to that foreign tax or those imputation credits, thereby reducing the income tax payable by them on their assessable income.

Distributions of assessable income in relation to an income year ending on 30 June will need to be reflected in the income tax return of the Investor for that year, even if the distribution is physically received by the Investor in the subsequent income year.

Redemptions or other disposals of Income Units

The CGT cost base of an Income Unit will commence at the issue price (being \$1.00 per Income Unit plus, depending on the issue date, an amount for accrued income). Any incidental costs of acquisition incurred by the Investor should be added to that cost base.

Tax Deferred distributions received by the Investor will reduce the CGT cost base of the Income Unit in respect of which those distributions are received, as described above.

On a disposal (by redemption or otherwise) of an Income Unit, an Investor will need to compare the CGT cost base of that unit (reduced as described above) with the proceeds of redemption or other disposal. Any incidental costs of disposal should be added to the CGT cost base for this purpose. Where a unit is redeemed for cash, the proceeds of redemption will be the withdrawal price, which should always be \$1.00. Where a unit is redeemed by conversion into MPF Units, the proceeds of redemption will be the market value of the MPF Units at the time they are issued.

A capital gain or loss will arise for an Investor to the extent that the CGT cost base of an Income Unit, quantified as described above, differs from the proceeds of redemption or other disposal. That capital gain or loss will need to be taken into account for purposes of the CGT result of the Investor for the year in which the redemption/other disposal takes place.

If the Investor held the unit for at least 12 months, that Investor should be entitled to the CGT discount (50% in the case of individuals and most trusts, and one third in the case of most superannuation entities) in relation to any capital gain on that redemption or other disposal.

Withholding of tax from distributions

Investors will be given the opportunity to quote a tax file number (TFN) or, in appropriate circumstances, an Australian Business Number (ABN). If an Investor chooses not to supply this information or to claim an exemption, tax will be withheld from its distributions at the highest marginal tax rate plus Medicare levy (currently a combined rate of 46.5%).

8.3 Investors who are not residents of Australia for income tax purposes

Investors who are not residents of Australia for income tax purposes will need to consider both Australian tax (addressed below) and tax under the laws of their country of residence.

Taxation of distributions, and withholding of tax from distributions

Investors who are not residents of Australia for income tax purposes will be liable to Australian income tax on some or all of their distributions. The Manager will withhold amounts from distributions on account of that tax at rates appropriate to the type of income and the status of the Investor.

For non-resident Investors who are not trustees, there will be no practical need to quote a TFN or an ABN or claim an exemption.

Non-resident Investors who are trustees may choose to quote a TFN or, if applicable, an ABN or, if relevant, to claim an exemption. If such an Investor does none of those things, tax will be withheld from its distributions at 46.5% (or, in certain circumstances, at lower rates on parts of those distributions).

Redemptions or other disposals of Income Units

A non-resident Investor should generally not be liable to Australian CGT on any capital gain it might make on the disposal (by redemption or otherwise) of an Income Unit in the Fund unless that Investor and its associates have an option or right to acquire an interest in the Fund which confers an entitlement to, or an entitlement to acquire at least 10% of either the income or corpus (capital) of the Fund. The relevant 10% threshold test will be satisfied if there is a 10% or greater entitlement (or entitlement to acquire) either at the time of disposal, or throughout a 12 month period which commences in the 24 months preceding the time of the disposal and which ends no later than the time of the disposal.

Non-resident Investors whose investment in the Fund satisfies the 10% threshold test noted above should obtain their own advice in relation to the application of CGT to their investment in the Fund.



9.1 Constitution

The Constitution, which is dated 21 December 2005 and was amended on 26 February 2007, has been lodged with ASIC. Along with the Corporations Act, the general law relating to trusts and this PDS, it governs the rights and obligations of members and the Manager's duties and powers. Copies of the Constitution are available free of charge from the offices of the Manager during normal business hours.

Retirement and removal of the Manager as responsible entity

The Manager may retire or may be removed by Investors in accordance with the Corporations Act. However, there are two important consequences if the Manager is removed. First, a new responsible entity would be entitled to charge the management fee (see Section 7.4.3). Secondly, Multiplex Capital Securities Limited as responsible entity of MPF, would be entitled to exercise a call option in relation to the Initial Portfolio (see Section 9.7).

Investments

The Manager has broad investment powers under the Constitution, including investment in a broad range of property-related assets.

Rights of an Investor

The rights of Investors include whilst the Fund is Liquid, the right to request redemption of Income Units (but for Direct Income Units, not for 12 months from issue date), to participate in income that the Manager decides to distribute (up to the PDP rate), to receive a share of capital of the Fund on winding up (in priority to Ordinary Units and limited to \$1.00 per Income Unit regardless of any capital growth), and to requisition and vote at Unitholder meetings.

Termination of the Fund

The Fund will terminate on the earliest of:

- the date specified by the Manager following notification to Investors;
- the date specified in a notice given by MPF as the holder of Ordinary Units, following a proposal to change the responsible entity of the Fund to a company that is not a related body corporate of Multiplex Capital Securities Limited; and
- the date on which it terminates in accordance with another provision of the Constitution or by law.

Following termination, the Manager is required to sell and realise the assets of the Fund and distribute the proceeds, less expenses:

- first, to Investors in respect of Income Units held at the time of termination, \$1.00 per Income Unit plus the Investor's accrued income entitlement (or, if insufficient funds, proportionately based on the redemption price of their respective Income Unit holdings plus accrued income entitlements); and
- next, to MPF, as the holder of Ordinary Units, the balance of the net assets (if any).

No units may be issued or redeemed after the 80th anniversary of the day before the Fund commenced, unless that issue or redemption would not offend the rule against perpetuities or any other rule of law or equity.

Amending the Constitution

The Manager may amend the Constitution where the Manager reasonably considers the changes will not adversely affect members' rights. Otherwise the amendments must be made by special resolution of members.

The Manager's limitation of liability and right of indemnity

The Manager is not liable in contract, tort or otherwise to Investors for any loss suffered in any way relating to the Fund, except to the extent that the Corporations Act imposes such liability. The Manager is entitled to be indemnified out of the assets of the Fund for any liability incurred by it in properly performing its duties in relation to the Fund. The Manager will be liable for the acts or omissions of any agents properly appointed by the Manager to the same extent as if they are acts or omissions of the Manager.

Limitation on holding Income Units

A Direct Investor may not, either alone or together with another person or persons, hold more than 5% of the Income Units on issue, or such other amount as is determined by the Manager. Also, no person may be registered as the holder of more than 19.9% of Income Units on issue, even if they hold for different beneficial owners. The Manager has the right to dispose of an Investor's Income Units in the event that an Investor breaches these limits.

Unit classes

The Constitution sets out the different rights to income and capital of the Fund for the different unit classes. Investors have a priority entitlement to income of the Fund that the Manager decides to distribute, up to the amount of the PDP, in proportion to the number of Income Units they hold. MPF, as holder of the Ordinary Units, is entitled to the balance of distributable income, if any. Further, Investors have priority on winding up the Fund to a return of capital of \$1.00 per Income Unit, ahead of MPF as the holder of Ordinary Units.

As well as this division of rights to capital and income between the holders of Ordinary Units and Income Units, the Constitution provides for the issue of Direct Income Units (which may be converted into MPF Units) and Indirect Units (which may not be converted), and allows for the issue of further classes of income units with different income entitlements and conversion or withdrawal arrangements, according to their terms of issue.

Liability of Investors

The Constitution provides that the liability of each Investor is limited to their investment in the Fund. However, the Manager is unable to assure Investors that their liability will be limited in the manner provided by the Constitution, because the liability of Investors is ultimately determined by the courts. An Investor may be required to indemnify the Manager for tax or user pays fees in relation to their investment).

9.2 Terms of Issue of Income Units

The product features of the Income Units as set out in the Terms of Issue, are described in Sections 1 and 3. Copies of the Terms of Issue are available from the Manager on request and are on the Manager's website: www.multiplexcapital.biz

9.3 Compliance Plan

The Compliance Plan sets out the arrangements and measures that the Manager will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution. Compliance with the plan will be overseen by the Fund's compliance committee (which comprises a majority of independent members) and will be audited annually by an external auditor.

9.4 Custody deed

In accordance with the Corporations Act, ASIC policy and the terms of the Manager's AFSL, all the assets of the Fund as at the date of this PDS, are held by JPMorgan Chase Bank, N.A. as custodian. The Custodian is not liable to Investors. The Custodian may only act on proper instructions (as set out in the custody deed) given by or on behalf of the Manager. The Custodian is indemnified by the Manager for any action taken and all claims and liabilities arising in connection with the assets of the Fund, except in the case of fraud, negligence or wilful default under the custody deed by the Custodian.

9.5 Conversion deed

The Conversion Deed is dated 8 March 2007 and is between the Manager (Multiplex Capital Securities Limited in its capacity as responsible entity of the Fund) and Multiplex Capital Securities Limited in its capacity as responsible entity of MPF (MPF RE). It is stated to be for the benefit of the Investors and MPF Unitholders.

Pursuant to the deed, the MPF RE undertakes:

- to issue MPF Units if the Manager determines Direct Income Units are to be converted to MPF Units; and
- for the time specified, not to pay any distribution on any MPF Units (except to the extent such distribution is fully reinvested in further MPF Units) in the event that the PDP is not paid to the Investors in accordance with the Distribution Stopper as referred to in Section 2.10.

9.6 Deed of undertaking for ASX

The Deed of Undertaking is dated 8 March 2007 and is made by Multiplex Capital Securities Limited in its capacity as responsible entity of MPF (MPF RE) in favour of ASX and each of the Investors. In the deed, the MPF RE undertakes:

- to disclose in each annual report of MPF a summary of the terms of each class of Income Units on issue and the number of such units that remain on issue;
- to seek the opinion of ASX pursuant to Listing Rule 10.8 as to whether to obtain the approval of MPF Unitholders pursuant to Listing Rule 10.1 in the event that either MPF or the Fund proposes to acquire a substantial asset from, or dispose of a substantial asset to, a party whose relationship to either fund is such that that party is one to whom Listing Rule 10.1 applies; and
- that where Income Units are to be converted to MPF Units or redeemed for cash, the MPF RE will ensure the Fund has sufficient cash to effect the conversion or redemption, either by loan or subscription for further Ordinary Units if required.

9.7 Option deed

The Option Deed is dated 8 March 2007 and is made by Multiplex Capital Securities Limited as responsible entity of each of the Fund and MPF, in favour of the MPF Unitholders. It provides MPF with an option to repurchase, at market value current at the time of repurchase, all or part of the Initial Portfolio that was sold to the Fund, or such of the Initial Portfolio which is then owned by the Fund. The option may be exercised if notice is given of a proposal to change the responsible entity of the Fund to a company that is not a related body corporate of the Manager. The option lapses once the responsible entity is changed to an unrelated company. The option may not be exercised to the extent that it would cause Multiplex Capital Securities Limited to breach its duties under the Corporations Act in respect of either fund or the Listing Rules applicable to MPF.

9.8 SG Hiscock investment management agreement

This is the agreement under which the Manager has appointed SG Hiscock to manage the Fund's listed property trust portfolio.

The agreement sets out SG Hiscock's duties as manager of the portfolio. SG Hiscock must manage the portfolio and develop it in accordance with the Fund's objectives and investment strategy. SG Hiscock will provide regular reports to the Manager and regularly confer with the Manager regarding the portfolio.

Under the agreement, SG Hiscock will be paid a management fee by the Manager in its personal capacity, on a quarterly basis. The fee will be based on a percentage of the aggregate value of the portfolio managed by SG Hiscock at the end of each quarter.

The agreement can be terminated by the Manager at any time on one month's notice. SG Hiscock can terminate the agreement by giving at least three months' notice to the Manager.



10

10.1 Corporate governance

Responsible entity

The Manager is responsible for the overall governance of the Fund, including the protection of Investor interests, developing strategic direction, establishing goals for management and monitoring the achievement of these goals.

Board composition

The Board meets on a regular basis and is required to discuss pertinent business developments and issues and review the operations and performance of the Fund. As at the date of this PDS, there is a majority of non-executive members of the Board (see Section 5.4). The Manager will keep Investors updated of any change to the composition of the Board on the Manager's website.

Compliance committee

The Manager has established a compliance committee which includes a majority of external members. The role of the compliance committee includes:

- monitoring the Manager's compliance with the Compliance Plan;
- reporting to ASIC, if the compliance committee takes the view that the Manager has not taken or does not propose to take, appropriate action to deal with breaches reported to the Manager; and
- assessing the adequacy of the Compliance Plan and recommending any changes to the Manager.

Custodian

As at the date of this PDS, JPMorgan Chase Bank, N.A. is the custodian of all the assets of the Fund (other than any direct property the Fund may acquire). The role of the Custodian is to hold assets of the Fund and to deal with these assets only as instructed by or on behalf of the Manager in accordance with the provisions of the Compliance Plan and Constitution, the Corporations Act and the agreement between the Manager and the Custodian. Section 9.4 contains a summary of the custody deed. The Custodian is not a trustee appointed to protect the interests of Investors. Subject to regulatory requirements, the Manager reserves the right to change the custody arrangements and will keep Investors updated of any change on the Manager's website.

Conflicts policy

In appropriate circumstances, the Fund may:

- acquire properties or investments from the Multiplex Group or from Multiplex Funds (please note however, the Multiplex Group is under no obligation to offer properties or investment opportunities to the Fund, nor is the responsible entity of a Multiplex Fund under any obligation to offer properties or investment opportunities to the Fund);

- sell properties or investments to the Multiplex Group or to a Multiplex Fund;
- co-invest with the Multiplex Group or with a Multiplex Fund in properties or investments; and
- invest in a Multiplex Fund (please note however, the responsible entity of a Multiplex Fund is under no obligation to offer investment opportunities to the Fund).

Whenever a transaction presents the Manager with a conflict of interest, it will be conducted in accordance with the Manager's conflicts policy.

10.2 ASX

ASX has issued two decisions for the benefit of MPF which relate to the relationship between MPF and the Fund, and provide confirmations and waivers in relation to various Listing Rules that facilitate this Offer and conversion of Direct Income Units to MPF Units. Further, Multiplex Capital Securities Limited as responsible entity of MPF, has entered into a Deed of Undertaking with ASX (see Sections 9.6 and 11.13 for more details).

10.3 ASIC

ASIC has issued two declarations to the Manager, dated 7 March 2007 and 12 March 2007.

In the event the Fund is not Liquid, the first declaration allows the Manager to process withdrawal applications without having to make a withdrawal offer that complies with Part 5C.6 of the Corporations Act, on condition that the responsible entity of MPF undertakes to ensure the Fund has sufficient cash to provide the withdrawal proceeds when a redemption or conversion occurs.

The second declaration exempts the responsible entity of MPF from having to provide a product disclosure statement in relation to the issue of MPF Units at the time of conversion of Direct Income Units to MPF Units, on condition that this PDS contain certain information about MPF (see Section 11).

10.5 Complaints

The Constitution contains procedures for the handling of complaints from Investors. If an Investor has a complaint, the Investor should contact the Manager and provide their name, address and Investor number. The Manager is required to acknowledge receipt of a written complaint as soon as practicable and in any event within 14 days.

The Manager must give proper consideration to the complaint and must act in good faith to deal with the complaint.

The determination relating to the complaint, the remedies (if any) available and information regarding any further avenue for complaint must be communicated within 45 days of receipt of the complaint.

The Manager is a member of the Financial Industry Complaints Service Limited (FICS). Investors can contact FICS on 1300 780 808 or write to FICS at PO Box 579 Collins Street West, Melbourne VIC 8007.

10.6 Investment through an Administration Service

A person may invest indirectly in the Fund through an Administration Service, by directing the trustee or operator of the Administration Service to acquire Income Units on their behalf. Administration Services will be issued with Indirect Income Units. Investors through an Administration Service may rely upon and are authorised to use the information contained in this PDS for the purpose of directing the trustee or operator of the service to invest in the Fund on their behalf.

Those investing through an Administration Service should consult the operator of the service as to what cooling-off rights, if any, they may have.

A person investing through an Administration Service does not become an Investor in the Fund. Accordingly, they do not acquire the rights of an Investor or acquire any direct interest in the Fund. The operator or manager of the Administration Service acquires these rights and can exercise, or decline to exercise them, on behalf of the investor according to the arrangements governing the Administration Service. An Indirect Investor should ignore certain information in this PDS that is relevant only for those making an investment in the Fund directly. This includes information relating to:

Application Form – Indirect Investors do not complete the Application Form attached to or accompanied by this PDS. Instead they complete the application form supplied by the operator of the Administration Service, which can be obtained from the investor's adviser.

Information – An Indirect Investor will receive no statements, tax information or other information directly from the Fund. An Indirect Investor should receive equivalent information from the operator of the Administration Service.

Withdrawals – Provisions which relate to withdrawing Income Units will affect the operator of the Administration Service and not the Indirect Investor.

Fees and expenses – Fees and expenses applicable to the Administration Service (and set out in the Administration Service offer document or client agreement) are payable in addition to the fees and expenses stated in this PDS. The Manager does not charge a contribution fee on investments made through Administration Services.

10.7 Statement regarding labour standards and environmental, social and ethical considerations

The Manager does not, in the context of making decisions relating to the Fund, take into account labour standards or environmental, social or ethical considerations, except to the extent the Manager considers these issues have the potential to materially impact on the economic merits of its decisions in relation to the Fund.

This means that if the sustainability or value of the Fund is adversely affected due to unacceptable labour standards or environmental, social or ethical factors, the Manager may choose not to invest further or to dispose of the investment.

10.8 Reporting

Investors will receive reports and other information relating to their investment in the Fund. This includes:

When investing, withdrawing or otherwise transacting	A confirmation of each issue, redemption or transfer of Units.
Monthly	Distribution advice.
Quarterly	Fact sheets.
Yearly	Annual report together with a copy of the Fund's audited annual financial statements. An annual taxation statement showing the details of distributed income and its Tax Deferred component for the last financial year.
Periodically	Fund updates detailing significant, recent or upcoming events or transactions.
Website	All Fund reports and the daily Unit Price will be posted on the Manager's website.
Accessing account details	Any queries in relation to the Fund or Investor account details should be directed to: <ul style="list-style-type: none"> – By phone (advisers), Multiplex Capital adviser services on free call 1800 570 000; – By phone (Investors), Registry investor services on free call 1800 766 011; – By email (advisers) on adviser@multiplex.biz; and – By email (Investors) on enquiries@multiplexcapital.biz.

Investors investing through an Administration Service will receive reports on their investment from the operator of the relevant service, not from the Manager.

10.9 Continuous disclosure

Once the Fund has 100 Investors, it will become a disclosing entity and will be subject to regular reporting and disclosure obligations. In particular, annual financial reports, half-year financial reports and any continuous disclosure notices must be lodged with ASIC by the Manager. Copies of the documents lodged with ASIC may be obtained from or inspected at an ASIC office or obtained from the Manager, free of charge upon request.

10.10 Privacy

The Manager is committed to managing personal information in a way that complies with the principles outlined in the *Privacy Amendment (Private Sector) Act 2000* and using any personal information provided in an application in a way that respects the privacy of Investors.

By completing the attached Application Form, applicants are providing personal information to the Manager through the Registry, who has been contracted by the Manager to manage the applications for Income Units, maintain the Fund's register of members and otherwise manage communications with Investors.

The Manager will use personal information only for the following purposes:

- to evaluate applications;
- to issue Income Units;
- to communicate with Investors in relation to their unit holdings and all transactions relating to unit holdings;
- to advise Investors of their monthly distributions;
- to report in relation to a Investor's investment in the Fund including annual and half-yearly reports, annual taxation information and other information; and
- to keep Investors informed of future Multiplex Capital investment opportunities, products and services of a similar type.

If Investors do not provide the information requested on the Application Form, the Manager may not be able to process or accept applications. Personal information will be shared with the Registry to maintain unit holdings and may be disclosed to other entities within the Multiplex Group, but only for the above purposes.

If Investors do not wish to receive information on future Multiplex Capital investment opportunities or products, they should indicate the election in the relevant box on the Application Form.

Personal information may also be disclosed to any financial institution nominated by Investors (or to the facilitator of any BPAY® service) and may be disclosed to an Investor's licensed financial adviser. If Income Units are purchased through an adviser or a broker, by signing the Application Form an Investor authorises the Manager to disclose to the adviser or broker noted or whose stamp appears on the Application Form, information relating to the application for Income Units and any communications sent to the Investor. This authorisation specifically excludes the disclosure of any tax file numbers or any information in relation to them. This authority will continue unless revoked by an Investor in writing.

If obliged to do so by law, the Manager will provide an Investor's personal information to other parties strictly in accordance with the relevant legal requirements.

10.11 Instructions by facsimile

Subject to the Corporations Act, the Manager may accept certain instructions from Investors by facsimile, including additional investment applications, withdrawals and change of Investor details.

Where an Investor gives instructions to the Manager by facsimile, that Investor releases the Manager from and indemnifies it against all losses and liabilities arising from any payment or action by the Manager based on any instruction (even if not genuine) that the Manager receives by a facsimile bearing the Investor's investor number and a signature which is apparently that of the Investor or that of an authorised signatory for the investment. The Investor agrees that neither it nor any entity claiming through it has any claim against the Manager or the Fund in relation to such payments or actions.

Investors giving instructions by facsimile should be aware that there is a risk that a fraudulent facsimile withdrawal request can be made by someone who has access to the Investor's investor number and a copy of the Investor's signature.

10.12 Unit pricing discretions

If the Manager is required to prepare policies documenting how it will determine any variable components of the price of units for future issues, copies of the policies will be available from the Manager at no charge.

10.13 Investment structure

To provide the Fund with as much flexibility as possible, investments may be made through investment vehicles (such as trusts and companies), established by the Manager (or an associate of the Manager). Although these investment vehicles may be initially wholly owned by the Fund, they may subsequently be opened up to investment from third parties.



11

11.1 ASIC relief

ASIC has granted relief to Multiplex Capital Securities Limited from the requirement to give a product disclosure statement covering MPF Units to a Direct Investor whose Direct Income Units are converted to MPF Units at the time of withdrawing from the Fund. The relief has been granted on the basis that this PDS discloses sufficient information about MPF to meet the requirements of sections 1013C, 1013D, 1013E, 1013F and (to the extent applicable) 1013FA of the Corporations Act as if this PDS contained an offer of interests in MPF. Information to meet that requirement is set out in this Section.

11.2 MPF

Units in MPF are quoted on ASX under the code MPF. The responsible entity and manager of MPF is Multiplex Capital Securities Limited ACN 103 736 081, which is also the responsible entity and manager of the Fund. Contact details can be found on the inside back cover of this PDS.

MPF listed on ASX in July 2003 with an issue price of \$1.00 per unit and a market capitalisation of \$65 million. The market capitalisation of MPF has increased to \$256 million as at the end of February 2007. MPF's investments are diversified across asset class, property sector, geographic locations and managers. Total assets of \$344 million (as at 31 December 2006) are spread over 47 different property security investments with 21 different fund managers.

The primary objectives of MPF are to provide:

- steady income distributions with tax benefits;
- a moderate level of capital growth; and
- a low level of unit price volatility.

Quarter ended	Distribution (cents per unit)	Year on year distribution growth (%)	Income yield ¹ (%)	Capital growth ¹ (%)	Total return ² (pa) (%)
30 September 2003	2.250				
31 December 2003	2.313				
31 March 2004	2.438				
30 June 2004	2.438				
Total FY2004	9.438	n/a	9.44	1.00	10.44
30 September 2004	2.438				
31 December 2004	2.500				
31 March 2005	2.500				
30 June 2005	2.500				
Total FY2005	9.938	5.30	9.84	2.97	12.81
30 September 2005	2.575				
31 December 2005	2.575				
31 March 2006	2.575				
30 June 2006	2.575				
Total FY2006	10.300	3.65	9.90	8.17	18.07
30 September 2006	2.660				
31 December 2006	2.660	3.30 ³	9.83 ³	12.21 ³	22.04

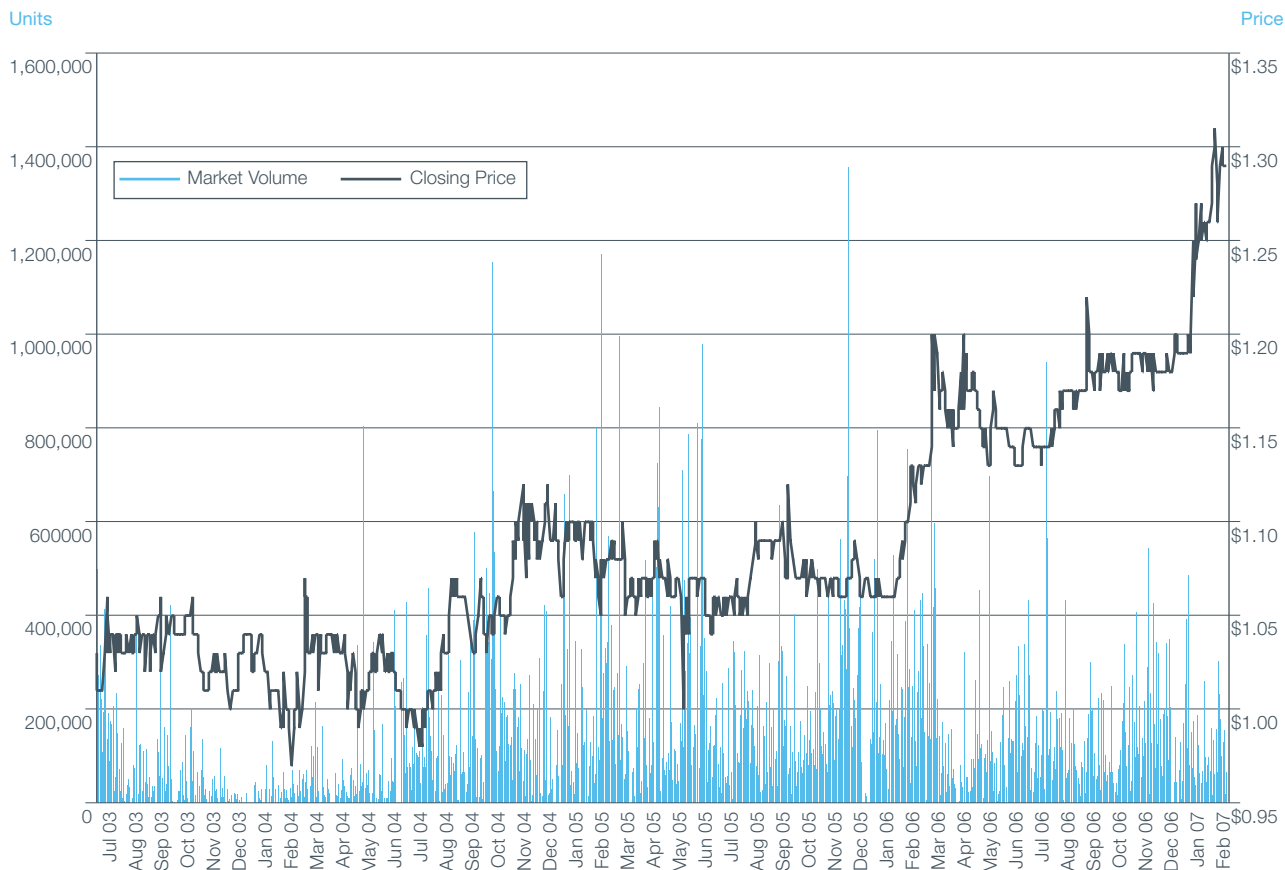
Notes:

- 1 Both the income yield and the capital growth figures are annualised figures and are determined against the ASX market price per MPF Unit at the start of the relevant financial year (e.g. \$1.00 in relation to the year to 30 June 2004).
- 2 Total return calculated as income yield plus capital growth.
- 3 Actual MPF performance for year ended 31 December 2006.

As a disclosing entity, MPF is subject to regular reporting and disclosure obligations. Information about MPF may be obtained on the ASX website at www.asx.com.au, and a copy of MPF's most recent annual report, half-year report and continuous disclosure notices given since the date of the annual report may be obtained free from its manager.

Please note that past performance is not necessarily indicative of future returns.

11.3 Trading price and volume



11.4 Relationship between MPF and the Fund

There are several direct links between MPF and the Fund (see Section 2.11).

The Initial Portfolio was acquired by the Fund from MPF in consideration of the issue of Ordinary Units to MPF.

As the owner of the Ordinary Units, MPF may benefit in the event that the Manager is able to pay the PDP and has excess income available that it may distribute to MPF.

In the event that a Direct Investor requests withdrawal from the Fund, and the Manager at its discretion elects to satisfy the withdrawal request, the Manager may pay cash or arrange for the issue of an equivalent value of MPF Units. This means that a Direct Investor whose withdrawal application is satisfied may become an MPF Unitholder. In certain circumstances, MPF Units may be issued at a discount to their current market price. This would assist a Direct Investor that wants to sell the MPF Units as the discount should compensate for any brokerage or commission paid as part of the sale process (see Section 3.6).

11.5 Fees and other costs of MPF

Consumer advisory warning

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

Fees and other costs

This Section shows fees and other costs that you may be charged if you acquire MPF Units upon conversion of Direct Income Units. These fees and costs may be deducted from the returns on your investment or from MPF assets as a whole. Taxes are set out in Section 11.9. You should read all information about fees and costs as it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee The fee to close your investment.	Nil	Not applicable
Management costs The fees and costs for managing your investment.	Management fee – equivalent to approximately 0.47% per annum of the gross asset value of MPF plus the difference between the gross assets of the Fund and the value of the Ordinary Units. ¹ Expenses of operating the fund estimated to be 0.20% per annum of MPF's net assets. ²	Paid quarterly in arrears from the assets of MPF. Paid from the assets of MPF as and when incurred.
Service fees Investment switching fee The fee for changing investment options.	Nil	Not applicable

Notes:

1 This amount includes GST less any reduced input tax credits, and is equivalent to 0.60% per annum of MPF's net assets as at the date of this PDS.

2 This amount includes GST.

Example of annual fees and costs for MPF

This table gives an example of how the fees and costs for MPF can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs	0.80% pa of net assets	And, for every \$50,000 you have in MPF, you will be charged \$400 each year.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during a year, you would be charged – \$400

Since the management fees for MPF are charged on the value of Income Units on issue as well as the assets of MPF (see Section 7.4.1), the dollar amount of fees for each \$50,000 in MPF will increase as Income Units are issued. For example, if \$20 million worth of Income Units were on issue, the management fees for each \$50,000 held in MPF would be approximately \$18 per annum higher than the amounts shown.

Additional explanation of fees and costs

Expenses of MPF

Multiplex Capital Securities Limited as responsible entity of MPF (MPF RE) is entitled to be reimbursed out of MPF for costs, charges and expenses properly incurred in relation to MPF. The MPF RE currently estimates that the amount of these costs will be approximately 0.20% per annum of the net asset value of MPF.

This figure includes an allowance for expenses of the Fund which MPF bears through its holding of Ordinary Units in the Fund.

The MPF RE may accept lower fees than it is entitled to receive.

Goods and Services Tax (GST)

All fees stated in the fees and costs table and the example fee table are inclusive of GST adjusted for reduced input tax credits.

11.6 Benefits and risks

The benefits of holding an investment in MPF are as follows:

- diversified investment portfolio (as between investments, property asset class, geographic spread of property assets, tenants and underlying fund managers);
- MPF is a wholesale investor into unlisted funds from which it receives wholesale fee rebates;
- ASX listing which offers liquidity and regular market pricing; and
- professional and experienced management.

The risks of holding an investment in MPF include the various factors that may have an effect on the value of the investments held by MPF, the net income of MPF, distributions paid by MPF and the price at which MPF Units trade on the ASX, such as the following:

- movements on the Australian and international stock markets and changes in economic conditions or interest rates may affect the price at which listed securities trade;
- changes in the property market, especially changes in the valuations of properties and in market rents, may affect MPF's income and distributions, and the price of MPF Units;
- MPF expenses may be greater than anticipated, thereby reducing the amount available for distributions to MPF Unitholders; and
- changes to the availability of borrowings and the interest rates required by lenders may require MPF to borrow at interest rates greater than those in place as at the date of this PDS thereby affecting distributions. There are also risks associated with the use of debt funding, as borrowing to invest increases potential losses as well as potential profits.

11.7 Use of debt funding

At 31 December 2006, MPF's gearing was 17.8% (net debt to assets). On a "look through basis", which takes into account the gearing in the underlying investments, the gearing level equates to approximately 61%, a level which is in line with the gearing levels in many of the new unlisted funds into which MPF invests. Importantly, the interest rates on over 90% of MPF's debt are fixed at an interest rate of 6.80% (including margins) until August 2010 and the majority of the funds into which MPF has invested also utilise interest rate hedging. These factors reduce the interest rate risk on this component of MPF's borrowings.

11.8 Complaints handling process

The MPF RE must acknowledge in writing any complaint by an MPF Unitholder. A complaint must be considered by the compliance officer and, if sufficiently material, by the directors. The MPF RE must communicate the determination of the complaint, including reasons, to the MPF Unitholder. If the MPF Unitholder is not satisfied, the MPF RE will refer the MPF Unitholder to the Financial Industry Complaints Services Limited (FICS) and provide general guidance on further avenues open to the MPF Unitholder. The contact details of FICS are set out in Section 10.5.

11.9 Taxation implications

Comments on income tax aspects of holding Income Units are included in Section 8.

The Manager's comments in this Section are intended to assist Direct Investors who become holders of MPF Units by conversion of Direct Income Units. The comments are intended to assist such Investors in relation to the income tax (including capital gains tax, or CGT) implications for them of their investments in MPF Units. The comments are based on current law and practice, and are of a general nature only. Investors should consider seeking their own advice, where appropriate, specific to their own circumstances.

The comments in this Section are relevant only for investors who would hold their MPF Units as capital assets, such that only the CGT provisions would be relevant to them on a disposal of those units. The comments are not applicable to any investor who carries on a business of dealing in securities or who would (for any other reason) hold its units on revenue account.

The Manager expects that each year MPF will distribute to MPF Unitholders an amount at least equal to its taxable income, and that the taxable income of MPF will be taxable in the hands of MPF Unitholders and not in the hands of the MPF RE.

After the end of each income year (30 June), MPF will issue an annual taxation statement to each MPF Unitholder, giving information necessary for purposes of that MPF Unitholder's income tax return.

There are certain provisions in the income tax law which, where they apply, cause a trust to be taxed in a similar manner to a company. The Manager does not expect those provisions to apply to MPF.

Investors who are residents of Australia for income tax purposes

Taxation of distributions

Distributions from MPF will include assessable income. Investors who are residents of Australia for income tax purposes will be required to include that assessable income in their income tax returns.

The Manager expects MPF will continue to hold its assets on capital account. To the extent that distributions from MPF include realised capital gains, those gains will need to be taken into account in the CGT results of Unitholders for the relevant years. Where the gains relate to assets held for at least 12 months, the CGT discount (50% in the case of individuals and most trusts and one third in the case of most superannuation entities) should be available to Unitholders in relation to those gains.

The Manager also expects that part of the distributions from MPF will be Tax Deferred. Tax Deferred distributions will normally not be assessable to MPF Unitholders on their receipt, but will reduce the cost base of their units for CGT purposes. If the situation is reached where the cost base of any unit is eliminated by Tax Deferred distributions received by the holder of that unit, any further Tax Deferred receipts would themselves constitute capital gains to that MPF Unitholder.

Distributions may also include the part of any capital gain made by MPF which is attributable to the 50% CGT discount that will be taken into account (where applicable) in MPF. Distributions of such amounts to Unitholders should not be assessable to them and should not reduce the CGT cost base of their units.

MPF's assets may include investments with assets outside Australia, or in companies in Australia. In that event it may be necessary for MPF Unitholders to gross-up their cash distributions for tax purposes to reflect additional assessable income in relation to any foreign tax suffered by MPF or in relation to imputation credits on franked dividends received by MPF. In that case, Unitholders should normally be able to claim a foreign tax credit or a tax offset in relation to that foreign tax or those imputation credits, thereby reducing the income tax payable by them on their assessable income.

Distributions of assessable income in relation to an income year ending on 30 June will need to be reflected in the income tax return for that year, even if the distribution is physically received by the Investor in the subsequent income year.

Redemptions or other disposals of units

The CGT cost base of an MPF Unit received on conversion of Direct Income Units will commence at the market value of that MPF Unit at the time of its issue.

Tax Deferred distributions received by an MPF Unitholder will reduce the CGT cost base of the unit in respect of which those distributions are received.

On a disposal of an MPF Unit, an MPF Unitholder will need to compare the CGT cost base of that unit (reduced as described above) with the proceeds of disposal. Any incidental costs of disposal should be added to the CGT cost base for this purpose.

A capital gain or loss will arise for an MPF Unitholder to the extent that the CGT cost base of a unit, quantified as described above, differs from the proceeds of disposal. That capital gain or loss will need to be taken into account for purposes of the CGT result of the MPF Unitholder in the year in which the disposal takes place.

If the MPF Unitholder has held the unit for at least 12 months, that MPF Unitholder should be entitled to the CGT discount (50% in the case of individuals and most trusts and one third in the case of most superannuation entities) in relation to any capital gain on that disposal.

Withholding of tax from distributions

MPF Unitholders will be given the opportunity to quote a tax file number (TFN) or, in appropriate circumstances, an Australian Business Number (ABN) to the MPF RE. If an MPF Unitholder chooses not to supply a quotation or to claim an exemption, tax will be withheld from its distributions at the highest marginal tax rate plus Medicare levy (currently a combined rate of 46.5%).

Unitholders who are not residents of Australia for income tax purposes

MPF Unitholders who are not residents of Australia for income tax purposes will need to consider both Australian tax (addressed below) and tax under the laws of their country of residence.

Taxation of distributions, and withholding of tax from distributions

MPF Unitholders who are not residents of Australia for income tax purposes will be liable to Australian income tax on some or all of their distributions. The MPF RE will withhold amounts from distributions on account of that tax at rates appropriate to the type of income and the status of the MPF Unitholder.

For non-resident MPF Unitholders who are not trustees, there will be no practical need to quote a TFN or an ABN or claim an exemption.

Non-resident MPF Unitholders who are trustees may choose to quote a TFN or, if applicable, an ABN or, if relevant, to claim an exemption. If such an MPF Unitholder does none of those things, tax will be withheld from its distributions at 46.5% (or, in certain circumstances, at lower rates on parts of those distributions).

Disposals of units

A non-resident MPF Unitholder should generally not be liable to Australian CGT on any capital gain it might make on the disposal (by redemption or otherwise) of an MPF Unit unless that MPF Unitholder and its associates have an option or right to acquire an interest in MPF which confers an entitlement to, or an entitlement to acquire, at least 10% of either the income or corpus (capital) of MPF. The relevant 10% threshold test will be satisfied if there is a 10% or greater entitlement (or entitlement to acquire) either at the time of disposal, or throughout a 12 month period which commences in the 24 months preceding the time of the disposal and which ends no later than the time of disposal.

Non-resident MPF Unitholders whose investment in MPF satisfies the 10% threshold test noted above should obtain their own advice in relation to the application of CGT to their investment in MPF.

11.10 Costs of an investment in MPF

Section 11.5 contains information about the fees and expenses paid by MPF Unitholders as at the date of this PDS.

An example of the number of MPF Units that a Direct Investor will receive upon a conversion is set out in Section 3.6.

11.11 Labour standards and environmental, social and ethical considerations

The MPF RE does not, in the context of making investment decisions relating to MPF, take into account labour standards or environmental, social or ethical considerations except to the extent that the MPF RE considers these issues have the potential to materially impact on the economic merits of its decisions in relation to MPF.

This means that if the sustainability or value of MPF is adversely affected due to the unacceptable labour standards or environmental, social or ethical factors, the MPF RE may choose not to invest further or to dispose of the investment.

11.12 Cooling off

As MPF is listed on ASX, no cooling off rights apply in the event that Direct Income Units are converted to MPF Units.

11.13 ASX approvals

ASX has confirmed that:

- Direct Income Units will not be equity securities of MPF at the time of their issue for the purpose of Listing Rule 7.1, but the issue of MPF Units on conversion of Direct Income Units will be subject to compliance with Listing Rule 7.1.
- The MPF RE must only permit conversion if the issue of MPF Units does not cause MPF to breach the provisions of Listing Rule 7.1 at the time of that conversion.
- If after the issue of Income Units, MPF Unitholders approve the conversion of a certain number of the Direct Income Units, then the future conversion of those Direct Income Units into MPF Units will be treated as an issue of securities to which Listing Rule 7.2 exception 4 applies. This means that when these MPF Units are issued they will not be counted towards the limit imposed by Listing Rule 7.1 which prohibits issues exceeding 15% of capital in any 12 month period. The MPF RE proposes to seek such approval from MPF Unitholders at intervals of approximately 12 months.
- The MPF RE has entered into a deed of undertaking for the benefit of ASX and each of the Investors which is summarised in Section 9.6.



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Administration Service	Investor directed portfolio services (IDPS), IDPS-like schemes such as a master trust or wrap account, or a nominee or custody service.
AIFRS	Australian equivalents to International Financial Reporting Standards.
AFSL	Australian Financial Services Licence.
Application Form	The application form attached to or accompanying this PDS.
ARSN	Australian registered scheme number.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited, or the market operated by it as the context requires.
Board	The directors of the Manager.
Business Day	Has the same meaning as in the Listing Rules.
Constitution	The constitution of the Fund dated 21 December 2005 as amended.
Corporations Act	Corporations Act 2001 (Cth).
Custodian	JPMorgan Chase Bank, N.A.
Direct Income Unit	The type of Income Unit issued to Direct Investors.
Direct Investor	Someone who applies for units pursuant to this PDS and is issued Direct Income Units.
Distribution Stopper	The restriction on MPF paying cash distributions to MPF Unitholders in certain circumstances as referred to in Section 2.10.
Fund	Multiplex Property Income Fund (ARSN 117 674 049).
Indirect Income Unit	The type of Income Unit issued to an Administration Service.
Indirect Investor	Someone who directs an Administration Service to apply for units and the Administration Service is issued Indirect Income Units.
Income Units	Income Units in the Fund which comprise Direct Income Units and Indirect Income Units.
Initial Portfolio	The assets transferred to the Fund by MPF on 8 March 2007 as described in Section 4.
Investor	A holder of Income Units.
GST	Goods and Services Tax.
Liquid	The Corporations Act provides that a fund is "liquid" when at least 80% of the value of the assets of the fund are liquid assets (being assets such as cash, marketable securities and any other property the responsible entity reasonably expects can be realised for market value within a time specified in the fund's constitution). The time specified in the Constitution is 12 months.
Listing Rules	The listing rules of ASX.

Manager	Multiplex Capital Securities Limited (ACN 103 736 081, AFSL 226442) as responsible entity of the Fund.
MPF	The ASX listed Multiplex Acumen Property Fund (ARSN 104 341 988).
MPF Units	Ordinary units in MPF.
MPF Unitholder	A holder of MPF Units.
Multiplex	Multiplex Limited (ACN 008 687 063).
Multiplex Capital	The funds management division of Multiplex Group as referred to in Section 5.2.
Multiplex Fund	Any fund where a related entity of Multiplex is the responsible entity or trustee, except the Fund and wholly owned sub-trusts of the Fund.
Multiplex Group	Multiplex and Multiplex Property Trust and their controlled entities.
Multiplex Property Trust	Multiplex Property Trust (ARSN 106 643 387).
Offer	The invitation made by the Manager pursuant to this PDS to subscribe for Income Units.
Ordinary Units	Ordinary units in the Fund which are held by MPF.
Priority Distribution Payment or PDP	The proposed income distribution to Investors as referred to in Section 2.9.
PDS	Means this PDS dated 13 March 2007 issued by the Manager.
Registry	Registries (Victoria) Pty Ltd, being the company appointed by the Manager to manage the register of Investors.
Distribution yield on the S&P/ASX 200 Property Trust Index	<p>Means either:</p> <p>(a) the distribution yield on the S&P/ASX 200 Property Trust Index, which is calculated as a percentage per annum derived substantially in accordance with the formula as set out below, as calculated by ASX and published in the Australian Financial Review:</p> $\frac{\text{SUM (Rolling 12 months DPS x month-end FPO)}}{\text{SUM (Last Price x month-end FPO)}} \times 100$ <p>Where:</p> <p>SUM means the summation of all data on entities that belong to the relevant index group, being the S&P/ASX 200 Property Trust Index.</p> <p>Last Price means the last price of the entity's ordinary securities.</p> <p>Month-end FPO means the total number of listed/quoted ordinary securities at the end of the month as per records in the ASX database based on information lodged by the entity.</p> <p>Rolling 12 Months DPS means the rolling 12 months distribution per security (DPS) based on the most recent six months' DPS plus the previous six months' DPS. DPS data is based on entity announcements to ASX; or</p>

Distribution yield on the S&P/ASX 200 Property Trust Index continued	<p>(b) if ASX ceases to calculate the index yield described above, the Australian Financial Review ceases to publish that index yield or the composition of the S&P/ASX 200 Property Trust index changes substantially, an alternative index-based yield that is as comparable as practicable with the above index yield as it was before the change, reasonably selected by the Manager and which is either:</p> <ul style="list-style-type: none"> – published in a newspaper or on a website which is accessible without charge; or – calculated by the Manager and verified by the auditor of the Trust or an independent accountant.
SG Hiscock	SG Hiscock & Company Limited (ACN 097 263 628, AFSL 240679), the manager of the Income Fund's listed property trust portfolio.
Tax Deferred	Refers to the non-assessable component of a distribution received by an investor. This amount does not form part of an investor's taxable income in the year of receipt but will reduce the cost base of the investor's units for capital gains tax purposes.
TFN	Tax File Number.
Unit Price	The price at which an Income Unit is issued as calculated in accordance with Section 3.3.
VWAP	The average of the daily volume weighted average sale price per MPF Unit that sold on ASX during the period of 10 Business Days prior to the day on which the Manager elects to convert Direct Income Units to MPF Units.



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13.1 How to invest

Before completing the Application Form you should read this PDS carefully.

Please pay particular attention to all of the risk factors in Section 6 and other information in relation to the Income Units, the Fund and its assets. The risks need to be considered in light of an Investor's own investment situation.

Where appropriate, Investors should also consult a financial, taxation or other professional adviser before deciding whether to apply for Income Units.

For Direct Investors, there are **three** ways to invest:

1. Cheque

Complete the yellow Application Form attached to this PDS and post with a cheque to the Registry.

OR

2. Direct debit

Complete the yellow Application Form and the grey Direct Debit Request Form (Initial Investment), both of which are attached to this PDS and post them to the Registry.

OR

3. Online

Complete the electronic Application Form at www.multiplexcapital.biz and BPAY® online.

For Indirect Investors, do not complete the yellow Application Form attached to or accompanying this PDS. Please complete the application form supplied by the operator of the relevant Administration Service.

13.2 Application Form instructions

Please complete all relevant sections of the Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Application Form.

1. If you have previously invested into a Multiplex Fund, please provide your existing investor number/s.
2. Enter the \$ amount of your application.
3. Write your full name or the full company name. Initials are not acceptable for first names. See Section 13.3 for examples of the correct form of registrable title.
4. Enter your postal address for all correspondence. Until we notify you otherwise, all communications to you from the Fund will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
5. Enter your Australian tax file number (TFN) or, where relevant, Australian business number (ABN) or exemption category, if you are an Australian resident. You are not obliged to supply your TFN (or, where relevant, an ABN) or claim an exemption, but tax may be withheld from some or all of your distributions if you choose not to supply this information. This will not affect your Application Form.
6. Insert your date of birth.
7. You may pay your application monies by cheque or completing and returning the grey Direct Debit Request Form (Initial Investment). If you are not paying by direct debit then please complete the cheque details in Part 8 of the Application Form. If you are paying by direct debit then please complete the grey Direct Debit Request Form (Initial Investment).
8. Make your cheque payable to "MPIF Application Account", cross it and mark it "Not Negotiable". Cheques must be made in Australian currency and drawn on an Australian bank or building society.
9. Enter your contact details so we may, if necessary, contact you regarding your Application Form or application monies.
10. Enter your email address so we may, if necessary, contact you regarding your Application Form or application monies or other correspondence.
11. Distributions will be paid by direct electronic payment into your nominated bank, building society or credit union account. Unless you intend your distributions to be reinvested into additional Income Units, then you must provide full details of your account and BSB numbers along with a copy of a blank deposit slip to ensure the accuracy of the details provided. If these details are not provided you will be deemed to have elected to reinvest your distributions until you notify the Manager otherwise.
12. Distributions may be reinvested into the Fund. Please indicate whether you would like to reinvest your distributions and if so, whether you would like to reinvest all, or a certain percentage. If you tick 'yes' but do not then specify a percentage, then 100% of your distributions will be reinvested.
13. Please complete this part if you would like to make regular investments into the Fund. See Section 13.5 for more information.
14. Please advise if you would not like to receive information about other Multiplex Capital products or services.
15. Advisers/Brokers are requested to complete their details and stamp the Application Form.
16. Please read and note the declaration.
17. Joint applications must be signed by all parties. Subject to the law, joint applicants are treated as joint tenants. Corporate applications must be signed in accordance with the applicant company's constitution. Applications made by those under the age of 18 must be signed by the parent/guardian under whose name the application is made.

13.3 Registrable titles

Note that ONLY legal entities can hold Income Units. The application must be in the name of a natural person(s), a company or other legal entities acceptable to the Manager. At least one full name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct Form	Incorrect Form
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/unincorporated bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Super Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

13.4 Lodgement

Mail your completed yellow Application Form with cheque(s) or grey Direct Debit Request Form (Initial Investment) attached in accordance with instructions from your financial adviser or to the following address:

Delivery:
Multiplex Property Income Fund
c/- Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000

Postal:
Multiplex Property Income Fund
c/- Registries Limited
PO Box R67 Royal Exchange
Sydney NSW 1223

If you have any questions as to how to complete any of the forms, please call 1800 766 011.

13.5 Regular investment plan

As at the date of this PDS, the Manager has implemented a regular investment plan, enabling Investors to make regular additional investments in the Fund without the need for the Investor to complete a new Application Form each time.

The minimum regular investment amount is, as at the date of this PDS, \$100 per calendar month.

If an Investor wishes to participate in the regular investment plan, then they must:

- elect to participate in the plan in part 13 of the Application Form and state the amount you wish to invest each month; and
- complete the blue Direct Debit Request Form (Regular Investment Plan), which accompanies this PDS.

On that form, Investors must nominate an account from which their additional investment amounts will be taken each month. The Registry will debit the additional investment amount from participating Investors' bank, building society or credit union accounts, each month. The debit should normally occur by approximately the 15th day of each calendar month.

Investors choosing to participate in the regular investment plan should note that additional investments under the plan will be subject to the same fees and costs (if any) as their initial investment in the Fund. Further, bank fees and government charges may apply.

If an Investor wishes to withdraw from the regular investment plan, or to change the amount of their regular investment, then they may do so by notifying the Registry in writing, at least ten Business Days before their next additional investment is due to be debited.

Please note the Manager may terminate, suspend or alter the terms of the regular investment plan, in its discretion and at any time, by placing a notice on the Manager's website. The termination, suspension or change will not take effect until at least 10 Business Days after the notice is posted onto the Manager's website.

Investors who are participating in the regular investment plan will be provided with copies of any updated or supplementary PDSs during the time they are participating. Investors should also make sure they regularly review the Manager's website for updated information regarding the Fund and its investments.

The Fund

Multiplex Property Income Fund
ARSN 117 674 049

MPF

Multiplex Acumen Property Fund
ARSN 104 341 988

Responsible entity of the Fund and MPF

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Registry

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Product Disclosure Statement
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