April 2007

Product Disclosure Statement
Multiplex European Property Fund
ARSN 124 527 206

Lead Equity Arranger
National Australia Bank Limited
ACN 004 044 937

Joint Lead Managers and Underwriters
National Australia Bank Limited
Commonwealth Securities Limited
ACN 067 254 399

Responsible Entity
Multiplex Capital Management Limited ACN 094 936 866

April 2007

Multiplex European Property Fund Product Disclosure Statement

European Fund

MULTIPLEX CAPITAL

Contents

Important notice

Responsible Entity

Multiplex Capital Management Limited (ACN 094 936 866, AFSL 223809) is the responsible entity of Multiplex European Property Fund (ARSN 124 527 206) (Fund) and the issuer of Units offered in this Product Disclosure Statement (PDS). In this PDS, it is referred to as the Responsible Entity. The Offer (comprising 184.45 million Units of $1.00 each) is 100% underwritten.

Important Information

This PDS is dated 20 April 2007 and was lodged with ASIC on that day. ASIC and ASX take no responsibility for the contents of this PDS. Applicants should only rely on the information in this PDS.

Electronic PDS

This PDS is available to Australian residents in paper form and as an electronic PDS which may be viewed online at www.multiplexcapital.biz, on NAB's website www.nabmarkets.com/multiplex or on CommSec's website www.commsec.com.au. The offer of Units pursuant to this PDS is only available to persons receiving a paper copy or an electronic version of this PDS in Australia.

Applications for Units made by Australian residents may only be made on the Application Form attached to or accompanying this PDS or via CommSec's online application facility.

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this PDS. During the Offer period, any person within Australia may obtain a free hard copy of this PDS by contacting NAB on 1800 652 669 or the Registry on 1800 709 611.

Restrictions

The Offer is only being made to persons in Australia. No action has been taken to register the PDS or otherwise permit a public offering of Units in any jurisdiction outside of Australia. In particular, Units have not been and will not be registered under the US Securities Act of 1933, as amended (Securities Act) or the laws of any State of the United States and may not be offered or sold, directly or indirectly, within the United States or to US persons (each defined in Regulation S under the Securities Act). 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 in jurisdictions outside Australia is limited and may be restricted by law and persons who come into possession of it and are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Disclaimers

An investment in the Fund is subject to investment and other risks, including loss of income and capital invested. Neither the Responsible Entity, nor any other member of the Multiplex Group or the Underwriters give any guarantee or assurance as to the performance of the Fund or the repayment of capital. The information contained in this PDS is not financial product advice and does not take into account the investment objectives, financial situation and particular needs of any prospective investor. Accordingly, before making any investment a prospective investor should read this PDS and any supplementary PDS in full. It is recommended that before a decision to invest is made, prospective investors should consult their financial or other professional adviser.

Investments in the Fund do not represent investments in, deposits with or other liabilities of NAB or CBA or any other member of the NAB group of companies (NAB Group) or the CBA group of companies (CBA Group). Neither NAB, CBA nor any other member of the NAB Group or CBA Group in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets in the Fund, or provide a guarantee or assurance in respect of the obligations of the Multiplex Group or its related entities. The NAB Group and CBA Group may also provide debt and treasury and other services to the Fund or its controlled entities. These services are provided in various capacities as a third party provider and the NAB Group and the CBA Group will act if necessary to protect their interests ahead of Unitholders and other parties. In acting in their various capacities in connection with the Fund, NAB and CBA will have only the duties and responsibilities expressly agreed to by them in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Neither NAB (whether in its individual capacity, as Lead Equity Arranger, Joint Lead Manager or joint Underwriter) nor CommSec (whether in its individual capacity, as Joint Lead Manager or joint Underwriter) accept any responsibility for any information or errors contained in, or omission from, this PDS and have not conducted due diligence or otherwise separately verified the information contained in this PDS and make no representation, warranty or undertaking, express or implied, as to the accuracy, completeness or suitability of the information contained in this PDS.

Glossary

The glossary in Section 12 defines a number of the key terms used.

Letter from the Chairman

Dear Investor

On behalf of Multiplex Capital Management Limited (Responsible Entity), I am pleased to invite you to co-invest in the Multiplex European Property Fund (Fund) with Multiplex Property Trust (MPT). An application to list the Fund on the ASX will be lodged within seven days of the date of this PDS.

The Fund has been established with a mandate to invest in property assets across Europe. The initial assets comprise an interest in 67 properties located throughout Germany (Initial Properties). Germany was identified as the foundation market due to its position as the world's third largest economy and improving economic outlook.

The Initial Properties exhibit a number of attractive fundamentals, including:

- 90% of the properties (by value) have been constructed or redeveloped since 1997;
- greater than 75% of rental income is paid by national tenants;
- 98.4% occupancy (by estimated rental value) across the portfolio;
- a weighted average lease expiry of 9.8 years (by income);
- strong exposure to non-discretionary retail and supermarket spending; and
- 71% of the properties (by value) are located in the former West Germany.

The Fund has purchased a 94.9% interest in the Initial Properties with a book value of €355.0 million ($599 million), representing a discount of 2.4% to an independent valuation of €363.6 million ($614 million).

One of the Sellers will continue to hold the remaining 5.1% interest in the Initial Properties. This interest is subject to a put and call option which may result in the Fund acquiring this interest.

The Responsible Entity seeks to raise $184.45 million through the issue of 184.45 million Units with an issue price of $1.00 per Unit payable in full upon Application. The Offer is fully underwritten by National Australia Bank Limited and Commonwealth Securities Limited.

MPT is a cornerstone investor in the Fund and will, post the Allotment Date, hold 20.15% of Units on issue. This will create a strong alignment of interests between Multiplex Group and Unitholders under this PDS. In addition, another Multiplex Capital managed fund, the ASX listed Multiplex Acumen Property Fund, will hold a further 5.16% of Units on issue post Allotment.

The Responsible Entity has engaged Multiplex Capital Pty Ltd (Fund Manager) to provide investment management services to the Fund.

The Fund's forecast cash distributions are:

- 8.5% annualised for the period from the Allotment Date to 30 June 2008; and
- 8.7% for the financial year ending 30 June 2009.

Distributions are forecast to be 65% Tax Deferred for the period from the Allotment Date to 30 June 2008 and 69% Tax Deferred for the financial year ending 30 June 2009. Prospective investors should note that the Fund's forecast cash distributions are subject to important assumptions (refer to Section 6.7) and should be considered in light of the investment risks (see Section 8).

The Fund may buy additional properties in Europe, subject to any particular property satisfying the Fund's investment criteria and availability of funds.

I encourage you to read this PDS carefully and seek your own professional advice as to the suitability of this investment product for your requirements.

On behalf of the Board, I look forward to welcoming you as an investor in the Fund.

Yours sincerely

Peter Morris
Chairman
Multiplex Capital Management Limited

Important Dates

Offer open date[1]	27 April 2007
Close Date	20 June 2007
Allotment Date	27 June 2007
Holding statements issued	28 June 2007
Quotation on ASX	3 July 2007
First distribution period	From Allotment Date to 30 September 2007

These dates are indicative only and may be changed by the Responsible Entity in consultation with the Joint Lead Managers. Changes may include extending or reducing the Offer period, without notice, prior to Allotment (subject to the Corporations Act).

The Corporations Act prohibits the processing of Applications in the seven day period after the date of this PDS. This period may be extended by ASIC by up to a further seven days. This period (Exposure Period) is to enable the PDS to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Note:

1 In the event that ASIC extends the Exposure Period, the Offer will still open on 27 April 2007. However, Applications received during the period from 27 April 2007 to 4 May 2007 will not be processed until after 4 May 2007 (the end of the extended Exposure Period) and no preference will be given to such Applications.

Offer Statistics

Application Price (per Unit)	$1.00
Amount to be raised under the Offer	$184.45 million
Number of Units to be issued	184.45 million
Minimum Application amount	$5,000
Forecast NTA per Unit at the Allotment Date	$0.96

Summary of Financial Forecasts

	Allotment Date to 30 June 2008	Year ending 30 June 2009
Cash distribution per Unit[1] (cents)	8.5	8.7
Cash distribution yield[1,2] (%)	8.5	8.7
Tax Deferred component[3] (%)	65	69

These forecasts (and the forecast NTA per Unit at the Allotment Date) have been prepared on the basis of the key financial forecast assumptions set out in Section 6.7 and are subject to the risk factors set out in Section 8. In addition, sensitivities to forecast assumptions are set out in Section 6.8. There is no guarantee that the forecast results will be achieved. The Investigating Accountant's Report is contained in Section 9.1 and the Taxation Report, which contains further information on the tax consequences of investing in the Fund, is contained in Section 9.2.

Notes:

1 Distributions comprise both income and capital components. The first distribution will be paid for the period from the Allotment Date to 30 September 2007 and thereafter distributions are expected to be paid quarterly.

2 The distribution yield for the period from the Allotment Date to 30 June 2008 represents an annualised equivalent yield and is based on the Application Price.

3 The Tax Deferred component is described in the Taxation Report in Section 9.2.

Key Benefits

Forecast cash distribution[1]
The Fund's forecast cash distributions (which includes both income and capital) are:

– 8.5% (annualised) for the period from the Allotment Date to 30 June 2008; and

– 8.7% for the financial year ending 30 June 2009.

Distributions are expected to be paid quarterly.

Tax Deferred distributions[1]
Distributions are forecast to be:

- 65% Tax Deferred for the period from the Allotment Date to 30 June 2008; and
- 69% Tax Deferred for the financial year ending 30 June 2009.

Initial Portfolio purchased at a discount to valuation
The Fund acquired the Initial Portfolio on the Settlement Date based on the Initial Properties' book value of €355.0 million, which represents a 2.4% discount to independent valuation of €363.6 million.

Exposure to world's third largest economy
The Initial Properties are located in Germany, the third largest economy in the world and the largest population within Europe.

European mandate with a weighting to retail assets
The Fund has a mandate to invest across Europe in all main property asset classes. The Responsible Entity intends, over the medium to longer term, to maintain a minimum weighting of 45% (of Fund assets) towards the retail sector, with the remaining Fund assets to be primarily invested in office and industrial property sectors. Over the medium to longer term, no greater than 20% of Fund assets may be invested in alternative asset classes such as the residential, health and hospitality sectors.

Strong and secure rental income plus high occupancy rate[2]
Greater than 75% of rental income from the Initial Properties is earned from national tenants with Germany's largest supermarket chain operator, EDEKA, currently accounting for 27% of the rental income earned. The occupancy rate of the properties is 98.4% (by estimated rental value) with a weighted average lease term to expiry of 9.8 years (by income).

Income and asset diversification[2]
No single tenant, excluding EDEKA, represents more than 9% of rental income and no single property accounts for more than 8% of the total value of the Initial Properties.

Rental growth[2]
The large majority of rent reviews within the leases are indexed to CPI by an agreed formula which results in rents increasing between 60 and 100% of the cumulative CPI change each time the cumulative CPI increases by 10% from lease commencement or last rent review. This rent review structure is common throughout many German property leases.

Modern portfolio
90% of the Initial Properties (by value) have been constructed or redeveloped since 1997. The Initial Properties are therefore expected to have low capital expenditure requirements during the Forecast Period.

Interest rate protection
The interest rate on the Term Facility is 100% hedged for the period from the Settlement Date to 15 April 2014.

Foreign exchange protection
The Fund has entered into hedges to protect Unitholders from adverse movements between the Australian dollar and the Euro. The hedges cover:

– 100% of Invested Equity for the period from the Settlement Date to 15 April 2014; and

– approximately 95% of the Fund's initial expected net property cash flows for the period from the Settlement Date to 15 April 2014.

Alignment of interests
At Allotment, MPT will have an interest of 20.15% in the equity of the Fund and MPF will have an interest of 5.16%. The MPT holding is in line with Multiplex Group's current strategy of maintaining a core holding in the funds it manages of circa 20% to 30% of fund equity, thereby representing a strong alignment of interest between Multiplex Group and investors.

Management experience[2]
Multiplex Capital, the funds management division of the Multiplex Group, has funds under management of over $6.7 billion. Both the Responsible Entity and Fund Manager are part of the Multiplex Capital division. Importantly, Multiplex Capital has a London-based team who will assist in identifying further assets which may be suitable for the Fund to acquire.

Notes:

1 Subject to important assumptions (referred to in Section 6.7) and investment risks (see Section 8).

2 As at the date of this PDS.

Capital and income
Unitholders' capital and forecast distributions are not guaranteed.

General economic risks
Market and economic conditions across Europe and in Germany may impact on the value of the Fund's assets.

Equity markets risk
The price at which the Units trade on the ASX will be subject to market factors including, but not limited to, the property market, interest rates, macro-economic conditions, investor sentiment, investor appetite for the benefits and risks associated with the Units and general market volatility.

Lease renewal and lease default risks
The Fund may not be able to negotiate lease extensions, secure replacement tenants and tenants may default on their leases. Any of these events may adversely affect the Fund's income. Approximately 52.2% of rental income is currently received from the top 5 tenants (by income). The adverse impact on the Fund will be greater if one of these tenants defaults or ceases to be a tenant and an agreement with a replacement tenant is not entered into on similar terms.

Foreign exchange and interest rates
Movements in prevailing foreign exchange and interest rate markets may adversely impact Unitholder returns if the Fund's exposure to interest rate and foreign exchange rate movements ceases to be hedged or is hedged at a lower percentage coverage.

Seller risk
There are monetary and time limits on claims which may be made against the Sellers of the Initial Portfolio. Warranty claims made against the Sellers under the terms of the Sale and Purchase Agreement in excess of €5 million may not be recoverable by the Fund if the Sellers have insufficient funds to meet the warranty claims or have ceased to exist.

Future acquisitions risk
There is a risk that the inclusion of additional properties in the Fund may detrimentally affect the NTA per Unit, the price at which the Units trade on the ASX, the returns to Unitholders and the Tax Deferred component of those returns.

Ability to acquire further properties
The current favourable differential between the yield on German investment grade properties and interest rates at which money can be borrowed to fund acquisitions of properties may diminish such that the Fund is unable to buy further properties.

Trade tax
There is a risk that the German tax authorities and German fiscal courts may determine that the Monti Partnerships, which own the Initial Properties, are subject to German trade tax in respect of the period prior to the Settlement Date by virtue of having a permanent establishment in Germany. However, the Responsible Entity believes that German trade tax was not payable by the Monti Partnerships. Notwithstanding, if an adverse finding in relation to this issue arose, the potential trade tax exposure for prior years is estimated to be in the order of €27 million. This liability may adversely affect Unitholders distributions in the future.

Proposed tax reform
The German Government is proposing reform of the German tax system with effect from 1 January 2008. If the changes proposed to limit deductions for interest expenses incurred and to lower the corporate tax rate are implemented, more tax may be payable in Germany by the Fund, thereby reducing the returns available to Unitholders.

Other legal changes
Other changes in laws and regulations including taxation law (or the interpretation and enforcement of such laws or regulations) in the jurisdictions in which the Fund operates, may adversely impact on Unitholder returns.

Debt funding
The Term Facility, which is the Monti Partnership's primary source of debt funding, contains default provisions which, if triggered, may restrict the Fund from making distributions, or require immediate repayment of the facility. The FX Hedging Arrangements contain default provisions which, if triggered, may restrict the Fund from making distributions, or require immediate termination of the FX Hedging Arrangements.

The Term Facility is secured by first ranking security over the Monti Partnerships' assets and the Fund's interests in the Monti Partnerships and the FX Hedging Arrangements provide for first-ranking security over the Fund's indirect interest in the Monti Partnerships.

Removal of Responsible Entity
If Multiplex Capital Management Limited is removed as responsible entity prior to the 10th anniversary of the listing of the Units on ASX, the Management Services Agreement would be unaffected and the Fund Manager would, in accordance with the terms of the Management Services Agreement, continue to receive base and performance fees.

Ownership of Multiplex
Brookfield Asset Management Inc. (Brookfield), an international asset manager, has made a formal approach to Multiplex Group which may lead to an acquisition by Brookfield and Roberts Family Nominees of Multiplex's underlying businesses, including Multiplex Capital (of which the Responsible Entity and Fund Manager are part). The possibility of a competing or alternative proposal for some or all of Multiplex Group or its underlying businesses cannot be excluded. However, no formal offer has yet been made and there is no guarantee that any offer will be made. See Sections 8.2.5 and 8.3.2 for a description of the effect of a change of control of the Responsible Entity on the Term Facility.

Full details of these and other risks are set out in Section 8.

Question	Answer	Section(s) in the PDS (if applicable)
Who is Multiplex Capital?	Multiplex Capital is one of four major business divisions within the Multiplex Group. This division includes Multiplex Capital Management Limited (Responsible Entity) and Multiplex Capital Pty Ltd (Fund Manager). Multiplex Capital manages a diversified range of listed and unlisted property funds, with total funds under management as at the date of this PDS exceeding $6.7 billion. Multiplex Capital employs a team of over 50 people, who between them have extensive experience in the property funds management industry.	5.2
Why has the Fund been established?	Multiplex Capital's strategy is to provide investors with a range of property funds into which they can invest. With the ongoing globalisation of the property funds management industry and increasing appetite for institutional property investments, Multiplex Capital has identified European property as an investment class that may be attractive to Australian investors.	
Why did the Fund invest into Germany?	Germany was selected as the foundation market for the seed assets of the Fund as it is the third largest economy in the world with GDP growing by 2.8% in 2006 to $2.7 trillion. After five years of below trend economic growth, the German economy rebounded in 2006 with an increase in economic growth and productivity. With 82.4 million people, it has the largest population in Europe. The Responsible Entity believes the improving economy and size of the German property market makes it a sound platform from which to create a diversified European property fund.	3
How did the Fund pay for the Initial Portfolio?	The Initial Portfolio (which comprises a 94.9% interest in the Monti Partnerships which own the Initial Properties) was acquired and existing indebtedness of the Monti Partnerships was repaid on the Settlement Date using the Term Facility and equity contributed to the Fund by MPT, MPF and Multiplex.	
Who is Naiad?	Naiad is one of the Sellers. It has retained a 5.1% interest in the Monti Partnerships. This interest is subject to put and call options which may result in the Fund acquiring this interest.	2.1, 4.1, 10.3.3
Will distributions be paid to Naiad during the Forecast Period?	During the Forecast Period, the Monti Partnerships will not pay Naiad any distributions due to interest and debt repayment obligations resulting from monies lent to the Monti Partnerships by the Fund.	

Question	Answer	Section(s) in the PDS (if applicable)
What will the proceeds from this Offer be used for?	The majority of proceeds raised from this Offer will be used to redeem all of the Units held by Multiplex as at the date of this PDS. The issue price and redemption price of Units issued to Multiplex to facilitate settlement will be $1.00 per Unit. Units held by MPT and MPF as at the date of this PDS will not be redeemed from proceeds raised under this Offer.	1.5
What are the key features of the Term Facility?	The €231.4 million Term Facility provided by Eurohypo Bank to the Monti Partnerships is for the period from Settlement Date to 15 April 2014. The Term Facility represents 63.6% of the value of the Initial Properties as at 15 March 2007. In accordance with the requirements of the Term Facility, the Monti Partnerships entered into hedging arrangements that provide 100% coverage against interest rate movements under the Term Facility for its duration. The interest rate (including margin) has been fixed at 4.48% until 15 April 2014.	10.2.1
What is the Fund's borrowing policy?	The Fund's current borrowing policy is to ensure that borrowings are denominated in the same currency as the Fund's underlying assets. Subject to certain exceptions, the Responsible Entity currently intends to maintain a Gearing ratio of interest bearing liabilities to assets of 55%–65%.	4.4
What is the investment strategy of the Fund?	The Fund has a mandate to acquire a stable and diversified portfolio of properties located throughout Europe. The Responsible Entity will target countries for future acquisitions which have a stable economic and political investment environment with solid growth prospects. In addition to Germany, the primary focus of the Fund will be Euro-zone countries such as France, Italy, Spain and Belgium. The Fund will target assets in the retail, office and industrial sectors, as well as alternative asset classes.	4.2
What resources are available to the Fund?	The Fund has operations established in Luxembourg to manage the Monti Partnerships. Multiplex Capital has an established presence in London. Kevin Murphy, Divisional Director, Europe, is responsible for Multiplex Capital's London-based team and is a director of the Fund's Luxembourg subsidiaries. He has over 20 years' experience in property markets globally. In addition, the Responsible Entity has a dedicated team in Australia to assist with fund management activities.	5.4, 5.5, 5.8

Question	Answer	Section(s) in the PDS (if applicable)
What are the Australian tax implications of investing in the Fund?	Under current Australian taxation law, provided the Unitholders are "presently entitled" to the net income of the Fund and the Fund is not considered a "public trading trust" or a "corporate unit trust", the Fund itself should not be liable for income tax on its own income. Unitholders will be subject to Australian tax on their share of the taxable income of the Fund. This may be different to the cash distribution received from the Fund. For example, distributions are forecast to be partly Tax Deferred during the Forecast Period, meaning that cash distributions to Unitholders are expected to be greater than the Fund's net taxable income during this period. The term "Tax Deferred" refers to the non-assessable distribution component received by Unitholders. For Unitholders not holding the Units on revenue account or as trading stock, this amount does not form part of a Unitholder's taxable income in the year of receipt but will reduce the Unitholder's CGT cost base of the Units and therefore potentially increases any capital gain on realisation of the Units. If the Tax Deferred distributions received exceed the cost base, a capital gain will arise equal to the excess over the cost base. Greenwoods & Freehills has prepared an opinion on the taxation implications of an investment in the Fund. Prospective investors should consider seeking professional tax advice prior to investing in the Fund.	9.2
What are the risks?	Most investments carry risk that the forecast income and capital returns may differ from the actual income and capital returns received. There are many variables which may impact upon the performance of the Fund, some of which are outside the control of the Responsible Entity and others that may be unforeseen. The Responsible Entity is unable to protect Unitholders from all risks. Prospective investors should carefully consider the risks and consult their professional advisers before making any investment decision.	8
What are the fees and costs?	There are both one-off and ongoing fees and expenses which will be paid out of the Fund to the Responsible Entity and other entities involved in the Fund, some of which are members of the Multiplex Group. The Responsible Entity may also be reimbursed from the Fund for costs incurred in the proper performance of its duties.	7
Will the Responsible Entity defer payment of any component of its management fee?	The Responsible Entity has agreed to defer payment of a portion of its management fee during the Forecast Period. The deferred amounts may be recovered in later periods unless the Responsible Entity decides to waive all or part. The full management fee may be paid from 1 July 2009.	7.3.6

Question	Answer	Section(s) in the PDS (if applicable)
Who should I contact for more information?	For more information about the Offer, please contact your retail broker or financial adviser, Multiplex Capital's customer service line on 1800 570 000, the Registry on 1800 709 611 or NAB on 1800 652 669.	
How can I access updated information?	Information relating to the Offer may change from time to time. If this information is not materially adverse it may be updated and made available at www.multiplexcapital.biz. You may also contact 1800 570 000 to receive updated information. A paper copy of any updated information is available free on request.	
How do I apply for Units?	A prospective investor wanting to participate in the Offer will need to read this PDS in full, paying particular attention to all of the risk factors in Section 8, the key financial forecast assumptions in Section 6.7 and information concerning the Units, the Fund and its assets. The risks need to be considered in light of an investor's own investment situation. Prospective investors should consult a financial, taxation or other professional adviser before deciding whether to apply for Units. If you have received an allocation of Units under the Broker Firm Offer, you should follow the instructions of your retail broker or financial adviser. If you are applying under the General Retail Offer, the completed and signed Application Form must be returned together with payment by cheque for the Application Price by no later than 5.00pm Sydney time on the Close Date. Cheques should be crossed "not negotiable" and made payable to "MEPF Applications Account".	1.6

Section 1
Details of the Offer

1.1 The Offer

The Offer is to raise $184.45 million at an issue price of $1.00 per Unit resulting in the issue of 184.45 million Units.

By acquiring Units, investors will gain exposure to the Initial Portfolio comprising an interest in 67 properties geographically diversified across Germany, with 71% of the properties (by value) located in the former West Germany. Additional properties located throughout Europe may be acquired in accordance with the Fund's investment strategy (see Section 4.2).

The Offer is structured as follows:

- the Institutional Offer which is open to institutional investors;
- the Broker Firm Offer, which is open to Australian retail investors who have received a firm allocation of Units from their retail broker or financial adviser; and
- the General Retail Offer, which is open to Australian retail investors.

The Application Price is the same for all Applicants.

1.2 Important Dates

The indicative timetable for the Offer is set out on page 2. The Responsible Entity, in consultation with the Joint Lead Managers, reserves the right to change these dates or to not proceed with the Offer.

1.3 Minimum Investment

Applications must be for a minimum of 5,000 Units and then in multiples of 1,000 Units. The Responsible Entity may, in its discretion, waive the minimum Application requirement.

1.4 Underwriting Agreement

The Offer is fully underwritten by NAB and CommSec as part of their role as Joint Lead Managers and Underwriters.

The Underwriting Agreements contain termination provisions. If these agreements are terminated and Applications are not received to satisfy ASX minimum spread requirements, the Offer will not proceed and Application Monies will be refunded with interest.

Summaries of the Underwriting Agreements are set out in Section 10.1.4. Refer also to Sections 7.3.4 and 7.3.5 for a description of remuneration paid to the Joint Lead Managers and Underwriters and how they may on-pay part of that remuneration.

1.5 Use of Funds

Following Allotment, the Responsible Entity will use the Offer proceeds to redeem all the Units held by Multiplex and to pay for Offer costs. These Units will be redeemed at cost, being $1.00 per Unit.

	Settlement Date		Allotment Date	
	Units (millions)	%	Units (millions)	%
Unitholders				
MPT	49.75	22.36	49.75	20.15
MPF	12.75	5.73	12.75	5.16
Multiplex	160.00	71.91	–	–
Investors under this PDS	–	–	184.45	74.69
Total	**222.50**	**100.00**	**246.95**[1]	**100.00**

1 There are more Units on issue at the Allotment Date in order to cover the costs of the Offer.

The Responsible Entity believes the Fund will have sufficient working capital to carry out the objectives stated in this PDS.

1.6 How to Apply

Institutional Offer

The Institutional Offer is open to institutional investors in Australia. Applications under the Institutional Offer may only be submitted through the Joint Lead Managers. Full details on how to participate will be provided to institutional investors by the Joint Lead Managers.

Broker Firm Offer

The Broker Firm Offer is open to retail investors who receive this PDS in Australia and who have received an allocation from a retail broker or financial adviser.

If you have received a firm allocation of Units from a retail broker or financial adviser to the Offer, your retail broker or financial adviser will be acting as your agent in acquiring Units. You should obtain a copy of this PDS from your retail broker or financial adviser and apply for Units using the Application Form accompanying this PDS. A retail broker may, to the extent permitted by law, make this PDS available on its website and provide an online application facility for the submission of online Application Forms and Application Monies.

Applicants who have received a firm allocation of Units from a retail broker or financial adviser should make their cheque payable to their retail broker or financial adviser or as instructed by the retail broker or financial adviser, and deliver their completed Application Form and Application Monies in accordance with the instructions of the retail broker or financial adviser. Broker firm Applicants should not send their Application Forms to the Registry, unless so directed by their retail broker or financial adviser.

Online Application Forms and Application Monies lodged with a retail broker providing an online application facility must be lodged in accordance with the instructions provided by the retail broker.

General Retail Offer

Applications under the General Retail Offer can be made by completing and lodging the Application Form accompanying this PDS. The Application Form must be completed and payment made in accordance with the instructions set out in this PDS.

The Responsible Entity may after consultation with the Joint Lead Managers, at its absolute discretion and without prior notice, close the Offer at an earlier date, extend the Offer, withdraw the Offer, vary the dates and times of the Offer, or accept late Applications.

The Responsible Entity reserves the right to reject any Application, or to waive or correct any errors made by an Applicant in completing any Application Form.

Application Forms must be accompanied by a cheque in Australian dollars drawn on an Australian branch of an Australian bank. Cheques must be made payable to "MEPF Applications Account" and crossed "Not Negotiable". All amounts must be in cleared funds. Please do not send cash. Receipts for payment will not be issued.

Completed Application Forms can be mailed to the Registry or delivered in person. The completed Application Form and Application Monies must be received by the Registry at the address below by no later than 5.00pm, Sydney time, on the Close Date:

Mailing Address:	Delivery Address:
MEPF Offer	MEPF Offer
c/– Link Market Services	c/– Link Market Services
Locked Bag A14	Level 12, 680 George Street
Sydney South NSW 1235	Sydney NSW 2000

Potential investors are encouraged to submit their Application as early as possible, as the Offer may close before the indicated Close Date without prior notice.

Allocation policy

The allocation of Units amongst Applicants will be determined by the Responsible Entity after consultation with the Joint Lead Managers at its absolute discretion. Unless the Applicant has entered into an institutional firm agreement, there is no assurance that any Applicant will be allocated any Units, or all of the Units, for which they have applied.

Applicants under the Broker Firm Offer will be issued the number of Units allocated to them by their retail broker or financial adviser.

1.7 Terms and Conditions of Applications

By applying for Units, Applicants agree to accept a number of terms as set out in the Application Form including:

- an agreement to be bound by all the terms and conditions of the Offer as set out in this PDS and the terms of the Constitution; and
- an acknowledgment that by submitting an Application, Applicants agree and consent to all arrangements between the Responsible Entity and members of the Multiplex Group which are disclosed in this PDS.

1.8 Handling of Applications and Unit Allocation

Pending the issue of Units, Application Monies will, from the time of receipt by the Responsible Entity, be held in an account that complies with section 1017E of the Corporations Act.

The Responsible Entity may accept any Application in full, allocate fewer Units than have been applied for (including less than the stated minimum number), accept any late Application or decline any Application. No preference in the allocation of Units will be provided to stapled security holders in the Multiplex Group. To the extent that any Application is not satisfied in whole, Application Monies held by the Responsible Entity which have not been allocated will be refunded with any interest received. Where Allotment is made, statements of holdings will be forwarded to Unitholders as soon as practicable after the Allotment Date. Successful Applicants whose Applications and cleared Application Monies have been received by the Registry before 23 May 2007 will receive interest on their Application Monies for the period from 23 May 2007 until Allotment paid from the Application Account.

1.9 Trading of Units on ASX

Within seven days after the date of this PDS, an application will be made to ASX for the Fund to be admitted to the official list and for quotation of the Units. It is expected that, subject to approval of ASX, trading of Units will commence on 3 July 2007.

If an application is not made to ASX within seven days of the date of this PDS or if the Fund is not admitted to the official list and quotation is not granted for the Units within three months after the date of this PDS, then all Application Monies will be refunded in full with interest.

ASX takes no responsibility for this PDS or the investment to which it relates. Admission to the official list of ASX and quotation of Units is not to be taken as an endorsement by ASX of the Fund or the investment.

The Fund has applied to use the ASX code MUE.

1.10 No Cooling Off Period
Investors should note that because an application will be made to the ASX for listing of the Fund and quotation of the Units, there will not be a cooling off period in relation to Applications. Consequently, by submitting payment, Applicants will be deemed to have applied for the number of Units for which payment is made. Once an Application has been lodged, it cannot be withdrawn. Should quotation of the Units be granted by ASX, Unitholders will have the opportunity to sell their Units at the prevailing market price, which may be different to the Application Price.

1.11 CHESS
The Responsible Entity will apply to participate in ASX's Clearing House Electronic Subregister System (CHESS), in accordance with the ASX Listing Rules and the ASTC operating rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in a paperless form.

When Units become CHESS approved securities, holdings may be registered in one of two subregisters, an electronic CHESS subregister or the Responsible Entity sponsored subregister. The Units of a holder who is a participant in CHESS or a person sponsored by a participant in CHESS will be registered on the CHESS subregister. Holdings which are not sponsored by a CHESS participant will be held on the Responsible Entity sponsored subregister.

Following Allotment, Unitholders will be sent an initial statement of holding that sets out the number of Units that have been allotted to them. This statement will also provide details of a Holder Identification Number (HIN) or, where applicable, the Securityholder Reference Number (SRN) for Responsible Entity sponsored Unitholders. Unitholders will subsequently receive statements showing any changes to their holding of Units. Certificates will not be issued for Units.

1.12 Ethical and Other Issues
The Responsible Entity will not take into account labour standards, environmental, social or ethical considerations in selecting, retaining or realising investments for the Fund, except to the extent required by law or expected to have an effect on the price or value of assets of the Fund.

2

2.1 The Initial Portfolio

The Fund owns a 94.9% interest in the Monti Partnerships which own a portfolio of 67 properties located throughout Germany. The Fund's interest in these properties is referred to in this PDS as the Initial Portfolio and the properties are referred to as the Initial Properties.

The remaining 5.1% interest in the Monti Partnerships is owned by one of the Sellers, Naiad. Naiad's interest in the Monti Partnerships is subject to a put and call option which, if exercised, would require the Fund to purchase the interest at market value. The Fund's call option to acquire Naiad's interest may be exercised at any time up to 2 April 2013 and in the three month period commencing 2 October 2013. Naiad's put option cannot be exercised before 2 April 2013. Please refer to Section 10.3.3 for more details in relation to the options.

The key characteristics of the purchase of the Initial Portfolio are:

Settlement Date	2 April 2007
Book value of Initial Properties	€355.0 million
Valuation	€363.6 million
Initial Gearing level for the Monti Partnerships	63.6%
Discount to valuation	2.4%
Acquisition yield	6.17%

The Initial Properties have exposure to a number of different property sectors, being the retail, logistics, office and nursing home sectors. In addition, the portfolio is diversified by tenant, with approximately 85 different tenants and over 200 leases. The occupancy level is 98.4% by estimated rental value.

The portfolio is weighted towards retail property assets (accounting for 57% of the portfolio rental income) which assists to provide rental security and stability. Additional features are that over 75% of the rental income is generated by national tenants, 90% of the properties (by value) were constructed or redeveloped since 1997 and the WALE is 9.8 years (by income).

2.2 Major Tenants

An overview of some of the largest tenants (by sector) is provided below.

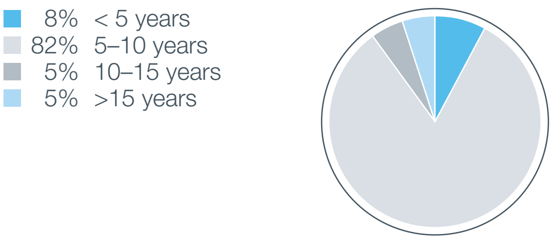
	Rental income (%)	Business description
EDEKA Retail – supermarkets	27.4	The EDEKA Group is the largest German supermarket corporation, currently holding a market share of 26%. There are approximately 4,100 stores with the EDEKA brand that range from small corner stores to hypermarkets. The EDEKA Group is rapidly expanding with 2005 turnover up 20.6% on 2004 to €38.1 billion.
Phönix AG Nursing homes	8.5	Phönix (Senioren- und Pflegezentren) currently operate 15 senior and care centres offering 1,950 care places throughout Germany. Established more than a decade ago, Phönix is an independent privately owned and operated group that combines real estate amongst its diverse activities.
Hornbach Retail – home improvement centres	5.9	Hornbach is a German publicly listed company and leading supplier of home improvement products and materials, supplying both retail and trade customers. Sales for 2005/6 were up 6.6% to €2.37 billion.
Kursana Nursing homes	5.1	Kursana is Germany's foremost nursing home operator. It is owned by the Dussmann Group, Europe's largest facilities management and service provider, with 50,500 employees across 28 countries. Turnover in 2005 was up 5.3% to €1.06 billion. Kursana operates two of the nursing home assets.
TNT Logistics	4.5	TNT is one of the world's foremost providers of global mail and parcel delivery services. TNT operates in more than 200 countries and employs around 127,000 people. In the first nine months of 2006, TNT reported €7.3 billion in revenues. TNT is publicly listed on the stock exchanges of Amsterdam and New York.
German Government Offices	4.1	State of Nord Rhine – Westphalia.

2.3 Portfolio Snapshot

2.3.1 Modern portfolio

As at the date of this PDS, 90% of the Initial Properties (by value) have been constructed or redeveloped since 1997. Consequently, the Initial Properties are expected to require limited capital expenditure during the Forecast Period.

Age of properties



2.3.2 Diversified portfolio

The Initial Properties comprise a portfolio weighted towards non-discretionary retail assets. There are 67 properties spread across four property asset classes with tenant and geographical diversification (see Section 2.5).

Portfolio breakdown by value

	Net market value (€ million)	Percentage portfolio value (%)
Retail	212.0	58.30
Office	40.5	11.13
Logistics	35.3	9.71
Nursing homes	75.8	20.86
	363.6	**100.00**

2.3.3 Minimal concentration

No single asset accounts for more than 8% of the total value of the Initial Properties. The largest five assets in the portfolio are all anchored by national tenants.

Location	Property type	Anchor tenant	Current rental income per annum (€ million)	Net market value (€ million)	Percentage portfolio value (%)	Lease expiry
Bochum	Retail	EDEKA	1.560	27.40	7.53	February 2022
Lorrach	Retail	EDEKA	1.080	22.22	6.11	July 2022
Chemnitz	Retail	Hornbach	1.350	21.24	5.84	March 2015
Frankfurt/Main	Office	Telecity	1.225	18.39	5.05	February 2015
Gottingen	Nursing homes	Phönix	1.156	17.65	4.85	June 2022

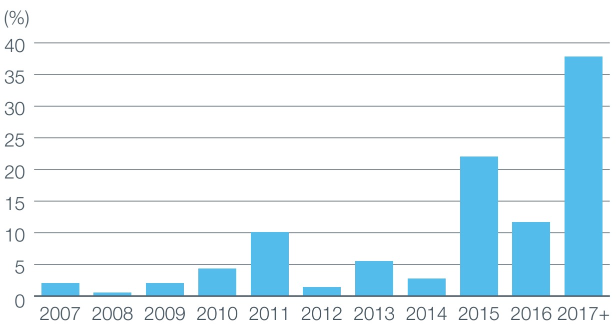
2.3.4 High occupancy with long weighted average lease expiry (WALE)

Description	Occupancy (%)	Major tenants	WALE by income (years)
55 retail properties comprising: – discount supermarkets – full supply supermarkets – DIY markets	97.4	EDEKA, Hornbach, Rewe	9.7
6 Nursing homes	100.0	Kursana, Phönix	14.5
3 Logistic/warehouses	100.0	Spicers, TNT	6.4
3 Offices	99.2	State of Nord Rhine – Westphalia	4.9
Total portfolio	**98.4**		**9.8**

2.3.5 Lease expiry profile

The Initial Properties have a weighted average lease term (by income) of 9.8 years which provides the Fund with a stable, long-term rental stream. No more than 10% of leases expire in any one year until 2011 and less than 5% of the leases expire before 2010.

Lease expiry profile (by income)



2.3.6 Rental increases

The large majority of leases of the Initial Properties are linked to German CPI. Under many German leases, when the CPI increases by a certain amount, in most leases by 10%, a rental increase can be effected. The amount by which the rent increases will vary with each lease but is generally between 60% and 100% of the cumulative increase in CPI over the lease period. As an example, a lease specifying a 70% increase based on a 10% trigger equates to a 7% increase in annual rental.

Having an existing and diversified portfolio ensures a blending of rental uplifts as not all leases will provide the Fund with increases in annual rental at the same time.

2.4 Portfolio Asset Classes

2.4.1. Retail

Retail properties account for 57% of the Initial Properties' rental income. The majority of these assets are supermarkets.

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
1	Dresden	Discount supermarket	2001	Netto Marken-Discount	2.260	May 2016
2	Artern	Discount supermarket	2000	Netto Marken-Discount	1.870	May 2015
3	Dresden	Discount supermarket	2000	Netto Marken-Discount	2.190	October 2015
4	Eisleben	Discount supermarket	2001	Netto Marken-Discount	1.780	April 2016
5	Gernrode	Discount supermarket	2000	Netto Marken-Discount	1.630	October 2015
6	Geyer	Discount supermarket	2000	Netto Marken-Discount	1.635	October 2015
7	Schlema	Discount supermarket	2000	Netto Marken-Discount	1.610	November 2015
8	Jena-Lobeda	Discount supermarket	2000	Netto Marken-Discount	1.760	February 2015
9	Delitzsch	Discount supermarket	2000	Netto Marken-Discount	1.445	February 2015
10	Stockheim	Discount supermarket	2001	Netto Marken-Discount	1.715	February 2016
11	Burgstädt	Discount supermarket	2001	Netto Marken-Discount	1.590	August 2016
12	Bückeburg	Discount supermarket	2000	Netto Marken-Discount	1.680	November 2015
13	Merseburg	Discount supermarket	2001	Netto Marken-Discount	1.840	February 2016
14	Mühlhausen	Discount supermarket	2000	Netto Marken-Discount	1.630	August 2015
15	Halle	Discount supermarket	2000	ALDI	3.140	August 2010
16	Stollberg	Discount supermarket	2000	ALDI	1.595	November 2010
17	Oberrhausen	Discount supermarket	2000	PLUS	1.805	December 2015

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
18	Clenze	Discount supermarket	2001	PLUS	1.695	August 2013
19	Boizenburg	Discount supermarket	1999	Lidl Diesntleistung	1.735	December 2011
20	Bad Marienberg	Discount supermarket	2000	Lidl Diesntleistung	2.910	September 2012
21	Delitzsch	Discount supermarket	2001	Lidl Diesntleistung	2.160	March 2013
22	Hage	Discount supermarket	2000	Lidl Diesntleistung	1.770	September 2013
23	Schöppenstedt	Discount supermarket	2001	Lidl Diesntleistung	1.670	June 2014
24	Woldegk	Discount supermarket	2000	NORMA-Markt	1.890	December 2010
25	Pampow	Full supply supermarket	1998	EDEKA	1.465	November 2013
26	Blankenfelde	Full supply supermarket	2001	EDEKA	4.200	December 2016
27	Prüm	Full supply supermarket	1999	EDEKA	4.025	January 2015
28	Peine-Dungelbeck	Full supply supermarket	1998	EDEKA	1.145	June 2013
29	Schloßvippach	Full supply supermarket	2000	REWE Deutsche Supermarkt	2.335	June 2013
30	Gotha	Big box retail	2001	REWE Deutsche Supermarkt	6.975	November 2016
31	Köthen	Full supply supermarket	2001	REWE Deutsche Supermarkt	2.225	May 2015
32	Offenburg	Full supply supermarket	1998	REWE Deutsche Supermarkt	1.525	December 2012
33	Rabenau	Full supply supermarket	1996/2000	REWE Deutsche Supermarkt	2.865	June 2009
34	Rheinau	Full supply supermarket	1998	REWE Deutsche Supermarkt	1.900	September 2013
35	Malchin	Full supply supermarket	2001	Coop-Markt	3.845	February 2016

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
36	Bopfingen	Full supply supermarket	1994	Coop-Markt	2.055	June 2009
37	Burladingen	Full supply supermarket	1974/1998	Coop-Markt	3.105	November 2013
38	Cloppenburg	Full supply supermarket	1996	Coma Verbrauchermarkt	4.370	August 2011
39	Tespe	Full supply supermarket	2000	EDEKA	1.840	May 2015
40	Feldatal	Full supply supermarket	1998	Tegut Gutberlet Stiftung & Co	1.595	April 2013
41	Saarlouis	Full supply supermarket	2000	Distributa Accord	2.310	September 2015
42	Zimmern ob Rottweil	Fashion store	2000	AWG	1.860	October 2015
46	Chemnitz	Hardware store	1993	Hornbach Baumarkt	21.240	March 2015
47	Hannover	Hardware store	2000	AVA	16.550	October 2020
48	Wittmund	Retail park	1973/1997	EDEKA	11.180	January 2015
49	Marienhafe	Retail park	1972/1997	EDEKA	4.895	January 2015
50	Halle	Retail park	2000	Fressnapf	1.750	September 2010
51	Bünde	Retail park	2000/2002	Markant Ostwestfalen	1.905	February 2014
54	Frankfurt/Oder	Motor vehicle repairer	2000	Car Glass GmbH	1.390	September 2020
55	Frankenberg	Fashion store	2001	RHEIKA-Delta	2.070	January 2016
56	Osnabrück	Family restaurant	1998	Bugsy Burger GmbH	2.545	February 2019
58	Kassel	Family restaurant	2001	Kentucky Fried Chicken	2.265	September 2021
59	Lörrach	Supermarket operator	2002	EDEKA	22.220	July 2022
60	Lörrach	Family restaurant	2002	McDonald’s	1.940	December 2016
61	Bochum	Full supply supermarket	2002	EDEKA	27.400	February 2022

2.4.2 Office

There are three office assets which account for 11% of the Initial Properties rental income.

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
52	Minden	Offices	1991/2001	ABB Utilities	6.820	August 2013
53	Dusseldorf	Offices	1975	German State Departments of Employment and Salaries	15.250	December 2007
57	Frankfurt/Main	Data storage	2000	TeleCity	18.390	February 2015

2.4.3 Logistics

There are three logistics assets located across Bavaria and the South of Germany which account for 10% of Initial Properties' rental income.

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
43	Winkelhaid	Logistics	2001	SPICERS Deutschland	15.230	October 2016
44	Hallbergmoos	Logistics	2001	TNT Express	16.790	May 2011
45	Gera	Logistics	2000	Hermes Versand Service	3.275	September 2010

2.4.4 Nursing homes

Nursing homes account for 22% of the Initial Properties' rental income. The nursing homes are all well located in mid to large towns across Germany and tenanted by four well-known and established operators.

Property no[1]	Location	Property type	Date built/ redeveloped	Tenant	Property value (€ million)	Lease expiry
62	Eisenhüttenstadt	Nursing home	2001	Kursana Care	9.055	July 2020
63	Schwedt/Oder	Nursing home	2001	Kursana Care	8.800	June 2021
64	Erfurt	Nursing home	2002	Phönix Verwaltungs	12.260	June 2022
65	Wetzlar	Nursing home	2002	Alloheim Senioren Residenzen	14.460	May 2022
66	Göttingen	Nursing home	2002	Phönix Verwaltungs	17.650	June 2022
67	Weisbaden	Nursing home	1904/2002	Maternus Altenheim	13.620	December 2020

Note:

1 Property numbers refer to the geographic location of the property as shown in Section 2.5.

2.5 Geographic location of the Initial Properties

The Initial Properties are spread across Germany with the majority of the Initial Properties located within the former West Germany. This diversification provides the Fund with exposure to the broader German market and not heavily exposed to any one geographic region.

The numbers shown on the map opposite correspond to the property numbers indicated in Section 2.4.

Initial Property Locations

Section 3
German Property Market Overview

3

3.1 European and German Economy

Europe

In 2006 the European economy accelerated to its fastest rate of growth so far this decade. Growth was broad based across regions and was underpinned by an acceleration in business investment spending.

Across the European Union as a whole, moderate growth is anticipated during 2007 amid a less supportive global economy and a slowdown in worldwide demand, mitigated to some extent by rapid growth in demand from emerging markets such as China and India.

Europe (E25)	2004[1]	2005[1]	2006[2]	2007[2]	2008[2]
Real GDP growth per annum (%)	2.1	1.6	2.7	2.2	2.0
Consumer spending growth (%)	2.0	1.5	2.2	2.1	2.1
Employment growth (%)	0.6	1.1	1.5	1.1	0.9
Consumer price inflation (%)	1.9	2.0	2.0	2.1	1.8

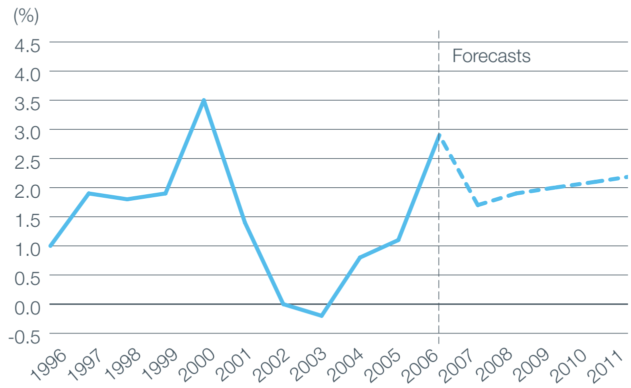
Notes:
1 Actual results.
2 Estimated results.
Source: DTZ Research

Germany

Germany is the third largest economy in the world with GDP growing by 2.8% in 2006 to US$2.7 trillion. With a population of 82.4 million, Germany is also the most populated nation in Europe.

After five years of below-trend economic growth, the German economy rebounded in 2006 with an increase in economic growth and productivity. This was fuelled by both growth in exports as well as increased domestic demand as consumer and corporate confidence improved. As a result there was a positive knock-on effect on employment levels with unemployment reducing by 1% during 2006, bringing with it increases in disposable income and consumer expenditure levels across the country.

German GDP growth



Source: DTZ Research

3.2 Investment Market

The economic recovery of Germany has been coupled with a significant inflow of capital into German real estate. In 2006, it is estimated that investment transactions exceeded €27 billion, which represents an increase of approximately 150% over 2005 levels. This was substantially ahead of investment activity growth in Europe as a whole.

The attraction of the German real estate market is underpinned by:

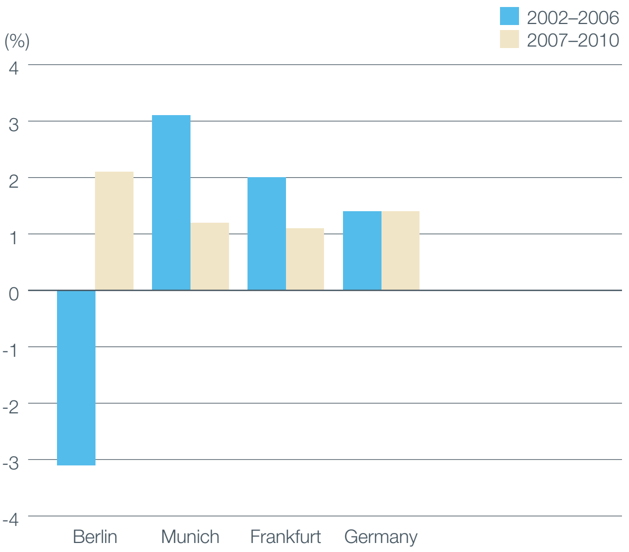
- improved market conditions in the key leasing markets throughout the country;
- the availability of investment grade stock transferred from both corporate balance sheets as well as regional and federal government;
- the rebalancing of major German open ended funds away from direct holdings; and
- positive yield spreads between property yields and cost of debt.

3.3 Leasing Markets

3.3.1 German retail rental growth

The retail market has benefited from the recovery in economic conditions, rising employment and consumer confidence. The expected rise in VAT may dampen the prospect for rental growth in the short (but not the medium) term.

Average annual rental growth



Source: DTZ Research

After several years of low consumer growth and poor retail performance, consumer confidence and spending levels are witnessing a broad increase across Germany.

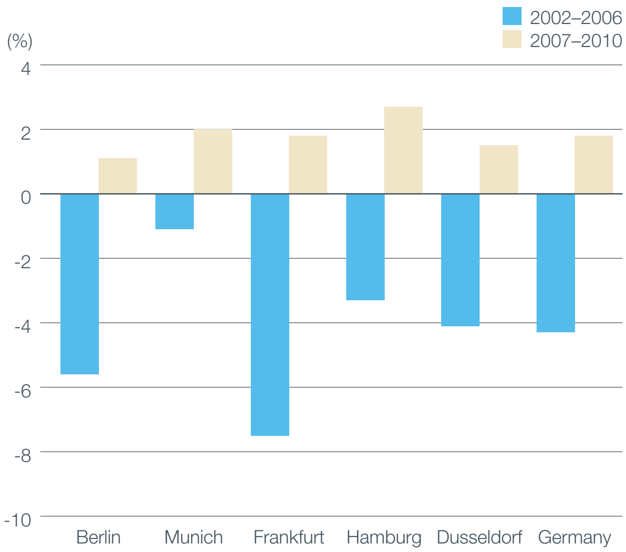
Shopping centres and supermarket anchored out-of-town retail formats continue to play an important role in the German retail market, with total market value of €160 billion to €200 billion. Tight planning restrictions mean that pipeline retail space supply is limited both within the inner city and in town peripheries, minimising levels of competitive supply. Whilst there are some exemptions to this rule, such planning restrictions and zoning controls have meant that successful inner city and out-of-town formats are witnessing upward trends in rental levels as occupiers compete for prime space in good locations.

Investors into retail real estate have also experienced significant levels of competition to acquire quality product, most notably for portfolios and larger lot sizes. The consequent imbalance between supply and demand has resulted in significant yield compression in the last 12 to 18 months.

3.3.2 German office rental growth

Office rents in the major German markets are expected to resume growth following five years during which prime rents fell by an average of 4% per annum. The recovery is evident even in those markets which are characterised by relatively high vacancy levels where the level of incentives are falling or have stopped altogether. This is a function of both rising demand as well as the shortage of new high quality space in most major office markets.

Average annual rental growth

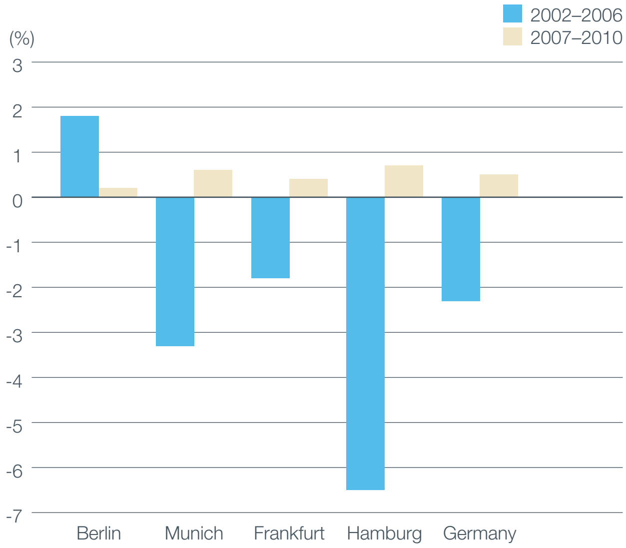


Source: DTZ Research

3.3.3 German industrial rental growth

The industrial market is expected to benefit from improved domestic conditions. Moreover, it is expected that this recovery will be fairly broad based and be evident across most of the major industrial markets in Germany.

Average annual rental growth



Source: DTZ Research

3.4 German Alternative Asset Classes – Nursing Homes

The market for nursing homes in Germany is the most developed and active in continental Europe. With annual sales of around €80 billion, it represents one of Germany's most important industries, comprising a combination of national listed chains and numerous smaller listed and non-listed companies.

3.4.1 Investment case

Leases are often linked to incremental increases in the CPI, offering inflation linked rental uplifts. Further, with income for nursing home operators often secured by government authorities via social security and mandatory health insurance contributions, the fees received by the operators represent a reliable and stable income stream.

3.4.2 Demand and supply

With an ageing population, Germany presents significant benefits to nursing home operators and the owners of healthcare-associated real estate. With a declining trend in the total number of hospital beds, demand for home care facilities is expected to increase. The average occupancy rates of institutional care units across states/regions varies between 90% and 100%. Demographic change will increase demand for nursing homes and healthcare services, thereby increasing covenant strength through reduced likelihood of tenant default.

The population of people aged 65+ in Germany is forecast to increase from 15.5 million in 2005 to 18.1 million in 2020. Between 2005 and 2050, the number of people aged 65+ is expected to increase by 44% to 22.3 million.

3.4.3 Public funding

The public sector currently represents the main source of finance in the German health care sector, funding 78.2% of total health expenditure in 2003. Currently, over 75% of the medical and nursing services are funded through centralised government funding and the state run mandatory health and care insurance system, ensuring a stable income stream for nursing home operators.

3.5 DTZ Research

Section 3 has been prepared by DTZ Consulting and Research, an independent property research company. While the Responsible Entity believes that the prospective information in Section 3 is based on appropriate assumptions and reasonable expectations, actual outcomes may differ from projected outcomes.

Section 4
Investment Structure and Fund Policies

4.1 Investment Structure

Investors pursuant to this PDS will own Units in the Fund following the completion of the Offer. The Responsible Entity has entered into the Management Services Agreement with the Fund Manager to provide various investment management services.

The Fund has established Australian sub-trusts and holding vehicles in Malta and Luxembourg for the purposes of owning the Fund's 94.9% interest in the Monti Partnerships. The Monti Partnerships own the Initial Properties.

Naiad holds the remaining 5.1% interest in the Monti Partnerships. Naiad and the Fund have entered into a put and call option arrangement that enables the Fund to acquire Naiad's interest in the Monti Partnerships. Further details of this arrangement are outlined in Section 10.3.3.

One of the Fund's Luxembourg subsidiaries will manage the Monti Partnerships on behalf of the limited partners of the Monti Partnerships (including Naiad). The Fund has employed an executive director, Tom Haines, based in Luxembourg, for this purpose (see Section 5.5).

The Monti Partnerships are responsible for the engagement of:

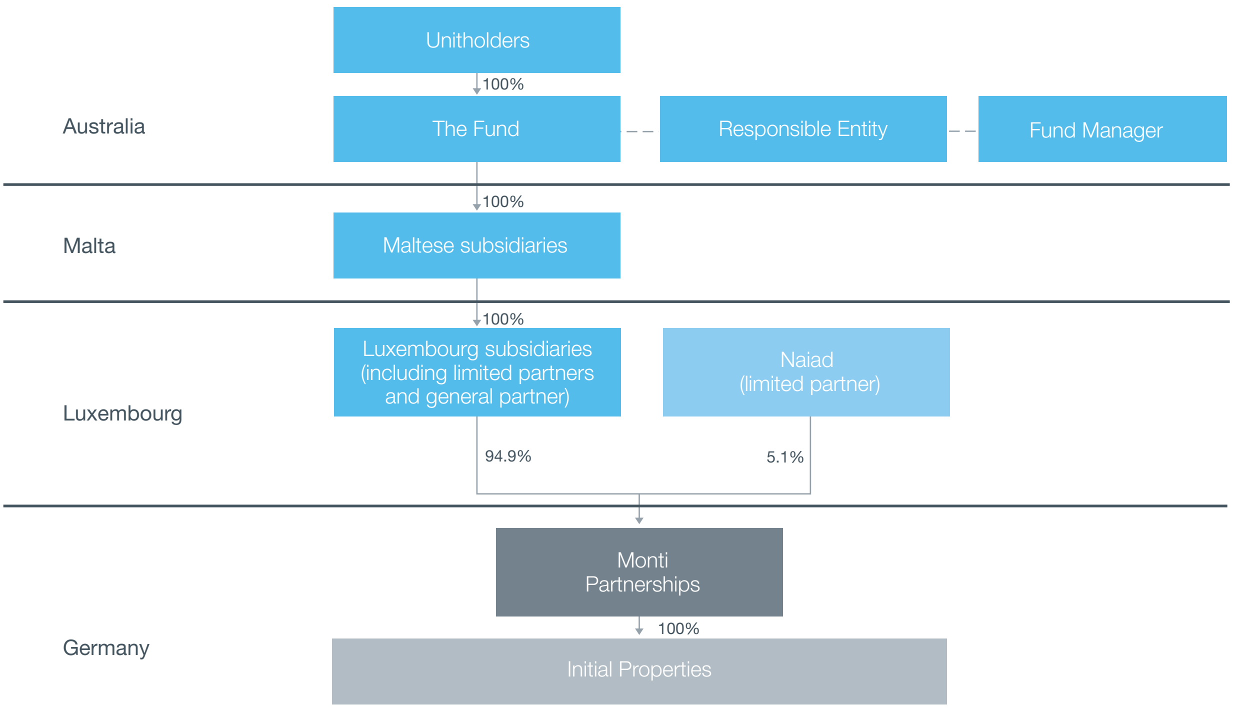
- Scheven – the property manager of the Initial Properties. A property services management agreement has been entered into for a period of three years with Scheven, as outlined in Section 10.4.1.
- Mensching + Steuerberatung – the financial day-to-day accountants of the Initial Properties. Mensching will be responsible for the Fund's German accounting and tax services, as outlined in Section 10.4.4.

The Fund's Luxembourg subsidiaries are responsible for the engagement of:

- Wigical Group S.à.r.l. – providing corporate, accounting and tax services for the Fund's Luxembourg subsidiaries. The agreement with Wigical is outlined in Section 10.4.3.

A Luxembourg subsidiary of the Fund is also party to the FX Hedging Arrangements entered into with Eurohypo Bank. Subject to the risks set out in Section 8.2.8, the hedges cover:

- 100% of the Invested Equity for the period from the Settlement Date to 15 April 2014; and
- 95% of the anticipated income from the Initial Portfolio for the period from the Settlement Date to 15 April 2014.



4.2 Investment Strategy Policy
While the Initial Properties are located exclusively within Germany, the Responsible Entity will continue to look for investment properties both within Germany and across Europe.

The Responsible Entity will seek to acquire additional properties to further diversify the assets of the Fund. New investment opportunities may be considered if they are expected to deliver appropriate returns to Unitholders. The focus will be on assets within the retail, office and industrial asset classes but the Fund may make investments outside these sectors in alternative asset classes such as residential, health and hospitality sectors.

The Responsible Entity will target countries which have a legal structure that provides certainty as to legal title as well as economic fundamentals that support property investment. In addition to Germany, the primary focus of the Fund will be Euro-zone countries such as France, Italy, Spain and Belgium.

To provide the Fund with as much flexibility as possible, future investments may be made through investment vehicles (such as sub-trusts and companies), established by the Responsible Entity (or an associate of the Responsible Entity). Although these investment vehicles may be initially wholly owned by the Fund, they may subsequently be opened up to investment from third parties. In addition, the Fund may co-invest with other Multiplex Funds or other entities.

4.3 Distribution Policy
The Responsible Entity intends, over time, to distribute the whole of the Fund's distributable income calculated in accordance with the Constitution. Distributions may include a return of capital.

It is proposed that quarterly distributions will be paid to Unitholders within 45 days of the end of each calendar quarter (31 March, 30 June, 30 September and 31 December each year). The first distribution will be paid for the period from the Allotment Date to 30 September 2007.

Distributions from the Fund up to the Allotment Date will be paid to MPT, MPF and Multiplex as the holders of Units prior to Allotment.

4.4 Borrowing Policy
The Responsible Entity's borrowing policy is to ensure that borrowings will be denominated in the same currency as the revenue from the assets against which the borrowing has been made or secured.

The Responsible Entity intends to maintain an effective consolidated Gearing ratio of between 55% and 65% on a long term basis. However, the Fund may exceed this range on a temporary basis to facilitate further acquisitions or any other action that the Responsible Entity deems to be in the interests of Unitholders.

4.5 Interest Rate Hedging Policy
The Monti Partnerships are party to swap agreements to effectively fix the interest rate applicable to the Monti Partnership's borrowings on the Initial Portfolio for the duration of the Term Facility, being from the Settlement Date to 15 April 2014. In the future, the Responsible Entity will consider the use of derivatives for such periods as it considers necessary having regard to the interest rate climate at the time of initiating the borrowings, the anticipated holding period of the asset(s) and any other relevant factor.

The swap agreements substantially reduce the potential impact of interest rate volatility on the forecast distributions for the Forecast Period. Potential investors should also refer to Section 8 for comments on interest rate and hedging risks.

4.6 Foreign Currency Hedging Policy

As the Fund's net rental income will be in foreign currencies it will need to be converted to Australian dollars when distributions are paid to Unitholders.

As currency fluctuations may affect the income return or capital value of Unitholders' investments, the Responsible Entity has a strategy to implement long-term currency hedges (so that Unitholders are not exposed to either favourable or unfavourable movements in exchange rates) for both income and capital at levels that are designed to ensure a more stable income distribution and capital value profile for Unitholders. However, there is no guarantee that the percentage of equity and income exposure which will be hedged will remain as high as at the date of this PDS or that it will be possible to secure hedges in future on acceptable commercial terms. Potential investors should refer to Section 8.2.8 for comments on foreign currency and hedging risk.

4.7 Change to Policies

Subject to the terms of the Constitution the Responsible Entity may change these policies at any time. If it elects to do so the Responsible Entity will provide Unitholders with at least 20 Business Days' notice.

Section 5
Multiplex and the Fund

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 across Australia, New Zealand, the United Kingdom and the United Arab Emirates.

Founded in 1962 in Perth, Western Australia by founding Chairman, the late John C Roberts AO, Multiplex Group listed on ASX in December 2003.

With over four decades of experience, the Multiplex construction business has successfully delivered an impressive range of major projects including Chifley Tower, Citigroup Centre and King Street Wharf in Sydney, Victoria County Court and Federation Square in Melbourne, Suncorp Stadium and Gold Coast Convention & Exhibition Centre in Queensland, Emirates Towers in Dubai and The Knightsbridge in London. Since its establishment, the Multiplex construction business has completed work with an estimated value exceeding $50 billion.

Established in 1989, the development business is one of Australia's largest and most diversified developers with activities spanning across Australia, New Zealand and the United Kingdom and across all sectors of the property market including commercial, residential, master planned community, retail, industrial and major urban regeneration projects.

Established in 1998, the facilities management business offers developers, building owners and investors an integrated range of facilities and property management services. Operating in the top tier of the industry and recognised as a leading facilities management organisation in the Australian market, the business works in close collaboration with clients to understand their business objectives and provide effective management solutions that ensure property assets are well serviced and efficiently managed.

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. Both the Responsible Entity (see Section 5.3) and the Fund Manager (see Section 5.6) form part of Multiplex Capital.

The division employs over 50 people that among them have experience in many areas of the property funds management industry. Total funds under management (FUM), as at 31 December 2006, exceeded $6 billion. With the addition of the assets of the Fund, total FUM as at the date of this PDS will exceed $6.7 billion.

Multiplex Funds	FUM ($m) (as at 31 Dec 2006)
Listed funds	
Multiplex Acumen Property Fund	322
Multiplex Property Trust	3,097
Multiplex Prime Property Fund	671
AMP NZ Office Fund[1]	943
Unlisted funds	
Multiplex New Zealand Property Fund	804
Multiplex Development and Opportunity Fund	149
Multiplex Property Income Fund[2]	–
Multiplex Diversified Property Fund[2]	–
Property syndicates	
Multiplex Acumen Vale Syndicate Limited	68
Total FUM	**6,054**

Notes:

1 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.

2 Multiplex Capital launched these open ended funds in March 2007.

Information about each Multiplex Fund can be found at www.multiplexcapital.biz.

5.3 Responsible Entity

Multiplex Capital Management Limited (a wholly owned subsidiary of Multiplex) is the responsible entity of the Fund and is referred to in this PDS as the Responsible Entity. It holds AFSL number 223809. The Responsible Entity is responsible for the operation and 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 Responsible Entity must act honestly, with care and diligence and in the best interests of Unitholders. Where there is a conflict between its own interests and that of Unitholders, it must prefer the interests of Unitholders over its own interests.

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

The Responsible Entity has delegated a number of aspects of the management of the Fund to the Fund Manager under the Management Services Agreement (see Section 10.1.3). More information about the Fund Manager is set out in Section 5.6.

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 a private Perth-based property group 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 Senior Management

Peter Dumas, Divisional Director, Transactions

Peter is responsible for running the major transactions undertaken by Multiplex Capital including creating new offshore funds and capital raisings for existing listed funds. Peter has over 15 years' experience in property funds management and has been involved in transactions both in Australia and offshore valued at over $7 billion.

Kevin Murphy, Divisional Director, Europe

Kevin is responsible for the overall management of the funds management business in the UK and Europe. Originally a Chartered Surveyor from the UK, Kevin moved to Australia where he was head of the syndication funds management division at Centro. Prior to the sale of MCS to Centro in 2003, Kevin was an Executive Director at MCS Property.

David Newling, Fund Manager

David is responsible for the overall management of the Fund. David has 10 years' experience in financial and risk management, structuring, financial reporting and statutory compliance. David was also previously involved in the establishment of international property funds at Colonial First State Property, which at the time was the Commonwealth Bank's property funds management division.

Tom Haines, Luxembourg Executive

Tom is an executive director of the Luxembourg entities based in Luxembourg from where he will provide management services in relation to the Monti Partnerships and the Initial Properties. A chartered accountant, Tom has spent the last 14 years working in Brussels and Luxembourg with various European property groups.

5.6 Fund Manager

Multiplex Capital Pty Ltd (a wholly owned subsidiary of Multiplex) has been appointed by the Responsible Entity for a term of 10 years from the Allotment Date to provide a wide range of services to the Responsible Entity pursuant to the Management Services Agreement. The fees payable to the Fund Manager under the Management Services Agreement (consisting of base and performance fees) are deducted from the fees which would otherwise be payable to the Responsible Entity under the Constitution.

If Multiplex Capital Management Limited is removed as the responsible entity of the Fund, this will not affect the continuation of the Management Services Agreement which will be binding on the new responsible entity in accordance with section 601FT of the Corporations Act.

In the event there is a change of the Responsible Entity, the agreement provides the Fund with ongoing access to the expertise and resources of the Fund Manager and, through the Fund Manager, to Multiplex Capital.

5.7 Asset Management

A subsidiary of the Fund, Multiplex Luxembourg General Partner S.à.r.l., is responsible for all management and representation of the Monti Partnerships. This includes making all business decisions relating to the asset management of the Initial Properties. This includes approving all new lease agreements, variations and rent reviews as well as capital expenditure. The company will direct the property manager (Scheven) in respect to running the day-to-day operations of the Monti Partnerships including collecting monthly rental payments and paying property expenses.

In addition the asset manager will also be responsible for ensuring the accounts of the Monti Partnerships are accurately prepared and audited.

The board of this entity includes Kevin Murphy, David Newling and Tom Haines whose property expertise is detailed above.

5.8 Property Management

The Fund has entered into a property services agreement with Scheven to perform limited property management and leasing services for the Initial Properties. Scheven provides management continuity given that they were also responsible for the property management of the Initial Properties for the Sellers. Scheven is a multi-faceted property services business based in Berlin with regional offices throughout Germany. The Scheven Group has been operating for over 15 years and employs 46 staff managing nearly 200 properties across Germany. Section 10.4.1 outlines the agreement with Scheven.

In conjunction with the Term Facility, the Fund has assigned, by way of security, its rights in respect of the agreement with Scheven to Eurohypo Bank. Scheven has agreed to act at all times in the best interests of, and take into account the security interests of, Eurohypo Bank when performing its obligations. As part of this arrangement, the Fund and Scheven agreed to restrict their rights to amend, rescind or terminate the property services arrangements without having first notified, and in various circumstances only with the prior consent of, Eurohypo Bank. This is summarised in Section 10.4.2.

Section 6
Forecast Financial Information

6

6.1 Introduction

The forecast financial information in this Section consists of the following:

– consolidated forecast income statement;

– consolidated forecast distribution statement;

– consolidated pro forma forecast balance sheet upon Allotment; and

– sources and applications of funds (collectively, the Financial Forecasts).

The Financial Forecasts should be read in conjunction with the statement of significant accounting policies (see Section 6.6), the key financial forecast assumptions (see Section 6.7) and the sensitivity analysis (see Section 6.8).

While these best estimate assumptions are considered to be appropriate and reasonable at the time of preparing this PDS, prospective investors should appreciate that many factors which may affect these results are factors outside the control of the Responsible Entity and may result in the actual outcomes differing materially from those which are forecast. These factors cannot be foreseen or accurately predicted. Further information on relevant risk factors is detailed in Section 8.

The Financial Forecasts were prepared under the recognition and measurement requirements of Australian equivalents to International Financial Reporting Standards (AIFRS).

The Financial Forecasts are presented in an abbreviated form and does not contain all the disclosures that would be found in an annual report prepared in accordance with the Corporations Act.

6.2 Consolidated Forecast Income Statement

A summary of the forecast income statements for the period from Allotment Date to 30 June 2008 and the financial year ending 30 June 2009 is outlined below:

	Forecast period from Allotment Date to 30 June 2008 €'000	Forecast year ending 30 June 2009 €'000
Net property income	21,534	22,012
Interest expense	(10,464)	(10,442)
Net property income after interest expense	**11,070**	**11,570**
Less: Outside equity interest	(242)	(288)
Other expenses	(239)	(246)
Tax expense	(84)	(84)
Net income from Germany	**10,505**	**10,952**
	$'000	$'000
Average exchange rate[1]	**0.5532**	**0.5563**
Net income from Germany	18,988	19,687
Contribution from capital hedge	4,552	4,610
Less expenses:		
Management fee	(3,787)	(3,788)
Other	(361)	(372)
Amortisation of borrowing costs[2]	(510)	(509)
Net operating profit before tax[3]	**18,882**	**19,628**
Deferred tax expenses[2]	(3,624)	(3,594)
Net operating profit after tax	**15,258**	**16,034**

Notes:

1 In undertaking the currency hedging strategy, the Fund entered into forward rate contracts from Settlement Date to 15 April 2014 to secure approximately 95% of the net property cash flows from Germany at €0.5476 to $1.00. The remaining cash flows have been translated at an exchange rate of €0.5900 to $1.00. The average exchange rate represents the weighted average of the two rates used in the translation.

2 The amortisation of borrowing costs and deferred tax expense is added back for the calculation of cash distribution to Unitholders.

3 The forecast net operating profit before tax does not include future revaluations of properties or movements in the values of derivatives as the Responsible Entity does not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside its control.

6.3 Consolidated Forecast Distribution Statement

A summary of the reconciliation between forecast net profit after tax and forecast distributions for the period from Allotment Date to 30 June 2008 and the financial year ending 30 June 2009 is outlined below:

	Forecast period from Allotment Date to 30 June 2008 $'000	Forecast year ending 30 June 2009 $'000
Net operating profit after tax	**15,258**	**16,034**
Add back:		
Outside equity interest[1]	438	518
Deferred tax expenses	3,624	3,594
Management fee deferral	1,155	833
Amortisation of borrowing costs	510	509
Cash distribution to Unitholders	**20,985**	**21,488**
Cash distribution per Unit	**8.5 cents**	**8.7 cents**

A summary of the forecast distributions for the period from Allotment Date to 30 June 2008 and financial year ending 30 June 2009 is outlined below:

	Forecast period from Allotment Date to 30 June 2008	Forecast year ending 30 June 2009
Cash distribution per Unit[2]	8.5 cents	8.7 cents
Cash distribution yield[3]	8.5%	8.7%
Tax Deferred component[4]	65%	69%

Notes:

1 Outside equity interest relates to Naiad's remaining 5.1% interest in the Monti Partnerships. No distribution from the Monti Partnerships will be made to Naiad during the Forecast Period.

2 Distributions comprise both income and capital components.

3 The distribution yield for the period from the Allotment Date to 30 June 2008 represents an annualised equivalent yield based on issue price of $1.00 per Unit.

4 The Tax Deferred concept is described in the Taxation Report Section 9.2.

6.4 Consolidated Pro Forma Forecast Balance Sheet Upon Allotment

	Pro forma at Allotment €'000	Pro forma at Allotment[1] $'000	Pro forma at Allotment[2] $'000
Assets			
Current assets			
Cash	2,000	3,377	3,306
Fair value of derivative instruments	4,954	8,364	13,833
Total current assets	**6,954**	**11,741**	**17,139**
Non-current assets			
Investment properties[3]	363,595	613,930	601,083
Total non-current assets	**363,595**	**613,930**	**601,083**
Total assets	**370,549**	**625,671**	**618,222**
Liabilities			
Non-current liabilities			
Deferred tax liability	499	841	824
Outside equity interest[4]	2,000	3,377	3,306
Interest bearing liability	229,365	387,283	379,178
Total non-current liabilities	**231,864**	**391,501**	**383,308**
Total liabilities	**231,864**	**391,501**	**383,308**
Net assets	**138,685**	**234,170**	**234,914**
Equity			
Equity raised	146,321	246,954	246,954
Issue costs	(11,735)	(19,814)	(19,814)
Retained earnings[5]	4,099	7,030	12,282
Foreign currency translation reserve	–	–	(4,508)
Total equity	**138,685**	**234,170**	**234,914**
Units on issue	**246,954**	**246,954**	**246,954**
NTA per Unit[6]	**€0.57**	**$0.96**	**$0.96**
Gearing[7]	**61.7%**	**61.7%**	**61.1%**

Notes:

1 Based on exchange rate of €0.5922 to $1.00, being the forward rate at which settlement occurred.

2 Based on exchange rate of €0.6049 to $1.00, being the spot rate at 30 March 2007 which is an indication of the rate at Allotment.

3 Investment properties are included at fair value.

4 Representing the amount payable under the put and call option which may result in the Fund acquiring Naiad's 5.1% interest.

5 Retained earnings at Allotment (refer to Note 1) comprise $8.4 million (€4.9 million) of mark to market movement in financial derivatives between exercise date (6 December 2006) and settlement date, deferred tax expense of $0.8 million (€0.5 million), $0.4 million (€0.2 million) write-off being the difference between the initial costs of investment property including acquisition costs at the settlement date and the independent valuation of investment properties. The increase in retained earnings at Allotment mainly relates to the difference in the fair value of financial derivatives at the forward rate at which settlement occurred (€0.5922) and the assumed spot rate at Allotment (€0.6049). This increase is mostly offset by the foreign currency translation reserve.

6 Being net assets divided by the Units on issue after adjusting for outside equity interests.

7 Calculated as interest bearing liabilities (less cash), divided by total assets (less cash).

6.5 Sources and Applications of Funds

The sources and applications of funds upon Allotment are set out below assuming full subscription proceeds under this PDS are received prior to the Allotment Date:

	€'000	$'000[1]
Sources of funds		
Proceeds from the Offer	109,290	184,454
Proceeds from the issue of Units to MPT	29,477	49,750
Proceeds from the issue of Units to MPF	7,554	12,750
Proceeds from borrowings	231,400	390,719
Proceeds from Naiad's interest (5.1%)	2,000	3,377
Total sources of funds	**379,721**	**641,050**
Applications of funds		
Investment properties	355,000	599,308
Equity raising and asset acquisition fee:		
Property acquisition portion	3,816	6,444
Equity raising portion	11,449	19,331
Stamp duty	–	–
Other property acquisition costs	5,060	8,544
Loan establishment costs	2,110	3,563
GST on equity raising fee	286	483
Working capital	2,000	3,377
Total application of funds	**379,721**	**641,050**

Note:

1 Based on exchange rate of €0.5922 to $1.00, being the forward rate at which settlement occurred.

6.6 Statement of Significant Accounting Policies

The principal accounting policies that have been adopted in the preparation of the Financial Forecasts are outlined below.

Basis of preparation

The consolidated forecast income statement and consolidated pro forma forecast balance sheet have been prepared on a going concern basis adopting the accruals and historical cost basis of accounting (except for property investments and derivatives which are at fair value) and in accordance with the requirements of AIFRS issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretations that apply from 1 January 2005 and the Corporations Act.

Principles of consolidation

The Financial Forecasts incorporate all the assets and liabilities of the controlled entities of the Fund and their results for the Forecast Period. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Property investments

Investment properties comprise investment interest in land and buildings (including integral plant and equipment) held for the purposes of letting to produce rental income. The investment properties will initially be brought to account at cost, including costs of acquisition and will subsequently be revalued, at fair value. The Initial Portfolio has been brought to account at cost, including costs of acquisition. Land and buildings have the function of a single investment and are regarded as a composite asset. The applicable accounting standards do not require that investment properties be depreciated. Accordingly, the buildings and any component thereof, including plant and equipment, are not depreciated. The property investments will be externally valued on an annual cycle or more frequently as appropriate. In valuing the property investments, the Responsible Entity may seek independent valuations. Changes in the fair values of property investments will be adjusted through the consolidated income statement.

Issue costs
The expenses of the Offer have been recognised directly in equity as a reduction from the proceeds of issuing Units.

Property rental income
Property rental income represents income earned from the Initial Portfolio and is brought to account on an accruals basis.

Revenue and expenditure
Revenue and expenditure are brought to account on an accruals basis.

Taxation
Income tax on the profit or loss of the Fund for the year comprises current and deferred tax and is recognised directly in the consolidated income statement.

Under AIFRS, a deferred tax liability is recognised along with a corresponding tax expense. These arise from the temporary differences between the carrying values of assets in the consolidated balance sheet and their associated tax cost bases, principally due to property revaluations and tax depreciation.

Whilst accounting for the deferred taxation due to tax depreciation gives rise to a taxation expense in the consolidated income statement, it will not impact on the cash flows from operations and hence the cash distributions paid to Unitholders. The deferred tax liability is restricted to the excess of tax depreciation over tax losses and is calculated by applying the relevant tax rate.

Borrowings
Borrowings are initially recognised at fair value. Subsequent to initial measurement, borrowings are measured at amortised cost using the effective interest method. Interest expense is recognised on an accruals basis.

Foreign currency transactions
Foreign currency transactions of the Fund are converted to Australian dollars at the rate of exchange prevailing at the date of transaction or at hedge rates where applicable. Amounts receivable or payable by entities within the Fund that are outstanding as at the balance date and are denominated in foreign currencies are converted to Australian dollars using rates of exchange at the end of the period. All resulting exchange differences arising on settlement are brought to account in the consolidated income statement.

Foreign controlled entities
The assets and liabilities of foreign controlled entities are translated into Australian dollars at rates of exchange current at balance date, while their income and expenditure are translated at the hedge rates.

Exchange differences arising on translation are taken to the foreign currency translation reserve.

Derivatives
As the Fund is exposed to changes in interest rates and foreign currency rates, the Monti Partnerships entered into interest rate hedges to mitigate exposure to increasing interest rates. The Fund has also entered into foreign exchange contracts to hedge against the risk of adverse movements in exchange rates. All interest rate and foreign currency derivatives are recognised at fair value in the consolidated balance sheet, with changes in fair value during the period recognised in the consolidated income statement. The hedging arrangements entered into by the Fund will not be deemed effective hedges for accounting purposes. Therefore the financial statements will experience volatility due to the revaluation of derivatives.

6.7 Key Financial Forecast Assumptions
The major assumptions made in preparing the Financial Forecasts are set out below. While the Responsible Entity considers these assumptions to be appropriate and reasonable as at the date of this PDS, prospective investors should appreciate that many factors which may affect actual results are outside the control of the Responsible Entity, or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may vary from the Financial Forecasts.

Investors are advised to review the assumptions and Financial Forecasts and make their own independent assessment of the future performance and prospects of the Fund. The Financial Forecasts have been reviewed by PricewaterhouseCoopers Securities Ltd, which has prepared the Investigating Accountant's Report contained in Section 9.1. Greenwoods & Freehills has prepared a report on the taxation implications contained in Section 9.2. The Responsible Entity has adopted the Financial Forecasts based on experts' reports and their knowledge of the investment properties and the property industry.

The following items outline the key assumptions made in the Financial Forecasts.

Rental income

Net property income has been forecast based on existing leases and assumptions for future market rentals and future leasing. The Financial Forecasts assume all leases are enforceable and are performed in accordance with their terms. Net property income comprises gross rental and all other income (including recoverable expenses) after deducting property expenses (including property management expenses).

A summary of the key assumptions for the Forecast Period for the purposes of calculating the net property income are below:

- CPI has been assumed for the Initial Portfolio at 2% per annum;
- non-recoverable property expenses equal 6% of passing income;
- non-recoverable expense growth rate of 2% per annum; and
- weighted average lease term of 9.8 years (by income).

Changes in fair value of properties

There are no forecasts of future valuations of properties as the Responsible Entity does not believe there is any reasonable basis to make forecasts in relation to future capitalisation rates, property yields or general market conditions, all of which are outside its control. For these reasons, the Responsible Entity is unable to accurately quantify the impact on the Financial Forecasts of these matters reflecting, in particular, the potential volatility of property values. While this application of AIFRS will introduce volatility into forecast financial information, this will not affect the cash flows from operations and hence the distribution paid to Unitholders.

Initial Portfolio acquisition costs

Investment properties acquisition costs totalling €8.9 million ($15.0 million) have been capitalised as part of the investment properties. These costs comprise the property syndication fee, legal expenses, consultants' fees and other transaction fees associated with the property portfolio purchase.

Fund expenses

Fund expenses cover administrative costs associated with running the Fund, such as audit, tax, compliance and secretarial, registry fees and ongoing listing expenses. These amounts have been forecast by taking into account factors likely to influence the level of those expenses.

Fund management fees

Fund management fees are payable to the Responsible Entity or the Fund Manager and charged in the manner set out in Section 7. The Responsible Entity and Fund Manager have decided to defer payment of a portion of the management fees over the Forecast Period to enhance the cash flows of the Fund.

The Financial Forecasts assume that no performance fee is payable during the Forecast Period.

Term Facility

To partly fund the acquisition of the Initial Portfolio, the Fund has borrowed €231.4 million under the Term Facility that was drawn down on the Settlement Date.

Interest on the Term Facility is charged in accordance with the terms and conditions of that facility (see Section 10.2.1).

Unless the interest rate derivatives are terminated in accordance with their terms, the interest rate on the Term Facility is fixed until 15 April 2014 through interest rate derivatives entered into by the Monti Partnerships. The Financial Forecasts assume a fixed rate of interest of 4.48% per annum for the Forecast Period including the margin.

Exchange rate assumptions and foreign currency hedges

The consolidated pro forma balance sheet at Allotment is based on a spot rate of €0.5922 per $1.00 for Australian dollars transferred for the acquisition at Settlement Date.

The Fund has hedged approximately 95% of its initial forecast net income from the Initial Portfolio at a weighted average forward rate of €0.5476/$1.00 for the period from Settlement Date to 15 April 2014.

In addition, the Fund has hedged its exposure to Invested Equity due to fluctuations in foreign exchange rates from the Settlement Date until 15 April 2014 by entering into cross currency swaps. The net receipts under the cross currency swaps will be brought to account in the income statement over the life of the contracts.

Economic hedge fair values

Under AIFRS, forward contracts which have not expired at balance dates will be required to be carried at fair value on the consolidated balance sheet. Changes in fair value will be recorded in the consolidated income statement as hedge accounting is not being sought. The forecast does not include movements in the market value of derivatives as the Responsible Entity does not believe there is a reasonable basis to make forecasts in relation to market conditions on matters that are outside their control.

While the application of AIFRS on this matter will introduce volatility into the forecast financial statements, this will not affect the operating cash flows and hence the distributions paid to Unitholders.

Borrowing costs

Initial costs in respect of borrowings to fund the acquisition are set off against the debt and brought to account as part of the effective interest rate over the life of the debt. Initial borrowing costs are estimated to be €2.11 million.

Distributions

Distributions are forecast to be made on a quarterly basis. The first distribution for Units will relate to the period from Allotment date to 30 September 2007 and will be paid within 45 days of 30 September 2007.

Issue costs and underwriting fees

Issue costs (other than underwriting fees) associated with the Offer will be paid by the Responsible Entity out of the equity raising and asset acquisition fee payable to the Responsible Entity. Underwriting fees will be paid out of Fund assets directly.

Accounting standards

The Australian Accounting Standards Board (AASB) has issued Australian equivalents to IFRS (AIFRS), and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee. The adoption of AIFRS will be reflected in the Fund's financial statements for the period ending 31 December 2007.

Changes in accounting standards may affect the reported net profit and financial position of the Fund in future financial periods. The interpretation of AIFRS may change between the issue of this PDS and the issue of the Fund's first set of AIFRS financial statements for the period ending 31 December 2007. The regulatory bodies that promulgate AIFRS have significant ongoing projects that could affect the impact of AIFRS on the Fund. It has been assumed that no change in Applicable Accounting Standards and the Corporations Act or their German equivalents will occur that may have a material effect on the Fund's forecast distribution.

GST

The financial forecasts have been prepared on the assumption that no GST is payable in respect of distributions paid by the Fund.

Investment valuation

The Initial Portfolio has been valued by an independent valuer as at 15 March 2007. A summary of the valuation report is contained in Section 9.3.

For the purposes of the Financial Forecasts, it has been assumed that there will be no movement in the fair values of the investment properties during the Forecast Period.

Capital expenditure

The annual capital expenditure amounts are assumed to be 0.3% per annum of total Fund assets during the Forecast Period (€1.1 million per annum). In the next 12 months, it is intended that the Monti Partnerships will procure a working capital facility of up to €1.0 million to finance any working capital requirements that may arise in the final six months of the Forecast Period. It is intended that security for the working capital facility will include third ranking mortgages over the Initial Properties.

6.8 Sensitivity Analysis

Investors should be aware that Financial Forecasts may not be met for a variety of reasons. To assist prospective investors in understanding the significance of key assumptions for the forecast returns of the Fund, the table below sets out the effect of a change in several assumptions.

Investors should note that the sensitivity analysis is intended to provide a guide only and variations in actual performance may exceed the ranges shown. Movement in other assumptions may offset or compound any one variable beyond the extent shown.

The table below details the impact in the cash distribution (cents per Unit) for changes in certain assumptions:

	Forecast period from Allotment Date to 30 June 2008	Forecast year ending 30 June 2009
	Cash distribution per Unit	Cash distribution per Unit
Base case	8.50 cents	8.70 cents
Changes to key assumptions		
Increase in exchange rates by 5%[1]	(0.023)	(0.039)
Decrease in exchange rates by 5%[1]	0.025	0.043
Increase in interest rates by 0.5%[2]	–	–
Decrease in interest rates by 0.5%[2]	–	–
Increase in CPI by 0.5%[3]	0.029	0.109
Decrease in CPI by 0.5%[3]	(0.020)	(0.150)

Notes:

1 To eliminate distribution volatility resulting from dollar movements, the Responsible Entity has hedged approximately 95% of the Fund's forecast net property cash flows from Settlement Date to 15 April 2014 at an exchange rate of €0.5476 to $1.00. The sensitivity analysis has been calculated on the remaining 5% of net property cash flows which will be subject to movements in the dollar.

2 To eliminate distribution volatility resulting from interest rate movements, the Responsible Entity has fixed interest rates on 100% of the Fund's debt from Settlement Date to 15 April 2014 at an average rate of 4.48% (including margin) and therefore the Fund is not exposed to any interest rate volatility until 15 April 2014.

3 Sensitivity analysis has been calculated on the effect of a change in the German CPI on the timing and quantum of rent reviews on the various properties.

Section 7
Fees and Other Costs

The format of this Section is prescribed by the Corporations Regulations. It is a requirement of these regulations to include the following consumer advice warning in product disclosure statements. This is a standard statement and is not specific to this PDS.

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 these 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.

7.1 Fees and Other Costs

This PDS 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 about tax is set out in Section 9.2.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
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. See Section 7.3 for more details.

Type of fee or cost	Amount	How and when paid
Equity raising and asset acquisition fee (initial) This fee is for services provided to the Fund by the Responsible Entity in raising equity and sourcing assets for the Fund.[4]	3.78%[1] of the price paid by the Fund to acquire the Initial Portfolio on the Settlement Date, being €13.4 million ($22.6 million).	Payable to the Responsible Entity out of the Fund five Business Days after completion of the issue of Units under this PDS.
Underwriting fee	2.0% (exclusive of GST) of the issue price of Units issued under this PDS ($3.689 million).	Payable to the Joint Lead Managers out of the Fund on completion of the issue of Units under this PDS.
Offer costs	Nil.	The Offer costs of the Fund will be paid by the Responsible Entity out of its own funds.
Base fee	0.615%[1,3] of the gross value of the Fund's assets.	Payable from the Fund to the Fund Manager quarterly in arrears.
Performance fee	5.125% to 15.375%[1] of the Fund's outperformance over the Benchmark index, normally capped so that the base fee and performance fee (exclusive of GST) together do not exceed 0.5% per half year of the fair market value of the Fund's assets.	Payable from the Fund to the Fund Manager half yearly.
Asset acquisition fee (ongoing)	Up to 5.5%[2] of the gross value of any assets being acquired after the date of this PDS.	Payable from the Fund to the Responsible Entity at the time of completion of any acquisition.
Property sale fee	2.2% to 4.4%[2] of the gross sale price of Fund properties.	Payable from the Fund to the Responsible Entity at the time of sale.
Ongoing expenses	Expenses relating to the proper performance of the Responsible Entity's duties in connection with the Fund, estimated at 0.36%[2] per annum of the Fund's net assets.	Paid or reimbursed to the Responsible Entity or to third parties as incurred.
Service fees **Investment switching fee** The fee for changing investment options.	Nil.	Not applicable.

Notes:

1 Including GST less any reduced input tax credits.

2 Including GST. Input tax credits or reduced input tax credits will be claimed where applicable.

3 A part of the base management fee will be deferred during the Forecast Period. See Section 7.3.6 for information about the deferral of the base fee and how it may change after the Forecast Period.

4 This fee includes an amount payable to an adviser (see Section 7.3.4).

7.2 Example of Annual Fees and Costs

These tables give examples of how fees and charges on the Fund can affect your investment over a one year period. As the fees are substantially different in the second year after the Offer closes, those figures are shown in table 2. You should use the tables to compare the Fund with other managed investment products. All amounts are GST inclusive net of any reduced input tax credits.

Table 1 – first year after Allotment Date

Example	Balance of $50,000 during year one
Management costs	For every $50,000 you have in the Fund, you will be charged the following amounts in the first year:
Equity raising and asset acquisition fee[1]	$4,834.90
Underwriting fee	$787.69
Offer costs	$0
Base fee	$821.60
Performance fee[2]	$0 to $270.24
Ongoing expenses	$177.85
Equals Cost of fund	If you had an investment of $50,000 at the beginning of the year, you would be charged fees from: **$6,622.04 to $6,892.28**[3] **What it costs you will depend on the extent (if any) by which the Fund outperforms the Benchmark during the year.**

Table 2 – second year

Example	Balance of $50,000 during year two
Management costs	For every $50,000 you have in the Fund, you will be charged the following amounts in the second year:
Base fee	$821.60
Performance fee[2]	$0 to $270.24
Ongoing expenses	$177.85
Equals Cost of fund	If you had an investment of $50,000 at the beginning of the year, you would be charged fees from: **$999.45 to $1,269.69**[3] **What it costs you will depend on the extent (if any) by which the Fund outperforms the Benchmark during the year.**

Notes:

1 From this fee, the Responsible Entity will pay equity raising costs, as set out in Section 7.3.4.

2 Assumes 2% outperformance over the Benchmark in each six month period, ie roughly 4% per annum.

3 Additional fees may apply. The figures in tables 1 and 2 assume there will be no new properties acquired for, or existing properties sold by, the Fund during the first two years. If this did occur, the asset acquisition fee and property sale fee described in Section 7.1 would also be charged.

7.3 Additional Explanation of Fees and Costs

7.3.1 Performance fee

Under the Constitution, subject to the fee offset and fee cap arrangements described at Section 7.3.2, the Responsible Entity is entitled to a performance fee where the performance of the Fund in any six month period ending 30 June or 31 December exceeds that of the S&P/ASX 300 Property Accumulation Index (Benchmark). The first period for calculating the fee will be from the date on which the Units are first officially quoted on ASX to 31 December 2007.

The performance fee is calculated in two tiers as follows:

- a tier 1 performance fee equal to 5.125% (including GST less any reduced input tax credits) of the amount by which the total return of the Fund exceeds the Benchmark; and
- a tier 2 performance fee which is applicable only where the Fund produces a total return out performance in excess of 1% per six month period above the Benchmark. This tier of the fee is calculated as 15.375% (including GST less any reduced input tax credits) of the amount by which the total return of the Fund is in excess of 1% above the Benchmark for the six month period (for a year, roughly equivalent to returns over the Benchmark plus 2% per annum).

The following is a hypothetical example to illustrate the tiered structure of the fee calculation and does not purport to represent the likely level of performance fees.

If the Benchmark had returned 4% for a half year and the Fund's performance for the same half year was 8%, the amount of the performance fee would be calculated as follows:

- tier 1: 4% total outperformance x equity capital of $247 million[1] x 5.125% = $506,350; and
- tier 2: 3% (4%–1%) total outperformance x equity capital of $247 million[1] x 15.375% = $1,139,287

Note:

1 Estimated market capitalisation of the Fund.

Total performance fee for the half year = tier 1 performance fee of $506,350 + tier 2 performance fee of $1,139,287 = $1,645,637 for the half year.

Outperformance will be assessed on a cumulative basis and accordingly, any underperformance will need to be recovered before the Responsible Entity is entitled to any performance fees.

7.3.2 Fee offset and fee cap

The Responsible Entity's entitlement to the base fee and the performance fee will be reduced to the extent that the Fund Manager receives a base fee and a performance fee under the Management Services Agreement. It is expected that most or all of the base fee and performance fee will be paid to the Fund Manager under the Management Services Agreement rather than to the Responsible Entity. The allocation of the fee in this way will not affect the amount to be paid out of the Fund.

Under both the Constitution and the Management Services Agreement, the total amount of the base fee plus performance fee that can be paid in any half year is capped at an amount equal to 0.5% of the fair market value of the Fund's real property interests and other assets. Any excess over this cap may be paid in future periods if, and to the extent that, the fees for those periods are less than the cap. Any excess performance fees that have been accrued for at least three years would be paid if the Fund's performance over a three year period has exceeded the Benchmark measured over that period, or immediately at any time if the responsible entity changes or the Fund is to be wound up. Only the base fee and the performance fee are covered by the cap.

7.3.3 Property sale fee

The property sale fee to which the Responsible Entity is entitled is calculated as the lesser of:

- 2.2% (including GST) of the gross sale price of real property or property securities in which the Fund has a direct or indirect interest; and
- the difference between the net sale proceeds and the purchase price of the property or securities plus acquisition costs,

plus an additional fee of 2.2% (including GST) of the amount by which the net sale proceeds exceed a figure which represents a greater than 50% profit on the purchase price plus acquisition costs.

In each case the amounts are to be adjusted if relevant based on the proportion of the value of the property or securities which the Fund's direct or indirect interest represents.

For example, if a property acquired for $1,000,000 (including costs) is sold for $1,650,000 gross ($1,600,000 net), the property sale fee would be 2.2% x $1,650,000 plus 2.2% of $100,000, which equals $38,500.

7.3.4 Joint Lead Manager remuneration

The Responsible Entity will pay to the Fund Manager who will pay in aggregate a distribution fee of 2.5% (exclusive of GST) of the issue price of Units issued, to the Joint Lead Managers in connection with equity raised by them under the Offer.

NAB, as Lead Equity Arranger, will also receive an arrangement fee of $1,750,000 (excluding GST).

All of the above amounts in this Section 7.3.4 are payable by the Responsible Entity out of the equity raising and asset acquisition fee it receives and not out of the Fund. These fees do not affect Unitholders' capital or returns.

7.3.5 Underwriting fee

The Responsible Entity will pay from the Fund to the Joint Lead Managers in connection with equity raised by them under the Offer an underwriting fee of 2% (exclusive of GST) of the issue price of Units issued under this PDS in the shares agreed by the Joint Lead Managers.

From the remuneration referred to in Sections 7.3.4 and this Section, the Joint Lead Managers may pay institutional placement fees, broker firm fees, financial planner commissions and sub-underwriting fees (including to a related party of the Responsible Entity).

The Responsible Entity will also pay to each Joint Lead Manager their reasonable costs in connection with the underwriting, as allowed under each underwriting agreement.

7.3.6 Maximum fees and waiver

The Constitution allows the following maximum fees to be charged for the management of the Fund:

- an equity raising and asset acquisition fee of 5.5% (including GST) of the gross value of the assets which the Responsible Entity acquires or agrees to acquire for the Fund (including for a controlled subsidiary of the Fund). For any acquisition or agreement to acquire prior to the Allotment Date, this fee is payable five Business Days after the Allotment Date. For later acquisitions, it is payable at the time of completion of the acquisition;
- a base management fee of 0.77% per annum (including GST) of the gross value of the Fund's assets, calculated quarterly and payable within five Business Days of the calculation date;
- a performance fee as described in Section 7.3.1;
- together, the base management fee and performance fee may, before GST, not exceed a cap of 1% per annum (applied as 0.5% per half year) of the fair market value of the Fund's property and other assets – see Section 7.3.2; and
- a property sale fee as described in Section 7.3.3.

During the Forecast Period, the Responsible Entity will waive part of the equity raising and asset acquisition fee to which it would otherwise be entitled and charge only the amounts shown in the table in Section 7.1. During the Forecast Period, the Responsible Entity and the Fund Manager will also defer part of the base management fee of 0.615% per annum that would otherwise be charged (including GST less any reduced input tax credits). From the Allotment Date to 30 June 2008, 31% of the fee will be deferred (being $1,155,000) and for the financial year to 30 June 2009, 22% will be deferred (being $833,000). The deferred amounts may be recovered in later periods unless the Responsible Entity decides to waive all or part. After the end of the Forecast Period (from 1 July 2009), these fees may be increased up to the maximum allowable under the Constitution and Management Services Agreement, as set out in this Section 7.3.6.

7.3.7 Expenses

In addition to the fees above, the Responsible Entity may pay, or be reimbursed for, a range of expenses incurred in the proper performance of its duties including costs connected with formation and promotion of the Fund, acquisition of assets, exchange rate risk management, and ments to related entities including (subject to Section 7.3.2), amounts payable under the Management Services Agreement.

8

8.1 Introduction

Every investment carries with it some risk that the forecast income and capital returns may differ from actual income and capital returns received. The future performance of the Fund can be influenced by a number of factors, some of which are outside the control of the Responsible Entity and some of which may not be foreseen. The Responsible Entity is unable to protect Unitholders from all risks. The future level of income and distributions, the value of the Portfolio and the Tax Deferred component of any distributions may be reduced by any of these factors.

Prospective investors should consider whether an investment in the Fund is suitable given their investment objectives and risk tolerance, read this PDS in full and seek independent advice prior to making a decision whether to invest in the Fund.

Applicants should also be aware that an investment in the Fund represents an investment in the Fund's equity and generally speaking ranks after both secured and unsecured creditors of the Fund, in the event the Fund is terminated or wound up. In this event, Unitholders will only receive a return of capital following the repayment of secured and unsecured creditors.

The following is a summary of the principal risks of which the Responsible Entity is aware as at the date of this PDS that may impact upon the performance of the Fund and the market price of the Units.

8.2 Fund Risks

8.2.1 Property market risk

Investors will be exposed to property market risk. The value of the Fund's assets may fluctuate depending on market conditions. These include demographics, zoning and access which are beyond the Fund's control.

General property market conditions across Europe and in Germany specifically may also adversely impact the value of the Portfolio.

8.2.2 Property investment risk

An investment in the Fund is subject to risks associated with general property ownership including:

- In the event of a tenant vacancy, a new lease may be entered into on less favourable terms to the Fund, the relevant property may be let to a number of tenants with a lower financial standing than the previous tenant or an area may remain vacant. The ability of the Fund to secure lease renewals or to obtain replacement tenants may also be influenced by any leasing incentives granted to prospective tenants and the increased supply of new commercial buildings, which, in turn, may increase the time required to let vacant space.
- Tenants may default under their lease obligations. In particular, there is a risk that tenants may terminate lease agreements regardless of the originally agreed term by invoking that there has been non-compliance with German written form requirements for leases. The requirement for all German leases to meet the written form requirements has the effect that all of the provisions of these leases must be contained in a single written document and subsequent amendments to the leases must either be attached to the original lease or at least make clear reference to such original lease. The Responsible Entity intends to implement a program to ensure compliance with German written form requirements.
- Approximately 52% of revenue from the Initial Properties is currently received from the largest five tenants (by income). The EDEKA Group, the largest German supermarket corporation, currently represents 27.4% of rental income. The adverse impact on the Fund of a failure to secure lease renewal or to obtain replacement tenants on similar terms or the effect of a tenant default will be greater if it relates to one of the Fund's major tenants.
- Leases may allow tenants to abate the payment of rent in certain circumstances. Abatement of rent may result in less income being available for distribution to Unitholders.
- There may be unforeseen capital expenditure which would result in increases in funding requirements and costs for the Fund.
- Operating and third party expenses may be higher than forecast, adversely impacting both future distributions and the value of the Portfolio.

8.2.3 Property acquisition

The Fund intends to acquire additional properties in the future. As the details of any future properties are unknown, there is risk that the inclusion of additional properties in the Fund may detrimentally affect the Unit price, value of returns to Unitholders and the Tax Deferred component of distributions paid by the Fund.

Payment of fees and expenses associated with future acquisitions or disposals of property may affect distributions in the periods that they are paid.

8.2.4 Debt levels

Gearing has the potential to multiply gains and losses and prospective investors should be aware that the returns from a geared investment will generally be more volatile than the returns from a less highly geared investment or an ungeared investment.

If a financing facility cannot be entirely refinanced on expiry, the Responsible Entity may be required to raise additional capital or sell assets to partially repay the facility. This may impact on returns to Unitholders.

8.2.5 Term Facility and interest rate hedges

Under the Term Facility (see Section 10.2.1) Eurohypo Bank may require mandatory repayment should the Responsible Entity, Multiplex Group, the Fund or the Fund's Luxembourg or German subsidiaries be subject to a change of control. Control in the case of the Fund relates to an entity other than the Multiplex Group or an entity for which the Multiplex Group acts as trustee, nominee or responsible entity controlling more than 24.9% of the Units. This mandatory requirement does not apply in the case of a change of control of the Responsible Entity or Multiplex Group if Eurohypo Bank is satisfied acting reasonably, that control of the Responsible Entity will be held by a professional and reputable fund manager of equal standing to Multiplex in the relevant market.

In addition, there are various restrictions under the facility on the sale of the Fund's properties. For example, sales must not result in nursing homes exceeding 25% of the aggregate value of the Fund's portfolio.

The Term Facility and interest rate hedging (see Section 8.2.6) have been provided for a limited period (until 15 April 2014) and are subject to a controlled account and default regime.

Under the Term Facility and interest rate hedging arrangements, the Monti Partnerships are required to maintain a controlled account structure which involves maintaining separate accounts including accounts for rental income received which are controlled by a security trustee and from which payments may only be made in a prescribed payment order. Once the prescribed payments have been made on each interest payment date any additional free cash will be used to make the payments required under the FX Hedging Arrangements and, thereafter, may be used by the Monti Partnerships at their discretion, including to service internal loans unless a cash lock up applies.

If a cash lock up applies, all free cash will be locked up and will not be available to the Monti Partnerships to service the internal loans and, therefore, for the Fund to make scheduled payments under the FX Hedging Arrangements.

If funds are not available to make scheduled payments under the FX Hedging Arrangements then the default regime under the FX Hedging Arrangements will apply and Eurohypo Bank may terminate the FX Hedging Arrangements and enforce its first ranking security interests, including the Fund's indirect interest in the Monti Partnerships.

If the Monti Partnerships do not service the internal loans the Fund will not have income from the Initial Properties available to distribute to Unitholders.

There is a risk that a default may occur under the Term Facility and the interest rate hedges. In the event of a default, Eurohypo Bank may impose a cash lock up or terminate the Term Facility and the interest rate hedges. If the Term Facility is not repaid and the interest rate hedges not paid out, Eurohypo Bank may enforce its first ranking security interests and, amongst other things, sell the Initial Properties.

It is an event of default if Naiad fails to comply with its obligations under the partnership agreements in a manner which could reasonably be expected to have an adverse effect on the interests of the finance parties.

8.2.6 Interest rates

While the Term Facility will initially be fully hedged against interest rate movements until 15 April 2014, future acquisitions may be partly or wholly funded by debt which may result in some interest rate exposure for the Fund if interest on that debt is not fully hedged. In addition, there is no guarantee that interest rate hedges will be renewed after expiry or that future debt facilities (even if hedged) will be available on acceptable commercial terms.

In addition, changes to interest rates may adversely affect the general attractiveness of the Fund to the investment market when compared to alternative investments.

8.2.7 Purchase of Naiad's interest

If the put option relating to Naiad's 5.1% interests in the Monti Partnerships is exercised and the Fund is required to purchase the additional interest, there is a risk that funding will not be capable of being sourced or being sourced on acceptable commercial terms. The Term Facility provides for a cash trap if the Fund does not demonstrate one year before the Naiad put option is exercisable that it has sufficient committed funds available to acquire Naiad's interest in the Monti Partnerships and any tax payable in relation to that acquisition.

8.2.8 Foreign Exchange Risk

The Responsible Entity intends that substantially all the Fund's assets and income will be denominated in Euros. Therefore an investment in the Fund will be subject to foreign exchange movements between the Australian dollar and the Euro. The Australian dollar has been subject to significant movements against the Euro historically and may continue to be in the future. While the hedging policies outlined in Section 4.6 are designed to mitigate this risk, they do not remove the risk completely. Adverse currency movements during the life of the Fund can affect expected returns.

The hedging strategy for income generated by the Fund is to cover 95% of anticipated distributable income to 15 April 2014 and to maintain cover at around this level going forward. Income in excess of the amount hedged will be subject to movement between the Australian dollar and the Euro which may negatively affect Unitholders future distributions.

In respect to the capital raised, the Fund has adopted a policy of hedging 100% of the Invested Equity for a period to 15 April 2014. This strategy will insulate Unitholders' capital during this period against any favourable or unfavourable movements in the Australian dollar against the Euro.

The FX Hedging Arrangements have been provided for a limited period (until 15 April 2014) and are subject to a secured account and default regime.

There is a risk that a default may occur under the FX Hedging Arrangements (for example, if funds are not available to make scheduled payments under the FX Hedging Arrangements because a cash lock has occurred under the Term Facility). In the event of a default, Eurohypo Bank may terminate the FX Hedging Arrangements and enforce its first ranking security interests and, amongst other things, sell the Funds' interest in the Monti Partnerships.

The introduction of any foreign exchange restrictions between Australia and foreign countries, including Germany, may also adversely affect the Fund.

Other currency issues for prospective investors to consider include:

- the Fund will be exposed to counterparty credit risk in relation to the foreign exchange hedging arrangements;
- costs may be incurred where foreign exchange hedging arrangements are terminated ahead of time; and
- at expiry of the foreign exchange hedging arrangements the Fund will be required to repay the principal outstanding under the equity hedge which may require additional capital to be raised. This may impact on returns to Unitholders.

8.2.9 Sale and Purchase Agreement for the Initial Portfolio

There is a cap on liability of the Sellers of €5 million for most warranty and tax claims made against the Sellers under the terms of the Sale and Purchase Agreement. This cap on liability does not extend to claims resulting from malicious misrepresentation, breach of certain warranties relating to real estate transfer tax and corporate income tax, and certain corporate and interim management warranties. All claims against the Sellers for breach of warranty (other than tax warranties and indemnities and claims relating to breach of interim management provisions) must be made prior to 2 April 2010. All claims against the Sellers relating to the tax warranties and indemnities under the Sale and Purchase Agreement for tax periods up to and including 2 April 2007 must be made within six months of the final and non-appealable tax assessment. All claims against the Sellers relating to tax warranties or indemnities under the Sale and Purchase Agreement (other than in relation to real estate transfer tax and corporate income tax) for periods after 2 April 2007 must be made prior to 2 April 2010 (see Section 10.3.1).

8.2.10 Sellers potential inability to meet claims

Warranty claims made against the Sellers under the terms of the Sale and Purchase Agreement in excess of €5 million (where those claims are permissible) may not be recoverable by the Fund if the Sellers have insufficient funds to meet the warranty claims or have ceased to exist.

8.2.11 Pre-emptive rights

Pre-emptive rights have been granted to the tenants of two of the Initial Properties. The beneficiaries of these rights may purchase the properties on the same terms and conditions as those offered to a third party. These rights are not triggered by the acquisition of the Initial Portfolio as the properties were acquired indirectly by the Fund (via the Monti Partnerships).

Wiesbaden (property no. 67) has an attached obligation which is entered on the land register to be operated as a nursing home. A conditional right of transfer has been granted in favour of the City of Wiesbaden if the property is sold before 2010 (with the intention that it does not operate as a nursing home) or if the property is not sold and the operation of the nursing home is given up without the consent of the City of Wiesbaden.

8.2.12 Insurance

The availability of appropriate insurance when required is not known with certainty. Insurance policies typically have exclusions such as terrorism and war. In the event of damage or loss as a consequence of an exclusion, distributions and returns to Unitholders may be adversely affected.

8.2.13 Environmental risks

Unforeseen environmental issues may affect any of the Initial Properties. Liabilities relating to these environmental risks may be imposed irrespective of whether or not the Fund is responsible for circumstances to which they relate.

The Fund may also be required to remediate sites affected by environmental liabilities. The cost of remediation of sites could be substantial. In addition, if the Fund is not able to remediate the site properly, this may adversely affect its ability to sell the relevant property or to use it as collateral for borrowing. Material expenditure may also be required to comply with new or more stringent environmental laws or regulations introduced in the future.

8.2.14 Regulatory restrictions

Two Initial Properties, Wetzlar (property no. 65) and Prüm (property no. 27) are subject to municipal urban redevelopment ordinances. These ordinances require specific approval to be obtained from the relevant authorities before the properties can be sold or leased for more than 12 months and before security charges can be granted over these properties.

8.3 Multiplex Risk

8.3.1 Multiplex Group

Multiplex Capital Management Limited acts in the capacity of responsible entity in relation to a number of managed investment schemes and this number may increase in future. In addition, related bodies corporate of the Responsible Entity operate other funds both internal and external to Multiplex Group. Multiplex Group may provide services to the Fund from time to time. All of these relationships give rise to the potential for conflicts of interest. While the corporate governance policies described in Section 11.3 are designed to avoid and manage these conflicts, the possibility exists that the interests of Unitholders may be adversely affected. It should be noted that, the Fund Manager may terminate the Management Services Agreement on three months' written notice.

8.3.2 Responsible Entity change of control

There is a risk that both the Responsible Entity and the Fund Manager will cease to be a part of the current Multiplex Group if there is a successful take-over or corporate restructure of the Multiplex Group. It should be noted that the Fund Manager may terminate the Management Services Agreement on 90 days written notice.

Under the terms of the Term Facility, Eurohypo Bank may require mandatory prepayment upon change in control of the Responsible Entity or the Multiplex Group unless it is satisfied, acting reasonably, that control of the Responsible Entity will be held by a professional and reputable fund manager of equal standing to Multiplex in the relevant market.

Multiplex Group has received a formal approach from Brookfield Asset Management Inc. (Brookfield) which may lead to a proposal for the acquisition by Brookfield and Roberts Family Nominees of 100% of the underlying businesses of Multiplex, including Multiplex Capital (of which the Responsible Entity and the Fund Manager are part).

Brookfield is an asset manager focused on property, power and other infrastructure assets with over US$50 billion of assets under management and is co-listed on the New York and Toronto Stock Exchanges.

Further details in relation to the formal approach from Brookfield are contained in an announcement to ASX from Multiplex dated 5 February 2007.

The possibility of competing or alternative proposals for some or all of the Multiplex Group or its underlying businesses cannot be excluded. However, no formal offer has yet been made and there is no guarantee that any offer will be made.

8.3.3 Multiplex class action

On 18 December 2006, proceedings were initiated against Multiplex and its subsidiary, Multiplex Funds Management Limited (MFML), in relation to alleged breaches of disclosure obligations (under the Corporations Act and ASX Listing Rules) relating to the Wembley project in the United Kingdom.

Multiplex is defending the proceedings. However, prospective investors should have regard to the risks that a court may reach findings which are adverse to Multiplex, MFML or any of their officers. The quantum of damages claimed is unknown at this stage. However, the fact that such proceedings have been brought, and in particular any success on the part of the plaintiffs, could have a significant financial impact on Multiplex Group and cause harm to its reputation. However, it should be noted that the Responsible Entity is not involved in the proceedings and, other than Ian O'Toole, the directors of the Responsible Entity are not directors of Multiplex and MFML. In addition, the assets of the Fund are held upon trust for the Unitholders and should not be exposed to any successful claim.

8.4 Tax

8.4.1 Changes to taxation laws or interpretation of tax laws

The Fund structure is made up of Australian trusts, together with interests in various foreign entities. Unitholders' interests may be adversely affected by changes to tax laws (including changes to tax laws affecting the cross border arrangements between countries) affecting entities in or income from Australia and/or these foreign jurisdictions.

The tax position of the Fund's investments is based on current tax laws, interpretation and practice (in European countries and Australia) and the Fund satisfying certain requirements under those countries' laws. Changes to these requirements, or a failure of the Fund to meet these requirements, may increase the foreign or Australian tax payable by the Fund and have an adverse effect on future earnings.

8.4.2 Proposed German tax reforms

On 12 March 2007, the German Federal Cabinet published the first draft bill of its tax reform package. Amongst the proposed changes are proposals to limit deductions for interest expenses incurred and to lower the corporate tax rate. These changes are currently proposed to come into effect on 1 January 2008. If implemented in their proposed form, these changes may result in greater tax being payable in Germany thereby reducing the cash distributions available to Unitholders.

Further, the projected distributions of the Fund have been calculated using a depreciation rate for German tax purposes of 3% of depreciable buildings. However, if the courts were to consider that the 3% rate was not applicable, a rate of 2% would apply. On current projections this should not materially impact cash distributions in the Forecast Period unless the tax reform package as set out above is implemented, with effect from 1 January 2008. If the tax reform is implemented, the reduced depreciation rate would result in greater tax being payable in Germany thereby reducing the cash distributions available to Unitholders.

8.4.3 German trade tax

There is a risk that the German tax authorities and German fiscal courts may determine that the Monti Partnerships are subject to German trade tax prior to the acquisition by the Fund of its interest by virtue of having a permanent establishment in Germany. However, the Responsible Entity believes that German trade tax was not payable by the Monti Partnerships. Notwithstanding, if an adverse finding in relation to this issue arose, the potential trade tax exposure for prior years is estimated to be in the order of €27 million. This liability may adversely affect Unitholders' distributions in the future.

8.4.4 Australian tax risk

Australian tax system – international aspects

The Australian taxation system has recently undergone significant change, and in particular changes referred to as the Review of International Tax Arrangements (RITA). These reforms are continuing and the precise meaning of much of the new legislation is unclear and untested. Accordingly, there is some uncertainty as to the application of this legislation to the Fund.

Australian tax system – Taxation of Financial Arrangements

The Federal Government has published draft legislation which could affect the taxation of financial arrangements entered into by the Fund. In its current form, the draft legislation would apply to financial arrangements entered into on or after 1 July 2008 or, by election by the taxpayer, to financial arrangements entered into on or after 1 July 2007. In certain instances, the taxpayer may elect to apply the new rules to existing financial arrangements. The draft legislation should not apply to financial arrangements entered into by the Fund as part of the current transaction (on the basis that all relevant financial arrangements would be finalised prior to 1 July 2008). Should the legislation be enacted in a different form, or have effect from a different date than is currently envisaged, these laws may impact the taxation of gains or losses on the Fund's financial arrangements.

Arm's length provisions

Many of the income flows between entities within the Fund structure are subject to arm's length tests. While arm's length principles have been applied to determine all relevant interest rates between related parties, such matters are necessarily subjective judgements and accordingly might be subject to review and challenge by the relevant tax authorities.

8.5 Market and Other Risks

8.5.1 Trading risk

The Units have not yet been admitted to quotation on ASX and have never previously been traded on ASX or in any secondary market. As such, there is no direct evidence of how the price of the Units is likely to move following the commencement of trading or of the likely volume of trading of the Units.

8.5.2 Equity market

The Units are intended to be listed on ASX. The price at which the Units will trade will be subject to market factors including, but not limited to, the property market, interest rates, macro economic conditions, investor sentiment, investor appetite for the benefits and risks associated with the Units and general market volatility. Forces beyond the control of the Responsible Entity may affect the trading price of the Units.

8.5.3 Due diligence and use of experts

The Fund has engaged appropriate experts to investigate the environmental, technical and legal aspects of the Initial Properties and financial aspects of the Monti Partnerships. However, despite such investigations, the Responsible Entity cannot guarantee the identification and mitigation of all risks associated with the Initial Properties and the Monti Partnerships.

8.5.4 Changes in law

Changes to laws or regulations (or the interpretation or manner of enforcement of laws or regulations), including taxation or duty legislation or regulations, may affect the distributions and the Tax Deferred component of distributions. They may also affect the attractiveness of properties owned by the Fund to prospective tenants and may require changes to the Fund's structure.

8.5.5 General investment risks

General investment risks may affect the potential income and value of any investment, including investment in the Units. The value of the Units and level of distributions can fall as well as rise. The investment outcomes may be affected by a range of general economic and investment factors such as changes in interest rates, inflation, legislative and government policy changes, industrial disputes and changes in market prices for property, bonds, shares and other investments.

8.5.6 War and terrorist attacks

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular place. There could also be a resultant material adverse effect on the Fund.

9

9.1 Investigating Accountant's Report

PricewaterhouseCoopers

PricewaterhouseCoopers Securities Ltd
ACN 003 311 617
ABN 54 003 311 617
Holder of Australian Financial Services Licence No 244572

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The Board of Directors
Multiplex Capital Management Limited as responsible entity
of the Multiplex European Property Fund
1 Kent Street
SYDNEY NSW 2000

19 April 2007

Dear Sirs

Investigating Accountant's Report on Forecast Financial Information and Financial Services Guide

We have prepared this report on the consolidated forecast financial information of the Multiplex European Property Fund (the Fund) for inclusion in a Product Disclosure Statement, dated on or about 20 April 2007 (the PDS) relating to the public issue of Units in the Fund.

Expressions defined in the PDS have the same meaning in this report.

The nature of this report is such that it should be given by an entity which holds an Australian Financial Services Licence under the Corporations Act 2001 (Cwlth). PricewaterhouseCoopers Securities Ltd is a controlled entity of PricewaterhouseCoopers and holds the appropriate Australian Financial Services Licence.

Scope

You have requested PricewaterhouseCoopers Securities Ltd to prepare an Investigating Accountant's Report (the Report) covering the following information:

a. the Consolidated Forecast Income and Distribution Statements of the Fund for the period 28 June 2007 to 30 June 2008 and the year ending 30 June 2009

b. the Consolidated Pro Forma Forecast Balance Sheet upon Allotment disclosed in Section 6 of the PDS, (collectively, the Forecasts).

This Report has been prepared for inclusion in the PDS. We disclaim any assumption of responsibility for any reliance on this Report or on the Forecasts to which it relates for any purposes other than for which it was prepared.

Scope of review of Forecast Financial Information

The Directors of Multiplex Capital Management Limited (the Responsible Entity) are responsible for the preparation and presentation of the Forecasts, including the best estimate assumptions, which include the pro forma transactions, on which they are based.

Our review of the best estimate assumptions underlying the Forecasts was conducted in accordance with Australian Auditing Standard AUS 902 'Review of Financial Reports'. Our procedures consisted primarily of enquiry and comparison and other such analytical review procedures we considered necessary so as to adequately evaluate whether the best estimate assumptions provide a reasonable basis for the Forecasts. These procedures included discussion with the Directors and management of the Responsible Entity and have been undertaken to form an opinion whether anything has come to our attention which causes us to believe that the best estimate assumptions do not provide a reasonable basis for the preparation of the Forecasts and whether, in all material respects, the Forecasts are properly prepared on the basis of the assumptions and are presented fairly in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies of the Fund disclosed in Section 6 of the PDS and the Constitution of the Fund dated 16 November 2006 (the Constitution) so as to present a view of the Fund which is consistent with our understanding of the Fund's future operations.

The Forecasts have been prepared by the Directors to provide investors with a guide to the Fund's potential future financial performance based upon the achievement of certain economic, operating, development and trading assumptions about future events and actions that have not yet occurred and may not necessarily occur. There is a considerable degree of subjective judgement involved in the preparation of Forecasts. Actual results may vary materially from the Forecasts and the variation may be materially positive or negative. Accordingly, investors should have regard to the investment risks set out in Section 8 of the PDS.

Our review of the Forecasts that are based on best estimate assumptions is substantially less in scope than an audit examination conducted in accordance with Australian Auditing and Assurance Standards. A review of this nature provides less assurance than an audit. We have not performed an audit and we do not express an audit opinion on the Forecasts included in the PDS.

Review statement on the Forecasts
Based on our review of the Forecasts, which is not an audit, and based on an investigation of the reasonableness of the best estimate assumptions giving rise to the Forecasts, nothing has come to our attention which causes us to believe that:

a. the best estimate assumptions set out in Section 6 of the PDS do not provide a reasonable basis for the preparation of the Forecasts,
b. the Forecasts are not properly prepared on the basis of the best estimate assumptions and presented fairly in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards under the Australian equivalent of the International Financial Reporting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Fund disclosed in Section 6 of the PDS and the requirements of the Constitution,
c. the Forecasts are not based on reasonable grounds,
d. the Consolidated Pro Forma Balance Sheet has not been properly prepared on the basis of the pro forma transactions, and
e. the pro forma transactions do not form a reasonable basis for the Consolidated Pro Forma Balance Sheet

The underlying assumptions are subject to significant uncertainties and contingencies often outside the control of the Fund. If events do not occur as assumed, actual results and distributions achieved by the Fund may vary significantly from the Forecasts. Accordingly, we do not confirm or guarantee the achievement of the Forecasts, as future events, by their very nature, are not capable of independent substantiation.

Independence or Disclosure of Interest
PricewaterhouseCoopers Securities Ltd does not have any interest in the outcome of this issue other than the preparation of this Report and participation in due diligence procedures for which normal professional fees will be received.

Financial Services Guide
We have included our Financial Services Guide as Appendix A to our Report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our Report.

Yours faithfully

Bob Prosser
Authorised Representative of
PricewaterhouseCoopers Securities Ltd

PRICEWATERHOUSECOOPERS

Appendix A

PRICEWATERHOUSECOOPERS SECURITIES LTD
FINANCIAL SERVICES GUIDE
This Financial Services Guide is dated 19 April 2007

1 About us
PricewaterhouseCoopers Securities Ltd (ABN 54 003 311 617, Australian Financial Services Licence no 244572) (PwC Securities) has been engaged by Multiplex Capital Management Limited to provide a report in the form of an Investigating Accountant's Report in relation to the Forecasts (the Report) for inclusion in the PDS dated on or about 20 April 2007.

You have not engaged us directly but have been provided with a copy of the Report as a retail client because of your connection to the matters set out in the Report.

2 This Financial Services Guide
This Financial Services Guide (FSG) is designed to assist retail clients in their use of any general financial product advice contained in the Report. This FSG contains information about PwC Securities generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the Report, and how complaints against us will be dealt with.

3 Financial services we are licensed to provide
Our Australian Financial Services Licence allows us to provide a broad range of services, including providing financial product advice in relation to various financial products such as securities, interests in managed investment schemes, derivatives, superannuation products, foreign exchange contracts, insurance products, life products, managed investment schemes, government debentures, stocks or bonds, and deposit products.

4 General financial product advice
The Report contains only general financial product advice. It was prepared without taking into account your personal objectives, financial situation or needs.

You should consider your own objectives, financial situation and needs when assessing the suitability of the Report to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

5 Fees, commissions and other benefits we may receive
PwC Securities charges fees to produce reports, including this Report. These fees are negotiated and agreed with the entity who engages PwC Securities to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the person who engages us. In the preparation of this Report our fees approximate $200,000 (excluding GST).

Directors or employees of PwC Securities, PricewaterhouseCoopers, or other associated entities, may receive partnership distributions, salary or wages from PricewaterhouseCoopers.

6 Associations with issuers of financial products
PwC Securities and its authorised representatives, employees and associates may from time to time have relationships with the issuers of financial products. For example, PricewaterhouseCoopers may be the auditor of, or provide financial services to, the issuer of a financial product and PwC Securities may provide financial services to the issuer of a financial product in the ordinary course of its business.

7 Complaints
If you have a complaint, please raise it with us first, using the contact details listed below. We will endeavour to satisfactorily resolve your complaint in a timely manner. In addition, a copy of our internal complaints handling procedure is available upon request.

If we are not able to resolve your complaint to your satisfaction within 45 days of your written notification, you are entitled to have your matter referred to the Financial Industry Complaints Service (FICS), an external complaints resolution service. You will not be charged for using the FICS service.

8 Contact Details
PwC Securities can be contacted by sending a letter to the following address:

Bob Prosser
PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
GPO Box 2650
SYDNEY NSW 1171

9.2 Taxation Report

Greenwoods & Freehills

19 April 2007

The Directors
Multiplex Capital Management Limited as responsible entity for
Multiplex European Property Fund
1 Kent Street
SYDNEY NSW 2000

Dear Directors

Tax consequences of investing in the Multiplex European Property Fund

The purpose of this letter is to provide a summary of the principal Australian tax consequences relating to the acquisition, holding and disposal of fully paid units (**Units**) in the Multiplex European Property Fund (the Fund) for an Australian tax resident investor who is not in the business of trading or dealing in securities (Investor). Further, an overview of the German taxation consequences associated with the investments to be made by the Fund is also provided.

We have not addressed the tax implications for Unitholders that:

– hold their Units on revenue account or as trading stock, such as banks and other trading entities;

– are exempt from Australian tax;

– are non-residents; or

– are temporary residents of Australia.

The information contained in this letter is of a general nature only. It is based on and limited to Australian tax law and practice in effect at the date of this letter. It does not attempt to address all of the Australian tax consequences that may be relevant to Unitholders.

We understand that this opinion will be included in a Product Disclosure Statement (PDS). However, this opinion is solely addressed to the Directors of Multiplex Capital Management Limited as the responsible entity for the Fund (Responsible Entity) and may not be relied upon by any other person. Potential investors in the Fund should seek personal tax advice to take into account their particular circumstances.

1 Background

We understand that:

a. the Fund indirectly holds interests in various German properties through its 100% holding of two Maltese holding companies (MaltaCo), a number of Luxembourg companies and a number of German limited partnerships;

b. the Fund's primary sources of income will be dividends paid by MaltaCo, interest on loans it will make to its subsidiaries and payments under hedge arrangements;

c. the Unitholders will be presently entitled to all of the Fund's net income each year; and

d. the Fund will distribute all of its net income each year to the Unitholders presently entitled to it.

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Greenwoods & Freehills

2 Australian taxation comments

2.1 Australian tax position of the Fund

Neither the Responsible Entity nor the Fund itself should be liable to pay Australian income tax provided the Unitholders are presently entitled to all of its income in each year and it limits its activities to undertaking or controlling "eligible investment business" for Australian taxation purposes.

We are instructed that the Responsible Entity will ensure that the Unitholders are presently entitled to all of its income in each year. Further, based on the proposed activities of the Fund, we believe that the Fund should be undertaking "eligible investment business". However, this issue will need to be constantly monitored by the Fund.

On this basis, the Fund should not be liable to Australian income tax including capital gains tax (CGT).

2.2 Tax implications of receiving distributions

(a) Taxation of distributions

When an Investor receives distributions of income from the Fund the corresponding amount of the Fund's "net income" for tax purposes should be included in the Investor's assessable income. Investors will then be taxed on that amount at their relevant marginal rates.

If the Fund's net income for tax exceeds its distributions, the Investor will be taxed by reference to the net income for tax, not just the distribution.

If a distribution to an Investor exceeds that Investor's share of the Fund's net income the excess will generally not be assessable to the Investor. The difference is commonly referred to as the Tax Deferred component of the distribution. However, any such Tax Deferred component of the distribution will reduce the Investor's CGT cost base of the Units (unless the non-assessability is due to the CGT discount being applied by the Fund – the concessional amount will not reduce the Units' cost base). This effectively defers tax on those distributions until the Units are sold.

If a Tax Deferred distribution is greater than an Investor's cost base in its Units, the cost base will be reduced to nil and the Investor will realise a capital gain equal to the difference. Individuals, superannuation funds and trusts will generally be able to apply the CGT discount (50% for individuals and trusts and 33$^{1}/_{3}$% for superannuation funds) to that gain if the Units have been held for longer than 12 months.

(b) Foreign source income and foreign tax credits

The dividends from MaltaCo will retain their character as foreign source income for Investors. Therefore, Investors that have deductible expenses relating to their share of the foreign income of the Fund or other foreign source income or foreign losses from prior years will, subject to quarantining, be able to utilise those deductions against their share of the foreign income of the Fund. Interest deductions are not subject to the quarantining rules.

The quarantining rules require that foreign deductions and losses only be deducted from foreign income of the same class. In May 2005 the Australian Government announced that the quarantining rules would be repealed. Relevant legislation has yet to be introduced into Parliament.

If foreign tax (eg withholding tax) is imposed on the foreign dividends, Investors should generally be entitled to foreign tax credits in respect of that tax.

(c) Tax losses incurred by the Fund

The Fund will not be able to distribute any tax losses incurred in an income year. However, provided certain tests relating to the ownership of the Fund (known as the 50% stake test) or the business it carries on are satisfied, the Fund will be able to carry forward those losses and use them in a future income year to offset assessable income.

Broadly, the 50% stake test requires that from the start of the income year during which the loss was incurred to the time just after any abnormal trading in the Units, the same individuals must have fixed entitlements to more than 50% of the income or capital of the Fund. If there is no abnormal trading in the Fund's units the 50% stake test should be satisfied.

If the 50% stake test is failed, the Fund would still be able to utilise carried forward losses provided that it carries on the same business and does not enter into any new businesses from the time immediately prior to the failure of the 50% stake test to the end of the income year during which the loss is sought to be used.

Greenwoods & Freehills

(d) Controlled foreign company attribution
Because the Fund will own, directly or indirectly, a number of foreign companies, it could be subject to controlled foreign company (CFC) attribution. Essentially that means that the Fund will be required to include its share of the foreign companies' taxable income (calculated by reference to Australian tax law) in its net income. That is the case even if the Fund does not actually receive that income as a dividend from the CFCs.

Because the attributable income of the CFCs will be included in the Fund's net income, Investors will be taxed on their share of that income. We have been instructed by the Responsible Entity that it is expected that the amount of CFC attribution arising to the Fund should not be material during the Forecast Period.

Investors will have to maintain a CFC attribution account for each CFC held by the Fund. When an Investor is taxed on attributable income from a CFC a credit to the attribution account for that CFC will arise equal to the amount of CFC attribution. When the CFC declares a dividend and it flows through the Fund to the Investor that distribution will be tax free provided there is a balance in the attribution account for the relevant CFC equal to or exceeding the amount of the dividend. The amount of the distribution will then be debited to the account.

The Responsible Entity will provide sufficient information to Investors to enable them to perform the relevant calculations.

(e) Distribution statements
We understand that the Responsible Entity will provide Investors with a distribution statement advising the various components of each distribution so that Investors will be able to complete their tax returns.

2.3 Tax implications of disposing of Units
Generally, on sale of Units a CGT event will happen and the Investor will need to determine whether a capital gain or capital loss is realised on the sale.

An Investor will realise a capital gain if the capital proceeds on sale (essentially the sale price) are greater than the cost base of the Units sold (essentially the purchase or issue price paid for the Units, less Tax Deferred distributions received by the Investor). Any capital gain realised on sale must be included in the Investor's assessable income for the year of sale.

Any capital gain made by an individual or trust can generally be reduced by 50% if the individual or trust has held the Units for longer than 12 months. Similarly, any capital gain made by a superannuation fund can generally be reduced by $33^{1}/_{3}$% if the fund or trust has held the Units for longer than 12 months. Companies are not entitled to this CGT discount.

An Investor will incur a capital loss if the capital proceeds on sale are less than the "reduced cost base" of the Units sold (the reduced cost base of a Unit is usually the same as the cost base). Any capital loss incurred on the sale can be used to offset capital gains realised from other sources. If a capital loss cannot be utilised in the year it is realised it may be carried forward to be used to offset capital gains realised in future income years. Capital losses cannot be used to offset revenue account income or gains.

2.4 Pay-As-You-Go withholding tax
Investors may notify the Responsible Entity of their Tax File Number (TFN), Australian Business Number (ABN) or a relevant exemption. In most cases, tax will be withheld from distributions to Investors that do not provide their TFN, ABN or exception at the rate of 46.5%. Withholding of tax will continue until the relevant TFN, ABN or exemption is provided. Investors will be entitled to claim a credit/refund (as applicable) in respect of the tax withheld in their income tax returns.

2.5 GST
GST is not payable in respect of the acquisition or disposal of Units, or in respect of distributions paid by the Fund.

Greenwoods & Freehills

3 German tax comments

3.1 Principles for calculation of German income tax

German Partnerships are treated as transparent entities for German income tax purposes. Income is calculated at the partnership level, attributed to the partners and taxed at that level. Consequently, only the partners in the Monti Partnerships, which own the Initial Properties, are subject to German corporation tax. The tax rate applicable amounts to 25% plus a solidarity surcharge (in total 26.375%).

3.2 Taxable income and depreciation

There are good reasons that the Monti Partnerships should have the status of deemed-trading partnerships. On this basis, the taxable profits of the Monti Partnerships will be determined based on the profit and loss account prepared in accordance with German accounting principles, taking into consideration differences between German accounting and taxation principles. If the Monti Partnerships do not qualify as deemed-trading partnerships, income would be determined on a cash flow basis and not an accruals basis.

Any capital gains derived from the sale of real properties are included in the taxable income and taxed at the standard tax rate, if they are not derived by individuals. However, under certain circumstances, the taxation of capital gains realised on the sale of German land and buildings may be deferred by creating a so-called "replacement or reinvestment reserve" and the tax burden may effectively be reduced.

Annual depreciation on tangible assets is optionally made under the declining method or the straight-line method. For buildings and intangibles only the straight-line method is available. The standard depreciation rates for buildings range from 2% to 3% assuming a useful life of 50 to 33 years. Office buildings may be generally depreciated with a rate of 3% per annum. In the case where the Monti Partnerships are not treated as deemed trading partnerships the depreciation rate would be 2%. No depreciation would be available if the properties are classified as current assets rather than fixed assets.

3.3 Transfer pricing and thin capitalisation

Under German transfer pricing rules, all inter-company transactions must take place at arm's length. Written documentation supporting that transactions have been performed at arm's length market value must be prepared and presented to the German tax authorities on request.

Under the German thin capitalisation legislation, interest or similar expenses incurred by a company on loans from a shareholder that has a substantial (ie, more than 25%) direct or indirect participation in the nominal capital of the company or from a party related to such a substantial shareholder, or a third party with a right of recourse to the substantial shareholder, or to a related party to such a shareholder will be treated for German tax purposes as dividends if and to the extent the level of shareholder debt exceeds the debt to equity limitation of 1.5:1. Consequently, such expenses are not deducted from the corporation and trade tax base. These rules will generally apply only if the respective interest charge exceeds €250,000 per annum. Under certain conditions third party debt would not be caught by the German thin capitalisation regime. The Responsible Entity has informed us that it is intended that the debt/equity limitation will be complied with.

The rules also apply accordingly if a loan is granted to a partnership in which a corporation, either alone or together with a related party, owns directly or indirectly more than 25% of the partnership capital. In this case the loan is deemed to be given to the corporation.

3.4 Tax losses

For corporation tax purposes under some conditions tax losses incurred can be carried back one year up to an amount of €511,500. They can be carried forward without time limitation but under the restriction that in one assessment period taxable income of up to €1,000,000 can be fully off-set and any taxable income exceeding this amount (ie, over €1,000,000) can only be off-set at 60%. Hence, according to this rule, no losses are denied but their utilisation is spread over several assessment periods.

The loss of a limited partner cannot be deducted if its capital account in the partnership is or becomes negative because of the loss. In the case of such a loss limitation the loss can be offset against later profits resulting from that participation.

3.5 Calculation of Fund's liability for German income tax

The taxable income of the partners in the Monti Partnerships for German tax purposes will include their share of the income of the Monti Partnerships. This will essentially include rental income from underlying properties less deductions for depreciation, interest and other partnership expenses allowable and subject to the restrictions noted above, the partners will themselves be entitled to certain deductions including interest expenses. This will be subject to the thin capitalisation rules noted above. Trade tax is treated as a deductible expense for corporation tax purposes.

Greenwoods & Freehills

3.6 German dividend withholding tax
As the Monti Partnerships are considered to be flow through entities for German tax purposes, profit withdrawals from the partnerships will not attract dividend withholding tax in Germany.

3.7 German trade tax
In addition to German corporation tax, trade tax is also levied on companies and partnerships if they have a permanent establishment in Germany. In this respect partnerships are not transparent for trade tax purposes. The Responsible Entity has informed us that the Monti Partnerships intend to avoid any trade tax presence in Germany. Assuming neither the partnership nor the partners have a permanent establishment in Germany, trade tax will not be due.

3.8 Calculation of trade tax
In case the partnerships and/or their partners are subject to German trade tax, the determination of the trade tax base corresponds with the income tax rules, adjusted by certain add-backs and deductions. When computing the tax base for trade tax, only 50% of the interest paid for long term loans can be deducted. Furthermore, under certain conditions, an extended trade tax deduction is available. A taxpayer can only benefit from the extended trade tax deduction if it is only engaged in the mere holding and administration of real estate. It would be unlikely that the Monti Partnerships achieve the requirements for the extended trade tax deduction.

Losses for trade tax purposes can be carried forward but not carried back. The relief for loss carry forwards follows the income tax rules. Accordingly, the maximum loss which may be offset in any one year is restricted to €1 million plus 60% of the amount by which the taxable income for the year exceeds €1 million. The nominal trade tax rate applicable to the partnership depends on the taxable income and the municipality in which the partnership is located and varies for a partnership between 2% and approximately 25%. In general, the effective tax rate is approximately 13% to 15%.

3.9 Capital or stamp duties
There is no capital duty or stamp duty when establishing a German Partnership or share transfer duty upon the transfer of shares in a German company, nor is there duty on the transfer of assets including goodwill. However, transfer of real estate is subject to real estate transfer tax, generally at the rate of 3.5%.

* * * * *

Yours faithfully

Greenwoods & Freehills

GREENWOODS & FREEHILLS PTY LIMITED

9.3 Valuation Report

DTZ Debenham Tie Leung
International Property Advisers

Your ref:	
Our ref:	Pw.tb.aw.0220.0307.let
Direct tel:	020 7643 6300
Direct fax:	020 7643 6345
E-mail:	paul.wolfenden@dtz.com

30 March, 2007

The Directors
Multiplex Capital Management Limited
1 Kent Street
Millers Point
NSW 2000
Australia

Dear Sirs

Monti Portfolio – 67 Properties Located in Germany (the Initial Properties)

Introduction

In accordance with your instructions, we have inspected the above portfolio of properties referred to in the Schedule that follows, in order to advise you of our opinion of the Market Value of the freehold interests in each of the properties as at 15 March 2007. The properties were inspected internally during 2006.

Property Portfolio Summary

The portfolio consists of 67 properties, all located in Germany, comprising a mix of asset types as shown in the following table:

Property no.	DTZ Property ID	Location	Usage	Build date	Tenant user	Area (sqm)	Lease expiry
1	1	Dresden	Discount supermarket	2001	Netto-Marken-Discount	1,117.00	02/05/2016
2	2	Artern	Discount supermarket	2000	Netto-Marken-Discount	1,242.00	02/11/2015
3	3	Dresden	Discount supermarket	2000	Netto-Marken-Discount	1,099.00	11/10/2015
4	4	Eisleben	Discount supermarket	2001	Netto-Marken-Discount	1,118.00	25/04/2016
5	5	Gernrode	Discount supermarket	2000	Netto-Marken-Discount	1,037.00	25/10/2015
6	6	Geyer	Discount supermarket	2000	Netto-Marken-Discount	1,006.00	17/10/2015
7	7	Schlema	Discount supermarket	2000	Netto-Marken-Discount	1,037.00	15/11/2015
8	8	Jena-Lobeda	Discount supermarket	2000	Netto-Marken-Discount	1,117.00	02/02/2015
9	9	Delitzsch	Discount supermarket	2000	Netto-Marken-Discount	1,037.00	16/02/2015
10	10	Stockheim	Discount supermarket	2001	Netto-Marken-Discount	1,117.00	21/02/2016
11	11	Burgstädt	Discount supermarket	2001	Netto-Marken-Discount	1,037.00	10/08/2016

DTZ Debenham Tie Leung One Curzon Street London W1A 5PZ England
Telephone +44 (0)20 7408 1161 Fax +44 (0)20 7643 6000 Website www.dtz.com
Birmingham Bristol Cardiff Croydon Edinburgh Glasgow Leeds London Manchester Newcastle Nottingham Oxted Wetherby York

Property no.	DTZ Property ID	Location	Usage	Build date	Tenant user	Area (sqm)	Lease expiry
12	12	Bückeburg	Discount supermarket	2000	Netto-Marken-Discount	1,094.00	15/11/2015
13	13	Merseburg	Discount supermarket	2001	Netto-Marken-Discount	1,142.00	21/02/2016
14	14	Mühlhausen	Discount supermarket	2000	Netto-Marken-Discount	1,037.00	30/08/2015
15	15	Halle	Discount supermarket	2000	ALDI	2,125.00	13/08/2010
16	16	Stollberg	Discount supermarket	2000	ALDI	977.00	27/11/2010
17	17	Oberhausen	Discount supermarket	2000	PLUS	881.98	31/12/2015
18	18	Clenze	Discount supermarket	2001	PLUS	1,016.00	06/08/2013
19	19	Boizenburg	Discount supermarket	1999	Lidl Diesntleistung	1,000.00	31/12/2011
20	20	Bad Marienberg	Discount supermarket	2000	Lidl Diesntleistung	1,636.12	30/09/2012
21	21	Delitzsch	Discount supermarket	2001	Lidl Diesntleistung	1,289.00	31/03/2013
22	22	Hage	Discount supermarket	2000	Lidl Diesntleistung	1,000.00	30/09/2013
23	23	Schöppenstedt	Discount supermarket	2001	Lidl Diesntleistung	1,027.00	30/06/2014
24	24	Woldegk	Discount supermarket	2000	NORMA-Markt	1,466.60	03/12/2010
25	25	Pampow	Full supply supermarket	1998	EDEKA	955.00	30/11/2013
26	26	Blankenfelde	Full supply supermarket	2001	EDEKA	2,925.00	31/12/2016
27	27	Prüm	Full supply supermarket	1999	EDEKA	2,247.00	31/01/2015
28	28	Peine-Dungelbeck	Full supply supermarket	1998	EDEKA	690.00	30/06/2013
29	29	Schloßvippach	Full supply supermarket	2000	REWE Deutsche Supermarkt	1,369.00	30/06/2013
30	30	Gotha	Big box retail	2001	REWE Deutsche Supermarkt	3,930.00	30/11/2016
31	31	Köthen	Full supply supermarket	2000	REWE Deutsche Supermarkt	1,079.00	25/05/2015
32	32	Offenburg	Full supply supermarket	1998	REWE Deutsche Supermarkt	900.00	31/12/2012
33	33	Rabenau	Full supply supermarket	1996	REWE Deutsche Supermarkt	1,575.00	30/06/2009
34	34	Rheinau	Full supply supermarket	1998	REWE Deutsche Supermarkt	950.00	30/09/2013
35	35	Malchin	Full supply supermarket	2001	Coop-Markt	2,340.00	28/02/2016
36	36	Bopfingen	Full supply supermarket	1994	Coop-Markt	1,239.00	30/06/2009
37	37	Burladingen	Full supply supermarket	1974	Coop-Markt	2,910.00	05/11/2013
38	38	Cloppenburg	Full supply supermarket	1996	Coma Verbrauchermarkt	2,697.00	31/08/2011
39	39	Tespe	Full supply supermarket	2000	EDEKA	1,087.00	25/05/2015

DTZ

Property no.	DTZ Property ID	Location	Usage	Build date	Tenant user	Area (sqm)	Lease expiry
40	40	Feldatal	Full supply supermarket	1998	Tegut Gutberlet Stiftung & Co.	1,106.00	30/04/2013
41	41	Saarlouis	Full supply supermarket	2000	Distributa Accord	1,240.00	30/09/2015
42	51	Zimmern ob Rottweil	Fashion store	2000	Retail–AWG Mode	1,150.00	22/10/2015
43	52	Winkelhaid	Logistic	2001	SPICERS Deutschland	13,861	31/10/2016
44	53	Hallbergmoos	Logistic	2001	TNT Express	26,436	30/05/2011
45	54	Gera	Logistic	2000	Hermes Versand Service	2,750	30/09/2010
46	55	Chemnitz	Hardware store	1993	Hornbach Baumarkt	11,387	31/03/2015
47	57	Hannover	Hardware store	2000	AVA	10,210	31/10/2020
48	58	Wittmund	Retail park	1973	EDEKA	12,602	01/01/2015
49	59	Marienhafe	Retail park	1972	EDEKA	10,993	31/01/2015
50	66	Halle	Retail park	2000	Fressnapf	1,700	19/09/2010
51	67	Bünde	Retail park	2000	Markant Ostwestfalen	1,121	03/02/2014
52	68	Minden	Offices	1991	ABB Utilities	4,729	20/08/2013
53	69	Düsseldorf	Offices	1975	Landesamt für Besoldung		
und	9,027	31/12/2007					
54	70	Frankfurt/Oder	Motor vehicle repairer	2000	Car Glass GmbH	675	27/09/2020
55	71	Frankenberg	Fashion store	2001	RHEIKA-Delta	1,500	31/01/2016
56	72	Osnabrück	Fastfood outlet	1998	Bugsy Burger GmbH	486	28/02/2019
57	73	Frankfurt/Main	Data storage	2000	TeleCity	10,600	28/02/2015
58	74	Kassel	Fastfood outlet	2001	Kentucky Fried Chicken	434	30/09/2021
59	75a	Lörrach	Supermarket operator	2002	EDEKA	10,286	02/07/2022
60	75b	Lörrach	Fastfood outlet	2002	McDonald´s	400	17/12/2016
61	76	Bochum	Full supply supermarket	2002	EDEKA	16,548	14/02/2022
62	60	Eisenhüttenstadt	Nursing home	2001	Kursana Care	4,403	31/07/2020
63	61	Schwedt/Oder	Nursing home	2001	Kursana Care	4,317	30/06/2021
64	62	Erfurt	Nursing home	2002	Phönix Verwaltungs	6,800	30/06/2022
65	63	Wetzlar	Nursing home	2002	Alloheim Senioren Residenzen	7,878	31/05/2022
66	64	Göttingen	Nursing home	2002	Phönix Verwaltungs	7,817	30/06/2022
67	65	Wiesbaden	Nursing home	1904	Maternus Altenheim	4,099	31/12/2020

DTZ

Purpose of the Valuations

We understand that the valuations are required in connection with the proposed acquisition of the Monti Partnerships which own the Initial Properties (the Transaction) by Multiplex Capital Management Limited as responsible entity of Multiplex European Property Fund (the Fund). We understand also that this Valuation Report and Schedule are required for inclusion in a Product Disclosure Statement (PDS) issued in respect of the Fund and that this Valuation Report will be relied upon by investors in connection with a securitisation or transaction involving debt and/or debt securities or financial products issued to the public (the Purpose of this Report).

We confirm that we are not licensed to provide financial services in Australia and the information detailed herein is not intended to provide advice on any person's investment decision. We confirm that we have been paid a fee of €300,000 to prepare the summary and related valuation report but have not received any other interest, whether pecuniary or not and whether directly or indirectly, nor do we have any association with Multiplex Capital Management Limited that might reasonably be expected to influence, or be capable of influencing, the provision of this valuation.

Compliance with Appraisal and Valuation Standards

We confirm that the valuations have been made in accordance with the appropriate sections of the current Practice Statements (PS) and United Kingdom Practice Statements (UKPS) contained within the RICS Appraisal and Valuation Standards, 5th Edition (the Red Book).

We confirm that we have undertaken the valuations acting as External Valuers, qualified for the purpose of the valuation.

We confirm that we have no other current or anticipated fee earning relationship with the Initial Properties or any other party connected to the transaction. We have recently provided valuation advice to ABN AMRO, with regard to the Initial Properties for refinance purposes. We would anticipate that fee earning relationships may occur with ABN in the future, during the course of our normal business.

Basis of Valuation

Valuation methodology

Our opinion of the Market Value of each of the Initial Properties has been derived primarily using traditional income capitalisation methodology. The net income has been capitalised on a layered basis, with adjustments to allow for over-rented income, reversionary income and vacancies (where appropriate). This methodology is consistent with the valuation approach that is commonly used by European investors.

Market value

The value of each of the Initial Properties has been assessed in accordance with the relevant parts of the current RICS Appraisal and Valuation Standards. In particular, we have assessed Market Value in accordance with PS 3.2. Under these provisions, the term "Market Value" means "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In undertaking our valuations on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee and which is included in PS 3.2. The RICS considers that the application of the Market Value definition provides the same result as Open Market Value, a basis of value supported by previous editions of the Red Book.

In accordance with German market practice, we have valued the Initial Properties by capitalising the current income receivable from each property. In each case, a traditional income and yield approach has been adopted, whereby we have explicitly taken into account non-recoverable costs. This income and yield approach is supported by rents, yields and values seen in the market, including the German Cold Multiplier, where appropriate.

We have assumed between 3% and 6% non-recoverable costs of the passing rent of the Portfolio. This includes maintenance, refurbishment and management fees. The net rent has then been capitalised at an initial yield that takes into account the passing rent in relation to the market rent, and the investment characteristics of the Initial Properties. Our conversations with the Sellers and the information provided by them supports these assumptions. Acquisition costs of between 5.5% and 6.5% (stamp duty at 3.5%; agents' fees at 2% and legal fees at 1%) have been applied. Agents' fees have been taken at 2% for smaller value assets and 1% for properties over €5 million.

Net annual rent

The net annual rent for each property adopted as the current income estimated by the valuer as follows:

i. ignoring any special receipts or deductions arising from the property;

ii. excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest of capital or loans); and

iii. after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent.

The estimated net annual rent is based on the current rental value of each property. The rental value reflects the terms of the leases where the property, or parts thereof, is let at the date of valuation. Where the property, or parts thereof, is vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

Taxation and costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposals, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposals.

The capital valuations and rentals included in this Valuation Report are net of value added tax at the prevailing rate.

We have made deductions to reflect purchaser's acquisition costs in arriving at the net market value. The proceeds of any sale of the Initial Properties would be net of purchaser's acquisition costs that would be deducted between 5.5% and 6.5% of the net value for a standard property sale, depending on specific property.

Assumptions and Sources of Information

An Assumption is stated in the Glossary to the Red Book to be a 'supposition taken to be true' (Assumption). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below:

Title

We have reviewed the title documents of the Initial Properties provided to us within a draft legal due diligence report compiled by Mayer, Brown, Rowe and Maw dated 2 November 2006 (the Legal Reports). We have not identified any issues within the title documents or the Legal Reports that would have a material negative impact on value.

Save as disclosed in the title documents and Legal Reports, we have made an Assumption that the Vendor is possessed of good and marketable freehold title in each case and that the Initial Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also assumed that the Initial Properties are free from mortgages, charges or other encumbrances.

Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of each of the Initial Properties, as well as having reviewed the building reports prepared by Colliers CRE Building Survey in October 2006.

It is a condition of DTZ Debenham Tie Leung Limited or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

Environmental matters

We have been provided an environmental report prepared by Colliers CRE Building Survey dated October 2006 in respect of a sample 11 properties.

We have assumed that any further surveys if undertaken would not reveal anything of a material nature to impact on the market value of the asset. We have not made any deductions for the cost of environmental surveys in our valuation.

Commensurate with our Assumptions set out above we have not made any allowance in the valuation for any effect in respect of actual or potential contamination of land or buildings.

We have made an Assumption that the information and opinions we have been given are complete and correct in respect of the Initial Properties and that further investigations would not reveal more information sufficient to affect value. We consider that this Assumption is reasonable in the circumstances.

Floor areas

The Sellers have provided us with the building and unit size within the up-to-date master rent roll that has been prepared by the Sellers and we have adopted the floor areas of the Initial Properties that are relevant to our valuations. As instructed, we have relied on these areas and have not checked them on- site. We have made an Assumption that the floor areas in the measured survey reports have been calculated in accordance with current local market practice.

Statutory requirements and planning

Verbal enquiries have been made of the relevant planning authorities in whose areas the Initial Properties lie as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. We have not been made aware of any matters that would adversely effect the value of the Initial Properties.

We have made an Assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of current fire certificates, and that the properties are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless our enquiries have revealed the contrary, we have made a further Assumption that the existing uses of the properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

Leasing

We have been provided with a tenancy schedule which has been independently verified. Additionally, the Legal Report referred to earlier and we have therefore made an Assumption that the terms and conditions of all leases provided within master rent roll and legal due diligence are both full and correct.

Unless otherwise advised we have also made an Assumption that there are no material arrears of rent or service charges, breaches of covenants, current or anticipated tenant disputes.

We have also made an Assumption that wherever break options or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

Information

We have made an Assumption that the information that the Sellers and their professional advisers have supplied to us in respect of the Initial Properties is both full and correct.

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions have been made available to us and that the information is up-to-date.

Valuation

We are of the opinion that the aggregate of the Market Value as at 15 March 2007 of the sixty-seven (67) freehold interests in the Initial Properties, subject to the Assumptions and comments in this letter was as follows:

€363,595,000
(Three Hundred Sixty-Three Million, Five Hundred and Ninety-Five Thousand Euros)

The contents of this Valuation Report may be used only for the specific purpose to which they refer. Consequently, and in accordance with current practice, no responsibility is accepted to any party in respect of the whole or any part of the contents other than in connection with the Transaction/the Purpose of this Valuation Report.

Yours faithfully

PAUL WOLFENDEN

Chartered Surveyor
Director
For and on behalf of
DTZ Debenham Tie Leung

Section 10
Summary of Material Documents

10

The summaries in this Section highlight the significant provisions of material Fund documents and do not purport to be exhaustive statements of any or all of their provisions. Defined terms below which are not included in the glossary in Section 12 are defined in the summaries themselves.

Below is a guide to the documents.

Documents	Parties	Subject matter	Section
Fund Documents			10.1
Constitution	The Responsible Entity	The rights and obligations of Unitholders and the Responsible Entity.	10.1.1
Compliance Plan	The Responsible Entity	The procedures to ensure compliance by the Responsible Entity with the Corporations Act and the Constitution in operating the Fund.	10.1.2
Management Services Agreement	The Responsible Entity and the Fund Manager	The rights and responsibilities of the Fund Manager in relation to the operation of the Fund.	10.1.3
Underwriting Agreements	The Responsible Entity and NAB; the Responsible Entity and CommSec	The conditions on which NAB and CommSec have agreed to underwrite and manage the distribution of Units under the Offer.	10.1.4
Mandate Letters and Lead Equity Arranger Letter	The Fund Manager and NAB; the Fund Manager and CommSec	The mandates upon which NAB and CommSec will act as Lead Equity Arranger (NAB only), Joint Lead Managers and Underwriters.	10.1.5
Subscription Deed	MAPF RE, MGIT Trustee, the Responsible Entity, MGPF Trustee, MGLF Trustee, MGHPL and Multiplex Capital	How and when each Multiplex Group entity or Multiplex Fund subscribed for Units and how and when these Units were issued to each party.	10.1.6
Banking Facilities			10.2
Term Facility	Eurohypo Bank, the Monti Partnerships and others	The terms and conditions governing the loan of €231.4 million from Eurohypo Bank to the Fund.	10.2.1
Interest Hedging Agreement	Eurohypo Bank, the Monti Partnerships and others	The terms and conditions governing the interest rate hedge in relation to the Term Facility.	10.2.2
FX Hedging Arrangements	Eurohypo Bank and Multiplex Luxembourg Holdings S.à.r.l., a controlled entity of the Fund	The terms and conditions governing the FX Hedging Arrangements.	10.2.3

Documents	Parties	Subject matter	Section
Monti Partnership Loans	Multiplex Luxembourg Limited Partner S.à.r.l., (a controlled entity of the Fund), and the Monti Partnerships	The terms and conditions of the loan from the Fund to the Monti Partnerships.	10.2.4
Portfolio Documents			10.3
Sale and Purchase Agreement	The Sellers, the Monti Partnerships and various controlled entities of the Fund	The arrangements, obligations and guarantees associated with the Fund's purchase of 94.9% of the Monti Partnerships which own the Initial Properties.	10.3.1
Partnership Agreements	The Monti Partnerships, various controlled entities of the Fund and Naiad	The rights and obligations of the partners of the Monti Partnerships.	10.3.2
Option Agreement	Naiad, REIT Asset Management, Trafalgar Overseas Limited, and various controlled entities of the Fund	The terms on which the Fund may acquire the remaining 5.1% interest in the Monti Partnerships by the grant of put and call options.	10.3.3
Property Management and Accountancy Agreements			10.4
Property Service Agreement	The Monti Partnerships and Scheven	The terms on which Scheven has agreed to administer the Initial Properties for the Monti Partnerships.	10.4.1
Duty of Care Agreement	The Monti Partnerships, Scheven and Eurohypo Bank	The terms on which Scheven must act in the best interests of Eurohypo Bank in performing services under the Property Services Agreement.	10.4.2
Corporate Services Agreement	Certain Luxembourg controlled subsidiaries of the Fund and Wigical Group S.à.r.l.	The terms on which Wigical has agreed to provide corporate services for the Fund's Luxembourg subsidiaries.	10.4.3
Accounting and Tax Services Agreement	The Monti Partnerships, certain other controlled entities of the Fund and Mensching + Steaerberatung	The terms on which the Accountants have agreed to provide German accounting and tax services for the Monti Partnerships.	10.4.4

10.1 Fund Documents

10.1.1 Constitution

The Fund is a registered managed investment scheme and the main rules governing its operation are set out in its Constitution dated 16 November 2006 (as amended). The Corporations Act, exemptions and declarations given by ASIC, the ASX Listing Rules (subject to waivers) and the general law of trusts are also relevant to the rights and obligations of the Responsible Entity and the Unitholders.

The key provisions of the Constitution are:

Units	A fully paid Unit confers an equal undivided interest in the Fund's assets as a whole, subject to the Fund's liabilities.
Income	Subject to the issue terms of particular Units, Unitholders are entitled to share in distributions, normally in proportion to the number of Units they hold. The Responsible Entity may pay a distribution of income or capital to Unitholders by way of cash or issuing additional Units. Income distributions will be paid within three months of the end of the distribution period, although the Responsible Entity may target earlier payments. Other distributions will be paid at a time decided by the Responsible Entity.
Transfer of Units	While the Units are quoted on the ASX, Units may be transferred in any manner permitted by the operating rules of the ASX.
Redemption of Units	The Responsible Entity is not obliged to redeem or buy back Units.
Winding up	If the Fund is wound up, Unitholders are entitled to receive a share of the value of the Fund's assets, after meeting all liabilities (actual and anticipated) and expenses (actual and anticipated), proportionate to the number of Units they hold, less any amount not paid up on the Units. The Fund continues until the earliest of: the date the Fund terminates according to the Constitution or by law; and a date specified by the Responsible Entity in a notice to Unitholders as the date of termination. After the Fund's 80th anniversary, no Units may be issued or redeemed.
Unitholders' liability	Unless a Unitholder incurs "user pays" fees or makes a separate agreement with the Responsible Entity, their liability is limited under the Constitution to the amount (if any) which remains unpaid in relation to their Units, although higher courts are yet to determine the effectiveness of provisions of this kind. "User pays" fees include taxes or expenses that the Responsible Entity incurs as a result of a particular Unitholder's request, act or omission.
Meetings	Unitholders' rights to requisition, attend and vote at meetings are mostly prescribed by the Corporations Act.
Responsible Entity powers	The Responsible Entity has the power to invest, borrow and generally manage the Fund subject to the Fund's principal investment policy, which is to invest directly or indirectly in real property and to make such other investments with the Fund assets which in the Responsible Entity's opinion are not required for property investments, and acquiring and disposing of derivatives to protect returns, or limit costs, in relation to investments and borrowing. The policy may be changed on reasonable notice to Unitholders. The Responsible Entity also has power to issue partly paid Units, or options over Units, on such terms as it determines, consistently with the Constitution and the Corporations Act (as modified by ASIC relief).
Responsible Entity duties	The Responsible Entity's duties are mostly prescribed by the Corporations Act.
Responsible Entity fees	– The Constitution authorises the Responsible Entity to be paid from the assets of the Fund or from the assets of any controlled sub-trust, certain fees at the rates set out in Section 7.1. The Responsible Entity may waive, or defer payment of, part or all of any fee for any period. – If the Responsible Entity elects, some or all of the performance fee may be applied to subscribe for new Units in the Fund. The issue price for such Units will be the greater of the weighted average trading price of all Units traded on the ASX during the 10 trading days from and including the date on which the Units trade ex distribution entitlement for the relevant period or the net tangible asset backing per Unit at the end of the relevant period.

Recovery of expenses by Responsible Entity	The Responsible Entity may recover out of the Fund's assets, expenses incurred in the proper performance of its duties in relation to the Fund.
Responsible Entity other capacities	The Responsible Entity may hold Units in the Fund, or interests in any trust, company or other investment vehicle which is an associate of any of them, in any capacity and may contract with itself, or any associate. The Responsible Entity may have an interest in any such contract or transaction and retain for its benefit any profits derived from any such contract or transaction. It is not liable in contract, tort or otherwise to Unitholders for any loss suffered by the Fund except to the extent that the Corporations Act imposes such liability.
Listing of Units	The Constitution includes provisions that facilitate the listing of the Units on the ASX, including provisions relating to small holdings.
Stapling of Units	The Constitution also provides for the possibility that, at some future time, Units may be stapled to securities in another investment vehicle without the need for any approval or consent from Unitholders.

10.1.2 Compliance Plan

Compliance Plan	The compliance plan sets out the arrangements and measures that the Responsible Entity will apply in operating the Fund to ensure compliance with the Corporations Act and the Constitution.
Compliance Committee	Compliance with the plan will be overseen by the Compliance Committee.

10.1.3 Management Services Agreement

Parties	Multiplex Capital Management Limited (Responsible Entity) and Multiplex Capital Pty Ltd (Fund Manager).
Term	The Management Services Agreement continues for a period of 10 years from the date upon which the Units are first officially quoted on ASX (Initial Term) and will continue after the expiry of the Initial Term until terminated by the Unitholders upon passing an ordinary resolution that the agreement is to terminate. The term is also subject to the Fund Manager's and the Responsible Entity's right to terminate the Management Services Agreement as outlined below.
Fund Manager obligations	The obligations of the Fund Manager are as follows: – assist the Responsible Entity in making and disposing of investments; – ensure performance of day to day management, secretarial, accounting, administrative, liaison, representative and reporting functions and obligations of the Responsible Entity and provide personnel to assist the Responsible Entity; – manage investments on behalf of the Responsible Entity; – recommend payment of distributions and interim distributions to Unitholders; – make recommendations to the Responsible Entity in relation to the exercise of voting rights to which the Responsible Entity is entitled; – make recommendations to the Responsible Entity in relation to changes to the Constitution; – make recommendations to the Responsible Entity in relation to capital raisings and any redemptions or forfeiture of Units; – advise on the preparation and the implementation of budgets of the Fund and business and financial plans for the Fund and its controlled entities, as requested by the Board; – ensure that audited annual reports and accounts of the Fund are prepared; – ensure that notices of meetings of Unitholders, papers, reports and agendas for meetings of Unitholders are prepared and Unitholder meetings are arranged; and – calculate the Responsible Entity's taxes in accordance with applicable laws and requirements.

Excluded services	The Fund Manager will not provide any services under the Management Services Agreement which would require the Fund Manager to hold an Australian Financial Services Licence unless the Fund Manager is lawfully providing those services as an authorised representative under section 911B of the Corporations Act.
Fund Manager fee	The Fund Manager is entitled to receive as remuneration an amount equal to the base fee less 10 basis points and the performance fee which the Responsible Entity is entitled to under the Constitution. This amount may be received in the form of Units issued at the same price under the Constitution as if they were issued to the Responsible Entity.
Fund Manager's rights of indemnity and reimbursement	The Responsible Entity indemnifies the Fund Manager against any loss or liability incurred by the Fund Manager in the performance of the Fund Manager's functions with the exception of any loss or liability caused by any act or omission of the Fund Manager which is fraudulent, reckless or in wilful breach of the agreement. The Responsible Entity will reimburse the Fund Manager for certain costs, charges and expenses incurred by the Fund Manager in connection with the provision of management services.
Responsible Entity's rights of indemnity	The Fund Manager indemnifies the Responsible Entity against any loss or liability incurred by the Responsible Entity to the extent that it arises from any act or omission of the Fund Manager which is fraudulent, reckless or in wilful breach of the agreement.
Fund Manager's right to terminate the agreement	The Fund Manager may terminate the agreement by notice in writing: – if the Responsible Entity has committed a breach of the provisions of the agreement and fails to remedy the breach upon being given notice by the Fund Manager specifying the breach; – if an order is made for the winding up or dissolution of the Responsible Entity or a receiver, receiver and manager, administrator, liquidator or similar officer is appointed in respect of the assets and undertakings of the Responsible Entity or the Responsible Entity enters into any composition or arrangement with or for the benefit of its creditors generally; or – upon giving 90 days' notice in writing. No compensation will be payable by the terminating party in consequence of the termination in accordance with the agreement.
Responsible Entity's right to terminate the agreement	The Responsible Entity may terminate the agreement by notice in writing if: – the Fund Manager goes into liquidation or provisional liquidation or is placed in administration or official management; – a receiver or receiver and manager is appointed of the property of the Fund Manager and not withdrawn or removed within 30 days of the appointment; – the Fund Manager ceases to carry on business; – the Fund Manager fails or neglects to carry out or satisfy any obligation imposed by the agreement and does not remedy the same within 21 days of being required to do so by notice in writing; or – the Responsible Entity becomes aware that the Fund Manager has ceased to be a wholly owned subsidiary of Multiplex. No compensation will be payable by the terminating party in consequence of the termination in accordance with the agreement.

10.1.4 Underwriting Agreements

Joint underwriters	The Responsible Entity has entered into Underwriting Agreements with each of NAB and CommSec (each an Underwriter) for the underwriting of the entire Offer (each an Underwriting Agreement). The Offer is fully underwritten by NAB and CommSec. The Underwriters may appoint sub-underwriters (including related parties of the Responsible Entity) to sub-underwrite part of the Offer.
Underwriting fees	Under the terms of the Underwriting Agreements, the Responsible Entity must pay or procure payment of an aggregate underwriting fee in the amount of 2% of the underwritten amount.
Distribution fees	Under the Underwriting Agreements, the Fund Manager must pay a distribution fee in the amount of 2.5% (excluding GST) of the underwritten amount.
Underwriters expenses in connection to the Offer	The Underwriters are entitled to recover from the Responsible Entity reasonable costs and expenses of the Underwriters, and any director, employee, officer, adviser, agent or contractor of the Underwriter, incurred in connection with the Offer.
Responsible Entity indemnification	The Responsible Entity has indemnified the Underwriters, each of their related bodies corporate, and their respective directors, officers, employees and advisers against all claims, demands, damages, losses, costs, expenses and liabilities incurred either directly or indirectly out of or in connection with the Offer or the Underwriting Agreements. The indemnity is subject to market standard limitations in cases of fraud, bad faith, wilful misconduct or gross negligence by the Underwriters, each of its related bodies corporate, and their respective directors, officers, employees and advisers.
Representations, warranties and undertakings of the Responsible Entity	The representations, warranties and undertakings include the following: – there are no omissions from the PDS of information required by the Corporations Act and the PDS will not contain any statements which are misleading or deceptive; – to immediately notify the Underwriter of any breach of warranty or undertaking given by it under the Underwriting Agreement – not to, before completion, commit, be involved in or acquiesce in any activity which breaches in any material respect: – the Corporations Act; – any other applicable legislation; – its constitution or the Constitution; – any legally binding requirement of ASIC or ASX; or – to carry on its business, and procure that Multiplex Capital carries on its business in the ordinary course, pending settlement of the Offer (other than as disclosed in the PDS).

Termination of the Underwriting Agreements	An Underwriter may terminate its Underwriting Agreement by notice to the Responsible Entity at any time before the Units are issued pursuant to the Offer upon the occurrence of any one of a number of events. These are normal termination events under Underwriting Agreements of this nature and include: the S&P/ASX 200 Index or S&P/ASX 200 Property Index falling to a level that is 90% or less of the level as at the close of trading on the date of the Underwriting Agreements and remaining at or below that 90% level for at least two Business Days or until the Business Day before the Allotment Date; or the yields for treasury bonds issued by the Reserve Bank of Australia which have a tenor of 10 years increase by 100 basis points or more before the Allotment Date above the yields for those treasury bonds at the date of the Underwriting Agreements. Some of the termination events permit the Underwriter to terminate the Underwriting Agreement only if the Underwriter determines reasonably and on bona fide grounds that the event has or is likely to have a materially adverse effect on the success or settlement of the Offer or the performance of the secondary market trading of the Units, or could give rise to a liability of the Underwriter which is not material in any capacity under any law, regulation, treaty, judicial decision or administrative ruling or announcement. Examples of such an event are a breach of a representation, warranty or undertaking given by the Responsible Entity and an adverse change in the financial position of the Responsible Entity, the Fund, Multiplex or any Multiplex Fund. Other termination events are not subject to those qualifications. Examples of such events include the events described in the first paragraph; and a disruption in financial markets in Australia, Germany, the United States or the United Kingdom.

10.1.5 Mandate letters and Lead Equity Arranger letter

Mandate	Multiplex Capital Pty Ltd has entered into mandate letters with NAB and CommSec and a lead arranger letter with NAB. NAB has been mandated to act as Lead Equity Arranger, Joint Lead Manager and joint Underwriter for the Offer. CommSec has been mandated to act as Joint Lead Manager and joint Underwriter for the Offer.
Additional fees and expenses	Multiplex Capital Pty Ltd or the Fund has agreed to pay certain fees and expenses to NAB in addition to the underwriting and distribution fees to which they are entitled (see Section 7.3.4). These fees are payable from Multiplex Capital Pty Ltd's own resources and are not payable by the Fund.

10.1.6 Subscription Deed

Parties	Multiplex Capital Securities Limited as responsible entity for Multiplex Acumen Property Fund (MAPF RE) Multiplex German Investment Pty Limited as trustee of Multiplex German Investment Trust, an MPT sub-trust (MGIT Trustee) The Responsible Entity Multiplex Berlin Holder Pty Limited as trustee of Multiplex German Property Fund, a Fund sub-trust (MGPF Trustee) Multiplex German Landowner Pty Limited as trustee of Multiplex German Landowning Fund, a Fund sub-trust (MGLF Trustee) Multiplex German Holding Pty Limited, a Multiplex subsidiary (MGHPL) Multiplex Capital Pty Ltd (MCPL)

Purpose	– Governs how and when MAPF RE, MGIT Trustee, MGHPL and Multiplex Capital subscribed for their Units and how and when Units were issued to MAPF RE, MGIT Trustee, MGHPL and Multiplex Capital. – Governs how and when the Responsible Entity subscribed for its units in Multiplex German Property Fund (MGPF) and how and when units in MGPF were issued to the Responsible Entity. – Governs how and when MGPF Trustee subscribed for its units in Multiplex German Landowning Fund (MGLF) and how and when units in MGLF were issued to MGPF Trustee.
Placement fee	MAPF RE will be paid a placement fee of approximately $892,500 (exclusive of GST) in consideration for subscribing for Units. This fee will be paid by the Responsible Entity from its own funds and not out of the assets of the Fund.
Warranties	The Responsible Entity provided certain warranties to MAPF RE, MGIT Trustee, MGHPL and MCPL in relation to matters such as the Responsible Entity's ability to issue this PDS and to issue Units.

10.2 Banking Facilities

10.2.1 Term Facility

Purpose	To refinance the Monti Partnerships' existing indebtedness and pay related costs and expenses. Eurohypo Bank (the Lender) has lent €231.4 million to the Monti Partnerships under a term loan facility (the Term Facility) that was drawn down on the Settlement Date. The Lender intends on securitising the Term Facility within 12 months of draw down.
Lender	Eurohypo Bank
Borrowers	The Monti Partnerships
Guarantors	The Monti Partnerships, Multiplex German Investments GmbH, Multiplex Luxembourg 1 S.à.r.l., Multiplex Luxembourg General Partner S.à.r.l. and Multiplex Luxembourg Limited Partner S.à.r.l. (being controlled entities of the Fund).
Facility amount	The amount of the Term Facility is €231.4 million.
Interest rate	3 month EURIBOR plus the margin plus mandatory costs.
Margin	0.69% per annum.
Establishment fee	40 basis points of the Term Facility amount, being €925,600.
Term	The final maturity date is 15 April 2014.
Repayment	The Term Facility is an interest only loan. Any outstanding loan amount must be repaid at loan maturity on 15 April 2014.
Security	Security for the Term Facility includes security over all or substantially all the assets of the Borrowers including a first ranking mortgage over the Initial Properties, security over the bank accounts of the Borrowers and an assignment of the rental income received by the Monti Partnerships, security over each partner's interest in the Monti Partnerships and the rights and interests of Multiplex Luxembourg Limited Partner S.à.r.l. in the Option Agreement (see Section 10.3.3) and the Sale and Purchase Agreement.

Disposal of existing portfolio	Disposals of the existing Initial Properties are permitted during the term of the loan, subject to certain conditions, including that: – No default or potential default is outstanding or would result from the disposal; – Aggregate value of nursing homes cannot exceed 25% of the aggregate value of the value of the properties securing the Term Facility including amounts to the credit of the disposals account after the disposal; – Proceeds must be equal to the original valuation for the relevant property and must be equal to the allocated repayment amount plus the estimated prepayment expenses. Proceeds from any property sale must be deposited in a locked bank account and can be held for reinvestment for up to eight interest periods following the disposal providing that if the substitution does not occur until the fourth interest payment date after the disposal the interest cover ratio is greater than 140%. If no substitution is made within that time or if the interest cover ratio is 140% or lower on or after the fourth interest period the facility must be prepaid by an amount equal to the allocated loan amount for that property, expenses and any break costs relating to prepayment of a relevant part of the FX Hedging Arrangements must be paid.
Repayment fees	The Facility is subject to the following early repayment fees: Year 1 (ending 2 April 2008) 1.50% Year 2 (ending 2 April 2009) 0.75% Year 3 (ending 2 April 2010) 0.50% Year 4 (ending 2 April 2011) 0.25% Years 5 to 7 (ending 2 April 2014) Nil
Default provisions	A default regime applies to the Term Facility and a breach of its terms may entitle the Lender to lock up cash or enforce the security, including selling the Initial Properties. Default provisions include breaches of undertakings, misrepresentation or cross default.
Key covenants of the Term Facility	– No Monti Partnerships may create any new security interest over any of its assets. – The Monti Partnerships must maintain an interest coverage ratio (ICR), which is the ratio of projected net rental income to projected finance and interest costs, of at least 115%. The Monti Partnerships have five business days to remedy any breaches. Where the ICR is below 130%, a cash lock up will apply. – If the ratio of all outstanding amounts under the Facility to the value of the properties (LTV) is greater than 95%, a cash lock up will apply. – The Monti Partnerships must maintain specified insurance cover and pay all relevant taxes unless the taxes are contested in good faith and adequate reserves are maintained. – The Guarantors may not carry on any business other than the development, ownership and management of the Monti Partnerships or the properties. – The Monti Partnerships must seek consent from the Term Facility Agent before a new lease or amendment to a lease is granted which represents over 3% of the aggregate net rental income of the secured properties or would cause a cash sweep to occur. – The Monti Partnerships can develop up to 5% of the Monti Partnerships if the ICR is above 170% and the LTV is below 65% and up to 10% of the Monti Partnerships if the ICR is above 205% and the LTV is below 65%. – The Monti Partnerships must ensure that an annual independent valuation of all properties in the Monti Partnerships takes place. – The Monti Partnerships cannot make a distribution if internal loans are outstanding. Internal loans may be paid from excess cash as long as no default, potential default or cash lock up is subsisting.

Controlled Accounts	The Monti Partnerships are required to maintain a controlled account structure which involves maintaining separate accounts for rental income received, expenses and disposals. These accounts are controlled by a security trustee and payments may only be made in a prescribed payment order. Once the prescribed payments have been made on each interest payment date any additional free cash will be used to make the payments required under the FX Hedging Arrangements and thereafter may be used by the Monti Partnerships at their discretion, including to service the internal loans unless: – a default (including a potential event of default) is subsisting; – the ICR is less than 130%; – the LTV is greater than 95%; or – a Naiad cash trap is subsisting, in which case, all free cash will be locked up and will not be available to the Monti Partnerships to make scheduled payments under the FX Hedging Arrangements or service the internal loans. A Naiad cash trap event will occur if one year before the Naiad put option is exercisable, the Fund is unable to satisfy the Term Facility Agent that it has sufficient committed funds available to acquire Naiad's interest in the Monti Partnerships until there are funds equal to 110% of the aggregate of: – the estimated market value of Naiad's interest (including an amount reflecting growth of the German property index); and – the amount of any tax payable in relation to the exercise of the option. A Naiad cash trap event will also apply if Naiad: – goes insolvent; – ceases to be a partner or claims an amount of over €50,000 from the Monti Partnerships as a consequence of Naiad ceasing to be a partner; and – ceases to own 5.1% of the Monti Partnerships or there is a direct or indirect change in the ownership of Naiad before 2 April 2013. The cash trap will apply, unless the Fund can demonstrate that it has sufficient committed funding, until there are funds equal to 110% of the aggregate of: – all claims by Naiad; and – any taxes payable. Amounts will be released from the cash lock up prior to 15 April 2013 if no default or potential event of default would result from the release and for two consecutive interest periods the ICR exceeded 140% or in the case of a nursing home default 145% or in the case of a Naiad cash trap to meet the relevant cost or once the cost has been paid in full.

Change of Control	The Term Facility Agent may give a notice declaring the Term Facility immediately (except in the case of the second paragraph below in which case 30 days' notice must be given) due and payable if:
	– the Fund ceases to be the beneficial owner (directly or indirectly) of the entire issued share capital of Multiplex German Investments GmbH, Multiplex Luxembourg General Partner S.à.r.l., Multiplex Luxembourg Limited Partner S.à.r.l., Multiplex Luxembourg 1 S.à.r.l., being controlled entities of the Fund;
	– any person or group of persons acting in concert except members of the Multiplex Group or entities for which a member of the Multiplex Group acts as a responsible entity, trustee or nominee controls more than 24.9% of the Units in the Fund;
	– unless the Term Facility Agent is satisfied, acting reasonably, that control of the responsible entity of the Fund will be held by a professional and reputable fund manager of equal standing to Multiplex in the relevant market;
	  – Multiplex Group ceases to be the beneficial owner (directly or indirectly) of the entire share capital of the Responsible Entity; or
	  – any person or group of persons acting in concert gains control of Multiplex Group.

Substitution	A property which secures the Term Facility may be substituted for another property provided that, at that time:
	– the LTV does not exceed the LTV immediately prior to the disposal of the original property;
	– the ICR equals or exceeds the ICR immediately prior to the disposal of the original property;
	– nursing homes do not exceed 25% of the aggregate value of all of the properties securing the Term Facility and any amount standing to the credit of the disposal proceeds account;
	– non-retail properties do not exceed 55% of the aggregate value of all of the properties securing the Term Facility and any amount standing to the credit of the disposal proceeds account;
	– logistics properties do not exceed 12% of the aggregate value of all the properties securing the Term Facility and any amount standing to the credit of the disposal proceeds account;
	– no less than 65% (by value) of the properties securing the Term Facility are located in the former West Germany and no more than 25% (by value) are located in any single German state;
	– no single tenant (or group of affiliated tenants) accounts for more than 30% of the rental income of the properties securing the Term Facility and no more than one further tenant (or group of affiliated tenants) accounts for more than 10% of the rental income of the properties securing the Term Facility;
	– the total value of all properties substituted does not exceed an amount equal to the aggregate of:
	  – 20% of the aggregate value of all of the Initial Properties (at the Settlement Date); and
	  – the aggregate value of all of the nursing homes disposed of, up to a maximum of 10% of the aggregate value of all of the Initial Properties (at the Settlement Date);
	– the WALE in respect of all the properties securing the Term Facility is not reduced as a result of the substitution, unless the substituted property is a nursing home or the WALE in respect of the new property is at least 95% of the WALE of the substituted property;
	– no cash sweep occurred on the most recent interest payment date; and
	– certain conditions precedent are met.

10.2.2 Interest Hedging Agreement

ISDA	The Monti Partnerships are party to a forward interest rate hedge with Eurohypo Bank pursuant to an ISDA Master Agreement, Schedule and Confirmation.
Instrument	Interest Rate Swap (IRS).
Notional amount	€231.40 million (Term Facility principle).
Hedge	The hedge arrangements swap the floating rate interest obligation to pay interest of 90 day EURIBOR under the Term Facility to a fixed rate interest obligation.
Pay	The Monti Partnerships will pay fixed rate interest of 3.79% per annum (excluding the margin and mandatory cost)
Receive	The Monti Partnerships will receive floating rate interest of 90 day EURIBOR.
Payment dates	Payments begin on 15 July 2007 and occur on a quarterly basis ending on 15 April 2014.
Default	A default regime applies to the interest rate hedges.
Security	The obligations of the Monti Partnerships under the interest rate hedges are secured by the security for the Term Facility (see Section 10.2.1).

10.2.3 FX Hedging Arrangements

Capital hedge

ISDA	A Luxembourg subsidiary of the Fund is party to a foreign exchange rate hedge with Eurohypo Bank pursuant to an ISDA Master Agreement, Schedule and Confirmation.
Instrument	Cross Currency Interest Rate Swap (CCY) with physical exchange of principle front end and back end with an IRS component.
Pay (30 March 2007)	The Fund paid $213.09 million to Eurohypo Bank on 30 March 2007 at a spot rate of €1 to $1.6885.
Receive (30 March 2007)	The Fund received €126.20 million from Eurohypo Bank on 30 March 2007 at a spot rate of €1 to $1.6885.
Pay (15 April 2014)	The Fund will pay €147.90 million to Eurohypo Bank on 15 April 2014 at a spot rate of €1 to $1.6885.
Receive (15 April 2014)	The Fund will receive $249.73 million from Eurohypo Bank on 15 April 2014 at a spot rate of €1 to $1.6885.

Capital hedge interest exchanges

Pay	The Fund will pay fixed seven year EURO swap rate at 3.83% per annum on €147.90 million quarterly.
Receive	The Fund will receive fixed seven year AUD swap rate at 5.98% on $249.73 million quarterly.
Transaction dates	Principal exchanges were made on 30 March 2007 and will be made on 15 April 2014. Interest exchanges begin on 15 July 2007 and occur on a quarterly basis ending 15 April 2014.
Security	Security for the Fund's obligations under the hedges includes: second ranking security over the Initial Properties, first ranking security over the shares in Multiplex Luxembourg Limited Partner S.à.r.l, first ranking security over the loan from Multiplex Luxembourg Holding S.à.r.l. to Multiplex Luxembourg Limited Partner S.à.r.l.

Default	A default regime applies to the interest rate hedges. In the event of a default, Eurohypo may terminate the FX Hedging Arrangements and enforce its first ranking security interests and, amongst other things, sell the Funds' interest in the Monti Partnerships.
Income hedge	
ISDA	A Luxembourg subsidiary of the Fund is party to a foreign exchange rate hedge with Eurohypo Bank pursuant to an ISDA Master Agreement, Schedule and Confirmation.
Instrument	Forward Exchange Contracts (Forward FX).
Pay	The Fund will pay to Eurohypo Bank the amount of €1.08 million per quarter at a forward rate of 1.826 quarterly.
Receive	The Fund will receive $1.96 million per quarter from Eurohypo Bank at a forward rate of 1.826 quarterly.
Transaction dates	Income exchanges begin on 15 July 2007 and occur on a quarterly basis ending 15 April 2014.
Security	Security for the Fund's obligations under the hedges includes: second ranking security over the Initial Properties, first ranking security over the shares in Multiplex Luxembourg Limited Partner S.à.r.l., first ranking security over the loan from Multiplex Luxembourg Holding S.à.r.l. to Multiplex Luxembourg Limited Partner S.à.r.l.
Default	A default regime applies to the interest rate hedges. In the event of a default, Eurohypo may terminate the FX Hedging Arrangements and enforce its first ranking security interests and, amongst other things, sell the Fund's interest in the Monti Partnerships.

10.2.4 Monti Partnership Loans

Lender	The Fund
Borrower	The Monti Partnerships
Amount	€87.26 million
Interest Rate	EURIBOR plus 3.59% per annum
Final Maturity	15 July 2015
Prepayment	The loan is subordinated to the Term Facility and interest rate hedges, but may be repaid without penalty if no event of default, potential event of default or cash sweep exists under the Term Facility.

10.3 Portfolio Documents

10.3.1 Sale and Purchase Agreement (SPA)

Parties	The Sellers: – Monti Verwaltungsgesellschaft mbH – Multiplex Luxembourg Holding S.à.r.l. – Multiplex German Investments GmbH – Multiplex Luxembourg General Partner S.à.r.l. (each of which are controlled entities of the Fund) and the, – Monti Partnerships.
Indirect property purchase	The SPA provides for the Fund's indirect purchase of Initial Properties in Germany. The Fund acquired a 94.9% indirect interest in the Monti Partnerships which, between them, hold legal title to the Initial Properties. The purchase was effected on 2 April 2007 by way of: – controlled entities of the Fund entering into each of the Monti Partnerships as limited and general partners; – a redemption (withdrawal) by Sidell, Bervina, Universal (US) and Universal (EU) from each of the Monti Partnerships; and – Naiad reducing its interest in each of the Monti Partnerships to 5.1%.
Adjustment mechanism	A provisional consolidated balance sheet of the Monti Partnerships was prepared in order to estimate net asset value of the Monti Partnerships as of 2 April 2007 and to calculate the provisional redemption amount due to each of the Sellers. The new management of the Monti Partnerships must prepare a final consolidated balance sheet (as of 2 April 2007) by 30 June 2007 in order to calculate the final redemption amount which each of the Sellers are entitled to receive. The final consolidated balance sheet is to be prepared in accordance with: – special accounting principles annexed to the SPA; – the principles of the German commercial code and German GAAP; and – on a basis consistent with the 2005 financial statements. The final consolidated balance sheet prepared by the new management is then agreed (or in the absence of a response from the Sellers) deemed agreed or, in case of dispute, referred to a third party arbitrator. Once the final consolidated balance sheet is agreed, deemed agreed or determined by an arbitrator, 94.9% of the positive or negative differential between the provisional redemption amount and the final redemption amount, is to be paid by the Monti Partnerships to the Sellers or the Sellers to the Monti Partnerships, as the case may be.
Escrow accounts	The SPA provides for two ongoing escrow accounts: – a balance sheet adjustment deposit in the amount of €1.5 million (Adjustment Deposit) (€0.75 million contributed by each of the Sellers side and the Fund's side) as security for any adjustments in the provisional redemption amount. In lieu of the Adjustment Deposit the Sellers can provide a Security Guarantee (a bank guarantee) provided that certain conditions are met; and – a €5 million security deposit (Security Deposit) is contributed by the Sellers to fund any claims by the Fund under the guarantee and tax provisions of the SPA. In lieu of the Security Deposit the Sellers can provide a Security Guarantee (a bank guarantee) provided that certain conditions are met.

Guarantees (warranties) and tax indemnities	The SPA provides for a three year guarantee (warranty), from the Sellers in relation to: – corporate standing authority: capacity and authority of the Sellers and the organisation and obligations of the Monti Partnerships; – financial statements and financial position of the Monti Partnerships; – property and business matters such as information provided about: land titles; easements and encroachments; tenancies and rental income; operating expenses; defective construction or redevelopment; and licences, permits, consents and authorities for carrying on business; – environmental matters relating to pollution and material asbestos contaminations; – litigation and regulatory proceedings regarding litigation, arbitration, mediation or administrative proceedings; – agreements entered into by the partnerships relating to real property, other assets, maintenance, service, consultancy or management agreements, agreements with parties related to the Sellers; – insurances related to: property insurance and insurance premium policies and payments; and – Monti Partnerships' old loan agreement with ABN AMRO in the amount of €270 million. Claims on guarantees listed above, may only be made for compensation in excess of €20,000 per item and €40,000 in aggregate. The SPA also contains guarantees in relation to: – the tax returns of the Monti Partnerships; – fulfilment of all payment obligations relating to taxes or the relevant provisions for any tax liabilities not yet due as at 2 April 2007; and – tax audits, actions, suits or investigations pending, announced or threatening relating to taxes; – the real estate transfer tax positions of Naiad and REIT Asset Management; – use of the real estate properties for value added tax purposes; – indemnities for the benefit of the Monti Partnerships and the Fund relating to tax liabilities arising prior to 2 April 2007; – indemnity for the benefit of the Monti Partnerships and the Fund for any real estate transfer tax triggered by Naiad not holding 5.1% of the Monti Partnerships or REIT Asset Management not holding 5.1% of Naiad until 2 April 2013. All claims against the Sellers (or any claims the Sellers make against the Fund) in relation to taxes imposed on the Monti Partnerships for periods up to 2 April 2007 must be made within 6 months of the issue of the final, binding, non-appealable and unchangeable tax assessment. All claims against the Sellers relating to taxes (other than real estate transfer tax and corporate income tax) must be made prior to 2 April 2010 (unless a tax audit or investigation has been announced or commenced, which will extend the last date for making a claim against the Sellers to 2 October 2010). The total cap on all guarantee and warranty claims (other than claims resulting from malicious misrepresentation, or claims relating to real estate transfer tax or corporate income tax, or claims relating to breach of capacity and authority representations by the Sellers, corporate and special purpose vehicle representations by the Sellers or breach of interim management provisions by the Sellers) pursuant to the terms of the SPA is €5 million. All claims against the Sellers under any of the guarantee and warranties (other than claims relating to taxes which timeframes are as described above and other than claims relating to breach of the interim management provisions) must be made prior to 2 April 2010.
Governing law	German law.

10.3.2 Partnership Agreements

Partnerships	Erste Monti Immobiliengesellschaft mbH & Co KG Zweite Monti Immobiliengesellschaft mbH & Co KG Dritte Monti Immobiliengesellschaft mbH & Co KG Vierte Monti Immobiliengesellschaft mbH & Co KG Fünfte Monti Immobiliengesellschaft mbH & Co KG Sechste Monti Immobiliengesellschaft mbH & Co KG Siebente Monti Immobiliengesellschaft mbH & Co KG

The following summary applies to each of the partnerships.

Partners	1. Multiplex German Investments GmbH 2. Multiplex Luxembourg General Partner S.à.r.l. 3. Multiplex Luxembourg Limited Partner S.à.r.l. 4. Multiplex Luxembourg 1 S.à.r.l. 5. Naiad Property S.à.r.l. Partners 1 and 2 are partners with personal liability and are referred to as the General Partners. Partners 1 to 4 are controlled entities of the Fund. Partners 3, 4 and 5 are limited partners and are referred to as the Limited Partners. Partners 1 to 5 are collectively referred to as the Partners.
Management rights and obligations	Each Monti Partnership shall be represented only by Multiplex Luxembourg General Partner S.à.r.l. Multiplex German Investments GmbH is excluded from management rights and obligations unless instructed otherwise by Multiplex Luxembourg General Partner S.à.r.l.
Compensation of the General Partners	The General Partners shall not be entitled to any remuneration for fulfilling their duties or for assuming personal liability.
Compensation of the Limited Partners (including Naiad)	Each Limited Partner is entitled to profit and loss distributions proportionate to their fixed capital interests.
Voting	The Partners shall adopt resolutions with a simple majority of votes cast in all matters. Except for formal corrections, changes to the Partnership Agreement require a unanimous resolution. The Partners may vote the exclusion of a Partner or transfer the Partnership interest to the other remaining Partners in proportion to their Partnership interest if the defaulting partner has given rise to good cause in accordance with section 133 of the German Code of Commerce. To that extent the individual Partner affected shall have no voting rights. The excluded Partner shall withdraw from the Partnership upon receipt of the resolution.
Termination	Outside the right to terminate for good cause, each Partner may terminate the partnership by registered letter with a notice period of six months beginning the end of a fiscal year but in any event no earlier than by 31 December 2021.
Settlement payment upon Partner withdrawal	Upon withdrawal from a Monti Partnership, a limited Partner is entitled to a settlement payment calculated with reference to the fair market value of the relevant Monti Partnership, payable by instalments.
Audited annual accounts	The annual accounts shall be prepared by Multiplex Luxembourg General Partner S.à.r.l and shall be audited by an auditor appointed by the Partners' meeting.
Transfer of title by Naiad	Naiad cannot transfer title to its 5.1% partnership interest to a third party without the approval of a controlled entity of the Fund. A controlled entity of the Fund has a pre-emption right over Naiad's 5.1% interest in each Monti Partnership.

10.3.3 Option Agreement

Parties	Multiplex Luxembourg Holding S.à.r.l. Multiplex Luxembourg Limited Partner S.à.r.l. Multiplex German Investments GmbH Multiplex Luxembourg General Partner S.à.r.l. (each of which are controlled entities of the Fund) Naiad Property S.à.r.l. REIT Asset Management and one of its subsidiaries, Trafalgar Overseas Limited
Purpose	Provides for a controlled entity of the Fund to acquire Naiad's 5.1% interest in the Monti Partnerships by the grant of put and call options.
Put option	A controlled entity of the Fund grants to Naiad a put option to call upon the Fund to replace Naiad as a partner in the Monti Partnerships. The put option is exercisable by Naiad for four weeks commencing 2 April 2013.
Call option	Naiad grants to the Fund a call option to call upon Naiad to allow the Fund to replace Naiad as a member of the Monti Partnerships. The call option is exercisable by the Fund at any time up to 2 April 2013 and in the three month period commencing 2 October 2013.
Price of the option	Market value as determined on the date of the option notice by an expert.
REIT's ownership structure	REIT Asset Management agrees not to change its shareholding in Naiad in a manner which, under current legislation, would trigger payment of real estate transfer taxes.
Assignment	The Option Agreement is assignable to any party holding a partnership interest in each of the Monti Partnerships or to any affiliate.

10.4 Property Management and Accountancy Agreements

10.4.1 Property Services Agreement

Parties	The Monti Partnerships and Scheven have entered into a Property Service Agreement (PSA) pursuant to which Scheven will advise the Monti Partnerships and administer the Initial Properties.
Term	The PSA continues for a period of three years from 2 April 2007. If the Monti Partnerships dispose of a property, the PSA automatically terminates in relation to that property. The parties may only terminate the PSA for just cause. The Monti Partnerships may terminate the PSA with immediate effect: – if Scheven commits a material breach of the PSA; – following a breach of adequate or diligent provision of the services; – if the opening of formal insolvency or bankruptcy proceedings is justified; – if there is a change of control in relation to Scheven or the Scheven Group; or – if specified key employees are no longer employed by Scheven.
Services	Scheven will provide the following services, in some cases only with prior consent from the Monti Partnerships: – property maintenance and capital improvement; – lease and rental administration services; – property administration services; – property monitoring services; and – leasing services.

Performance	Scheven's services must be provided strictly in accordance with an annual business plan (prepared by Scheven and approved by the Monti Partnerships) and the Monti Partnerships' instructions and guidelines. The Services must be performed with the care of a prudent businessman experienced in providing property services for a portfolio of properties of a similar scale, nature and complexity to the portfolio and to a standard required in the market place by international institutional property investors.
Authority	Scheven is prohibited from acting or purporting to have authority to act on behalf of the Monti Partnerships in any manner unless it has been instructed by the Monti Partnerships in writing. Payments of up to €2,000 may be made by Scheven out of the Monti Partnerships' bank accounts, up to a maximum of €40,000 per calendar month. In an emergency, payments of up to €10,000 may be made.
Annual fee	The sum of: – 3.25% of rents collected; and – payments equal to two months rent under any unconditional leases negotiated by Scheven (other than in relation to the renewal of any existing lease agreement), plus statutory VAT, if applicable, is payable to Scheven monthly in advance.
Reporting	Management reports containing specific information as set out in the PSA must be delivered by Scheven to the Monti Partnerships on a monthly and on a quarterly basis.
Exclusivity	Scheven Group and its principal are prohibited from entering into any arrangement to provide Services with any other Australian property based company.

10.4.2 Duty of Care Agreement

Parties	The Monti Partnerships, Scheven and the Term Facility Agent have entered into a Duty of Care Agreement (DCA) pursuant to which Scheven has agreed that it will act at all times in |the best interests of, and take into account the security interests of, the Term Facility Agent when performing the services the subject of the Property Services Agreement (PSA) (see Section 10.4.1).
Income and Insurance	Scheven has agreed to: – pay rent into a "Collection Account" (as that term is defined in the Term Facility – see Section 10.2.1); and – assist the Monti Partnerships in effecting and maintaining insurance.

DCA provisions	The Monti Partnerships and Scheven have agreed to:
	
	– not amend or rescind the PSA without the prior consent of the Term Facility Agent;
	– not suspend the performance of their obligations under, or terminate, the PSA unless they have first given the Term Facility Agent not less than 21 Business Days' written notice and a reasonable opportunity to remedy the causes of the suspension or termination;
	– notify the Term Facility Agent:
	  – promptly if any breach of the PSA occurs;
	  – immediately if any breach or default (including alleged) by any tenant or occupier occurs or if any material damage or destruction of a property occurs; and
	– not assign, transfer or delegate their rights or obligations under the PSA.
	
	The DCA records that the Monti Partnerships have assigned by way of security to the Term Facility Agent all of their rights in respect of the PSA.

10.4.3 Corporate Services Agreement

Parties	Multiplex Luxembourg General Partner S.à.r.l. (LuxCo GP), Multiplex Luxembourg Holding S.à.r.l., Multiplex Luxembourg 1 S.à.r.l., Multiplex Luxembourg Limited Partner S.à.r.l. (being Luxembourg subsidiaries of the Fund), and Wigical Group S.à.r.l. (Wigical) have entered into a Corporate Services Agreement (CSA) pursuant to which Wigical will provide corporate, fiduciary and management services to the Monti Partnerships.
Termination	The CSA may be terminated by: – Wigical on 90 days' written notice; or – the Luxembourg subsidiaries on 30 days' written notice. Any termination by Wigical is not effective until a replacement provider acceptable to the Luxembourg subsidiaries is appointed.
Services	Wigical will provide the following types of services: – attending to company secretarial matters on behalf of the Luxembourg subsidiaries; – ensuring compliance with Luxembourg laws in relation to the Luxembourg subsidiaries' management accounts, annual accounts and financial statements; – assisting in the preparation of tax returns and any notifications, registrations or payments for tax purposes.
Fees	The Luxembourg subsidiaries will pay Wigical an aggregate fee of €3,000 per month (excluding VAT) plus disbursements, monthly in arrears. Additional fees may be raised for site visits. Fees may, at the request of Wigical, be reviewed after six months of the date of the agreement or the date of the last increase. In addition to the CSA, Wigical has entered into a sub-lease with LuxCo GP to provide office space in a Luxembourg property for one year from 2 April 2007. Rental will be charged at €3,000 per quarter, quarterly in advance, and may be periodically reviewed. At the end of the annual term, the sub-lease will be renewed on an annual basis.

10.4.4 Accounting and Tax Service Agreement

Parties	The Monti Partnerships, Multiplex German Investments GmbH and Multiplex Luxembourg General Partner S.à.r.l. (being controlled entities of the Fund) have engaged Mensching + Steuerberatung (Mensching) to provide day-to-day German corporate, accounting and tax services.
Services	Mensching will provide the following types of services: – financial day-to-day accounting and implementation of an interface between the Accountants' accounting system and the property managers' system; – preparation of VAT returns, tax returns and financial statements; – assisting management in monitoring financial covenants under loan agreement/s; and – co-ordinating the audit process, etc.
Fees	Mensching will receive an estimated sum of: – €60,000 per annum for financial accounting; – €30,000 per annum for financial statements according to German GAAP; – €15,000 for quarterly reporting packs; and – €15,000 for tax returns and correspondence with tax authorities, billed monthly, charged on a time consumed basis at hourly rates between €85 and €150.

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11.1 Investor Reporting

The Responsible Entity will provide the following reports to Unitholders:

- a confirmation of investment;
- a quarterly distribution notification;
- an annual taxation statement as at 30 June each year; and
- the Fund's annual report as at 30 June each year.

11.2 Availability of Documents

Following Allotment, the Fund will be a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations under the Corporations Act. The Responsible Entity will be required to prepare and lodge with ASIC both yearly and half yearly financial statements in respect of the Fund, accompanied by a directors' statement and report and an audit report or review report (half year only). Unitholders may request from the Responsible Entity copies of the Fund's yearly and half yearly financial statements and any continuous disclosure notices lodged by the Responsible Entity, free of charge by telephoning the Fund information line on 1800 652 669.

All documents lodged with ASX in relation to the Fund may be inspected on the ASX website.

11.3 Corporate Governance

Responsible entity

The Responsible Entity is responsible for the overall governance of the Fund, including the protection of Unitholder 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 review the operations and performance of the Fund. There is a majority of non-executive members on the Board (see Section 5.4).

Compliance Committee

The Responsible Entity has established a Compliance Committee which includes a majority of external members. The role of the Compliance Committee includes:

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

Conflicts policy

In appropriate circumstances, the Fund may:

- acquire further properties or investments from the Multiplex Group or from a Multiplex Fund (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.

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

11.4 Consents

Experts' consents

PricewaterhouseCoopers Securities Ltd (PwC Ltd) has given and not withdrawn, as at the date of this PDS, its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of the Investigating Accountant's Report in Section 9.1. PwC Ltd has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than its report.

Greenwoods & Freehills has given and not withdrawn, as at the date of this PDS, its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of the Taxation Report in Section 9.2. Greenwoods & Freehills have not authorised or caused the issue of this PDS and take no responsibility for any part of this PDS other than its report.

DTZ Debenham Tie Leung (DTZ) has given and not withdrawn, as at the date of this PDS, its written consent to be named in this PDS in the form and context in which it is named and to the inclusion of the valuation summary in Section 9.3. DTZ has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than its valuation summary.

DTZ Consulting and Research (DTZ Research) has given and not withdrawn, as at the date of this PDS, its written consent to be named in this PDS in the form and context in which it is replaced and for the inclusion of Section 3. DTZ Research has not authorised or caused the issue of this PDS and takes no responsibility for any part of this PDS other than the information in Section 3.

Naming consents
NAB, CommSec, Mallesons Stephen Jaques, the Registry and the Fund Manager have each given, and not withdrawn as at the date of this PDS, their written consent to be named in this PDS in the form and context in which they are named. None of them has authorised or caused the issue of this PDS and do not make, or purport to make, any statement in this PDS.

11.5 Directors' Consent
Each Director of the Responsible Entity has given and not withdrawn as at the date of this PDS, their consent to the issue of this PDS and its lodgement with ASIC.

11.6 Relationship with CBA and NAB
CBA has maintained a longstanding commercial banking relationship with Multiplex Group. CBA was a lender under the principle Multiplex Group facility at the time of its listing on the ASX in December 2003.

NAB and Multiplex Group have maintained a commercial banking relationship since 2001. NAB provides various financial services and accommodation to Multiplex Group.

CommSec is Joint Lead Manager and Underwriter in respect of the Offer. NAB is the Lead Equity Arranger, Joint Lead Manager and Underwriter in respect of the Offer.

11.7 Regulatory Relief
ASIC relief
ASIC has granted relief from the Corporations Act to allow the Fund to extend its financial half year beyond the first 6 months after the date of registration as a managed investment scheme (s 323D(5)). The Fund's first half-year will end on 31 December 2007.

ASX waivers
ASX has indicated that it is likely to grant the following waivers in respect of the Offer:

- A waiver to allow the Fund to comply with a distribution timetable that is usual for trusts, provided that the Fund advises the ASX of an estimated distribution rate and the actual rate as soon as it becomes known (Listing Rule 6.24).
- Waivers (Listing Rules 7.1 and 10.11):
  - to allow Units to be issued to the Responsible Entity and the Fund Manager in lieu of management fees without prior approval by the Unitholders. This waiver was granted subject to the usual conditions, such as a condition that Units are issued in accordance with the Constitution and Unitholder approval is sought every third year for the issue of the Units in lieu of management fees; and
  - to allow Units to be issued to an underwriter or sub-underwriter under a distribution reinvestment plan.

ASX confirmations
ASX has indicated it is likely to give the following confirmations in respect of the Offer:

- Confirmation that the structure and operation of the Fund are appropriate for listing on the ASX, including the terms of the Constitution and the Units (Listing Rules 1.1, Condition 1 and 6.1).
- Confirmation that the Fund is not an "investment entity" and therefore not subject to restrictions on management agreements (Listing Rules 15.6 and 19).
- Confirmation that the withdrawal offer made to Multiplex (as a Unitholder prior to the admission of the Fund) does not breach the Listing Rules (Listing Rule 1.1, Condition 5).
- Confirmation that the Fund's half-year financial reporting documents can be filed in respect of the period ending 31 December 2007 (Listing Rule 4.2A).
- Confirmation that the Responsible Entity is not restricted in issuing Units on the listing of the Fund to Multiplex Group entities and other related parties of those entities (Listing Rules 7.1 and 10.11).
- Confirmation that Units issued prior to the Allotment Date will not be categorised as restricted securities and be subject to escrow (Listing Rule 9.1.3 and Appendix 9B, Item 1).
- Confirmation that the Fund need only lodge financial accounts that it actually has (Listing Rule 1.3.5(a)).

11.8 Proposed Distribution Reinvestment Plan
The Responsible Entity may establish a distribution reinvestment plan (DRP) to provide Unitholders with the choice of reinvesting some or all of their distributions in new Units, rather than receiving those distributions in cash. The Board may decide for which distributions, if any, the DRP will be available. The DRP will not be operative immediately.

If a DRP is implemented, some of its principal features will be:

- Unitholders may elect to participate in the DRP in respect of all or part of their unitholding. A Unitholder may join, vary their participation or withdraw from the DRP at any time, as provided under the rules of the DRP;
- if a Unitholder elects full participation in the DRP, then all Units held by that Unitholder, including all Units subsequently acquired by the Unitholder will participate in the DRP;
- if a Unitholder elects partial participation, only the number of Units that they have nominated will participate in the DRP;
- Unitholders whose registered address is in Australia or New Zealand may participate in the DRP. Unitholders whose registered address is outside Australia or New Zealand may not participate in the DRP unless the Responsible Entity is satisfied that the issue of Units to them under the DRP is lawful and practicable;

- Units will be allocated under the DRP at market price or at a discount of up to 10% to that price as determined by the Responsible Entity (Allocation Price);
- the Units to be allocated under the DRP will be newly issued Units or Units acquired on market for transfer to Unitholders under the DRP; and
- the number of Units to be issued to a participant in the DRP will be determined substantially by dividing the amount of the distribution to a participant for that distribution (plus the residual positive balance carried forward in a participant's plan account (if any) less any withholding tax or other amounts to be withheld in relation to those Units) by the Allocation Price.

A related party of the Responsible Entity may act as an underwriter or a sub-underwriter to the DRP. ASX has granted an in principle waiver from Listing Rule 7.1 and 10.11 to permit issues to such related parties without Unitholder approval subject to the following conditions:

- a summary of the proposed terms of the DRP is made available to any person who may subscribe for Units under an offer document;
- any underwriter is issued underwritten Units within 15 Business Days after the distribution is paid;
- any Units issued to an underwriter are issued at a price equal to or greater than the price at which the Units are issued to Unitholders under the DRP;
- any related party underwriter is not to exercise its right to vote in respect of any units issued to it under the terms of the underwriting agreement at any meeting of Unitholders;
- any related party underwriter is to sell any Units issued to it under the terms of the underwriting agreement within three months of the date of issue to a person who is not a related party or an associate of the Fund;
- the DRP must not limit Unitholder participation; and
- the waiver expires 18 months after the date of admission of the Fund to the official list of ASX.

11.9 Complaints

The Constitution contains procedures for the handling of complaints from Unitholders. If a Unitholder has a complaint, the Unitholder may write to the Responsible Entity. The Responsible Entity is required to acknowledge receipt of a written complaint as soon as practicable and, in any event, within 14 days.

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

The determination relating to the complaint, the remedies (if any) available and information regarding any further avenue for complaint will usually be communicated within 30 days of receipt of the complaint and in any event under the Constitution must be communicated within 45 days of receipt of the complaint.

The Responsible Entity is a member of the Financial Industry Complaints Service (FICS). A Unitholder may contact FICS on telephone 1300 780 808 (within Australia), by facsimile on (03) 9621 2291 or by writing to PO Box 579, Collins Street West, Melbourne Victoria 8007. ASIC also has a toll free infoline on 1300 300 630 which Unitholders may use to complain or obtain information.

11.10 Privacy

The Responsible Entity respects the privacy of investors and is bound by the National Privacy Principles in the Privacy Act 1988 (Cth) (Privacy Act). Investors that apply for Units will be asked to provide personal information to the Responsible Entity.

The Responsible Entity collects, holds and uses that information in order to process Applications, service the needs of investors, provide facilities and services that are requested, and carry out appropriate administration in relation to the Fund. If the information requested in the Application Form is not provided, the Responsible Entity will not be able to process the application for Units or administer the unitholding properly. The Responsible Entity may disclose Unitholder's personal information to the Responsible Entity's related entities and agents for the purposes set out above and on the basis that they deal with such information in accordance with the Responsible Entity's privacy policy.

The Responsible Entity may also disclose investors' personal information to regulatory agencies in compliance or purported compliance with regulatory obligations.

Investors may gain access to their personal information held by the Responsible Entity by telephoning 1800 570 000.

An investor has a right to access personal information that the Responsible Entity holds about the investor. Please contact the Responsible Entity (contact details are in the Corporate Directory) to request access to such information or in relation to a complaint concerning information privacy. The Responsible Entity may deny such a request in some circumstances and if it does, will explain why.

11.11 Master Trusts or Wrap Accounts

The Responsible Entity authorises the use of this PDS as disclosure to investors who access the Units through an Investor Directed Portfolio Service (IDPS) or IDPS-like scheme (which may be referred to as a master trust or wrap account) or a nominee or custody service (together, master trusts or wrap accounts). Those investors may rely on this PDS. People who invest in the Fund through a master trust or wrap account do not become direct investors. The operator or custodian of the master trust or wrap account will be recorded as the Unitholder in the register of Unitholders and will be the person who exercises the rights and receives the benefits of a Unitholder. Reports and documentation relating to the Fund will be sent to the operator or custodian. If investors invest in the Fund through a master trust or wrap account, they may be subject to different conditions from those set out in this PDS, particularly in relation to:

– fees and expenses;
– distribution calculations and timing of distributions;
– transfer of Units; and
– payment of interest on Application Monies.

Investors in master trusts or wrap accounts should contact their adviser or operator for queries relating to their investment.

11.12 No Advice Given

None of the Responsible Entity, entities in the Multiplex Group, the NAB group, the CBA group or any expert gives any advice as to whether any person should invest in Units and does not in any way guarantee or assure the return of any investments, or the performance of the investment generally.

11.13 Unit Pricing Discretions

If the Responsible Entity 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 Responsible Entity at no charge.

11.14 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, not all of the final rules in relation to this legislation have been issued by the Australian Transaction Reports and Analysis Centre (AUSTRAC). The Responsible Entity may, in future, require additional information to verify the identity of a Unitholder and any underlying beneficial owner of Units and the source of any payment. Where the Responsible Entity requests such information, processing of applications or withdrawals may be delayed until the requested information is received in a satisfactory form or prevented.

Section 12
Glossary

12

€ or Euro	Unit of currency for members of the European Communities that have adopted the euro as lawful currency under legislation of the European Community for Economic Monetary Union
$	Australian dollars
AFSL	Australian Financial Services Licence
AIFRS	Australian equivalents to International Financial Reporting Standards
Allotment	The issue of Units under this PDS
Allotment Date	The date of Allotment, currently intended to be 27 June 2007
Applicant	A person who applies for Units under this PDS
Application	An application for Units under this PDS
Application Form	The application form which is included in or accompanies this PDS
Application Monies	Monies received from Applicants in respect of their Applications
Application Price	$1.00 per Unit
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Limited
ASX	ASX Limited or the market operated by it as the context requires
ASX Listing Rules	The rules that govern the procedures and behaviour of ASX listed companies and unit trusts
ATO	Australian Taxation Office
Benchmark	S&P/ASX 300 Property Trust Accumulation Index
Board	The directors of the Responsible Entity
Broker Firm Offer	The invitation to apply for Units from a retail broker or financial adviser
Business Day	A day other than Saturday, Sunday or public holiday in Sydney
CBA	Commonwealth Bank of Australia (ACN 123 123 124, AFSL 234945)
CGT	Capital gains tax as provided under the Income Tax Assessment Act 1997 (Australia)
Close Date	The date on which the Offer closes, currently intended to be 20 June 2007
CommSec	Commonwealth Securities Limited (ACN 067 254 399, AFSL 238814)
Compliance Committee	The committee (which comprises a majority of independent members) responsible for the monitoring and reporting of the Responsible Entity's compliance with the Constitution, Compliance Plan and the Corporations Act
Compliance Plan	The compliance plan of the Fund, as amended or replaced (see Section 10.1.2)
Constitution	The constitution of the Fund dated 16 November 2006, as amended or replaced (see Section 10.1.1)
Corporations Act	Corporations Act 2001 (Cth) as amended from time to time
CPI	Consumer Price Index of Germany
EURIBOR	The screen rate on the relevant rate fixing date for the offering of deposits in Euro for a period comparable to the relevant interest period
Eurohypo Bank	Eurohypo AG or its assignees
Exposure Period	The seven day period after the date the PDS is lodged with ASIC (which may be extended by ASIC to 14 days)

Financial Forecasts	The forecast financial information set out in Section 6
Financial Industry Complaints Service	An external dispute resolution scheme established to resolve complaints relating to members of the financial services industry
Forecast Period	The period from the Allotment Date to 30 June 2009
FUM	Funds under management
Fund	Multiplex European Property Fund (ARSN 124 527 206) and where the context allows, its wholly owned entities
Fund Manager	Multiplex Capital Pty Ltd (ACN 103 114 441), a company wholly owned by Multiplex, or another company wholly owned by Multiplex which Multiplex Capital Pty Ltd nominates
FX Hedging Arrangements	Has the meaning given to it in Section 10.2.3
GDP	Gross domestic product
Gearing	The ratio of interest-bearing liabilities (excluding hedge arrangements) to assets
General Retail Offer	The offer of Units to retail investors
German Partnership	A partnership incorporated by two types of partners, limited partners (Kommanditisten) and general partners (Komplementäre) and registered with the German Commercial Register
GST	Has the meaning it has in the GST Act
GST Act	The A New Tax System (Goods and Services Tax) Act 1999 (Cth)
Initial Portfolio	The Fund's 94.9% interest in Monti Partnerships which own the Initial Properties
Initial Properties	The 67 properties referred to in Section 2
Institutional Offer	The offer of Units to institutional investors
Invested Equity	The equity raised pursuant to this PDS plus the equity in the Fund held by MPT and MPF as at the date of this PDS
Joint Lead Managers	NAB and CommSec
Lead Equity Arranger	NAB
Management Services Agreement	The services agreement between the Responsible Entity and the Fund Manager (as amended), see Section 10.1.3
Monti Partnerships	Erste Monti Immobiliengesellschaft mbH & Co. KG, Zweite Monti Immobiliengesellschaft mbH & Co. KG, Dritte Monti Immobiliengesellschaft mbH & Co. KG, Vierte Monti Immobiliengesellschaft mbH & Co. KG, Fünfte Monti Immobiliengesellschaft mbH & Co. KG, Sechste Monti Immobiliengesellschaft mbH & Co. KG, and Siebente Monti Immobiliengesellschaft mbH & Co. KG, being the seven German Partnerships which own the Initial Properties
MPF	Multiplex Acumen Property Fund (ARSN 104 341 988)
MPT	Multiplex Property Trust (ARSN 106 643 387) and where appropriate, wholly owned entities
Multiplex	Multiplex Limited (ACN 008 687 063) and where appropriate, wholly owned entities
Multiplex Capital	The funds management division of the Multiplex Group
Multiplex Fund	Any fund where a related entity of Multiplex is the responsible entity or trustee, except the Fund and wholly owned entities of the Fund

Multiplex Group	Multiplex and MPT, the stapled group listed on ASX
NAB	National Australia Bank Limited (ACN 004 044 937, AFSL 230686)
Naiad	Naiad Property S.à.r.l., one of the Sellers
NTA	Net tangible assets
Offer	The offer of Units under this PDS
PDS	This product disclosure statement
Portfolio	The property assets owned by the Fund from time to time
Registry	Link Market Services Limited (ACN 083 214 537)
REIT Asset Management	A shareholder in Naiad
Responsible Entity	The responsible entity of the Fund, Multiplex Capital Management Limited (ACN 094 936 866, AFSL 223809), a company wholly owned by Multiplex
Sale and Purchase Agreement	The sale and purchase agreement for the Initial Portfolio, see Section 10.3.1
Scheven	Scheven Consult GmbH, part of the Scheven Group
Sellers	Universal (US) S.à.r.l., Universal (EU) S.à.r.l., Bervina Overseas Limited, Sidell Limited and Naiad Property S.à.r.l.
Settlement Date	The date on which the Fund acquired the Initial Portfolio, being 2 April 2007
Tax Deferred	Refers to the non-assessable distribution component received by Unitholders. Please refer to the Taxation Report in Section 9.2
Term Facility	Means the financing facility made available by Eurohypo Bank, see Section 10.2.1
Term Facility Agent	Eurohypo Bank or its assignees
Unit	An ordinary unit in the Fund
Unitholder	A holder of Units
Underwriters	NAB and CommSec in their capacities as underwriters of the Offer
Underwriting Agreements	The agreements between the Responsible Entity and each of the Underwriters in relation to the underwriting of the Offer and distribution of Units summarised in Section 10.1.4
VAT	Value added tax (in Germany)
WALE	Weighted average lease expiry

Guide to the Application Form

Please complete all relevant sections of the Application Form in BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Applicants who have received a firm allocation of Units from their retail broker should follow the lodgement procedures provided by that retail broker.

1 Enter the number of Units you wish to apply for. The Application must be for a minimum of 5,000 Units and thereafter in multiples of 1,000 Units.

2 Enter the amount of Application Monies payable. To calculate the amount payable upon Application, multiply the number of Units applied for by $1.00.

3 Enter the full name which you wish to appear on your statement of unitholding. This must be your own name or the name of a company. Joint Applications are also acceptable.

Enter your postal address for all correspondence. All communications will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

4 Enter your telephone number(s), area code and email address in case we need to contact you in relation to your Application.

5 Unless you have received a firm allocation of Units from a retail broker or financial adviser and have received instructions to the contrary, make your cheque payable to MEPF Applications Account. Cheques must be in Australian currency and drawn on an Australian bank, and should be crossed “not negotiable”. Please ensure that you submit the correct amount. The amount should be the same as the amount shown in part 2. Incorrect payments may result in your Application being rejected. Pin (do not staple) your cheque to the Application Form where indicated.

6 You may enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, the Responsible Entity will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from distributions.

7 If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If you supply a CHESS HIN and the details on your form do not correspond exactly with the registration details at CHESS, your Application will be deemed to be made without the CHESS HIN and any Units issued will be held on the Issuer Sponsored Subregister.

8 All distributions will be credited directly to your nominated account with your financial institution. Please ensure appropriate details are inserted in part 8.

9 Your details may be used by the Responsible Entity, related entities, agents and service providers for the purposes of promotion and marketing of their services or products which may be of interest to you. Please tick the box in part 9 if you do not wish to receive such information.

10 Before completing the Application Form, Applicant(s) should read the PDS. Before lodging the Application Form you should read and understand the Acknowledgement contained in part 10.

11 If you have received a firm allocation of Units from a retail broker or financial adviser, please deliver your Application Form in accordance with their instructions. Otherwise, return your completed Application Form with cheque attached to:

Mailing Address:
MEPF Offer
Link Market Services
Locked Bag A14
Sydney South NSW 1235

Delivery Address:
MEPF Offer
Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Correct forms of registrable titles

Note that ONLY legal entities are allowed to hold Units. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Completion Instructions	Correct Form of Registrable Title
Individual and joint	Use names in full, no initials	John Michael Brown
Minor (a person under the age of 18)	Use the name of the responsible adult with an appropriate designation	Mr John Michael Brown <Peter Brown>
Companies	Use company title, not abbreviations	ABC Pty Ltd
Trusts	Use trustee/s personal name/s, do not use the name of the trust	Mrs Anne Brown <Anne Brown Family A/C>
Deceased estates	Use executor/s personal name/s, do not use name of deceased	Ms Jenny Brown <Ext. John Brown>
Partnerships	Use partners’ personal names, do not use name of partnership	Mr John Brown and Mr Michael Brown <John Brown and Son A/C>
Clubs/unincorporated bodies/ business names	Use office bearer/s personal names, do not use the name of the Club etc.	Mr Michael Brown <ABC Netball Association>
Superannuation funds	Use the name of the trustee of the fund, do not use the name of the trust	Anne Brown Pty Ltd <Super Fund A/C>

Pin cheque(s) here. Do not staple.

MULTIPLEX CAPITAL nab

MULTIPLEX EUROPEAN PROPERTY FUND
ARSN 124 527 206

Responsible Entity – Multiplex Capital Management Limited
ACN 094 936 866 AFSL 223809

Application Form

This Application Form must not be handed on to another person unless attached to or accompanying the Multiplex European Property Fund Product Disclosure Statement (PDS). Please refer to the guide to completing the Application Form before completing this form.
PLEASE WRITE CLEARLY USING BLOCK LETTERS.

1 I/We apply for **No. of Units:** at **($1.00) per Unit** 2 **Total Amount $**

Note Minimum of 5,000 Units to be applied for, and thereafter in 1,000 Unit increments. At a Unit price of $1.00 per Unit, this equates to $5,000 and $1,000 respectively.

3 Full Name and Details of Applicant(s)

Title | Given Name or Company Name (Applicant 1) | Surname

Title | Given Name or Company Name (Applicant 2) | Surname

Title | Given Name or Company Name (Applicant 3) | Surname

Date of Birth (Applicant 1) / / | Date of Birth (Applicant 2) / / | Date of Birth (Applicant 3) / /

Are you making the Application on behalf of a trust or superannuation fund *(please tick)* ☐ Yes ☐ No

Name of Trust or Superannuation Fund

Address: Number and Street or Post Office Box

Suburb | State | Postcode

4 Telephone and Email Details

Home | Work

Email

5 Cheque Details

Cheque Number | BSB | Account Number | Amount Payable $

Please enter details of the cheque(s) that accompany this application. Cheques to be crossed "Not Negotiable" and made payable to "MEPF Applications Account" unless you have received contrary instructions from a retail broker or financial adviser. Please ensure that you submit the correct amount, as incorrect payments may result in your application being rejected.

6 Applicants' TFN or ABN (if Company) or Exemption Category

TFN | ABN | Exemption Category

TFN | ABN | Exemption Category

TFN/ABN Type – if not an individual, please mark the appropriate box

☐ Company ☐ Partnership ☐ Trust ☐ Super fund

7 CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Units issued as a result of the Offer will be held on the issuer sponsored sub-register.

8 Bank Account Details for Fund Distributions

Name of Australian Financial Institution | BSB Number

Branch (full address) | Account Number

Name(s) in which Account is Held

9 Permission to Receive Further Information

The Responsible Entity, its related entities and agents may use and disclose your details to your financial adviser, or any member of Multiplex Group to inform you of other products or services that may be of interest to you. Please tick the box below if you do not want this information sent to you. All personal information on this Application Form will be dealt with in accordance with the Responsible Entity's privacy policy which may be viewed at www.multiplexcapital.biz

☐ I/We do not wish to receive further information about the Responsible Entity's services and products.

☐ I/We do not wish to receive further information about the services and products of Multiplex Group.

10 Acknowledgement

By returning this Application Form you agree to the following statements.
Capitalised terms have the same meaning as in the PDS.

a. I/We acknowledge that the accompanying payment represents payment for Units.
b. I/We declare that I/we am/are not minor(s) nor do I/we suffer from any legal disability preventing me/us from applying for Units;
c. I/We accept and agree to be bound by all the terms and conditions of this Offer as set out in the PDS and the terms and conditions of the Constitution
d. I/We acknowledge that by submitting an Application, I/we agree and consent to all arrangements between the Responsible Entity and members or related entities of Multiplex Group which are disclosed in the PDS;
e. I/We acknowledge that /we cannot withdraw my/our Application except when I/we have such a right under the Corporations Act, or if the Responsible Entity consents;
f. I/We declare that I/we personally received the PDS accompanied by or attached to this Application Form and have read the PDS in full and understood the PDS to which this Application Form relates;
g. I/We acknowledge that the acceptance of my/our Application and allocation of Units will be at the discretion of the Responsible Entity and that the Responsible Entity has the right to reject my/our Application or to allocate to me/us a lower number of Units than applied for;
h. I/We acknowledge that the information contained in the PDS does not constitute financial product advice or a recommendation that Units are suitable for me/us, given my/our investment objectives, financial situation and particular needs;
i. I/We declare that this form is completed and lodged according to the PDS and that all statements made by me/us are complete and accurate;
j. I/We acknowledge that my/our investment in Units is not an investment in, a deposit with, or any other type of liability of the National Australia Bank Limited (AFSL 230686), Commonwealth Securities Limited (AFSL 238814), the Responsible Entity or any of their related bodies corporate;
k. I/We acknowledge that the PDS contains forecasts based on assumptions that the Responsible Entity considers to be appropriate at the time of preparing the PDS. I/We acknowledge that the assumptions and therefore the forecasts are subject to factors which are outside the control of the Responsible Entity or which are not predictable on a reliable basis and that actual results may vary materially from the forecasts;
l. I/We acknowledge that applications will only be accepted, and any income or capital distribution made by the Fund will only be paid, in Australian currency; and
m. I/We acknowledge that an investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income or capital invested and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives. I/We acknowledge that none of the Responsible Entity, National Australia Bank Limited, Commonwealth Securities Limited, or any of their related entities or affiliates, nor any other person, does in any way stand behind or guarantee the repayment of capital from the Fund, the investment performance of the Fund or any particular rate of return.

11 Lodgement Details

Unless you have received contrary instructions from a retail broker or financial adviser, please send your Application Form to:
MEPF Offer, Link Market Services, Locked Bag A14, Sydney South NSW 1235
or delivery address: **Level 12, 680 George Street, Sydney NSW 2000**
You must return your application so it is received before 5.00pm (Sydney time) on 20 June 2007.

Adviser to Complete

Adviser's Name	Dealer Group	Broker Code	Broker/Adviser Stamp
Phone Number	Email Address	Adviser Code	

Pin cheque(s) here. Do not staple.

MULTIPLEX EUROPEAN PROPERTY FUND
ARSN 124 527 206

Responsible Entity – Multiplex Capital Management Limited
ACN 094 936 866 AFSL 223809

MULTIPLEX CAPITAL

nab

Application Form

This Application Form must not be handed on to another person unless attached to or accompanying the Multiplex European Property Fund Product Disclosure Statement (PDS). Please refer to the guide to completing the Application Form before completing this form.

PLEASE WRITE CLEARLY USING BLOCK LETTERS.

1 I/We apply for **No. of Units:** at **($1.00) per Unit** 2 **Total Amount $**

Note Minimum of 5,000 Units to be applied for, and thereafter in 1,000 Unit increments. At a Unit price of $1.00 per Unit, this equates to $5,000 and $1,000 respectively.

3 Full Name and Details of Applicant(s)

Title Given Name or Company Name (Applicant 1) Surname

Title Given Name or Company Name (Applicant 2) Surname

Title Given Name or Company Name (Applicant 3) Surname

Date of Birth (Applicant 1) / /

Date of Birth (Applicant 2) / /

Date of Birth (Applicant 3) / /

Are you making the Application on behalf of a trust or superannuation fund *(please tick)* Yes No

Name of Trust or Superannuation Fund

Address: Number and Street or Post Office Box

Suburb State Postcode

4 Telephone and Email Details

Home Work

Email

5 Cheque Details

Cheque Number BSB Account Number Amount Payable

$

Please enter details of the cheque(s) that accompany this application. Cheques to be crossed "Not Negotiable" and made payable to "MEPF Applications Account" unless you have received contrary instructions from a retail broker or financial adviser. Please ensure that you submit the correct amount, as incorrect payments may result in your application being rejected.

6 Applicants' TFN or ABN (if Company) or Exemption Category

TFN ABN Exemption Category

TFN ABN Exemption Category

TFN/ABN Type – if not an individual, please mark the appropriate box

Company Partnership Trust Super fund

7 CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

X

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Units issued as a result of the Offer will be held on the issuer sponsored sub-register.

8 Bank Account Details for Fund Distributions

Name of Australian Financial Institution BSB Number

Branch (full address) Account Number

Name(s) in which Account is Held

9 Permission to Receive Further Information

The Responsible Entity, its related entities and agents may use and disclose your details to your financial adviser, or any member of Multiplex Group to inform you of other products or services that may be of interest to you. Please tick the box below if you do not want this information sent to you. All personal information on this Application Form will be dealt with in accordance with the Responsible Entity's privacy policy which may be viewed at www.multiplexcapital.biz

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f. I/We declare that I/we personally received the PDS accompanied by or attached to this Application Form and have read the PDS in full and understood the PDS to which this Application Form relates;

g. I/We acknowledge that the acceptance of my/our Application and allocation of Units will be at the discretion of the Responsible Entity and that the Responsible Entity has the right to reject my/our Application or to allocate to me/us a lower number of Units than applied for;

h. I/We acknowledge that the information contained in the PDS does not constitute financial product advice or a recommendation that Units are suitable for me/us, given my/our investment objectives, financial situation and particular needs;

i. I/We declare that this form is completed and lodged according to the PDS and that all statements made by me/us are complete and accurate;

j. I/We acknowledge that my/our investment in Units is not an investment in, a deposit with, or any other type of liability of the National Australia Bank Limited (AFSL 230686), Commonwealth Securities Limited (AFSL 238814), the Responsible Entity or any of their related bodies corporate;

k. I/We acknowledge that the PDS contains forecasts based on assumptions that the Responsible Entity considers to be appropriate at the time of preparing the PDS. I/We acknowledge that the assumptions and therefore the forecasts are subject to factors which are outside the control of the Responsible Entity or which are not predictable on a reliable basis and that actual results may vary materially from the forecasts;

l. I/We acknowledge that applications will only be accepted, and any income or capital distribution made by the Fund will only be paid, in Australian currency; and

m. I/We acknowledge that an investment in the Fund is subject to investment risk, including possible delays in repayment and loss of income or capital invested and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives. I/We acknowledge that none of the Responsible Entity, National Australia Bank Limited, Commonwealth Securities Limited, or any of their related entities or affiliates, nor any other person, does in any way stand behind or guarantee the repayment of capital from the Fund, the investment performance of the Fund or any particular rate of return.

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MULTIPLEX EUROPEAN PROPERTY FUND
ARSN 124 527 206

MULTIPLEX CAPITAL
nab

Responsible Entity – Multiplex Capital Management Limited
ACN 094 936 866 AFSL 223809

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3 **Full Name and Details of Applicant(s)**

Title | Given Name or Company Name (Applicant 1) | Surname

Title | Given Name or Company Name (Applicant 2) | Surname

Title | Given Name or Company Name (Applicant 3) | Surname

Date of Birth (Applicant 1) / / | Date of Birth (Applicant 2) / / | Date of Birth (Applicant 3) / /

Are you making the Application on behalf of a trust or superannuation fund *(please tick)* ☐ Yes ☐ No

Name of Trust or Superannuation Fund

Address: Number and Street or Post Office Box

Suburb | State | Postcode

4 **Telephone and Email Details**

Home | Work

Email

5 **Cheque Details**

Cheque Number | BSB | Account Number | Amount Payable $

Please enter details of the cheque(s) that accompany this application. Cheques to be crossed "Not Negotiable" and made payable to "MEPF Applications Account" unless you have received contrary instructions from a retail broker or financial adviser. Please ensure that you submit the correct amount, as incorrect payments may result in your application being rejected.

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TFN | ABN | Exemption Category

TFN | ABN | Exemption Category

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☐ Company ☐ Partnership ☐ Trust ☐ Super fund

7 **CHESS HIN** (if you want to add this holding to a specific CHESS holder, write the number here)

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Adviser to Complete

Adviser's Name	Dealer Group	Broker Code	Broker/Adviser Stamp
Phone Number	Email Address	Adviser Code	

Corporate Directory

Responsible Entity
Multiplex Capital Management Limited
Level 4
1 Kent Street
Sydney NSW 2000
Phone: (02) 9256 5700
Freecall: 1800 570 000
Fax: (02) 9256 5188
Web: www.multiplexcapital.biz

Lead Equity Arranger
National Australia Bank Limited
255 George Street
Sydney NSW 2000

Joint Lead Managers and Underwriters
National Australia Bank Limited
255 George Street
Sydney NSW 2000

Commonwealth Securities Limited
Level 18
363 George Street
Sydney NSW 2000

Australian Legal Adviser
Mallesons Stephen Jaques
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000

Independent Valuer
DTZ Debenham Tie Leung
1 Curzon Street
London WIA 5PZ

Investigating Accountant
PricewaterhouseCoopers Securities Ltd
201 Sussex Street
Sydney NSW 2000

Taxation Adviser
Greenwoods & Freehills
MLC Centre
Martin Place
Sydney NSW 2000

Registry
Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

precinct.com.au

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Product Disclosure Statement
Multiplex European Property Fund
ARSN 124 527 206

www.multiplexcapital.biz