

**Brookfield Multiplex Capital Management Limited
(ACN 094 936 866)**

**Multiplex Prime Property Fund
(ARSN 110 096 663)**

ASX Announcement

14 September 2009

Multiplex Prime Property Fund (ASX: MAFCA) Notice of Meeting and Explanatory Memorandum

Brookfield Multiplex Capital Management Limited, the Responsible Entity of Multiplex Prime Property Fund, today lodges a Notice of Meeting and Explanatory Memorandum for a meeting of Unitholders.

The meeting will take place as follows:

Date: Wednesday, 7 October 2009
Time: 9.00am registration
9.30am meeting commences
Venue: Museum of Sydney
AGL Theatre
Corner Bridge and Phillip Streets
Sydney NSW 2000

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Lawrence Wong
Fund Manager
Ph: (02) 9256 5000

For more information please contact:

Investors:

Meeting information line
ph: 1800 643 604 (within Australia)
ph: (61 2) 8256 3385 (overseas)

Media:

Kerrie Muskens
Ph: (02) 9256 5753 or 0410 53 52 50

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Notice of Meeting and Explanatory Memorandum

The Independent Directors recommend that you
VOTE AGAINST Resolutions 1, 2 and 4.

The Independent Directors recommend that you
VOTE IN FAVOUR of Resolutions 3 and 5.

Issued by Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866, AFSL No. 223809)
as responsible entity for Multiplex Prime Property Fund (ARSN 110 096 633)

The meeting of Unitholders will be held at:

place **Museum of Sydney
AGL Theatre
Corner Phillip and Bridge Streets
Sydney NSW 2000**

date **7 October 2009**

time **9.00am – registration
9.30am – meeting commences**

Letter from the Independent Chairman

14 September 2009

Dear Unitholder,

On 24 August 2009, Brookfield Multiplex Capital Management Limited (**BMCML**) as the responsible entity of Multiplex Prime Property Fund (**MAFCA** or the **Fund**) announced that it intended to conduct an underwritten capital raising of \$50 million by way of a rights offering of ordinary partly paid Units to all Unitholders (**Entitlement Offer**).

Background to the Entitlement Offer

The Fund provides Unitholders with exposure to a portfolio of A-grade property assets and listed property securities. The property assets were selected because they are supported by strong lease covenants, the majority of leases have fixed rent reviews, the properties are well located, and have long lease terms. The net property income from the property assets has continued to increase since the Fund's inception.

However, the global financial crisis has created a challenging environment for property markets and the value of the Fund's property assets has fallen in line with the downturn. Based on independent valuations of the Fund's properties as at 30 June 2009, the Fund breached the loan to value covenants under its Debt Facility. BMCML has determined that the most appropriate course of action is to raise equity to lower the gearing of the Fund so that the Fund is no longer in breach of its Debt Facility. BMCML determined that this course of action is better for Unitholders than selling the property assets in the current economic downturn.

BMCML is a subsidiary of the Brookfield Multiplex Group and two of the directors of BMCML are employees of Brookfield Multiplex Limited. To ensure that decisions and recommendations are made independently, only the Independent Directors have been involved in assessing proposals received in relation to the Fund and approving this Notice of Meeting and Explanatory Memorandum. Only the Independent Directors are making the recommendations in relation to the Resolutions on the basis that the directors who are employees of Brookfield Multiplex Limited may have a potential conflict in relation to the Fund continuing to be managed by a Brookfield Multiplex Group entity (Resolutions 1–4) and the Entitlement Offer being approved by Unitholders (Resolution 5).

Proposed Use of Proceeds

The net proceeds from the Entitlement Offer will predominantly be used to reduce gearing and strengthen the Fund's balance sheet, in accordance with the requirements of the Fund's Financiers. The Financiers have given a temporary waiver of the 30 June 2009 loan to value covenant breaches, and have conditionally agreed to make that waiver permanent and to vary the terms of the Debt Facility in a manner that reduces the risk of future breaches of the loan to value covenants until 29 June 2010. If the debt is not reduced as proposed by 16 November 2009, the waiver granted by the Financiers will expire, the breaches as at 30 June 2009 will not be cured, and the Financiers will be entitled to enforce their security over the Fund's assets and accelerate (or cause BMCML to accelerate) payment by Unitholders of the Final Instalment of 40 cents per Unit which, in the absence of an acceleration event, is not payable until 15 June 2011. A summary of the arrangements with the Financiers is set out in Annexure C.

The Entitlement Offer

If approved, the Entitlement Offer will comprise a pro rata offer of 178 new units for every 1 Unit held on the record date at a price of 0.1 cents per partly paid Unit. The Entitlement Offer is non-renounceable which means that you will not be able to sell or transfer your entitlement if you do not wish to take up part or all of your entitlement. A summary of the terms of the proposed Entitlement Offer is set out in Annexure A.

The ASX Listing Rules provide that an entity may not conduct a non-renounceable entitlement issue if the ratio of securities offered is greater than one security for each security held. However, the ASX has required the Entitlement Offer to be non-renounceable conditional on Unitholder approval being obtained.

Accordingly, your approval is now sought for the Entitlement Offer (**Entitlement Offer Resolution**) at the meeting of Unitholders (**Meeting**) to be held on 7 October 2009.

Meeting Resolutions

The Independent Directors consider that the Entitlement Offer is appropriate and in the best interests of Unitholders and, accordingly, recommend that you **VOTE IN FAVOUR** of the Entitlement Offer Resolution (**Resolution 5**).

After announcing the Entitlement Offer, BMCML received a request from Australian Style Investments Pty Ltd (**ASI**), a substantial Unitholder, to call a meeting of Unitholders to consider resolutions to remove BMCML as responsible entity of the Fund and replace it with another, yet to be identified, company and to wind up the Fund (**ASI Resolutions**).

ASI's statement regarding its request to call and arrange a meeting is in Annexure B to this Notice.

The Independent Directors consider that the ASI Resolutions are not in the best interests of Unitholders and they recommend that you **VOTE AGAINST** the ASI Resolutions (**Resolutions 1, 2 and 4**). Nevertheless, BMCML is obliged under the Corporations Act to put the ASI Resolutions before you.

As the ASI Resolutions are being put to Unitholders, there is the possibility that BMCML will be removed as responsible entity for the Fund and that Unitholders do not approve a replacement responsible entity proposed by ASI (or that ASI fails to nominate such a person). In this circumstance, where the Fund is left with no responsible entity, the Corporations Act requires that the Fund be wound up regardless of whether Unitholders approve Resolution 4. To address this risk, a further resolution (**Resolution 3**) will be put to Unitholders to appoint Brookfield Australia Funds Management Limited as the new responsible entity for the Fund. This resolution will only be put to Unitholders in the event that Resolution 1 is approved and Resolution 2 is not approved. In those circumstances, the Independent Directors recommend that you **VOTE IN FAVOUR** of **Resolution 3**.

If Unitholders approve the removal of BMCML as the responsible entity of the Fund (and do not vote in favour of resolution 3) or approve the wind up of the Fund, the Entitlement Offer Resolution will be withdrawn and the Entitlement Offer will no longer be available to the Fund and its Unitholders. The Financiers will be entitled to (among other things) accelerate, or require the responsible entity to accelerate, payment by Unitholders of the Final Instalment of 40 cents per Unit which, in the absence of an acceleration event, is not payable until 15 June 2011. If you do not pay the Final Instalment in these circumstances, legal action may be commenced against you to enforce payment.

ASI Takeover Offer

On 3 September 2009, ASI announced an unconditional on-market takeover offer for all of the partly paid Units in the Fund at 0.3 cents per Unit (**ASI Bid**).

BMCML believes that there are serious deficiencies in the information provided to Unitholders and the market by ASI in the Bidder's Statement. Consequently, BMCML applied to the Takeovers Panel on 6 September 2009 for interim and final orders including restraining ASI from acquiring Units on-market until such time as the Takeovers Panel finally determines BMCML's application.

The Takeovers Panel issued interim orders on 7 September 2009 restraining ASI from acquiring (or causing a broker to acquire) Units by on-market purchase until the earliest of further order of the Panel, determination of the proceedings and two months from the date of the order. As at the date of this Notice of Meeting, these interim orders continue to apply to ASI. BMCML will update the market regarding the Takeovers Panel proceedings.

The recommendations made by the Independent Directors in this Notice of Meeting and Explanatory Memorandum relate only to the Meeting and the resolutions. BMCML will respond to the ASI Bid, including a recommendation by the Independent Directors to Unitholders, in a Target Statement which will be lodged with the ASX and mailed to Unitholders. The Independent Directors recommend that Unitholders do not take any action in relation to the ASI Bid or any documents they receive from ASI until they have received the Target Statement.

The Independent Directors consider that notwithstanding the ASI Bid it is important for the Fund that it proceeds with the Entitlement Offer to meet the requirements of the Fund's Financiers in relation to the temporary waiver they have granted. The Independent Directors believe that it is in the interests of Unitholders that the Fund remedy the default under the Debt Facility. The ASI Bid does not state how this will be done if the Entitlement Offer does not proceed.

How to vote

Unitholders can vote in person at the Meeting, or via proxy. Further details on how to vote are included in the Notice of Meeting.

Further information

Enquiries in relation to the Entitlement Offer Resolution may be directed to the Multiplex Prime Property Fund Information Line on **1800 643 604** (within Australia) or **+61 2 8256 3385** (from outside Australia).

On behalf of BMCML, thank you for your ongoing support of the Fund.

Yours faithfully



Peter Morris
Independent Chairman

Notice of Meeting

Notice is hereby given by Brookfield Multiplex Capital Management Limited as responsible entity for Multiplex Prime Property Fund that a meeting of Unitholders (**Meeting**) will be held at:

place Museum of Sydney
Corner Bridge and Phillip Streets
Sydney NSW 2000

date 7 October 2009

time 9.00am – registration
9.30am – meeting commences

In accordance with section 252S(1) of the *Corporations Act 2001* (Cth), Brookfield Multiplex Capital Management Limited has appointed Peter Morris to act as Chair.

Business of the Meeting

Resolution 1 – Removal of Responsible Entity

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That Brookfield Multiplex Capital Management Limited be removed as responsible entity of Multiplex Prime Property Fund”

As an ordinary resolution, Resolution 1 will be passed if 50% or more of the votes cast by Unitholders entitled to vote on the resolution are voted in favour (whether in person or by proxy).

Resolution 2 – Appointment of new responsible entity (ASI Nominee)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, subject to Resolution 1 being passed, a company nominated by Australian Style Investments Pty Ltd prior to the meeting at which this resolution is to be considered be appointed as the new responsible entity of the Multiplex Prime Property Fund.”

As an ordinary resolution, Resolution 2 will be passed if 50% or more of the votes cast by Unitholders entitled to vote on the resolution are voted in favour (whether in person or by proxy).

Resolution 3 – Appointment of new responsible entity (Brookfield Nominee)

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, subject to Resolution 1 being passed and Resolution 2 not being passed or Resolution 2 not being capable of being put to the meeting at which this resolution is to be considered (including because Australian Style Investments Pty Ltd has not nominated a company prior to the Meeting to act as responsible entity), Brookfield Australia Funds Management Limited be appointed as the new responsible entity of Multiplex Prime Property Fund.”

As an ordinary resolution, Resolution 3 will be passed if 50% or more of the votes cast by Unitholders entitled to vote on the resolution are voted in favour (whether in person or by proxy).

Resolution 4 – Winding up of Multiplex Prime Property Fund

To consider and, if thought fit, to pass the following as an extraordinary resolution:

“That, the Multiplex Prime Property Fund be wound up in accordance with its constitution.”

As an extraordinary resolution, Resolution 4 will only be passed if at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution are voted in favour (whether in person or by proxy).

Resolution 5 – Approval of Entitlement Offer

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That, subject to none of the foregoing Resolutions being passed or only Resolutions 1 and 3 being passed, for the purposes of complying with a waiver granted by ASX Limited from ASX Listing Rule 7.11.3, approval is given for the responsible entity of Multiplex Prime Property Fund to make a non-renounceable rights Offer under an offer document on the basis of 178 units for every 1 unit held by existing members of the Fund on the record date for the Offer (as approved by ASX Limited) at the price and upon the terms and conditions outlined in the explanatory memorandum accompanying and forming part of the notice convening the meeting at which this resolution is to be considered.”

As an ordinary resolution, Resolution 5 will be passed if 50% or more of the votes cast by Unitholders entitled to vote on the resolution are voted in favour (whether in person or by proxy) excluding those whose votes are required to be disregarded under the terms of the waiver granted by the ASX as outlined on pages 3 and 4.

Please refer to the accompanying Explanatory Memorandum, which forms part of this Notice, for more information on the proposed resolutions.

By order of the board of Brookfield Multiplex Capital Management Limited as responsible entity for Multiplex Prime Property Fund.



Neil Olofsson
Company Secretary

14 September 2009

Information for Unitholders

The accompanying Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. Unless the context requires otherwise, terms defined in the Glossary in the Explanatory Memorandum have the same meanings when used elsewhere in this Notice.

Recommendations

BMCML is a subsidiary of the Brookfield Multiplex Group and two of the directors of BMCML are employees of Brookfield Multiplex Limited. To ensure that decisions and recommendations are made independently, only the Independent Directors have been involved in assessing proposals received in relation to the Fund and approving this Notice of Meeting and Explanatory Memorandum. Only the Independent Directors are making the recommendations in relation to the Resolutions on the basis that the directors who are employees of Brookfield Multiplex Limited may have a potential conflict in relation to the Fund continuing to be managed by a Brookfield Multiplex Group entity (Resolutions 1–4) and the Entitlement Offer being approved by Unitholders (Resolution 5).

Quorum requirements

The quorum requirement for the Meeting is at least two Unitholders present in person or by attorney, representative or proxy.

If a quorum is not present within 15 minutes after the scheduled time for the Meeting, the Meeting will be adjourned as BMCML directs.

Voting and proxies

Eligibility to vote

For the purposes of determining the entitlement to vote at the Meeting, Units will be taken to be held by those persons registered as holders at 7.00pm on 5 October 2009 (Australian Eastern Standard Time). Transactions registered after that time will be disregarded in determining Unitholders' entitlements to attend and vote at the Meeting. Voting exclusions are referred to below.

Voting

The Chair has advised that he intends to demand a poll so that all the resolutions are to be decided on poll.

As prescribed by section 253C of the Corporations Act, on a poll, each Unitholder has 1 vote for each dollar of the value of

the Units held by the Unitholder and each person present as proxy, attorney or representative of a Unitholder has 1 vote for each dollar of the value of the Units held by the Unitholder that person represents. Generally speaking, your Unit value is equal to the last sale price of Units on ASX on the last trading day before the Meeting. As the Fund only has one class of units on issue, this means that each Unitholder (or their proxy) will have a voting power equivalent to that Unitholder's percentage Unitholding.

You need not exercise all of your votes in the same way, nor need you cast all of your votes.

Jointly held Units

If your Units are jointly held, only one of the joint holders is entitled to vote. If both joint holders are present at the Meeting, only the vote of the person named first in the register counts.

Individuals

If you plan to attend the Meeting, we ask you to arrive at the venue at least 30 minutes prior to the time designated for the Meeting so that we may check your Units against the register of Unitholders and note your attendance.

Corporations

In order to vote at the Meeting, a corporation that is a Unitholder may appoint a proxy or may appoint a person to act as its representative. The appointment of a representative must comply with section 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment including any authority under which it is signed.

Voting exclusions

Section 253E of the Corporations Act provides that a responsible entity of a managed investment scheme and its associates are not entitled to vote their interest on any resolutions if they have an interest in the resolution other than as a member. However, a responsible entity and its associates are entitled to vote their interest on resolutions to remove the responsible entity and choose a new responsible entity if the managed investment scheme is listed. Accordingly, BMCML and its associates will be entitled to vote in respect of any Units they hold in respect of Resolutions 1, 2 and 3.

As required by the terms of the waiver granted by the ASX, BMCML will disregard any votes cast on Resolution 5 by the Underwriter, any sub-underwriter and any Unitholder with a substantial holding¹ in the Fund.

¹ Substantial holding as defined in section 9 of the Corporations Act has the following meaning:

A person has a substantial holding in a body corporate, or listed registered managed investment scheme, if:

a) the total votes attached to voting shares in the body, or voting interests in the scheme, in which they or their associates:

i) have relevant interests; and

ii) would have a relevant interest but for subsection 609(6) (market traded options) or 609(7) (conditional agreements);

is 5% or more of the total number of votes attached to voting shares in the body, or interests in the scheme; or

b) the person has made a takeover bid for voting shares in the body, or voting interests in the scheme, and the bid period has started and not yet ended.

Information for Unitholders continued

Accordingly, the responsible entity will disregard any votes cast on Resolution 5 by the following persons:

- Australian Style Investments Pty Ltd (ACN 109 510 198);
- Trust Company Limited (ACN 004 027 749) as Custodian for Multiplex Colt Investments Pty Ltd as trustee for Multiplex Colt Investments Trust;
- ANZ Nominees Limited as Custodian for Brookfield Multiplex Capital Management Limited as responsible entity for Multiplex Acumen Property Fund;
- RBC Investor Services; and
- Brookfield Multiplex Capital Securities Limited (ACN 103 736 081) as trustee for Brookfield Multiplex PPF Investment No 2 Trust.

However, BMCML will not disregard a vote if:

- it is cast by a person as a proxy for another person who is entitled to vote and their appointment specifies the way in which they are to vote on the resolution and they vote that way; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Appointing a proxy

If you are entitled to attend and vote at the Meeting but cannot attend, you can appoint a proxy to attend and vote on your behalf. You may nominate one or two persons to vote on your behalf at the Meeting. A proxy need not be a Unitholder. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. If no such number or proportion is specified, each proxy may exercise half your votes.

To ensure that all Unitholders can exercise their right to vote on the proposed resolutions, a proxy form is enclosed. The proxy form tells you what you need to do to lodge a valid proxy.

A proxy form may be returned in the reply paid envelope provided. Alternatively, you may deliver your completed proxy form:

by mail
Multiplex Prime Property Fund
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

by fax
+61 2 9287 0309

online
www.linkmarketservices.com.au

by hand
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Or directly to the responsible entity:

by mail
Multiplex Prime Property Fund
C/- Brookfield Multiplex Capital Management Limited
GPO Box 172
Sydney NSW 2001

by fax
+ 61 2 9256 5188

by hand
Multiplex Prime Property Fund
C/- Brookfield Multiplex Capital Management Limited
Level 4, 1 Kent Street
Millers Point NSW 2000

The completed proxy form (and, if a proxy form is signed by a Unitholder's attorney, the authority under which the proxy form was signed or a certified copy of the authority) must be received no later than 48 hours before the Meeting, failing which the proxy form will be disregarded for the purpose of the Meeting.

How the Chair will vote undirected proxies

BMCML encourages all Unitholders who submit proxies to direct their proxy how to vote on each resolution. However, if the proxies are not directed, the Chair intends to vote them in the following manner:

AGAINST Resolutions 1, 2 and 4

IN FAVOUR OF Resolutions 3 and 5*

- * The Chair will not vote proxies that are not directed in relation to Resolution 5 unless the Unitholder has marked the box in step 1 of the Proxy Form accompanying this Notice.

Enquiries

If you have any questions about the resolutions, attending the Meeting, how to vote or the Proxy Forms, please contact the Multiplex Prime Property Fund Information Line on **1800 643 604** (if you are in Australia) or on **+61 2 8256 3385** (if you are outside Australia) Monday to Friday between 9.00am and 5.00pm (Australian Eastern Standard Time) or consult your financial or other professional adviser.

Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Independent Directors for the information of Unitholders in relation to the business to be conducted at the Meeting to be held commencing at 9.30am on 7 October 2009.

The Independent Directors recommend that Unitholders read this Explanatory Memorandum before determining whether to vote for or against or abstain from voting on the resolutions. The purpose of this Explanatory Memorandum is to provide Unitholders with information that is reasonably required by Unitholders to decide how to vote on the resolutions.

Background to Resolutions 1, 2 and 4

On 25 August 2009, Australian Style Investments Pty Ltd (**ASI**) delivered a request under section 252B of the Corporations Act, calling for a meeting of Unitholders to be held to consider resolutions to remove BMCML as responsible entity of the Fund, to appoint a new responsible entity and to wind up the Fund. As a holder of more than 5% of the Units issued in the Fund, ASI is entitled, under the Corporations Act, to call such a meeting.

Therefore, Unitholders should be aware that Resolutions 1, 2 and 4 are not being put to Unitholders voluntarily by BMCML and have not been proposed or endorsed by BMCML. The Independent Directors **DO NOT SUPPORT Resolutions 1, 2 and 4** and strongly urge that Unitholders **VOTE AGAINST** them.

Background to Resolution 3

As a consequence of Resolutions 1 and 2 being put to Unitholders there is the possibility that the Fund would be left with no responsible entity and, accordingly, the Fund would be wound up (as required by the Corporations Act) whether or not Resolution 4 is passed.

This circumstance would arise where BMCML is removed as responsible entity for the Fund and either Unitholders do not subsequently approve the replacement responsible entity proposed by ASI or Resolution 2 is not capable of being put to the Meeting because ASI has not nominated the company to act as the replacement responsible entity prior to the Meeting.

To remove this risk, Resolution 3 will be put to Unitholders to appoint Brookfield Australia Funds Management Limited, a related body corporate of BMCML, as the new responsible entity for the Fund. This resolution will only be put to Unitholders in the limited circumstances set out above.

The Independent Directors recommend that you **VOTE IN FAVOUR** of **Resolution 3**.

Explanatory Memorandum continued

Background to Resolution 5

BMCML announced on 24 August 2009 its intention to launch an Entitlement Offer. Under the Entitlement Offer, the Fund is seeking to raise \$50.15 million.

On the basis of independent valuations of the Fund's direct property assets as at 30 June 2009, the Fund breached the loan to value covenants under its Debt Facility. BMCML has determined that the most appropriate course of action is to raise capital and lower the Fund's gearing so that the Fund is no longer in breach. The proceeds of the Entitlement Offer will predominantly be used to reduce the Fund's debt and provide the Fund with improved capital stability.

Over the last six months BMCML has considered numerous alternatives to strengthen the financial position of the Fund. BMCML engaged a multinational real estate advisory group to seek expressions of interest to undertake a recapitalisation of, and/or seek other alternatives for, the Fund. Several parties expressed an interest in the Fund, and submitted proposals for BMCML's consideration. In addition, unsolicited offers were received during this time from other third parties and the Brookfield Multiplex Group tendered a submission for the Independent Directors' consideration in the form of the Entitlement Offer.

All of these proposals were assessed by the Independent Directors and underwent a detailed review by external independent advisers. The proposals were compared and assessed against various criteria including:

- the need to provide certainty to Unitholders in relation to the Fund's current financial position;
- ability for all Unitholders to continue or to discontinue their membership of the Fund;
- ability for all Unitholders to participate in the solution;
- impact on the quantum and timing of the Final Instalment payable by Unitholders;
- likely support of key stakeholders, including the Financiers; and
- certainty and speed of execution.

The decision to proceed with the Entitlement Offer was taken by BMCML following a recommendation by the Independent Directors after evaluating all of the proposals for the Fund in consultation with their advisers and after discussions with the Financiers. The decision to proceed with the capital raising was determined by the Independent Directors to be in the best interests of all Unitholders based on the range of criteria outlined above.

ASX Listing Rule 7.11.3 provides that a non-renounceable entitlement offer may only be offered to Unitholders in a ratio of up to 1 new Unit for every 1 Unit held. At the prevailing market price for a Unit, it is not possible to raise sufficient equity to address the Fund's debt position on a 1:1 basis. Accordingly, a capital raising on the basis of a significantly greater ratio than 1 new Unit for every 1 Unit is necessary. ASX has required that the Entitlement Offer be undertaken as a non-renounceable entitlement offer and, because of the Offer ratio, be subject to Unitholder approval. Resolution 5 seeks that approval and the Independent Directors recommend that you vote **IN FAVOUR** of **Resolution 5**.

Resolutions 1 and 2 – Removal of Responsible Entity and appointment of new responsible entity

The Independent Directors
recommend that you
VOTE AGAINST
Resolutions 1 and 2

ASI has requested that Resolutions 1 and 2 be put to Unitholders. Set out below are the advantages and disadvantages of replacing BMCML.

Advantages of replacing BMCML as responsible entity

There may be perceived benefits from having an entity unrelated to the Fund Manager appointed to the role of responsible entity.

ASI has not, to date, proposed the name of a replacement responsible entity. In the absence of knowing the identity and background of the party to be proposed, the Independent Directors are unable to give Unitholders any guidance in relation to the proposed replacement responsible entity's:

- experience and reputation in acting as a professional fund manager;
- ability to manage the Fund's relationship with its Financiers, Unitholders, co-owners, regulators, advisers and other key stakeholders;
- familiarity with managing an ASX-listed managed investment scheme with a large unitholder base;
- board, management, staffing, economic, financial, IT and other resources;
- understanding of the mechanics of managing large commercial properties and building issue complexities;
- nature of its relationships with large government and corporate multinational tenants;
- skills in overseeing a portfolio of listed property securities;
- authorisations under its Australian Financial Services Licence and the background and skills of its key persons; and
- capacity to satisfy the compliance obligations imposed by Chapter 5C of the Corporations Act.

Disadvantages of replacing BMCML as responsible entity

Financiers may demand payment under the Debt Facility resulting in an acceleration of the date for payment of the Final Instalment of 40 cents per Unit

If Resolution 1 is passed by Unitholders an event of default will occur under the Debt Facility. If that event of default occurs, the Financiers will be entitled to:

- demand immediate repayment of all amounts owing by the responsible entity of the Fund under the Debt Facility; and
- enforce their securities over the Fund's assets and sell the properties and apply the net proceeds towards payment of the debt; and
- accelerate, or require the responsible entity to accelerate the date for payment by Unitholders of the Final Instalment of 40 cents per Unit which, in the absence of an acceleration event, is not payable until 15 June 2011. If a Unitholder does not pay the Final Instalment in these circumstances, legal action may be commenced against the Unitholder to enforce payment.

A forced sale of the Fund's properties may cause destruction of Unitholder value as set out on page 10.

Rights of the Brookfield Multiplex Group and others in respect of the Fund's assets may be disadvantageous to the Fund

The Fund's portfolio of property assets comprises the Fund's:

- 100% interest in Defence Plaza, 661 Bourke Street, Melbourne;
- 100% interest in the American Express Building, 12 Shelley Street, Sydney;
- 50% interest in the Ernst & Young Centre, 680 George Street, Sydney and the property at 50 Goulburn Street, Sydney; and
- 25% interest in the Southern Cross Tower, 121 Exhibition Street, Melbourne.

If BMCML were to be removed as the responsible entity of the Fund and a non Brookfield Multiplex Group member were to be appointed in its place, various pre-emptive rights in favour of the co-owners of the Ernst & Young Centre and 50 Goulburn Street, and the Southern Cross Tower, as well as irrevocable offers granted to the Brookfield Multiplex Group, may be triggered. If the Financiers sought to sell the properties in enforcement of their securities, rights of first and last refusal granted to the Brookfield Multiplex Group may also be triggered.

Explanatory Memorandum continued

The existence and operation of these pre-emptive rights may deter potential third-party purchasers from considering acquiring the relevant assets and may result in a lower price being realised for those assets than would be the case in the open market, absent the pre-emptive rights. Further, a sale of any interest in the properties in the current Australian commercial property market would be unlikely to maximise returns for Unitholders from a long-term perspective when viewed in the context of historic capitalisation rates.

Disincentive for new entity to actively perform its role as responsible entity of the Fund

Brookfield Multiplex Capital Pty Limited has been appointed by the responsible entity for a term of 10 years from 15 September 2006 as Fund Manager pursuant to the Management Services Agreement. In accordance with the Management Services Agreement the Fund Manager provides a wide range of services to assist the responsible entity.

Removal of BMCML as responsible entity of the Fund will not affect the continuation of the Management Services Agreement. The Management Services Agreement will continue to be binding on the new responsible entity in accordance with section 601FT of the Corporations Act. Therefore, the Fund Manager would, subject to the terms of the Management Services Agreement, continue to receive base and performance fees even after the removal of BMCML as responsible entity.

If a new responsible entity is appointed, the new responsible entity's entitlement to the base management fee and the performance fee payable under clauses 20.4(a) and 20.5 of the Constitution 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 all of the base management fee and performance fee (as referred to in clauses 20.4(a) and 20.5 of the Constitution) will be paid to the Fund Manager under the Management Services Agreement rather than to the replacement responsible entity. The allocation of the fee in this way will not affect the amount to be paid out of the Fund but will act as a disincentive for any incoming responsible entity and may negatively impact on the quality of the service it provides to the Fund.

This disincentive does not apply if Brookfield Australia Funds Management Limited is appointed as the new responsible entity because base fees and performance fees would continue to accrue to the wider Brookfield Multiplex Group.

Payment of deferred management fees

The Fund Manager has currently deferred payment of the management fees totalling approximately \$4 million to support the working capital position of the Fund. This represents more than 12 months of management fees payable to it. If BMCML is replaced as responsible entity of the Fund, the Fund Manager will require the immediate payment of these deferred management fees by the Fund.

If the Fund does not have the ability to pay the deferred management fee, the Fund Manager may take action to recover its debt.

Removal of BMCML may result in the Fund being wound up in the event that a replacement responsible entity is not appointed

Unitholders should be aware that under section 601NE of the Corporations Act, the passing of a resolution to remove BMCML as responsible entity of the Fund, without appointing a replacement responsible entity at the same meeting would require the responsible entity to wind up the Fund.

Therefore, if Resolution 1 is passed and neither Resolution 2 nor Resolution 3 is passed, the legal effect will be to require the responsible entity to commence winding up the Fund. This would happen regardless of whether Unitholders specifically vote against a winding up of the Fund.

Resolution 3 – Appointment of new responsible entity

The Independent Directors
recommend that you
VOTE IN FAVOUR of
Resolution 3

Background to the Resolution

If Resolution 1 is passed and Resolution 2 is not, or is not able to be, passed then Resolution 3 will be put to Unitholders to appoint Brookfield Australia Funds Management Limited as the new responsible entity for the Fund. This resolution will only be put to Unitholders in the limited circumstances set out above.

Brookfield Australia Funds Management Limited is a professional responsible entity and a wholly owned member of Brookfield Multiplex Group. The directors of the company are Ross McDiven, Tony Martin, Karen Pedersen and Russell Proutt, all of whom are executives of Brookfield Multiplex Group. The company holds an Australian Financial Services Licence, has an independent compliance committee and is able to undertake the role of the responsible entity of the Fund if so requested. Brookfield Australia Funds Management Limited currently performs the role:

- of the responsible entity of Onyx Property Trust (a managed investment scheme wholly owned by Brookfield Multiplex Group) which holds interests in nine Australian commercial properties; and
- as the arranger for the issue of Brookfield Secured Bonds Series A pursuant to a replacement prospectus issued by Brookfield Secured Bonds Series A Issuer Limited dated 19 June 2009.

While Brookfield Australia Funds Management Limited is capable of performing the role of responsible entity of the Fund, the Independent Directors consider that there is no advantage to Unitholders in removing BMCML only to have it replaced by a related body corporate.

However, in order to avoid a possible scenario where the Fund has no responsible entity and is for that reason required to be wound up, the Independent Directors recommend that you vote **IN FAVOUR** of **RESOLUTION 3**.

Advantages of the appointment of Brookfield Australia Funds Management Limited as the new responsible entity

The Independent Directors consider that there are significant disadvantages in winding up the Fund at the present time and do not consider it to be in the best interests of Unitholders. The reasoning behind this view is set out in relation to Resolution 4 on pages 10 to 12.

Disadvantages of the appointment of Brookfield Australia Funds Management Limited as the new responsible entity

Unitholders may think it is a disadvantage that Brookfield Australia Funds Management Limited is a related body corporate of BMCML and of the Fund Manager. The board of Brookfield Australia Funds Management Limited is made up wholly of executives of the Brookfield Multiplex Group.

Independence will, however, be assured by a majority of independent directors being appointed to the board should Resolution 3 be passed by Unitholders.

It is an event of default under the Debt Facility if a new responsible entity is appointed without the prior approval of the Financiers. BMCML will seek the Financiers' approval of the appointment of Brookfield Australia Funds Management Limited prior to the Meeting.

Explanatory Memorandum continued

Resolution 4 – Winding up of Multiplex Prime Property Fund

The Independent Directors
recommend that you
VOTE AGAINST
Resolution 4

Background to the Resolution

If Resolution 4 is passed, the responsible entity of the Fund (which may or may not be BMCML, depending on the outcome of Resolution 1) will be responsible for the process of terminating and winding up the Fund in accordance with the procedure set out in the Corporations Act and the Constitution.

As part of its deliberations regarding the future of the Fund, the independent Directors considered a variety of alternatives before proposing the Entitlement Offer. One of the alternatives considered was the winding up of the Fund. In light of all the circumstances and the following significant disadvantages to Unitholders as a result of winding up, this alternative was rejected as not being in the best interests of Unitholders.

The property assets of the Fund provide Unitholders with the following key fundamentals:

- 100% occupancy with no major lease expiry until June 2011;
- a long-term lease profile with portfolio weighted average lease expiry of 7.4 years;
- 85% of the portfolio by income is leased to large corporations or government tenants including the Commonwealth of Australia, the Victorian State Government, American Express and Ernst & Young; and
- 85% of the portfolio is subject to fixed rent increases.

² In advising as to the value on a forced sale, the independent valuers had reference to:

- the Australian Property Institute's Australia and New Zealand Valuation and Property Standards June 2008. Under those guidelines a "forced sale" involves:
 - an unreasonably short period in which to achieve a sale;
 - a vendor with a primary objective of recouping a loan or secured amount rather than obtaining a market price; and
 - potential buyers being aware of the circumstances of sale and the seller's weakened bargaining position.
- ANZ Valuation Guidance Note 3, Valuations for Mortgage and Loan Security Purposes (Forced Sale). Under that guidance note:
 - a forced sale is inconsistent with the concept of "market value";
 - represents expressions of property prices achieved under different selling conditions, such as an owner under duress or a third party such as a receiver or mortgagee in possession of the property.
- International Valuation Application 2, Valuation for Secured Lending Purposes
- International Valuation Standards 2, Bases other than Market Value

A sale of any interest in the properties in the current Australian commercial property market would be unlikely to maximise returns for Unitholders from a long-term perspective when viewed in the context of historic capitalisation rates. It is considered that Unitholder value is best maximised by retaining these assets given the secure income streams and potential for capital growth in future years.

Advantages of winding up the Fund

If the Fund could be wound up by an orderly sale of the Fund's assets in a timeframe designed to maximise sale proceeds and without the Financiers exercising, early in the process, their power of sale, this may provide an opportunity for a return to Unitholders. Given the current circumstances of the Fund being in breach of the loan to value covenants under the Debt Facility and the rights of the Financiers in the event of a winding up, it is likely that the approval of this resolution to wind up the Fund will lead to a sale under the control of the Financiers.

Disadvantages of winding up the Fund

Winding up may destroy the underlying value of Units

A sale in circumstances where the Financiers have enforced their security, where the focus of the Financiers will be the recovery of their outstanding debt on a timely basis, will not generally allow Unitholders to maximise value from the Fund's assets.

In a forced sale situation of this type, it is likely that the proceeds from the sale would be less than the book value of the Fund's assets as stated in the Fund's balance sheet as at 30 June 2009. BMCML has obtained opinions from independent valuers that the value on a forced sale² basis ranges from \$474.8 million to \$506.2 million (net of 1% selling costs), compared to a book value of \$567.4 million. Unitholders should note that the value of the direct property assets on a forced sale basis plus the value of the Fund's other assets (except for the Final Instalment) could therefore be lower than the current principal amount owing to the Financiers of \$520.5 million.

After allowing for other costs associated with winding up the Fund, this may reduce the NTA per Unit from the 30 June 2009 value of approximately 10.5 cents per unit to a value in the range of negative 9.4 to negative 20.6 cents per Unit.

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In these circumstances, assuming payment of the Final Instalment of 40 cents per Unit by all Unitholders, it is likely that Unitholders would receive a return on winding up of the Fund of only 19.4 to 30.6 cents per Unit. If some Unitholders default in payment of the Final Instalment, the returns would be worse for Unitholders who pay.

A summary of the estimated financial position of the Fund as at 30 September 2009 and the assumptions made in the event of a forced sale of the Fund's properties on a winding up of the Fund are set out on page 13.

Trigger an Event of Default under the Debt Facility with potential acceleration of the Final Instalment of 40 cents per unit

If Resolution 4 is passed by Unitholders, an event of default will occur under the Debt Facility. If that event of default occurs, the Financiers will be entitled to:

- demand immediate repayment of all amounts owing by the responsible entity of the Fund under the Debt Facility; and
- enforce their securities over the Fund's assets and sell the properties and apply the net proceeds towards payment of the debt; and
- accelerate, or require the responsible entity to accelerate, payment by Unitholders of the Final Instalment of 40 cents per Unit which, in the absence of an acceleration event, is not payable until 15 June 2011.

Legal action may be commenced against you to enforce payment

If the Fund is wound up, the unpaid Final Instalment will be treated as a debt owed to the Fund by Unitholders. This may involve the responsible entity being obliged to commence legal action against Unitholders to enforce payment.

Pre-emptive rights over certain of the Fund's assets

If the Fund is wound up, the co-owners of the Ernst & Young Centre and 50 Goulburn Street, and of the Southern Cross Tower, have rights of pre-emption to purchase those assets on the basis of current market valuation. If the Financiers sought to sell the property assets in enforcement of their securities, rights of first and last refusal to Brookfield Multiplex Group may also be triggered.

The existence and operation of these pre-emptive rights may deter potential third-party purchasers from considering acquiring the relevant assets and may result in a lower price being realised for those assets than would be the case in the open market, absent the pre-emptive rights and rights of first and last refusal. Further, a sale of any interest in the properties in the current Australian commercial property market would be unlikely to maximise returns for Unitholders from a long-term perspective when viewed in the context of historic capitalisation rates.

Termination rights under Defence Plaza lease

Nearly 100% of Defence Plaza is currently leased to the Commonwealth of Australia. If the Fund is wound up and as a consequence the sub-trust which owns Defence Plaza (or its trustee) is wound up, under the terms of the lease there is a risk that the Commonwealth of Australia may have a right to terminate the lease. If the lease is terminated, the amount which may be realised upon a sale of Defence Plaza could be considerably less than if that property were tenanted.

Payment of deferred management fees

If the Resolution is passed to wind up the Fund, the deferred management fees payable of approximately \$4 million (as discussed on page 8) will be immediately payable by the Fund.

Withdrawal of the ASI Bid

The passing of this resolution would give ASI the right to withdraw unaccepted offers made under the ASI Bid if it occurs during the bid period and ASI's voting power in the Fund is then at or below 50%.

No future trading opportunities

If the Fund is wound up, there will be no chance for Unitholders to trade their Units on ASX as ASX would be required to delist the Fund immediately. This would significantly adversely impact Unitholders seeking to trade their Units prior to or following the payment of the Final Instalment.

The winding up process may take considerable time

Winding up of the Fund will require the responsible entity to sell the assets of the Fund and pay any outstanding liabilities of the Fund, in particular all outstanding debt under the Debt Facility. Depending on the time it takes to wind up the Fund and dispose of the Fund's assets, Unitholders may wait a considerable period of time to receive their return of capital, if any.

Explanatory Memorandum continued

Tax impact of winding up the Fund

The Fund has accumulated tax losses and may generate further tax losses in future years. If winding up is commenced, the ability to use current and prior year tax losses may be jeopardised. Any inability to use tax losses may mean that Unitholders will be subject to tax earlier than they otherwise would have been or on amounts that may have otherwise been sheltered by losses.

The sale of assets as part of the wind up process will give rise to capital gains or capital losses. As capital losses may fall in the Fund's sub-trusts, there is the potential for capital losses on sale to be unavailable to be applied against capital gains.

Further, capital gains may arise in a period when capital losses remain unrealised and therefore cannot offset those gains. In these circumstances, Unitholders may be subject to tax on the capital gains to which they are presently entitled.

In addition to the potential impact on tax losses, the benefit of future tax deductions in respect of capital raising costs which are amortised over a number of years for tax purposes will also be lost on wind up of the Fund.

Tax impact of winding up the Fund on Unitholders

Tax implications of the winding up of the Fund for Unitholders will vary depending on their individual circumstances. Unitholders should consult their own tax advisers regarding any tax implications (including capital gains tax) for them.

Financial information

A summary of the estimated financial position of the Fund as at 30 September 2009 disregarding the Final Instalment in the event of a forced sale of the Fund's properties on wind up is provided below. This summary is based on the opinions of independent valuers received by BMCML as referred to above, and the assumptions on which it is based are outlined below:

MAFCA pro forma balance sheet

	Notes	30 June 2009 \$'000	30 September 2009 High sales price \$'000	30 September 2009 Medium sales price \$'000	30 September 2009 Low sales price \$'000
Assets					
Cash and cash equivalents	1, 8	1,259	3,147	3,147	3,147
Trade and other receivables	2,10	1,016	130	130	130
<i>Investment properties</i>					
American Express Building, Sydney	3	124,400	113,850	108,900	103,950
Defence Plaza, Melbourne	3	56,700	48,609	47,223	44,649
<i>Investments accounted for using the equity method</i>					
Ernst & Young Centre, Sydney		259,200	225,473	220,028	214,583
Southern Cross Tower, Melbourne	3	127,130	118,305	114,840	111,623
Investments – available for sale	4	5,136	5,675	5,675	5,675
<i>Other equity accounted investment net assets</i>					
Trade and other receivables	5	926	569	569	569
		104,034	–	–	–
Total assets		679,801	515,757	500,511	484,325
Liabilities					
Trade and other payables	6	4,932	6,748	6,748	6,748
Interest bearing liabilities	7	518,550	520,514	520,514	520,514
Fair value of financial derivatives	9	22,569	15,115	15,115	15,115
Total liabilities		546,051	542,377	542,377	542,377
Net assets		133,750	(26,620)	(41,866)	(58,052)
Total Equity		133,750	(26,620)	(41,866)	(58,052)
NTA – cents per unit	11	10.5	(9.4)	(14.9)	(20.6)

Pro forma balance sheet assumptions

The above financial analysis has been prepared with the following key assumptions:

- 1 Three months of net property income less finance costs and wind up costs assumed.
- 2 Prepayments with no ongoing future value have been written off from trade and other receivables.
- 3 Investment property values net of 1% sales cost have been forecast for a high estimate, a medium estimate and a low estimate position.
- 4 A-REIT portfolio value based on 28 August 2009 closing ASX values.
- 5 The receipt of the final instalment of 40 cents per Unit has not been included.
- 6 An amount of \$1 million is provided for wind up costs including legal advice, accounting and audit, tax and other minor close-out costs.
- 7 Capitalised borrowing costs are assumed to be written off to interest bearing liabilities.
- 8 Finance costs are based on three months rate on the outstanding 30 June 2009 debt at the hedged rate of 5.68% plus a margin of 0.7% for the Term Facility and 1.25% for the Partly Paid Facility.
- 9 Derivatives based on 31 August 2009 closing counterparty values.
- 10 No interest or distribution income from the A-REIT portfolio has been assumed.
- 11 Excluding the Final Instalment.

Explanatory Memorandum continued

Resolution 5 – Approval of Entitlement Offer

The Independent Directors
recommend that you
VOTE IN FAVOUR of
Resolution 5

Rationale for the Entitlement Offer

The Fund is a listed property trust that provides Unitholders with exposure to a portfolio of A-grade commercial properties and listed property securities. The commercial properties were selected because they are supported by strong lease covenants, the majority of leases have fixed rent reviews, the properties are well located, and have long lease terms.

The properties are located within the two major commercial centres within Australia – Sydney and Melbourne. These two cities support a significant proportion of white collar employment within Australia and consequently the Fund's assets have 100% occupancy as at 30 June 2009.

The global financial crisis and subsequent downturn in the Australian economy resulted in changing views on the value of commercial properties around Australia. Weaker prospects for rental growth and the limited availability of debt to potential purchasers resulted in the expectations from property investors changing and consequently fewer transactions being conducted in the current market.

The Fund is highly geared and in material breach of the 30 June 2009 loan to value covenants in the Debt Facility. BMCML considered a number of alternatives to address this issue. It determined that reducing gearing and strengthening the balance sheet through a capital raising (Entitlement Offer) would be preferential to selling the assets of the Fund in the current economic downturn.

The Entitlement Offer is an offer to all Eligible Unitholders to participate in an underwritten non-renounceable 178 for 1 entitlement offer of new Units in the Fund at an offer price of 0.1 cents per new Unit (plus the Final Instalment of 0.2237 cents per unit).

The issue price for the Entitlement Offer is consistent with the 30-day VWAP for a Unit prior to announcement of the Entitlement Offer and is at a discount to the NTA of the Fund as shown in the Fund's accounts at 30 June 2009 of approximately 10.5 cents per Unit. While entitlement offers are typically conducted at a discount to trading price, the 30-day VWAP for Units prior to announcement of the Entitlement Offer was 0.1 cents per Unit which is the lowest possible trading price for ASX-listed securities. As a result, although BMCML is keen to encourage participation in the Entitlement Offer by Eligible Unitholders, it is not possible to offer a lower issue price for the Entitlement Offer.

Each new Unit will be a partly paid unit with a Final Instalment of 0.2237 cents per new Unit to be paid on 15 June 2011 (subject to the same limited rights to accelerate payment as apply to the Units currently on issue) and will rank equally with Units currently on issue. If the capital raising pursuant to the Entitlement Offer is successfully completed, the amount of the Final Instalment on each Unit currently on issue will be reduced from 40 cents per Unit to 0.2237 cents per Unit.

Under the Entitlement Offer, the Fund is seeking to raise approximately \$50.15 million via the issue of 50.15 billion new Units in the Fund. This amount was arrived at following extensive discussions with the Financiers and will allow the Fund to reduce debt, close out related hedges, pay related fees and costs and provide additional working capital. It is an appropriate amount to not only cure the Fund's current covenant breaches, but to also achieve a stabilised capital structure and maintain the support of the Financiers. Their support is needed if the Fund is to be successfully restructured for the benefit of Unitholders.

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The Financiers have conditionally agreed that, upon at least \$44.7 million being applied to permanently partially repay the Term Facility on or before 16 November 2009:

- the current breach of the loan to value covenants in the Debt Facility is permanently waived;
- the loan to value covenants in the Debt Facility are amended until 29 June 2010 so that:
 - the percentage rate applying to the total Debt Facility is increased from 85% to 95%;
 - the percentage rate applying to the Term Facility is increased from 67.5% to 75%; and
 - there is a 45 business day cure period;
- on and from 30 June 2010, the percentage rates in the loan to value covenants will revert to their current levels and the cure period will become 30 business days; and
- the above is with no change to the current margin or pricing under the Debt Facility.

If completion of the Entitlement Offer and reduction of the debt is delayed beyond 16 November 2009 this arrangement will not take effect. The Financiers' conditional waiver of the current covenant breaches will cease to apply and the Financiers will be entitled to take action in respect of these covenant breaches (including enforcing their security over the Fund's assets and accelerating, or requiring BMCML to accelerate, payment by Unitholders of the Final Instalment of 40 cents per Unit). Further information about the arrangements with the Financiers is set out in Annexure C.

Following the completion of the Entitlement Offer and reduction of the Debt Facility by \$44.7 million, the headroom available under the loan to value covenant under the Debt Facility, before allowing for amendment of the loan to value covenants, is approximately \$10.8 million. Taking into account the amendment to the Debt Facility as described above, the value of the property assets can withstand a \$65.1 million decline in value, or 11.3%, before breaching the covenant as set out above for the 31 December 2009 tests. The covenant limits revert to their current levels at 30 June 2010 giving time for property values to stabilise.

The Entitlement Offer is conditional on:

- Resolution 5 being passed and either Resolutions 1 to 4 not being passed or only Resolutions 1 and 3 being passed; and
- the Underwriting Agreement not being terminated by the Underwriter prior to the issue of the new Units.

The Entitlement Offer has been structured to enable all Unitholders to participate on equal terms and to individually determine their level of commitment to the Fund going forward. This means that Unitholders who take up their full entitlement under the Entitlement Offer will not have their percentage Unit holding in the Fund diluted in any way, nor will they have an increased liability for the Final Instalment.

The Independent Directors acknowledge that Unitholders who elect not to participate in the Entitlement Offer will be substantially diluted. However, it is critical that the Fund raise capital in order to cure the current covenant breaches and remove the current threat of the Final Instalment of 40 cents per Unit being accelerated.

If the Entitlement Offer is completed then, upon the new Units being issued, the Final Instalment on the existing Units will be reduced from 40 cents to 0.2237 cents per Unit. This is a substantial benefit for Unitholders even if they do not participate in the Entitlement Offer.

Further, Unitholders who do not wish to participate in the capital raising and are concerned about dilution may have the ability to sell their Units to the Underwriter pursuant to a conditional offer to be made by the Underwriter to acquire the Units of eligible Unitholders for at least 0.1 cents per Unit (**Cash-out Facility**).

The Entitlement Offer has been fully underwritten by Brookfield Multiplex Capital Securities Limited as trustee for Brookfield Multiplex PPF Investment No.2 Trust. The Underwriter's obligations are guaranteed by BMPT.

BMCML has reserved the right to seek other parties to act as joint underwriters prior to formal launch of the Entitlement Offer.

Brookfield Multiplex Group directly owns 21.6% of the Units. In addition, Multiplex Acumen Property Fund, another fund for which BMCML acts as responsible entity, owns 9.9% of the Fund. As such, each of the Brookfield Multiplex Group and Multiplex Acumen Property Fund has voting power of 31.5% of the Fund. Any votes cast by BMCML on behalf of Multiplex Acumen Property Fund would be cast only in the interests of the investors in that fund, and would not necessarily be cast in the same manner as those of the Brookfield Multiplex Group. Depending on the level of acceptance under the Entitlement Offer, the voting power of Brookfield Multiplex Group and Multiplex Acumen Property Fund may increase substantially as a result of the underwriting or acceptances under the Cash Out Facility. See page 17 for further details.

Explanatory Memorandum continued

Advantages of the Entitlement Offer

The benefits to Unitholders of the Entitlement Offer, if it is successfully completed, include:

The Fund will cease to be in breach

The Fund has breached its loan to value covenants under the Debt Facility. Successful completion of the capital raising under the Entitlement Offer before 16 November 2009 will enable the Fund to cure the breach and avoid the current threat of the Financiers accelerating or requiring BMCML to accelerate the Final Instalment and enforcing their security over the assets of the Fund. The Financiers have also conditionally agreed to vary the terms of the Debt Facility in a manner, as described on page 15, that reduces the risk of future breaches of the loan to value covenants until 29 June 2010, subject to the debt being reduced by at least \$44.7 million on or before 16 November 2009. Further information about the arrangements with the Financiers is set out in Annexure C.

Unitholders may preserve percentage Unitholding

It provides Unitholders with an opportunity to retain an undiluted interest in the Fund and its assets. Unitholders will have an opportunity to continue their participation in a recapitalised Fund where the current economic downturn reduced the value of the assets of the Fund.

Reduction in Final Instalment amount per Unit

It will materially reduce the Final Instalment amount per Unit for all Unitholders, including those who do not wish to participate in the Entitlement Offer, from 40 cents per Unit to 0.2237 cents per Unit.

Opportunity to exit the Fund

The Cash-out Facility may provide Unitholders with an opportunity to exit the Fund by selling their units to the Underwriter. If the ASI Bid is allowed to proceed by the Takeovers Panel, Unitholders may, as an alternative, tender into the ASI Bid and sell their Units to ASI.

Stabilises the Fund's capital structure

It will cause an immediate reduction of the Fund's gearing.

Disadvantages of the Entitlement Offer

Dilution of non-participating Unitholders

Unitholders who choose not to participate in the Entitlement Offer will have their percentage interest in the Fund substantially diluted.

Removal from ASX's official list

If the proportion of Units on issue not held by Brookfield Multiplex Group is low, ASX may seek to remove the Fund from its official list and delist the Units. If this occurs, Unitholders will not have a listed market on which to sell their units. It will also be an event of default under the Debt Facility unless the Financiers give their approval. BMCML as responsible entity will seek that approval should this situation arise.

Illiquid market for Units

Apart from the Cash-out Facility and the ASI Bid, Unitholders have no exit rights other than by selling Units on-market or through an off-market transfer. If acceptances of the offer to purchase Eligible Unitholder's Units under the Cash-out Facility are high, the number of Units not held by the Brookfield Multiplex Group will be low and, as a result, the liquidity of Units on the ASX may be further reduced.

Withdrawal of the ASI offer

The issue of Units under the Entitlement Offer would give ASI the right to withdraw unaccepted offers made under the ASI Bid if it occurs during the bid period and ASI's voting power in the Fund is at or below 50%.

Event of default on sale by Brookfield Multiplex Group

It will be an event of default under the Debt Facility if, at any time after completion of the capital raising pursuant to the Entitlement Offer and before the Partly Paid Facility is repaid in full, either:

- a member of the Brookfield Multiplex Group transfers any of its Units, other than to another member of the Brookfield Multiplex Group; or
- the Final Instalment obligations of a member of the Brookfield Multiplex Group are not guaranteed by BMPT.

BMPT has agreed to give the guarantee referred to above.

It is the current intention of Brookfield Multiplex Group that if the Entitlement Offer completes that the Brookfield Multiplex Group will retain the Units it holds in the Fund until the Partly Paid Facility is repaid in full.

Brookfield Multiplex Group may have a significant stake in the Fund

Depending on the extent to which existing Unitholders subscribe for their Entitlement in the Entitlement Offer, the Brookfield Multiplex Group's relevant interest in the Fund will remain the same or increase in accordance with the following table:

Relevant interest post Entitlement Offer (assuming the Underwriter remains the sole underwriter for the purposes of the analysis):

Unitholders acquiring under the Entitlement Offer %	Combined Brookfield Multiplex Group and Multiplex Acumen Property Fund %	Other Unitholders %
100	31.5	68.5 ¹
50	65.5	34.5 ¹
25	82.6	17.4 ¹
0	99.6	0.4 ²

¹ The interest may decrease if Unitholders exercise their rights under the Cash-out Facility to sell their Units to the Underwriter.

² The interest may decrease to 0% if all those Unitholders exercise their rights under the Cash-out Facility to sell their Units to the Underwriter.

Subject to voting restrictions in certain circumstances, the Brookfield Multiplex Group may have the ability to control or significantly influence matters which are decided at meetings of Unitholders. Resolutions passed at meetings of Unitholders in the Fund may have an adverse impact on Unitholders who do not support the resolution. In particular, extraordinary resolutions may be passed with the support of 50% of all Unitholders and special resolutions may be passed with the support of 75% of those Unitholders who vote on the resolution. Extraordinary resolutions may be sought to wind up the Fund whilst special resolutions may be sought to take actions including amendments to the Fund's constitution. Section 253E imposes a restriction on the ability of BMCML and its associates, while BMCML is the responsible entity, to vote on any resolutions in which BMCML has an interest other than as a Unitholder.

Underwriter may proceed to compulsory acquisition

If the underwriting results in the Underwriter holding 90% or more of the Units then the Underwriter may (but is not obliged to) proceed to compulsorily acquire all the remaining Units in accordance with the Corporations Act.

Tax impact on the Fund

If following the Entitlement Offer the ultimate ownership of the Fund changes significantly, the Fund's ability to carry forward and utilise tax losses may depend on the Fund passing a same business test. This will depend upon the nature of the activities being carried on in the Fund at the relevant time. In the event that the Fund ceases being listed, tax losses may be forfeited. Forfeiture of tax losses may result in the Fund being subject to tax or may mean that Unitholders in future years are subject to tax on distributions that would have otherwise been sheltered by prior year losses in the Fund.

Tax impact on Unitholders

Tax implications of the Entitlement Offer for Unitholders will vary depending on their individual circumstances. Unitholders should consult their own tax advisers regarding any tax implications (including capital gains tax and value shifting) for them.

Annexure A – Entitlement Offer

The Entitlement Offer is a non-renounceable entitlement offer to Eligible Unitholders (defined below) to subscribe for 178 new Units for every 1 Unit held on the record date at an issue price of 0.1 cents per new Unit.

Each new Unit offered under the Entitlement Offer (**New Unit**) will be a partly paid unit with a Final Instalment of 0.2237 cents per New Unit to be paid on 15 June 2011 (subject to the same limited rights to accelerate payment as apply to the Units currently on issue). New Units will rank equally with Units currently on issue because on completion of the Entitlement Offer and issue of the New Units the existing Units will have their Final Instalment reduced from 40 cents per Unit to 0.2237 cents per Unit.

Under the Entitlement Offer, the Fund will raise approximately \$50.15 million via the issue of approximately 50.15 billion New Units. The net proceeds from the Entitlement Offer will be used to reduce debt and strengthen the Fund's balance sheet.

The Offer will be fully underwritten by Brookfield Multiplex Capital Securities Limited (ABN 13 103 736 081) as trustee for Brookfield Multiplex PPF Investment No 2 Trust. The Underwriter's obligations are guaranteed by Brookfield Multiplex Funds Management Limited as responsible entity for Brookfield Multiplex Property Trust. BMCML has reserved the right to seek other parties to act as joint underwriters prior to formal launch of the Entitlement Offer.

The Entitlement Offer is conditional on:

- Resolution 5 being passed and either Resolutions 1 to 4 not being passed or only Resolutions 1 and 3 being passed at the Meeting; and
- the underwriting agreement for the Entitlement Offer not being terminated by the Underwriter prior to the issue of New Units.

The Entitlement Offer will be undertaken pursuant to a timetable approved by ASX and subject to any approvals or waivers required from ASX.

All Unitholders with a registered address in Australia or New Zealand on the record date (**Eligible Unitholders**) will be entitled to participate in the Entitlement Offer.

The Entitlement Offer will not be extended to Unitholders with a registered address outside Australia or New Zealand (**Ineligible Unitholders**). BMCML has decided that it is unreasonable for the Fund to incur the cost and expense to extend the Entitlement Offer to Ineligible Unitholders having regard to the factors in ASX Listing Rule 7.7.1.

In compliance with sections 615 and 1012DAA (including section 9A) of the Corporations Act, BMCML will appoint an ASIC approved nominee (**Nominee**) to which it will issue the entitlement to participate in the Entitlement Offer which would have otherwise been granted to Ineligible Unitholders if they had an address in Australia or New Zealand (**Rights**). The Nominee will be required to sell the Rights. The net proceeds (if any) of any sale of the Rights will be distributed to Ineligible Unitholders pro rata to their holding of Units.

Annexure B – Statement from ASI

Multiplex Prime Property Fund (Trust)

Statement accompanying proposed resolutions by Australian Style Investments Pty Ltd

Australian Style Investments Pty Ltd (**ASI**), being a member of the Trust, provides the following statement. This statement accompanies the request ASI has made to Brookfield Multiplex Capital Management Limited (**BMCML**) to call and arrange to hold a meeting of members of the Trust to consider and vote on 3 resolutions in relation to the Trust.

ASI has communicated, and continues to attempt to communicate, with BMCML and to date remains unconvinced that the \$50 million fully underwritten capital raising (**Offer**) announced on 24 August 2009 is the best way or means of preserving value for unit holders.

ASI is concerned that the capital raising exceeds the immediate needs of the Trust to remedy the breach of the LVR covenant announced by BMCML on 30 July 2009 (**LVR Breach**). It appears to ASI that the amount to be raised is far in excess of the amount needed to remedy the LVR Breach. The potential dilutive effect of the Offer on current members could therefore be exaggerated.

ASI is also concerned that the announcement of the Offer does not provide sufficient information about a number of key aspects of the Offer, including the terms of the proposed underwriting, the relationship of the proposed underwriter to BMCML, the efforts BMCML has taken or will take to appoint an underwriter at arms length and the practical ability to trade the Offer (even though it is said to be renounceable).

ASI also believes that unit holders would be better off in a wind-up which, based on the most recent independent valuation, would qualify unit holders for a distribution of up to \$0.19 per unit on wind-up, or possibly more if the market improves, with no further requirement for capital.

As a result, ASI currently believes it to be in the best interests of unit holders of the Trust to consider and if thought fit pass the 3 resolutions.



Director, authorised by Australian Style Investments Pty Ltd

Annexure C – Outline of arrangements with Financiers

1. Temporary waiver of 30 June 2009 loan to covenant breaches

The Financiers have given a temporary waiver of the breach of the loan to value covenants in the Debt Facility which were based on the 30 June 2009 valuations of the Fund's properties (**Current Covenant Breach**). That waiver expires at midnight on 16 November 2009 or, if earlier, the date on which any of the following occurs:

- an event of default, or another event entitling the Financiers to accelerate the Partly Paid Facility, occurs (other than the Current Covenant Breach);
- there is a breach of distribution and fee payment restrictions or cash sweep requirements applying to the Fund during the period of the waiver;
- Resolution 1 is passed and Resolution 3 is not passed; or either of Resolutions 2 or 4 are passed; or Resolution 5 is not passed;
- the meeting convened by this Notice is delayed or adjourned to a date later than 13 October 2009;
- a member of the Brookfield Multiplex Group transfers any of its Units or any economic interest in its Units, other than to another member of the Brookfield Multiplex Group; and
- any person, other than a member of the Brookfield Multiplex Group, holds voting power (as defined in the Corporations Act) in the Fund of at least 50%, and the Financiers form the opinion that their rights or interests under the Debt Facility are or are likely to be materially adversely affected as a result and notify BMCML that the waiver no longer applies.

2. Permanent waiver of Current Covenant Breach

The Current Covenant Breach will be treated as permanently waived if the following occurs before the temporary waiver expires:

1. proceeds of the Entitlement Offer are applied to repay the Term Facility by no less than A\$44,700,000;
2. the parties to the Debt Facility execute and complete formal documentation reflecting the amendments referred to below; and
3. BMPT enters into a satisfactory guarantee and indemnity in favour of BMCML in respect of the Final Instalment obligations of members of the Brookfield Multiplex Group.

BMCML anticipates that the matters in 2 and 3 above will be satisfied before the Meeting.

3. Amendments to Debt Facility

The Debt Facility is to be amended as outlined on page 15 of this Notice, and by the addition of the new event of default set out on page 16 of this Notice. Those amendments will not take effect if the waiver expires before the Current Covenant Breach is cured.

Glossary

In this Explanatory Memorandum, and in the Notice, the following expressions have the following meanings unless stated otherwise or the context otherwise requires:

ASI	means Australian Style Investments Pty Ltd, which currently has a relevant interest in 20% of the Units.
ASI Bid	means the unconditional on-market takeover offer made by Australian Style Investments Pty Ltd for all of the Units in the Fund at an offer price of 0.3 cents per Unit.
ASX	means ASX Limited or the market operated by it as the context requires.
ASX Listing Rules	means the listing rules of ASX as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Bidder's Statement	means ASI's bidder's statement dated 3 September 2009 in relation to the Bid.
BMCML	means Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866, AFSL No. 223809) as responsible entity for the Fund.
BMPT	means Brookfield Multiplex Funds Management Limited as responsible entity for Brookfield Multiplex Property Trust.
Brookfield Multiplex Group	means Brookfield Multiplex Limited (ABN 96 008 687 063) and Brookfield Multiplex Property Trust (ARSN 106 643 387) and each of their related parties (including in a subsidiary's capacity as trustee of another trust).
Constitution	means the constitution of the Fund.
Corporations Act	means the Corporations Act 2001 (Cth).
Debt Facility	means collectively the Partly Paid Facility and the Term Facility.
Eligible Unitholder	means those Unitholders eligible to participate in the Entitlement Offer as described in Annexure A.
Entitlement Offer	means the entitlement offer described in Annexure A.
Explanatory Memorandum	means this document, which forms part of the Notice.
Final Instalment	means the final amount to be paid by Unitholders in respect of each Unit.
Financiers	means National Australia Bank Limited (ACN 004 044 937), Australia and New Zealand Banking Group Limited (ACN 005 357 522) and ING Bank N.V. (Sydney Branch) (ACN 080 178 196) in relation to the Debt Facility.
Fund	means Multiplex Prime Property Fund (ARSN 110 096 633).
Fund Manager	means Brookfield Multiplex Capital Pty Limited (ACN 103 114 441).
Independent Directors	means the independent, non-executive directors of BMCML, being Peter Morris, Robert McCuaig and Brian Motteram.
Management Services Agreement	means the services agreement between BMCML and the Fund Manager.
Meeting	means the meeting of Unitholders to be held on 7 October 2009 at 9.30am.
Notice	means the Notice of the Meeting dated 14 September 2009 including the Explanatory Memorandum.
NTA	means net tangible assets.
Partly Paid Facility	means the facility from the Financiers equal to the lesser of \$113.5 million and the total of the Final Instalment, as more particularly described in the product disclosure statement for the initial public offering of the Fund dated 22 June 2006 which is available at www.brookfieldmultiplex.com
Responsible Entity	means Brookfield Multiplex Capital Management Limited (ABN 32 094 936 866, AFSL No. 223809) as responsible entity for the Fund.
Term Facility	means the term facility provided by the Financiers to the Fund, as more particularly described in the product disclosure statement for the initial public offering of the Fund dated 22 June 2006 which is available at www.brookfieldmultiplex.com
Underwriter	means Brookfield Multiplex Capital Securities Limited (ABN 13 103 736 081) as trustee for Brookfield Multiplex PPF Investment No 2 Trust.
Unitholder	means the registered holder of a Unit.
Units	mean a partly paid ordinary unit in the Fund.
VWAP	means volume weighted average price.

This Notice and Explanatory Memorandum should not be taken to be financial product advice, or an offer, invitation or recommendation to invest. Investors should seek their own professional advice on the matters addressed herein. In particular, this Notice and Explanatory Memorandum does not take into account the investment objectives, financial situation or particular needs of any person. You should consider the appropriateness of any investment, taking into account your investment objectives, financial situation and particular needs before making any investment decision.

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