

FUND'S SUSPENDED STATUS

The DPFI remains suspended and is not expected to re-open within the next six to 12 months.

We continue to pursue restructuring and liquidity solutions. Liquidity of the Fund investments remains very low, and other than the Centro America Fund (CAF) Liquidity Facility (see Page 2 for detail) we see few opportunities in the near future to realise any of the Fund's investment portfolio due to the nature of its investments into illiquid property securities.

Unit Price:
\$0.2000*

Distribution:
0.26 cents[^]

* Price as at 30 April 2010
^ March 2010 quarter

FUND MANAGER'S COMMENTARY



We reported in our previous *Investor Update* on the appointment of advisers to the Centro Group to undertake an initial assessment of a restructure of Centro.

The advisers have continued to work closely with Centro management over the past few months. A number of strategies are being explored examining both the headstock entity as well as the various listed and unlisted managed funds. This detailed work is progressing and tracking to an expected completion in mid 2010.

The ongoing key objective of the DPFI is to significantly enhance the liquidity of the fund and thereby offer investors the opportunity to access some or all of their capital. Whether any restructure will meet this objective cannot be determined at this early stage, but will become more apparent over the coming months. Further updates will be provided in upcoming *Investor Updates*.

It is important to again emphasise that the current work being done is part of an assessment phase and a transaction of any type is not imminent.

MARCH QUARTER DISTRIBUTION



The DPFI will pay a March quarter distribution of 0.26 cents per unit on 7 May 2010.

The decline compared to the prior quarter (0.30 cents per unit) is mainly attributable to lower income from CAF.

The DPFI's distribution capacity continues to be restricted by the low level of distributions anticipated from the Centro MCS Syndicate portfolio. In addition, the strong Australian dollar has reduced net Australian dollar cash inflows into some of the underlying investments, most notably CAF and Centro MCS 39, as they have an unhedged exposure to the US dollar.

Accordingly, we expect the DPFI to pay quarterly distributions of approximately 0.30 cents per unit over the next few quarters.

VALUATIONS

The value of the Fund's assets remained largely constant during the quarter. The movements that were experienced related to adjustments to some of the underlying funds which finalised their December 2009 results during the March 2010 quarter.

In previous *Investor Updates* we have looked at whether property values had turned the corner. In our February 2010 *Update* we advised that we expected some moderate declines in property values in June 2010 and we continue to hold this view.

The US economy, while showing some positive signs over the past few weeks, remains softer than the Australian economy. While many of the listed US REITS have increased in value over the past six months, albeit off a very low base, the unlisted property market has not yet shown the same rebound.

We have noted with interest the recent comments of Richard Latella, Executive Managing Director, Cushman & Wakefield in the US: "Given the record decline in retail sales, weak credit market conditions, and glut of supply, demand for retail properties will remain weak for much of 2010. However, recent improvements in each of these categories signal that the worst of the recession may have passed. This hope is supported by Federal Reserve Chairman Ben Bernanke, who commented on September 15, 2009 that the recession was "very likely over at this point." Specifically, consumer sentiment, as measured by the University of Michigan/Reuters survey in February 2010, was up by 30.7 percent year-over-year. It will take years for consumers' balance sheets to recover and to return potential spending growth to pre-recession levels. However, we are hopeful that the recent signs of life from consumers will establish a foundation for a meaningful, yet protracted, recovery period that will not likely begin in earnest before 2011."

CENTRO AMERICA FUND – LIQUIDITY FACILITY

The DPFI currently has 40% of its assets invested with CAF. Starting in July 2010, the responsible entity of CAF intends to offer investors the opportunity to sell their units to Centro. Under the terms of the offer, Centro will purchase up to 5% of the equity in CAF. The amount of the DPFI's interests that may be bought back cannot be determined at this stage as this will depend on the participation of other investors in CAF.

The DPFI is hopeful of receiving the proceeds from this offer in September 2010.

FUND AT A GLANCE

(all figures as at March 2010)



Fund Size	\$358 million
Total Annual Return to March	-64.6%
Management Expense Ratio (MER)	0.45%
Benchmark	RBA 10 year bond rate plus 4%
Distribution Payments	Quarterly, usually within 45 days after the end of the calendar quarter
Distribution Reinvestment	Suspended

LOOK-THROUGH PORTFOLIO INFORMATION

Look-through refers to the information in relation to the underlying property investments held by the Fund.

Gearing (the DPFI does not have any borrowings of its own)	80%
Number of properties	474
Weighted average portfolio occupancy	89.7%
Weighted average lease term (by income)	4.82 years

INVESTMENT PORTFOLIO UPDATE



Over the March 2010 quarter the value of the Fund's total assets declined marginally from \$361 million to \$358 million. Two movements accounted for the bulk of this change:

- CAF was marked down by \$17.8 million following the release of the 31 December unit price for that fund, which came in lower than previously anticipated; and
- Centro Retail Investment Trust (CRIT), previously written down to zero, was increased to a value of \$14.3 million, upon the release of the December half yearly results for Centro Retail Trust and the finalisation of the underlying net asset values.

The Fund's investment portfolio at 31 March 2010 is shown in the table below. CAF remains the largest single investment of the DPFI accounting for 40.0% of total assets, down from 44.5% at December.

The aggregate exposure to the Centro MCS international syndicates now amounts to 52.7% of total assets, compared to 52.4% at December.

Current Investments (March 2010)

Investment	\$ Million	% Portfolio
Centro America Fund (CAF)	142.9	40.0%
Centro MCS 39	74.2	20.8%
Centro MCS 32	43.1	12.0%
Centro MCS 38	41.5	11.6%
Centro MCS 36	22.6	6.3%
Centro Retail Investment Trust (CRIT) – International Pools	14.3	4.0%
Centro MCS 35	7.3	2.0%
Total Unlisted Property Investments	345.9	96.7%
Centro Retail Trust (Listed)	4.7	1.3%
Outsourced LPT Portfolio	0.2	0%
Cash & Other Assets	7.1	2.0%
TOTAL ASSETS	357.9	100%

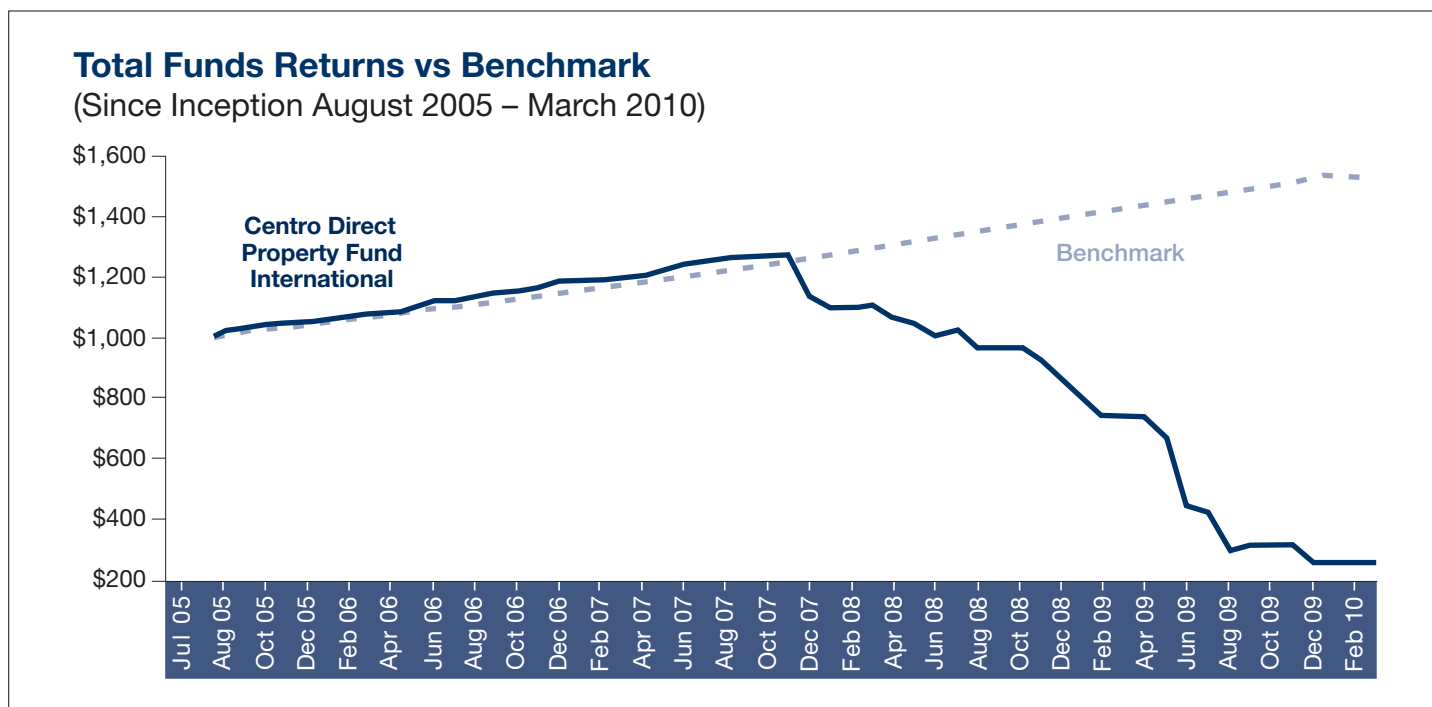
FUND PERFORMANCE

The unit price of the DPFI declined by 1% over the March 2010 quarter. This was due to the net investment write down relating to CAF and CRIT described earlier.

As illustrated in the table below, the DPFI generated a negative return of 64.6% for the twelve months to 31 March 2010, which was comprised of a negative capital return of 66.7% partially offset by a distribution return of 2.1%.

Period Ended	Returns (1 Year Rolling)			Total	Unit Price ²	Tax Adv.
	Dist. ¹	Distribution	Growth			
30 Jun 2006	7.67	8.7%	4.0%	12.7%	\$1.0364	98%
30 Jun 2007	7.76	7.8%	3.2%	11.0%	\$1.0701	87%
30 Jun 2008	4.35	3.6%	-22.4%	-18.8%	\$0.8304	94%
30 Jun 2009	1.96	1.5%	-57.8%	-56.3%	\$0.3509	74.6%
30 Sep Qtr	0.45	1.4%	-69.1%	-67.7%	\$0.2430	N/A
31 Dec Qtr	0.30	1.5%	-71.5%	-70.0%	\$0.1996	N/A
31 Mar Qtr	0.26	2.1%	-66.7%	-64.6%	\$0.1979	N/A

1 Distribution (cents per unit) 2 Ex Distribution



The chart above illustrates the performance of the DPFI and the benchmark (Government 10 year bond rate plus 4%) since inception. As evident from the chart, fund performance deteriorated from December 2007 through to August 2009, in response to declining asset values in the United States within the underlying investment funds.

UNITHOLDER TRANSFERS

Although the DPFI remains suspended, investors can transfer their units to another registered name. For example, an investor may have their current investment in the name of a superannuation fund and wish to transfer ownership to their own name. If you would like to make such a transfer, please complete a standard off market transfer form and have it executed by both the buyer and the seller of the units. The transfer form can then be sent directly to the registry, Link Market Services, or lodged with Centro Investor Services. Standard forms are available on the internet at centro.com.au/dpf.

COMMUNICATION SCHEDULE

Communication	Date
March quarter distribution paid	7 May
June quarter distribution announcement	Late July 2010
Next quarterly Investor Update	August 2010
June quarter distribution paid	Around 6 August 2010
Annual tax statements	Late August
Annual audited financial statements	September



WEBSITE

The Funds have their own website (centro.com.au/dpf) which provides up-to-date Fund information including the daily unit price, annual reports, Fund updates, and other important information.

DISPUTE RESOLUTION

If you have a complaint about the administration or management of your investment, please contact the Responsible Entity on 1800 802 400 during business hours. If your complaint is not resolved to your satisfaction within ten business days you can refer the matter in writing to:

The Complaints Officer
 Centro MCS Manager Limited
 Corporate Offices, Centro The Glen
 3rd Floor, 235 Springvale Road
 Glen Waverley Victoria 3150

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DISCLAIMER:

This information has been produced by the Responsible Entity of the DPFI without taking into account any person's objectives, financial situation or needs and because of that, you should, before acting on this information, consider the appropriateness of the information having regard to your own objectives, financial situation and needs.

Past performance is not a reliable indicator of future performance.