

25 August 2014

Dear Investor

**RE: Multiplex Development and Opportunity Fund (Fund) – Investor Update**

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund provides an update to investors for the year ended 30 June 2014.

Net profit after tax was \$3.5 million compared to a loss of \$2.3 million for the same period last year due largely to the Fund's share of profit in its investment in the Little Bay South development.

**Net Assets (NTA)**

NTA attributable to investors was \$49.9 million or \$0.31 per unit (30 June 2013: \$64.4 million or \$0.39 per unit). The reduction is largely due to a return of capital of 11 cents per unit made to investors on 11 December 2013 - offset partially by a share of profit from the investment in the Little Bay South development.

**Proposed Distribution**

The Fund is proposing to make a distribution payment of approximately 11 cents per unit (equating to \$17.9 million) subject to obtaining a ruling from the Australian Taxation Office (ATO) confirming that the payment is capital in nature. The payment will be funded by cash currently held by the Fund.

Investors will be advised of the proposed distribution date when confirmation has been received from the ATO.

**Further information and financial results**

A summary of the Fund's investments is attached. The Fund's audited financial report for the year ended 30 June 2014 is available at [www.au.brookfield.com](http://www.au.brookfield.com) and we recommend that investors review this document.

We will continue to keep you informed of updates in relation to the Fund.

Yours sincerely



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Investment Update

	Investment Type	Status of investment	Forecast realisation date <sup>1</sup>	Capital invested (A\$ million)
<b>Multiplex Acumen Vale Syndicate (MAVSL), Western Australia</b>	Equity	Process of being liquidated	2014	~0.4
	The Fund has a 49.58% interest in this investment and is expected to receive approximately \$0.4 million in return of capital on completion of the liquidation. This is expected to occur before 30 November 2014.			
	Investment Type	Status of investment	Forecast realisation date <sup>1</sup>	Capital invested (A\$ million)
<b>Little Bay South, New South Wales</b>	Equity	Planning / pre-selling / constructing / settling	2015	31.7
	<p><b>Stage 1</b> known as the East Village was completed in June 2012 and all lots were sold and settled.</p> <p><b>Stage 2</b> known as Bay Terraces have achieved practical completion. Of the 53 apartments in Stage 2, 51 apartments have settled. The two remaining apartments have exchanged contracts and are expected to settle in the September 2014 quarter.</p> <p><b>Stage 3</b> known as Coastal Quarters has DA approval for 165 apartments with basement parking for 200 cars. The development is subdivided into four sub stages - consisting of 85 one bedroom apartments, 50 two bedroom apartments and 30 three bedroom apartments.</p> <p>Construction is progressing well with the first and second sub-stages having now achieved practical completion. The remaining two buildings are 94% complete. Of the 165 apartments, 42 apartments have settled, 116 apartments have exchanged contracts and seven apartments are available for sale. Construction is estimated to complete before December 2014 with settlement of the remaining apartments around March 2015 subject to market conditions.</p>			

1. Realisation dates contained in this update are based on current project feasibilities as provided by the Development Manager.