

25 February 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 half year ended 31 December 2013.

Net profit after tax was \$0.7 million compared to a loss of \$1.5 million for the same period in 2012.

Net Tangible Assets (NTA)

NTA attributable to investors was \$47.1 million or \$0.29 per unit (30 June 2013: \$64.4 million or \$0.39 per unit). The decline is largely due to a return of capital of 11 cents per unit made to investors on 11 December 2013. The Australian Taxation Office provided its ruling CR2013/103 on 18 December 2013 confirming the payment is capital in nature. A copy of the ruling can be obtained from the ATO website.

Cash reserves

As at 31 December 2013, \$6.6 million was retained in cash to ensure sufficient reserves are available to complete the Little Bay South development. When the equity requirements are more certain, it is expected that further capital will be returned to investors. Cash not currently utilised is invested in term deposits.

Further information and financial results

A summary of the Fund's investments can be viewed in Appendix A.

The Fund's reviewed financial report for the half year ended 31 December 2013 is available at 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



Sue Ly
Fund Manager
Multiplex Development and Opportunity Fund
Phone: 1800 570 000
Email: clientenquiries@au.brookfield.com

Appendix A - Investment Update

	Investment Type	Status of investment	Forecast realisation date ¹	Capital invested (A\$ million)
Multiplex Acumen Vale Syndicate (MAVSL), Western Australia	Equity	Process of being liquidated	2014	~2.7
	<p>The Fund has a 49.58% interest in this investment and is expected to receive approximately \$2.7 million in return of capital.</p> <p>Liquidation is progressing and will return the balance of capital during or on completion of the liquidation which is expected to occur before 30 June 2014.</p>			
	Investment Type	Status of investment	Forecast realisation date ¹	Capital invested (A\$ million)
Little Bay South, New South Wales	Equity	Planning / pre-selling / constructing / settling	2015	38.0
	<p>Stage 1 known as the East Village was completed in June 2012 and all lots were sold and settled.</p> <p>Stage 2 known as Bay Terraces has 53 apartments comprising three or four bedroom apartments and double lock up garages.</p> <p>The development is constructed in separate sub-stages:</p> <ul style="list-style-type: none"> - all sub stages have reached practical completion. - to date 43 terraces have settled representing more than 80% of all apartments. Net proceeds from the settlements were used to repay project debt and fund a capital return made to investors on 12 December 2013. - 10 terraces remain to be sold of which three have exchanged contracts and seven are available for sale. The terraces for sale are mostly four bedroom terraces. <p>Stage 3 known as Coastal Quarters has DA approval for 165 apartments with basement parking for 200 cars. This recently increased as two more one bedroom apartments have been identified and created. The development is subdivided into four sub stages. It will consist of 85 one bedroom apartments, 50 two bedroom apartments and 30 three bedroom apartments.</p> <p>The development is being constructed in separate sub-stages:</p> <ul style="list-style-type: none"> - all excavation and demolition works are complete. - construction works have commenced. - 150 apartments have exchanged contracts leaving 15 apartments available for sale. This represents 91% of the project being sold. The balance of apartments unsold consist largely of three bedroom apartments. - It is anticipated that stage 3 will complete in May 2015 subject to market conditions. 			

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