

25 August 2014

Dear Investor

Multiplex Property Income Fund (Fund) - Investor Update for Period Ending 30 June 2014

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

Financial Results

As at 30 June 2014, the Fund has \$7.2 million assets under management, comprising an investment portfolio of \$6.4 million and cash and other receivables of \$0.8 million.

Net assets (NTA) for the Fund were 14 cents per unit which is less than the 30 June 2013 NTA of 37 cents per unit. This decrease reflects distributions and capital returns made throughout the period.

A summary of the Fund's performance is as follows:

	As at 30 June 2014	As at 30 June 2013
Total asset (\$'000)	7,215	21,333
Total liabilities (\$'000)	52	1,816
Net assets (\$'000)	7,163	19,517
Number of Income Units ('000)	52,791	52,791
Number of Ordinary Units ('000)	30,076	30,076
NTA Income Units (\$)	0.14	0.37
NTA Ordinary Units (\$)	nil	nil
	For the full year ended 30 June 2014	For the full year ended 30 June 2013
Total revenue (\$'000)	3,371	3,127
Total expenses (\$'000)	245	745
Net profit / (loss) for the period (\$'000)	3,126	2,382
Distributions and return of capital (cents per unit)	25.5726	29.5232

Investment Portfolio Update

As at 30 June 2014, the Fund was invested in 16 unlisted (including 3 Rubicon investments in administration) and two listed investments.

During the period, the Fund exited its entire holding in Australian Unity Office Property Fund, Australian Unity Fifth Commercial Trust, Blackwall Property Funds Limited and P-REIT.

In determining the Fund NTA, the carrying value of unlisted investments is assessed using the net asset value provided on 30 June 2014, or when not provided, the latest available net asset value for each underlying investment. Listed investments are shown at the ASX closing price on 30 June 2014.

Below is information relevant to the underlying investments:

- **APN Vienna Property Fund (APNVPF)**

APNVPF entered into an agreement to sell its only asset in February 2014. Settlement occurred in July 2014. The sale price of €70.25 million reflected a net initial yield of approximately 8.25%. APNVPF is forecasting a distribution of 5 cents per unit by end September 2014 at which time APNVPF will be wound up.

- **Arena REIT (ASX: ARF)**

During the twelve months to 30 June 2014, the Fund disposed of 1.4 million units at circa \$1.13 per unit and realised net proceeds of \$1.6 million. A staged sell down of the investment continues.

- **Australian Unity Diversified Property Fund (AUDPF)**

In May 2014, the Fund redeemed 0.03 million units for \$0.02 million when AUDPF made a redemption offer available to investors.

AUDPF has been granted an option to acquire an office in Carlton Melbourne, which, if exercised, will settle in October 2014. The acquisition will be income accretive to AUDPF and will be funded by existing debt facilities.

- **MAB Diversified Property Trust (MAB)**

MAB commenced wind up in September 2010. At 30 June 2014, five properties remain to be sold. MAB sold its Mornington Village shopping centre asset in March 2014 and paid investors a capital distribution of 11 cents per unit. The Fund received proceeds of \$0.2 million. MAB has not indicated when the wind up process is likely to complete.

- **Multiplex New Zealand Property Fund (MNZPF)**

MNZPF sold Chorus House in June 2014 for NZ\$84 million. Net proceeds were used to fully repay the fund's debt facility and to pay investors a distribution of 15.24 cents per unit. This equated to a payment of \$0.17 million to the Fund. Five office assets remain to be sold.

The decline in MNZPF's NTA during the year to 30 June 2014 from \$0.67 per unit to \$0.50 per unit, reflects a return of capital following the sale of Chorus House. The decline also reflects a decrease in value of the office portfolio due to the portfolio's declining occupancy, higher seismic related capital expenditure and tighter market conditions in Wellington.

- **National Storage REIT (previously the APN National Storage Property Trust)**

During the six months to 30 June 2014, the Fund disposed of 0.4 million units at circa \$1.27 per unit and realised net proceeds of \$0.5 million. Similar to the strategy for Arena REIT, a staged sell down of the investment continues.

- **PFA Diversified Property Trust (PFA)**

In February 2014, the Fund withdrew 0.5 million units for \$0.3 million when PFA funded a \$7.5 million withdrawal opportunity from asset sales.

PFA have recently sold a further two assets - its 50% interest in Civic Tower office at 66 Goulburn Street Sydney for \$65 million in June 2014 and Tuggeranong Homeworld Shopping Centre in Canberra for \$31 million in July 2014.

Net proceeds, in part, will be used to fund a \$22.5 million withdrawal opportunity in August 2014. The Fund will apply to withdraw all or most of its units in PFA.

- **Rimcorp Property Trust No 3 (RPT3)**

RPT3 completed the sale of its final remaining asset, an industrial facility in Banyo Queensland and paid a return of capital upon cancellation of the investment of \$0.64 per unit. This reflects a 3% discount to the RPT3's audited 31 December 2013 NTA of \$0.66 per unit. The Fund received \$0.5 million of proceeds.

- **Retail Direct Property 21 (RDP21, formerly Centro MCS 21)**

RDP21 paid a final distribution of \$0.02 million (\$0.028 per unit) in June 2014 and was wound up.

Further information and audited financial results as at 30 June 2014

The Fund's financial report for the year ended 30 June 2014 is available at www.au.brookfield.com and we recommend that investors review this document.

BCML will continue to provide updates via the website to investors regarding Fund earnings as well as timing and quantum of distributions.

Yours sincerely



Sue Ly

Fund Manager

Multiplex Property Income Fund

Phone: 1800 570 000

Email: clientenquiries@au.brookfield.com

INVESTMENT SUMMARY

The Fund's investment portfolio as at 30 June 2014 is as follows:

	Investment Value (\$m)	Percentage of total investment (%)
Listed Property Securities		
Arena REIT	0.02	0.3
National Storage REIT <i>(previously APN National Storage Property Trust)</i>	1.07	16.7
Unlisted Property Securities		
APN Champion Retail Fund	0.00	0.0
APN Regional Property Fund	0.61	9.5
APN UKA Poland Retail Fund	0.00	0.0
APN UKA Vienna Retail Fund	0.12	1.9
Australian Unity Diversified Property Fund	0.32	5.0
BGP Holdings Beneficial Interest Share	0.00	0.0
BlackWall Telstra House Trust	0.35	5.5
Charter Hall Diversified Property Fund	0.56	8.8
Charter Hall Umbrella Fund	0.45	7.0
FCL European Property Fund <i>(previously Pengana Credo European Property Trust)</i>	0.00	0.0
MAB Diversified Property Trust	1.11	17.3
Multiplex New Zealand Property Fund	0.56	8.8
PFA Diversified Property Trust	1.23	19.2
Rubicon America Trust	0.00	0.0
Rubicon Europe Trust Group	0.00	0.0
Rubicon Japan Trust	0.00	0.0
Total Investment Value	6.40	100