

25 February 2014

Dear Investor

**Multiplex Property Income Fund (Fund) - Investor Update for Half Year to 31 December 2013**

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides an update to investors for the half year ended 31 December 2013.

**Financial Results**

As at 31 December 2013 the Fund had assets under management of \$9.3 million, comprising an investment portfolio of \$8.8 million and cash and other receivables of \$0.5 million.

The net assets (NTA) for the Fund are 17.51 cents per unit which is less than the 30 June 2013 NTA of 36.97 cents per unit. This decrease largely reflects distributions and capital returns made throughout the period of 20.50 cents per unit.

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

	<b>As at 31 December 2013</b>	<b>As at 30 June 2013</b>	<b>Movements</b>
Total asset (\$'000)	9,299	21,333	56% decrease
Total liabilities (\$'000)	54	1,816	97% decrease
Net assets (\$'000)	9,245	19,517	53% decrease
Number of Income Units ('000)	52,791	52,791	No change
Number of Ordinary Units ('000)	30,076	30,076	No change
NTA Income Units (\$)	0.18	0.37	51% decrease
NTA Ordinary Units (\$)	nil	nil	n/a
	<b>For the half year ended 31 December 2013</b>	<b>For the half year ended 31 December 2012</b>	<b>Variance</b>
Total revenue (\$'000)	2,129	2,156	1% decrease
Total expenses (\$'000)	167	550	70% decrease
Net profit / (loss) for the period (\$'000)	1,962	1,606	22% increase
Distributions and return of capital (cents per unit)	20.4965	25.2631	19% decrease

**Distribution Payments**

For the half year to 31 December 2013, the Fund declared and paid total distributions of \$10.8 million equating to 20.50 cents per unit.

**Investment Portfolio Update**

As at 31 December 2013 the Fund held investments in 20 unlisted and three listed investments.

In determining the Fund net assets, the carrying value of unlisted investments is assessed using the net asset value provided on 31 December 2013, or when not provided, the latest available net asset value for each underlying investment. Listed investments are shown at the ASX closing price on 31 December 2013.

Below is information relevant to the underlying investments:

- **National Storage REIT (previously the APN National Storage Property Trust)**  
During December 2013, investors approved a proposal to staple APNNSPT to National Storage Holdings Limited. Unitholders also approved the listing of the stapled group on the ASX. The new stapled group is known as National Storage REIT (NSR). Performance of this stock on the ASX will be monitored with the view that the holding will be sold in due course.
- **Arena REIT (ASX: ARF)**  
The Fund sold 0.9 million Arena REIT units for an average price of \$1.11 per unit, bringing the total number of units sold since Arena REIT listed to 1.5 million units at an average price of \$1.09 per unit. The Fund holds 0.5 million Arena REIT units at 31 December 2013. This stock will continue to be monitored and the holding will be sold via the ASX in due course.
- **Australian Unity Diversified Property Fund (AUDPF)**  
In November 2013, the Fund redeemed 0.03 million units with proceeds of \$0.03 million when AUDPF made a redemption offer available to investors.
- **Australian Unity Fifth Commercial Trust (AUFCT)**  
The Fund disposed of 83% of its unitholding in AUFCT during November 2013 for \$1.8 million which reflects 5.0% to 7.5% discount on AUFCT's 31 October 2013 NTA. The Fund retains 0.3 million units in AUFCT.

A proposal to merge AUFCT with Australian Unity Office Property Fund (AUOPF) was approved by investors and was implemented on 11 February 2014. Prior to the merger, Australian Unity had offered investors the opportunity to withdraw their investment via a \$15.0 million withdrawal offer. The Fund has applied to withdraw its entire holding of 0.3 million units. Any residual AUFCT holding post the withdrawal will convert to a holding in AUOPF in early 2014.

- **Australian Unity Office Property Fund (AUOPF)**  
The Fund disposed of its interest in AUOPF in November 2013 for \$1.7 million which reflected a 7.5% discount on AUOPF's 31 October 2013 NTA. The discount rate was considered acceptable and reflective of the limited liquidity opportunities.
- **Multiplex New Zealand Property Fund (MNZPF)**  
MNZPF's net assets have increased from \$0.59 per unit to \$0.67 per unit largely due to foreign exchange movements since 30 June 2013 and the retention of net operating cashflow.

MNZPF completed the sale of The Hub retail centre. Net proceeds were predominantly used to reduce the fund's debt. MNZPF also obtained financier consent for payment of a distribution of 2.2 cents per unit to unit holders on 10 September 2013. Plans to dispose of the remaining six properties continue and once the balance of the debt is repaid, distributions are expected to resume. It is not possible to predict when the sale process will be completed and when distributions will be paid.

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

PFADPT have executed a contract of sale on 390 St Kilda Road, Melbourne for \$56.0 million (31 December 2013 book value of \$54.5 million). Net sales proceeds will be used to reduce the fund's debt to achieve an LVR of approximately 50% and to fund a \$7.5 million withdrawal offer to investors. Ten properties remain in the portfolio. The Fund has applied to withdraw its entire holding of 2.2 million units, but the amount withdrawn is likely to be scaled back depending on investor demand.

- **PREIT**

During the period, the Fund disposed of the remaining 3.6 million units in PREIT at \$0.15 per unit and realised net proceeds of ~\$0.5 million.

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

RPT3 completed the sale of 360 Settlement Road, Thomastown. Net proceeds were used to reduce RPT3's bank debt. The last remaining property held by RPT3 will be marketed in Q1 2014. The Fund is forecasting a wind up of RPT3 by 30 June 2014.

### Further information and financial results as at 31 December 2013

The Fund's financial report for the half year ended 31 December 2013 is available at [www.au.brookfield.com](http://www.au.brookfield.com) and we recommend that investors review this document.

BCML will continue to provide updates via the website 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](mailto:clientenquiries@au.brookfield.com)

## APPENDIX: INVESTMENT SUMMARY

The Fund's investment portfolio as at 31 December 2013 is as follows:

	Investment Value (\$m)	Percentage of total investment (%)
<b>Listed Property Securities</b>		
BlackWall Property Funds Limited	0.10	1.2
National Storage REIT <i>(previously APN National Storage Property Trust)</i>	1.18	13.3
Arena REIT	0.56	6.4
<b>Unlisted Property Securities</b>		
APN Champion Retail Fund	0.00	0.0
APN Regional Property Fund	0.56	6.3
APN UKA Poland Retail Fund	0.00	0.0
APN UKA Vienna Retail Fund	0.00	0.0
Australian Unity Diversified Property Fund	0.33	3.7
Australian Unity Fifth Commercial Trust	0.39	4.5
BGP Holdings Beneficial Interest Share	0.00	0.0
BlackWall Telstra House Trust	0.34	3.8
Charter Hall Diversified Property Fund	0.61	6.9
Charter Hall Umbrella Fund	0.46	5.2
FCL European Property Fund <i>(previously Pengana Credo European Property Trust)</i>	0.00	0.0
MAB Diversified Property Trust	1.34	15.2
Multiplex New Zealand Property Fund	0.76	8.6
PFA Diversified Property Trust	1.58	18.0
Retail Direct RHT 21	0.02	0.2
Rimcorp Property Trust No.3	0.53	6.0
Stockland Direct Office Trust No.3	0.05	0.6
Rubicon America Trust	0.00	0.0
Rubicon Europe Trust Group	0.00	0.0
Rubicon Japan Trust	0.00	0.0
<b>Total Investment Value</b>	<b>8.82</b>	<b>100</b>