

Multiplex Property Income Fund
Interim financial report
For the half year ended
31 December 2014

Multiplex Property Income Fund

ARSN 117 674 049

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Multiplex Property Income Fund

For the half year ended 31 December 2014

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Directory

Multiplex Property Income Fund

For the half year ended 31 December 2014

Responsible Entity

Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited

F. Allan McDonald
Barbara Ward
Russell Proutt
Shane Ross (alternate)

Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

Registered Office of Brookfield Capital Management Limited

Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Custodian

JP Morgan Chase Bank N.A. (Sydney Branch)
Level 18, JPMorgan House
85 Castlereagh Street
Sydney NSW 2000

Location of Share Registry

Boardroom (Victoria) Pty Limited
Level 8, 446 Collins Street
Melbourne VIC 3000

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Auditor

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: + 61 2 9322 7000
Facsimile: + 61 2 9322 7001

Directors' Report

Multiplex Property Income Fund

For the half year ended 31 December 2014

Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), the Responsible Entity of Multiplex Property Income Fund (ARSN 117 674 049) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the six months ended 31 December 2014 and the Independent Auditor's Review Report thereon.

The Fund was constituted on 21 December 2005.

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). The registered office and principal place of business of the Responsible Entity is Level 22, 135 King Street, Sydney NSW 2000.

Directors

The following persons were Directors of the Responsible Entity at any time during or since the end of the financial period:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Russell Proutt	Executive Director
Shane Ross	Alternate Director

Principal activities

The principal activity of the Consolidated Entity is the investment in Australian Securities Exchange (ASX) listed and unlisted property securities.

Wind up of the Fund

The Responsible Entity continues with the wind up of the Fund. A number of underlying assets were realised or capital returns received during the period. The Responsible Entity will continue to realise the remaining Fund assets on an orderly basis with a view to maximising value for unitholders over a period expected to be a number of years.

Review of operations

The Consolidated Entity has recorded a net profit of \$51,202 for the six month period ended 31 December 2014 (2013: \$1,962,484).

Some of the significant events during the period are as follows:

- total revenue and other income of \$164,049 (2013: \$2,129,005);
- net profit attributable to income unitholders totalled \$51,202 (2013: \$1,962,484)
- cash distributions to income unitholders totalling \$2,809,403 or 5.3 cents per unit (cpu) and treated as a combination of income distribution and returns of capital in the financial statements (2013: \$10,820,400 or 20.5 cpu);
- net assets of \$4,549,914 or \$0.09 per income unit (30 June 2014: \$7,163,062 or \$0.14);
- ASX listed portfolio value of \$1,048,143 (30 June 2014: \$1,088,062); and
- unlisted security portfolio value of \$3,084,127 (30 June 2014: \$5,310,028).

The strategy of the Fund is to realise the remaining Fund assets on an orderly basis with a view to maximising value for unitholders.

Management fees for MPIF will continue to be waived for as long as an entity controlled by Brookfield Asset Management Inc. remains as responsible entity of MPIF.

Directors' Report continued

Multiplex Property Income Fund

For the half year ended 31 December 2014

Distributions and capital returns

The following distributions and returns of capital were declared/paid by the Fund to its income unitholders during the current and prior periods.

	Cents per unit	Total amount \$	Date of payment
Income unitholders			
September 2014 distribution	2.3907	1,262,085	24 September 2014
October 2014 distribution	2.2115	1,167,483	17 October 2014
November 2014 distribution	0.7195	379,835	25 November 2014
Total distributions and returns of capital for the six months ended 31 December 2014	5.3217	2,809,403	
Income unitholders			
August 2013 distribution	5.7937	3,058,578	9 August 2013
September 2013 distribution	4.8237	2,546,501	6 September 2013
October 2013 distribution	1.6453	868,578	10 October 2013
November 2013 distribution	6.8441	3,613,100	20 November 2013
December 2013 distribution	1.3897	733,643	17 December 2013
Total distributions and returns of capital for the six months ended 31 December 2013	20.4965	10,820,400	

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 6 and forms part of the Directors' Report for the half year ended 31 December 2014.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

Dated at Sydney this 20th day of February 2015.



F. Allan McDonald

Director

Brookfield Capital Management Limited

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex Property Income Fund)
Level 22, 135 King St
Sydney NSW 2000

20 February 2015

Dear Directors

Multiplex Property Income Fund

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Brookfield Capital Management Limited as the Responsible Entity of Multiplex Property Income Fund.

As lead audit partner for the review of the financial statements of Multiplex Property Income Fund for the half year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

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Multiplex Property Income Fund

For the half year ended 31 December 2014

	Note	Consolidated Half year ended 31 December 2014 \$	Half year ended 31 December 2013 \$
Revenue and other income			
Distribution income from ASX listed and unlisted property trusts		137,122	544,272
Net gain on disposal of ASX listed and unlisted property trusts		20,534	1,580,118
Interest income		6,393	4,615
Total revenue and other income		164,049	2,129,005
Expenses			
Impairment expense	5, 7	–	58,139
Other expenses		112,847	108,382
Total expenses		112,847	166,521
Net profit for the period		51,202	1,962,484
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Change in fair value of available for sale financial assets		145,053	(1,413,272)
Other comprehensive income/(loss) for the period		145,053	(1,413,272)
Total comprehensive income for the period		196,255	549,212
Net profit attributable to:			
Ordinary unitholders		–	–
Income unitholders		51,202	1,962,484
Net profit for the period		51,202	1,962,484
Total comprehensive income attributable to:			
Ordinary unitholders		–	–
Income unitholders		196,255	549,212
Total comprehensive income for the period		196,255	549,212

The Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Financial Position

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Multiplex Property Income Fund

As at 31 December 2014

	Note	Consolidated 31 December 2014 \$	30 June 2014 \$
Assets			
Current assets			
Cash and cash equivalents		429,992	201,235
Trade and other receivables		48,081	615,309
Investments – available for sale	5	1,048,143	1,088,062
Total current assets		1,526,216	1,904,606
Non-current assets			
Investments – available for sale	5	3,084,127	5,310,028
Total non-current assets		3,084,127	5,310,028
Total assets		4,610,343	7,214,634
Liabilities			
Current liabilities			
Trade and other payables		60,429	51,572
Total current liabilities		60,429	51,572
Total liabilities		60,429	51,572
Net assets		4,549,914	7,163,062
Equity			
Units on issue – Ordinary units	6	30,075,861	30,075,861
Units on issue – Income units	6	25,250,120	27,934,038
Reserves		1,278,641	1,133,588
Undistributed losses		(52,054,708)	(51,980,425)
Total equity		4,549,914	7,163,062

The Condensed Consolidated Interim Statement of Financial Position should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Changes in Equity

Multiplex Property Income Fund

For the half year ended 31 December 2014

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	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity
	Ordinary units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	Income units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	
Consolidated Entity									
Opening equity - 1 July 2014	30,075,861	(30,075,861)	–	–	27,934,038	(21,904,564)	1,133,588	7,163,062	7,163,062
Change in fair value of available for sale financial assets	–	–	–	–	–	–	145,053	145,053	145,053
Other comprehensive income for the period	–	–	–	–	–	–	145,053	145,053	145,053
Net profit for the period	–	–	–	–	–	51,202	–	51,202	51,202
Total comprehensive income) for the period	–	–	–	–	–	51,202	145,053	196,255	196,255
Transactions with unitholders in their capacity as unitholders:									
Returns of capital declared/paid	–	–	–	–	(2,683,918)	–	–	(2,683,918)	(2,683,918)
Distributions declared/paid	–	–	–	–	–	(125,485)	–	(125,485)	(125,485)
Total transactions with unitholders in their capacity as unitholders	–	–	–	–	(2,683,918)	(125,485)	–	(2,809,403)	(2,809,403)
Closing equity - 31 December 2014	30,075,861	(30,075,861)	–	–	25,250,120	(21,978,847)	1,278,641	4,549,914	4,549,914

Condensed Consolidated Interim Statement of Changes in Equity continued

Multiplex Property Income Fund

For the half year ended 31 December 2014

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Consolidated Entity	Attributable to Ordinary unitholders of the Fund				Attributable to Income unitholders of the Fund				Total equity
	Ordinary units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	Income units \$	Undistributed profits/(losses) \$	Reserves \$	Total \$	
Opening equity - 1 July 2013	30,075,861	(30,075,861)	–	–	38,422,683	(22,019,513)	3,113,693	19,516,863	19,516,863
Change in fair value of available for sale financial assets	–	–	–	–	–	–	(1,413,272)	(1,413,272)	(1,413,272)
Other comprehensive loss for the period	–	–	–	–	–	–	(1,413,272)	(1,413,272)	(1,413,272)
Net profit for the period	–	–	–	–	–	1,962,484	–	1,962,484	1,962,484
Total comprehensive income/(loss) for the period	–	–	–	–	–	1,962,484	(1,413,272)	549,212	549,212
Transactions with unitholders in their capacity as unitholders:									
Returns of capital declared/paid	–	–	–	–	(8,087,815)	–	–	(8,087,815)	(8,087,815)
Distributions declared/paid	–	–	–	–	–	(2,732,585)	–	(2,732,585)	(2,732,585)
Total transactions with unitholders in their capacity as unitholders	–	–	–	–	(8,087,815)	(2,732,585)	–	(10,820,400)	(10,820,400)
Closing equity - 31 December 2013	30,075,861	(30,075,861)	–	–	30,334,868	(22,789,614)	1,700,421	9,245,675	9,245,675

The Condensed Consolidated Interim Statement of Changes in Equity should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statement of Cash Flows

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Multiplex Property Income Fund

For the half year ended 31 December 2014

	Consolidated	
	Half year ended 31 December 2014 \$	Half year ended 31 December 2013 \$
Cash flows from operating activities		
Cash receipts in the course of operations	207,857	617,402
Cash payments in the course of operations	(103,572)	(119,695)
Interest received	7,415	4,230
Net cash flows from operating activities	111,700	501,937
Cash flows from investing activities		
Proceeds from sale of and returns of capital from available for sale assets	2,926,460	10,354,790
Net cash flows from investing activities	2,926,460	10,354,790
Cash flows from financing activities		
Distributions and returns of capital to income unitholders	(2,809,403)	(12,567,849)
Net cash flows used in financing activities	(2,809,403)	(12,567,849)
Net increase/(decrease) in cash and cash equivalents	228,757	(1,711,122)
Cash and cash equivalents at the beginning of the period	201,235	1,941,068
Cash and cash equivalents at 31 December	429,992	229,946

The Condensed Consolidated Interim Statement of Cash Flows should be read in conjunction with the Notes to the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

Multiplex Property Income Fund

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For the half year ended 31 December 2014

1 Reporting entity

Multiplex Property Income Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated interim financial report of the Fund as at and for the six months ended 31 December 2014 comprises the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Significant accounting policies

Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated interim financial report does not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2014. For the purpose of preparing the consolidated financial statements, the Fund is a for profit entity.

Basis of preparation

The consolidated interim financial report is presented in Australian dollars, which is the Fund's presentation and functional currency.

The accounting policies and methods of computation adopted in the preparation of the consolidated interim financial report are consistent with those adopted and disclosed in the consolidated financial report as at and for the year ended 30 June 2014, except for the impact of the Standards and Interpretations described below.

AASB 1031 *Materiality (December 2013)* is an interim standard that cross references to other Standards and the Framework for the Preparation and Presentation of Financial Statements (issued December 2013) that contains guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed AASB 1031 will be withdrawn.

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets* addresses the disclosure of information about the recoverable amount of impaired assets if that value is based on fair value less cost of disposal.

AASB 2013-5 *Amendments to Australian Accounting Standard – Investment Entities* provides an exemption from consolidation of subsidiaries under AASB 10 *Consolidated Financial Statements* for entities which meet the definition of an "investment entity". Such entities would measure their investment in particular subsidiaries at fair value through profit and loss in accordance with AASB 9 *Financial Instruments* or AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part B* makes changes to particular Australian Accounting Standards to delete reference to AASB 1031.

Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes the Consolidated Entity will be able to realise its assets and discharge its liabilities in the normal course of business.

The Responsible Entity continues with the wind up of the Fund and pursuing opportunities to realise the remaining Fund assets on an orderly basis, with a view to maximising value for unitholders over a period expected to be a number of years. Based on the above, the Directors of the Responsible Entity believe it is appropriate to adopt the going concern basis for this set of consolidated financial statements. The consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that might be necessary should the Fund and Consolidated Entity not continue as a going concern.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

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For the half year ended 31 December 2014

3 Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the consolidated financial statements are provided in investments – available for sale (note 5).

4 Distributions and capital returns

The following distributions and returns of capital were declared/paid by the Fund to its income unitholders during the current and prior periods.

	Cents per unit	Total amount \$	Date of payment
Income unitholders			
September 2014 distribution	2.3907	1,262,085	24 September 2014
October 2014 distribution	2.2115	1,167,483	17 October 2014
November 2014 distribution	0.7195	379,835	25 November 2014
Total distributions and returns of capital for the six months ended 31 December 2014	5.3217	2,809,403	
Income unitholders			
August 2013 distribution	5.7937	3,058,578	9 August 2013
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November 2013 distribution	6.8441	3,613,100	20 November 2013
December 2013 distribution	1.3897	733,643	17 December 2013
Total distributions and returns of capital for the six months ended 31 December 2013	20.4965	10,820,400	

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

For the half year ended 31 December 2014

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5 Investments – available for sale

	Consolidated Half year ended 31 December 2014 \$	Half year ended 31 December 2013 \$
ASX listed investments		
Carrying amount as at beginning of period	1,088,062	2,071,491
Movement due to transfers, disposals and returns of capital	(179,504)	(519,508)
Changes in fair value recognised in reserves	139,585	290,721
Total investments – available for sale – ASX listed	1,048,143	1,842,704
Unlisted investments		
Carrying amount as at beginning of period	5,310,028	14,337,824
Movement due to transfers, disposals and returns of capital	(2,325,412)	(7,388,135)
Changes in fair value recognised in reserves	99,511	83,568
Impairments recognised during the period	–	(58,139)
Total investments – available for sale – unlisted	3,084,127	6,975,118
Total investments – available for sale	4,132,270	8,817,822
Total investments – available for sale – Current	1,048,143	1,842,704
Total investments – available for sale – Non-current	3,084,127	6,975,118
Total investments – available for sale	4,132,270	8,817,822

Impairment expense

No further impairment loss has been recognised by the Consolidated Entity in relation to its available for sale investments during the current period (2013: \$58,139).

Investment in unlisted property securities

The Consolidated Entity continues to hold a number of unlisted property security funds. During the period, the Consolidated Entity received capital returns from certain underlying investments and participated in redemption and sale opportunities where possible. Due to a variety of factors inherent in the underlying funds, the Consolidated Entity may have limited ability to realise these investments as and when it wishes to.

Consistent with 30 June 2014, the Consolidated Entity has generally valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2014, or where this has not been provided, the latest available net asset value. In circumstances where the latest available net asset value has not been obtained, an assessment of the appropriateness of the value has been made based on knowledge of valuation and transactional movements in the underlying investment's structure as compared to similar portfolios. Although the Directors of the Responsible Entity consider this value to represent fair value as at the reporting date, uncertainty exists as to the likely unit price of each of the unlisted property securities funds when these funds re-commence acceptance of redemptions.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

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For the half year ended 31 December 2014

6 Units on issue

	Half year ended 31 December 2014 \$	Half year ended 31 December 2014 units	Year ended 30 June 2014 \$	Year ended 30 June 2014 Units
Ordinary units				
Opening balance	30,075,861	30,075,871	30,075,861	30,075,871
Closing balance	30,075,861	30,075,871	30,075,861	30,075,871
Income units				
Opening balance	27,934,038	52,791,450	38,422,683	52,791,450
Return of capital	(2,683,918)	–	(10,488,645)	–
Closing balance	25,250,120	52,791,450	27,934,038	52,791,450

In accordance with the Fund's constitution, each income unitholder is entitled to receive distributions as declared from time to time. Each ordinary unit represents a right to a share in the Fund's equity in excess of the value of the issued income units.

The Fund is in wind up. Income unitholders are entitled to receive up to \$1 per unit (plus accrued income) during the course of the wind up. At 31 December 2014, the value of the Consolidated Entity's assets, plus the amount returned to income unitholders during the course of the wind up to date, is below the income unitholders' maximum entitlement by an amount of \$20,700,206 (\$0.39 per income unit) (30 June 2014: \$20,770,976 or \$0.39 per income unit). Ordinary unitholders only have an entitlement to any excess capital distributed during the course of the wind up.

7 Financial instruments

A number of the Consolidated Entity's accounting policies and disclosures require the determination of fair value for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Cash and cash equivalents and trade and other receivables

Fair value, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Investments – available for sale

Fair value for ASX listed investments is calculated based on the quoted closing price of the security at the reporting date. Fair value for unlisted investments is calculated based on the latest available net asset values. Refer to investments – available for sale (note 5) for further details.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values versus carrying amounts

The Consolidated Entity is required to disclose fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Consolidated Entity's assets and liabilities measured and recognised at fair value. The carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to reasonably approximate their fair values due to their short-term nature. Accordingly, fair value disclosures are not provided for such assets and liabilities.

Notes to the Condensed Consolidated Interim Financial Statements continued

Multiplex Property Income Fund

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For the half year ended 31 December 2014

7 Financial instruments continued

Consolidated Entity – at 31 December 2014	Level 1 \$	Level 3 \$	Total \$
Assets			
Investments – available for sale			
– ASX listed investments	1,048,143	–	1,048,143
– Unlisted investments	–	3,084,127	3,084,127
Total assets	1,048,143	3,084,127	4,132,270

Consolidated Entity – at 30 June 2014	Level 1 \$	Level 3 \$	Total \$
Assets			
Investments – available for sale			
– ASX listed investments	1,088,062	–	1,088,062
– Unlisted investments	–	5,310,028	5,310,028
Total assets	1,088,062	5,310,028	6,398,090

Reconciliation of level 3 fair value measurements:

Consolidated Entity – for the period ended 31 December 2014	Investments available for sale \$	Total \$
Opening balance – 1 July 2014	5,310,028	5,310,028
Transfers, disposals and return of capital	(2,325,412)	(2,325,412)
Gains recognised in other comprehensive income	99,511	99,511
Closing balance – 31 December 2014	3,084,217	3,084,217
Total losses for the period included in the profit or loss attributable to losses relating to assets held at period end	–	–

Consolidated Entity – for the period ended 31 December 2013	Investments available for sale \$	Total \$
Opening balance – 1 July 2013	14,337,824	14,337,824
Transfers, disposals and return of capital	(6,297,278)	(6,297,278)
Transfers out of level 3	(1,090,857)	(1,090,857)
Losses recognised in the profit or loss	(58,139)	(58,139)
Losses recognised in other comprehensive income	83,568	83,568
Closing balance – 31 December 2013	6,975,118	6,975,118
Total losses for the period included in the profit or loss attributable to losses relating to assets held at period end	(58,139)	(58,139)

During the current period there were no transfers between levels. In the prior period one financial asset transferred from level 3 to level 1 as a result of an unlisted investment stapling with another entity and the new stapled group ultimately listing on the ASX.

8 Related parties

There have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2014.

9 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2014 (30 June 2014: none).

10 Events subsequent to the reporting date

Subsequent to 31 December 2014, the Fund declared a cash distribution totalling \$312,631 or 0.5922 cpu. Payment was made on 14 January 2015.

Other than the matters noted above, there are no matters or circumstances which have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.

Directors' Declaration

Multiplex Property Income Fund

For the half year ended 31 December 2014

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex Property Income Fund:

- a The condensed consolidated interim financial statements and notes, set out in pages 7 to 16, are in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of the Consolidated Entity as at 31 December 2014 and of its performance for the six month period ended on that date; and
 - ii complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited.

Dated at Sydney this 20th day of February 2015



F. Allan McDonald
Director
Brookfield Capital Management Limited

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Independent Auditor's Review Report to the Unitholders of Multiplex Property Income Fund

We have reviewed the accompanying half-year financial report of Multiplex Property Income Fund ("the Fund"), which comprises the condensed consolidated interim statement of financial position as at 31 December 2014, and the condensed consolidated interim statement of profit or loss and other comprehensive income, the condensed consolidated interim statement of cash flows and the condensed consolidated interim statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the Fund and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of Brookfield Capital Management Limited, the Responsible Entity of the Fund, are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Capital Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Multiplex Property Income Fund is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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DELOITTE TOUCHE TOHMATSU



AG Collinson
Partner
Chartered Accountants
Sydney, 20 February 2015