

# ASX Announcement

28 February 2011

## **Brookfield Australian Opportunities Fund (ASX: BAO) Interim Results 2011**

Brookfield Capital Management Limited (BCML) as Responsible Entity for Brookfield Australian Opportunities Fund (BAO or the Fund) announces the Fund's interim results for the six month period to 31 December 2010.

Key messages for the Fund's financial results for the six months to 31 December 2010 are:

- a \$30.4 million Rights Issue was completed and the existing debt facility was refinanced with a new \$37.1 million facility;
- net assets of the Fund on a standalone basis were \$108.3 million with an NTA per unit of \$0.13 as at 31 December 2010 (30 June 2010: \$0.13 after adjusting for the additional units issued through the Rights Issue);
- a consolidated net loss of \$3.2 million (comparable period to 31 December 2009: net loss of \$14.8 million);
- a standalone (excluding Multiplex Property Income Fund) net loss of \$3.98 million;
- the Fund is in compliance with its debt facility covenants; and
- no distribution was declared during the period. The distribution stopper arising from the investment in Multiplex Property Income Fund remains in place.

### **Underlying investments**

The standalone investment portfolio of the Fund was valued at \$154.7 million as at 31 December 2010 compared to a portfolio valuation of \$154.9 million as at 30 June 2010. The cash balance of the Fund as at 31 December 2010 was \$5.5 million.

Unlisted investments were valued at \$122.2 million compared with \$128.8 million as at 30 June 2010. The decrease can be attributed to participation in a number of redemption facilities and a decrease in the carrying value of the portfolio as a whole.

Listed investments were valued at \$32.5 million compared to \$26.1 million as at 30 June 2010. This increase has resulted from additional investment in the sector (net \$3million), reweighting within the portfolio and an increase in the carrying value of the portfolio.

Distribution income for the six month period was \$2.5 million (\$2.8 million in the 6 months to 30 June 2010). Excluding one-off distributions received the income remained steady across both periods and is likely to grow with the reinstatement of distributions announced by Investa Diversified Office Fund in which the Fund has a significant investment.

## **Multiplex Property Income Fund (Income Fund)**

For reporting purposes, the Income Fund is consolidated into the Fund's accounts due to its 100% ownership of the Ordinary Units in the Income Fund.

The Income Fund has, in recent years, experienced a decline in income and value of its underlying portfolio. The carrying value of Ordinary Units held in the Income Fund is nil.

Since December 2008, distributions made to Income Unitholders have been below their target returns and the distribution stopper was activated. The distribution stopper means that the Fund cannot pay distributions to its investors until Income Unitholders receive their target returns from the Income Fund. The distribution stopper is lifted when an amount equivalent to the Priority Distribution Payment (PDP) for the preceding 12 months was, or has been, paid in full to Income Unitholders. The PDP shortfall at 31 December 2010 is approximately \$2.1 million.

BCML continues to review strategies to allow distributions to be restored to investors and will assess the costs and benefits of implementing any strategy prior to restoring distributions. The future distribution policy will be dictated by circumstances at the relevant time such as income returns from the underlying investments, debt servicing requirements and the Fund's constitution.

## **Investment opportunities**

The Fund continues to actively pursue investment opportunities in the unlisted and listed markets with a focus on maximising total returns to the Fund and retaining secure options to liquidate the investment within defined timeframes. With a number of the Fund's underlying investments being wound up additional cash reserves will be available for re-investment in the near term. BCML will continue to provide quarterly updates of these activities to investors.

## **Further information and Financial Results as at 31 December 2010**

Further information in relation to the Fund's interim results is available to investors in the form of an Interim Report which will also be lodged with ASX. It is recommended that investors review this document. The financial report for the six months to 31 December 2010 is available at [www.au.brookfield.com](http://www.au.brookfield.com).

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Brookfield Customer Service  
Ph: 1800 570 000

## **About Brookfield**

Brookfield is a global asset manager focused on property, renewable power and infrastructure with approximately US\$100 billion of assets under management. Brookfield is focused on owning and managing high-quality assets that produce sustainable cash flows and generate attractive long-term returns.

In Australasia, the group employs approximately 2,200 people and has a reputation for quality, innovation and the successful delivery of major commercial projects. Brookfield offers clients and investors the benefit of a fully integrated property capability with activities in commercial office, retail, residential, construction, property management and infrastructure.

# Appendix 4D – Additional Disclosure

## Brookfield Australian Opportunities Fund

For the period ended 31 December 2010

<b>Name of Fund:</b>	Brookfield Australian Opportunities Fund (BAO or Fund)
<b>Details of reporting period</b>	
<b>Current reporting period:</b>	1 July 2010 to 31 December 2010
<b>Prior corresponding period:</b>	1 July 2009 to 31 December 2009

This Financial Report should be read in conjunction with the Financial Report for the half year ended 31 December 2010. It is also recommended that the Financial Report be considered together with any public announcements made by the Fund during the half year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

### Results for announcement to the market

	Half year ended 31 December 2010 \$'000s	Half year ended 31 December 2009 \$'000s	Movement \$'000s	Movement %
Total revenue and other income	5,052	3,840	1,212	31.6%
Total expenses	(8,253)	(18,640)	10,387	55.7%
Minority interests	(775)	5,655	(6,430)	(113.7%)
Net loss attributable to the ordinary unitholders of BAO	(3,976)	(9,145)	5,169	(56.5%)
Property fair value adjustments from investments accounted for using the equity method included in the above	(3,435)	(5,113)	1,678	32.8%
Earnings per unit (cents)	(0.65)	(4.51)	3.86	(85.6%)

### Distributions

During the current and prior periods, no distributions were paid by the Fund to ordinary unitholders.

Distributions paid/payable to minority interests are detailed below.

	Cents per unit	Total amount \$'000	Date of payment
<b>Income units</b>			
July 2010 distribution	0.2289	121	20 August 2010
August 2010 distribution	0.3119	165	20 September 2010
September 2010 distribution	0.6455	341	20 October 2010
October 2010 distribution	0.2678	141	22 November 2010
November 2010 distribution	0.1991	105	20 December 2010
Total distribution for the six months ended 31 December 2010	1.6532	873	
<b>Income units</b>			
September 2009 distribution	0.3552	188	22 October 2009
December 2009 distribution	0.3452	182	21 December 2009
Total distribution for the six months ended 31 December 2009	0.7004	370	

This preliminary final report is given to the ASX in accordance with Listing Rule 4.2.A.

Commentary and analysis of the result for the current period can be found in the attached Brookfield Australian Opportunities Fund (formerly Multiplex Acumen Property Fund) ASX release dated 28 February 2011. This ASX release forms part of the Appendix 4D.

The Fund has a formally constituted Audit Committee of the Board of Directors. The release of the report was approved by resolution of the Board of Directors on 28 February 2011.

Brookfield Australian Opportunities Fund  
Interim financial report  
For the half year ended  
31 December 2010

# Brookfield Australian Opportunities Fund

(Formerly Multiplex Acumen Property Fund)

ARSN 104 341 988

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# Directory

## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### Responsible Entity

Brookfield Capital Management Limited (formerly Brookfield Multiplex 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  
Brian Motteram  
Barbara Ward  
Tim Harris  
Russell Proutt

### Company Secretary of Brookfield Capital Management Limited

Neil Olofsson

### Registered Office

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

### Custodian

JP Morgan Nominees Australia Limited  
Level 35, Suncorp Building  
259 George Street  
Sydney NSW 2000  
Telephone: +61 2 9256 5000  
Facsimile: +61 2 9256 4111

### Stock Exchange

The Fund is listed on the Australian Securities Exchange (ASX Code: BAO). The Home Exchange is Sydney.

### Location of Share Registry

Registries (Victoria) Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000  
Telephone: +61 2 9290 9600  
Facsimile: +61 2 9279 0664

### Auditor

Deloitte Touche Tohmatsu  
The Barrington  
Level 10, 10 Smith Street  
Parramatta NSW 2150  
Telephone: + 61 2 9840 7000  
Facsimile: + 61 2 9840 7001

# Directors' Report

## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### Introduction

The Directors of Brookfield Capital Management Limited (BCML) (ABN 32 094 936 866), formerly Brookfield Multiplex Capital Management Limited, the Responsible Entity of Brookfield Australian Opportunities Fund (formerly Multiplex Acumen Property Fund) (ARSN 104 341 988) (Fund), present their report together with the condensed consolidated interim financial statements of the Consolidated Entity, being the Fund and its subsidiaries, and the Consolidated Entity's interest in associates for the six months ended 31 December 2010 and the Independent Auditor's Review Report thereon.

### 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 (appointed 1 January 2010)	Non-Executive Independent Chairman
Brian Motteram (appointed 21 February 2007)	Non-Executive Independent Director
Barbara Ward (appointed 1 January 2010)	Non-Executive Independent Director
Tim Harris (appointed 1 January 2010)	Executive Director
Russell Proutt (appointed 1 January 2010)	Executive Director

### Principal activities

The principal activity of the Consolidated Entity is the investment in A-REIT's and unlisted property securities in Australia.

### Review of operations

The Consolidated Entity has recorded a net loss of \$3,201,000 for the six month period ended 31 December 2010 (2009: net loss of \$14,800,000). The reported net loss includes \$2,217,000 in impairment losses on a number of the unlisted and listed property securities investments (2009: 13,596,000).

### Distributions

During the current and prior period, no distributions were paid by the Fund to ordinary unitholders.

Distributions paid/payable to minority interests are detailed below.

	Cents per unit	Total amount \$'000	Date of payment
<b>Income units</b>			
July 2010 distribution	0.2289	121	20 August 2010
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Total distribution for the six months ended 31 December 2010	1.6532	873	
<b>Income units</b>			
September 2009 distribution	0.3552	188	22 October 2009
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Total distribution for the six months ended 31 December 2009	0.7004	370	

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

- total revenue and other income of \$5,052,000 (2009: \$3,840,000);
- earnings per unit (EPU) of (0.65) cents (2009: (4.51) cents);
- net assets of \$149,241,000 (30 June 2010: \$118,954,000)
- net assets attributable to ordinary unitholders of \$108,378,000 and NTA per ordinary units of \$0.13 (30 June 2010: \$79,708,000 and NTA of \$0.39);
- A-REIT portfolio value of \$36,861,000 (30 June 2010: \$27,980,000) including a net revaluation increment to reserves on a number of A-REIT investments of \$3,486,000 and an impairment charge of \$319,000; and
- unlisted security portfolio value of \$130,278,000 (30 June 2010: \$130,413,000) including a net revaluation increment to reserves on a number of unlisted investments of \$4,098,000 and an impairment charge of \$1,898,000

# Directors' Report continued

## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### Rights issue

During the period, the Fund completed an underwritten 3 for 1 renounceable pro-rata rights issue of 608,582,790 fully paid new units in the Fund, at an issue price of \$0.05 per new unit (Rights Issue). The Fund used the proceeds of the Rights Issue to repay the balance owing under Tranche B of the Fund's debt facility to meet costs associated with the Rights Issue and to provide working capital to the Fund. Brookfield Multiplex Capital Securities Limited (ABN 13 103 736 081) in its capacity as trustee for Brookfield Multiplex PPF Investment No 2 Trust, a related party of the Responsible Entity, underwrote the Rights Issue.

### Debt facility

Following the completion of the Rights Issue and repayment of Tranche B debt, the Fund entered into a new debt facility on the following key financial terms:

- Facility limit of \$37.1 million
- Maturity date of 1 December 2012, subject to the fund extending the loan in October 2011 from 1 December 2011 to 1 December 2012. This is subject to the following financial covenants being met at the time of the extension:
  - Loan to Value Ratio (LVR) limit of 30% to 1 December 2011 and LVR limit of 20% from 1 December 2011 until maturity; and
  - Interest Cover Ratio (ICR) of greater than 1.25 until 1 December 2011 and ICR of greater than 1.65 from 1 December 2011 until maturity.
- Margin of 2.5% per annum over BBSY.

### Extension of loan

During the period, the Consolidated Entity has extended the term of the loan utilised to acquire the Fund's investment in Brookfield Prime Property Fund (BPACB (formerly MAFCB)) from 3 November 2010 to 3 May 2011.

The Consolidated Entity borrowed \$4.97 million from an entity in the Brookfield Multiplex group to acquire units under the MAFCB entitlement offer in November 2009, in which it has a 9.9% stake. The loan was made on commercial terms and conditions and recourse for the loan is limited to the security of the units in BPACB subscribed for under the entitlement offer. Interest capitalises during the term of the loan.

### Investment in unlisted property securities

The Consolidated Entity invests directly in 34 unlisted property securities funds. Due to a lack of liquidity in the underlying investment portfolios, or due to the initial structure of the Fund as detailed in their original product disclosure statements and constitutions, 7 have suspended redemptions, 22 have always been closed to redemptions due to the investment structure as outlined in their original constitutions, 3 investments were listed on the Australian Stock Exchange but are now deemed insolvent and 2 have limited liquidity features meaning that the Consolidated Entity, should it want to, has limited ability to realise these investments due to limited or no redemption options available through these structures.

Consistent with 30 June 2010, the Consolidated Entity has valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2010, 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. As the Fund is not seeking to sell its assets in the near term, an additional discount would not normally be applied. However, further consideration was then given to each net asset value in the current environment to determine whether an additional discount should be applied by assessing other prevailing market evidence, including transactional evidence and an assessment of the ability of the underlying investments to continue as a going concern. This analysis included application of discounts to unaudited net asset values where certain funds underlying property investments were all located in Europe.

### Controlled entity

The Fund owns 100% of the ordinary units of Multiplex Property Income Fund (MPIF). The results of MPIF are consolidated into the results of the Fund's interim financial report. MPIF, on a stand-alone basis, holds \$1,196,000 in cash at 31 December 2010 and has an investment portfolio of listed and unlisted property securities of \$38,931,000 at the period end date.

MPIF has 52,791,450 income units on issue at the reporting date. Under the terms of the MPIF Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where MPIF does not meet the PDP to its income unitholders, the Fund will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.



# Directors' Report continued

## Brookfield Australian Opportunities Fund

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For the half year ended 31 December 2010

As MPIF distributed less than the PDP for the months from December 2009 through to December 2010, the Fund will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of MPIF.

The Fund's Responsible Entity has the discretion as to whether to cover the PDP shortfall. The PDP shortfall at 31 December 2010 was \$2,104,000.

### **Investment accounted for using the equity method**

The Consolidated Entity owns 20.64% of the ordinary units of Multiplex New Zealand Property Fund (MNZPF) (30 June 2010: 22.04%). In accordance with accounting standards, the Consolidated Entity therefore has significant influence over MNZPF and accounts for its investment under the equity accounting method whereby the Consolidated Entity records its share of profit or loss of MNZPF's operations. Any changes to the results and operations of the underlying investment are presented in the Consolidated Entity's financial statements through the share of net profit or loss of investments accounted for using the equity method line item in the consolidated Statement of Comprehensive Income and the carrying value of the investment accounted for using the equity method in the consolidated Statement of Financial Position. During the period, the Consolidated Entity took part in the liquidity facility offered to unitholders of MNZPF. The Consolidated Entity realised 6.35% of its investment for a total consideration of \$1,984,000.

### **Rounding of amounts**

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

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

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 31 December 2010.

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

Dated at Sydney this 28th day of February 2011



**Russell Proutt**

Director

Brookfield Capital Management Limited

The Board of Directors  
Brookfield Capital Management Limited  
(as Responsible Entity for Brookfield Australian Opportunities  
Fund)  
135 King Street  
SYDNEY, NSW 2000

28 February 2011

Dear Directors

## **BROOKFIELD AUSTRALIAN OPPORTUNITIES 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 for Brookfield Australian Opportunities Fund.

As lead audit partner for the review of the financial statements of Brookfield Australian Opportunities Fund for the half year ended 31 December 2010, 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 faithfully



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James  
Partner  
Chartered Accountants

# Condensed Consolidated Interim Statement of Comprehensive Income

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

	Consolidated Half year ended 31 December 2010 \$'000	Half year ended 31 December 2009 \$'000
<b>Revenue and other income</b>		
Distribution income from listed and unlisted property trusts	3,610	2,730
Gain on disposal of listed and unlisted property trusts	379	1,000
Interest income	1,063	110
<b>Total revenue and other income</b>	<b>5,052</b>	<b>3,840</b>
<b>Expenses</b>		
Share of net loss of investments accounted for using the equity method	1,843	1,549
Impairment expense	2,217	13,596
Finance costs to external parties	3,324	2,662
Management fees	390	337
Other expenses	479	496
<b>Total expenses</b>	<b>8,253</b>	<b>18,640</b>
<b>Net loss for the period</b>	<b>(3,201)</b>	<b>(14,800)</b>
<b>Other comprehensive income</b>		
Change in reserves of investment accounted for using the equity method	(1,669)	1,124
Change in fair value of available for sale financial assets	7,584	8,068
<b>Other comprehensive income for the period</b>	<b>5,915</b>	<b>9,192</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>2,714</b>	<b>(5,608)</b>
Net profit/(loss) attributable to:		
Ordinary unitholders	(3,976)	(9,145)
Minority interest – MPIF income unitholders	775	(5,655)
<b>Net (loss) for the period</b>	<b>(3,201)</b>	<b>(14,800)</b>
Total comprehensive income/(loss) attributable to:		
Ordinary unitholders	224	(2,242)
Minority interest – MPIF income unitholders	2,490	(3,366)
<b>Total comprehensive income/(loss) for the period</b>	<b>2,714</b>	<b>(5,608)</b>
<b>Earnings per unit</b>		
Basic and diluted earnings per ordinary unit (cents)	(0.65)	(4.51)

The Condensed Consolidated Interim Statement of 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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## Brookfield Australian Opportunities Fund

As at 31 December 2010

	Note	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		6,695	7,822
Trade and other receivables		3,927	2,582
<b>Total current assets</b>		<b>10,622</b>	<b>10,404</b>
<b>Non-current assets</b>			
Investments – available for sale	7	167,139	158,393
Investment accounted for using the equity method		26,552	32,042
<b>Total non-current assets</b>		<b>193,691</b>	<b>190,435</b>
<b>Total assets</b>		<b>204,313</b>	<b>200,839</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,230	2,363
Distribution payable		–	281
Interest bearing liabilities	8	5,794	27,608
Deferred settlement		10,948	10,731
<b>Total current liabilities</b>		<b>17,972</b>	<b>40,983</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	8	37,100	40,902
<b>Total non-current liabilities</b>		<b>37,100</b>	<b>40,902</b>
<b>Total liabilities</b>		<b>55,072</b>	<b>81,885</b>
<b>Net assets</b>		<b>149,241</b>	<b>118,954</b>
<b>Equity</b>			
Attributable to ordinary unitholders			
Units on issue – ordinary units	9	231,827	203,381
Reserves		3,067	(1,133)
Undistributed losses		(126,516)	(122,540)
Attributable to MPIF income unitholders			
Minority interest – MPIF income units	9	52,960	52,960
Reserves		3,648	1,933
Undistributed losses		(15,745)	(15,647)
<b>Total equity</b>		<b>149,241</b>	<b>118,954</b>

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

## Brookfield Australian Opportunities Fund

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For the half year ended 31 December 2010

	Attributable to unitholders of the Fund				Attributable to minority interest				
	Ordinary units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Total equity \$'000
<b>Consolidated Entity</b>									
<b>Opening equity – 1 July 2010</b>	<b>203,381</b>	<b>(122,540)</b>	<b>(1,133)</b>	<b>79,708</b>	<b>52,960</b>	<b>(15,647)</b>	<b>1,933</b>	<b>39,246</b>	<b>118,954</b>
Change in reserves of investment accounted for using the equity method	–	–	(1,669)	(1,669)	–	–	–	–	(1,669)
Change in fair value of available for sale financial assets	–	–	5,869	5,869	–	–	1,715	1,715	7,584
<b>Other comprehensive income/(loss) for the period</b>	<b>–</b>	<b>–</b>	<b>4,200</b>	<b>4,200</b>	<b>–</b>	<b>–</b>	<b>1,715</b>	<b>1,715</b>	<b>5,915</b>
Net profit/(loss) for the period	–	(3,976)	–	(3,976)	–	775	–	775	(3,201)
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>	<b>(3,976)</b>	<b>4,200</b>	<b>224</b>	<b>–</b>	<b>775</b>	<b>1,715</b>	<b>2,490</b>	<b>2,714</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>									
Units issued	28,446	–	–	28,446	–	–	–	–	28,446
Units redeemed	–	–	–	–	–	–	–	–	–
Distributions paid	–	–	–	–	–	(873)	–	(873)	(873)
<b>Total transactions with unitholders in their capacity as unitholders</b>	<b>28,446</b>	<b>–</b>	<b>–</b>	<b>28,446</b>	<b>–</b>	<b>(873)</b>	<b>–</b>	<b>(873)</b>	<b>27,573</b>
<b>Closing equity – 31 December 2010</b>	<b>231,827</b>	<b>(126,516)</b>	<b>3,067</b>	<b>108,378</b>	<b>52,960</b>	<b>(15,745)</b>	<b>3,648</b>	<b>40,863</b>	<b>149,241</b>

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 Changes in Equity continued

## Brookfield Australian Opportunities Fund

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For the half year ended 31 December 2010

	Attributable to unitholders of the Fund				Attributable to Minority interest				
	Ordinary Units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Income units \$'000	Undistributed profits/(losses) \$'000	Reserves \$'000	Total \$'000	Total equity \$'000
<b>Consolidated Entity</b>									
<b>Opening equity – 1 July 2009</b>	<b>203,381</b>	<b>(112,815)</b>	<b>(10,503)</b>	<b>80,063</b>	<b>52,960</b>	<b>(7,769)</b>	<b>–</b>	<b>45,191</b>	<b>125,254</b>
Change in reserves of investment accounted for using the equity method	–	–	1,124	<b>1,124</b>	–	–	–	–	<b>1,124</b>
Change in fair value of available for sale financial assets	–	–	5,779	<b>5,779</b>	–	–	2,289	<b>2,289</b>	<b>8,068</b>
<b>Other comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>6,903</b>	<b>6,903</b>	<b>–</b>	<b>–</b>	<b>2,289</b>	<b>2,289</b>	<b>9,192</b>
Net loss for the period	–	(9,145)	–	<b>(9,145)</b>	–	(5,655)	–	<b>(5,655)</b>	<b>(14,800)</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>–</b>	<b>(9,145)</b>	<b>6,903</b>	<b>(2,242)</b>	<b>–</b>	<b>(5,655)</b>	<b>2,289</b>	<b>(3,366)</b>	<b>(5,608)</b>
<b>Transactions with unitholders in their capacity as unitholders:</b>									
Distributions paid	–	–	–	–	–	(370)	–	<b>(370)</b>	<b>(370)</b>
<b>Total transactions with unitholders in their capacity as unitholders</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(370)</b>	<b>–</b>	<b>(370)</b>	<b>(370)</b>
<b>Closing equity – 31 December 2009</b>	<b>203,381</b>	<b>(121,960)</b>	<b>(3,600)</b>	<b>77,821</b>	<b>52,960</b>	<b>(13,794)</b>	<b>2,289</b>	<b>41,455</b>	<b>119,276</b>

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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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

	Consolidated Half year ended 31 December 2010 \$'000	Half year ended 31 December 2009 \$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	3,715	4,082
Cash payments in the course of operations	(2,289)	(176)
Interest received	1,060	105
Financing costs paid	(1,103)	(2,242)
<b>Net cash flows from operating activities</b>	<b>1,383</b>	<b>1,769</b>
<b>Cash flows from investing activities</b>		
Payments for purchase of available for sale assets	(6,439)	(8,784)
Proceeds from sale of available for sale assets	3,524	19,336
<b>Net cash flows (used in)/ from investing activities</b>	<b>(2,915)</b>	<b>10,552</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary units	30,429	–
Issue costs	(1,740)	–
Proceeds from interest bearing liabilities	–	4,965
Repayments of interest bearing liabilities	(27,130)	(12,000)
Distributions paid to minority interests	(1,154)	(370)
<b>Net cash flows from/(used in) financing activities</b>	<b>405</b>	<b>(7,405)</b>
Net (decrease)/ increase in cash and cash equivalents	(1,127)	4,916
Cash and cash equivalents at the beginning of the period	7,822	2,439
<b>Cash and cash equivalents at 31 December</b>	<b>6,695</b>	<b>7,355</b>

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 Condensed Consolidated Interim Financial Statements

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### 1 Reporting entity

Brookfield Australian Opportunities Fund (Fund) (formerly Multiplex Acumen Property Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML) (formerly Brookfield Multiplex Capital Management Limited), 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 2010 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity) and the Consolidated Entity's interest in associates.

### 2 Basis of preparation

#### Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting*. The consolidated interim financial report does not include all the information required for a full year report and should be read in conjunction with the annual financial statements of the Consolidated Entity as at and for the year ended 30 June 2010.

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

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100, dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006), and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars, unless otherwise stated.

At the date of this report, \$16,742,000 of debt and deferred settlement is shown as current in the statement of Financial Position. Due to this classification, the Consolidated Entity's current liabilities exceed current assets by \$7,350,000. Listed investment property securities valued at \$36,861,000 are classified as non-current assets in accordance with accounting standards.

In accordance with AASB 101 *Presentation of Financial Statements*, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. At the date of this report, management has no intention to either liquidate the Fund or to cease trading and believes realistic alternatives to liquidation or cessation of trading are available. These realistic alternatives include the realisation of assets currently classified as non-current investments in the Statement of Financial Position.

### 3 Significant accounting policies

The accounting policies applied in this consolidated interim financial report are the same as those applied in the consolidated financial report as at and for the year ended 30 June 2010, except for the impact of the new or revised Standards and Interpretations that are first effective in the current reporting period, as described below.

*AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process*  
AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases of land and buildings.

*AASB 2009-10 Amendments to Australian Accounting Standards - Classification of Rights Issues*

AASB 2009-10 introduces amendments to AASB 132 *Financial Instruments: Presentation* to require a financial instrument that gives the holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency to be classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Prior to this amendment, rights issues (rights, options, or warrants) denominated in a currency other than the functional currency of the issuer were accounted for as derivative instruments.

*AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2010-3 introduces amendments to a number of pronouncements as a result of the IASB's 2008-2010 cycle of annual improvements to provide clarification of certain matters. The key clarifications include the measurement of non-controlling interests in a business combination, transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised AASB 3 *Business Combinations (2008)*, and transition requirements for amendments arising as a result of AASB 127 *Consolidated and Separate Financial Statements*.

The adoption of the above amendments have not resulted in any material changes to the Consolidated Entity's accounting policies or adjustments to amounts reported in the current or prior periods.



# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### 4 Estimates

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from those estimates.

### 5 Segment reporting

Management have identified the Chief Operating Decision Maker function is performed by the Board of Directors of the Responsible Entity (Board). The following sectors are identified as reporting segments which are reviewed by the Board to make decisions and assess performance:

#### Listed property securities

This segment represents the Consolidated Entity's investment in a portfolio of A-REIT securities, including impairment expenses and any gains or losses recognised on listed property securities.

#### Unlisted property securities

This segment represents the Consolidated Entity's investments in unlisted property securities, including the share of results of operations of the investment in associate (as the associate is an unlisted property security) impairment expenses and any gains or losses recognised on unlisted property securities.

#### Other

Other represents costs associated with the management of the Consolidated Entity and finance costs associated with the Consolidated Entity's debt, cash and interest bearing liabilities.

The following is an analysis of the Consolidated Entity's revenue and results by reportable operating segment for the period under review.

	Listed property securities \$'000	Unlisted property securities \$'000	Other \$'000	Total \$'000
For the half year ended 31 December 2010				
Total segment revenue and other income	936	3,053	1,063	5,052
<b>Net profit /(loss) for the period</b>	<b>618</b>	<b>(688)</b>	<b>(3,131)</b>	<b>(3,201)</b>

	Listed property securities \$'000	Unlisted property securities \$'000	Other \$'000	Total \$'000
For the half year ended 31 December 2009				
Total segment revenue and other income	1,754	1,976	110	3,840
<b>Net profit/(loss) for the period</b>	<b>1,634</b>	<b>(13,049)</b>	<b>(3,385)</b>	<b>(14,800)</b>

The following is an analysis of the Consolidated Entity's assets by reportable operating segment.

	Listed property securities \$'000	Unlisted property securities \$'000	Other \$'000	Total \$'000
31 December 2010				
<b>Total assets</b>	<b>37,382</b>	<b>158,078</b>	<b>8,853</b>	<b>204,313</b>

	Listed property securities \$'000	Unlisted property securities \$'000	Other \$'000	Total \$'000
30 June 2010				
<b>Total assets</b>	<b>28,603</b>	<b>163,691</b>	<b>8,545</b>	<b>200,839</b>

# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### 6 Distributions

During the current and prior period, no distributions were paid by the Fund to ordinary unitholders.

Distributions paid/payable to minority interests are detailed below.

	Cents per unit	Total amount \$'000	Date of payment
<b>Income units</b>			
July 2010 distribution	0.2289	121	20 August 2010
August 2010 distribution	0.3119	165	20 September 2010
September 2010 distribution	0.6455	341	20 October 2010
October 2010 distribution	0.2678	141	22 November 2010
November 2010 distribution	0.1991	105	20 December 2010
Total distribution for the six months ended 31 December 2010	1.6532	873	
<b>Income units</b>			
<b>September 2009 distribution</b>	0.3552	188	22 October 2009
December 2009 distribution	0.3452	182	21 December 2009
Total distribution for the six months ended 31 December 2009	0.7004	370	

The Fund's subsidiary, Multiplex Property Income Fund (MPIF), has 52,791,450 income units on issue at the reporting date. Under the terms of the MPIF Product Disclosure Statement, income unitholders have a targeted monthly priority distribution payment (PDP) which is calculated with reference to a margin of 2.5% per annum above the distribution yield on the S&P/ASX 200 Property Trust Index (with a minimum distribution of 7.5% per annum and a maximum of 8.5% per annum).

In circumstances where MPIF does not meet the PDP to its income unitholders, the Fund will be prevented from making distributions to its unitholders unless the shortfall has been met within 12 months of the end of the month in which the shortfall occurred.

As MPIF distributed less than the PDP for the period from December 2009 to December 2010, the Fund will be prevented from making a distribution to its unitholders until the shortfall has been met. This distribution stopper will remain in place until any shortfall in the PDP for the preceding 12 months is, or has been, paid to income unitholders of MPIF. The shortfall at 31 December 2010 was \$2,104,000.

	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>7 Investments – available for sale</b>		
<b>Listed investments</b>		
Listed investments at a cost	70,300	65,570
Fair value adjustments	4,662	1,176
Impairment	(38,101)	(38,766)
<b>Total listed investments</b>	<b>36,861</b>	<b>27,980</b>
<b>Unlisted investments</b>		
Unlisted investments at cost	174,134	176,822
Fair value adjustments	12,801	8,703
Impairment	(56,657)	(55,112)
<b>Total unlisted investments</b>	<b>130,278</b>	<b>130,413</b>
<b>Total investments – available for sale</b>	<b>167,139</b>	<b>158,393</b>

# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### 7 Investments – available for sale continued

Reconciliation of the carrying amount of impairment is set out below:

	Consolidated Half year ended 31 December 2010 \$'000
<b>Investments – available for sale (listed property trusts)</b>	
Carrying amount as at beginning of the period	(38,766)
Reduction of impairment balance due to disposal of investments	984
Impairment recognised in the current period	(319)
<b>Carrying amount at end of period</b>	<b>(38,101)</b>
<b>Investments – available for sale (unlisted property trusts)</b>	
Carrying amount as at beginning of the period	(55,112)
Reduction of impairment balance due to disposal of investments	353
Impairment recognised in the current period	(1,898)
<b>Carrying amount at end of period</b>	<b>(56,657)</b>

### Impairment

During the year, the Consolidated Entity recognised an impairment loss in accordance with accounting standards of \$2,217,000 in relation to its available for sale investments (listed and unlisted property trusts) (2009: \$13,596,000).

The impairment loss recognised in relation to available for sale investments represents the difference between the cost of the portfolio and the market value as at 31 December 2010, less any previously recorded impairment losses and reductions to accumulated reserves.

The Responsible Entity has determined there is objective evidence at the date of this report that the value of the Consolidated Entity's listed and unlisted property trust portfolio is impaired. This determination has arisen due to the significant and prolonged decline in value of listed and unlisted property trusts during the period and market conditions within the property sector generally.

### Investments in unlisted property securities

The Consolidated Entity invests directly in 34 unlisted property securities funds. Due to a lack of liquidity in the underlying investment portfolios, or due to the initial structure of the Fund as detailed in their original product disclosure statements and constitutions, 7 have suspended redemptions, 22 have always been closed to redemptions due to the investment structure as outlined in their original constitutions, 3 investments were listed on the Australian Stock Exchange but are now deemed insolvent and 2 have limited liquidity features (since June 2010, 2 funds reached their maximum liquidity capacity and 1 fund offered a redemption opportunity in December 2010 and is planning 2 further capped withdrawal offers in 2011), meaning that the Consolidated Entity, should it want to, has limited ability to realise these investments due to limited or no redemption options available through these structures. Unit prices have continued to be provided by the respective managers on either a monthly or quarterly basis.

Consistent with 30 June 2010, the Consolidated Entity has valued its investments in each of the underlying unlisted property securities funds based on the net asset value provided as at 31 December 2010, 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. As the Fund is not seeking to sell its assets in the near term, an additional discount would not normally be applied. However further consideration was then given to each net asset value in the current environment to determine whether an additional discount should be applied by assessing other prevailing market evidence, including transactional evidence and an assessment of the ability of the underlying investments to continue as a going concern. This analysis included application of discounts to unaudited net asset values where certain funds' underlying property investments were all located in Europe.

# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

		Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>8 Interest bearing liabilities</b>			
<b>Current</b>			
Secured debt		5,794	27,608
<b>Non current</b>			
Secured bank debt		37,100	41,587
Debt establishment fees		–	(685)
Total interest bearing liabilities – non current		37,100	40,902
<b>Total interest bearing liabilities</b>		<b>42,894</b>	<b>68,510</b>
	Expiry Date	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>Finance arrangements</b>			
<b>Facilities available</b>			
Bank debt facility	1 December 2012	37,100	63,787
Non bank debt	3 May 2011	5,794	5,408
Investment facility	1 June 2012	20,000	–
Less: Facilities utilised		(42,894)	(69,195)
<b>Facilities not utilised</b>		<b>20,000</b>	<b>–</b>

### Debt facility

Following the completion of the Rights Issue and repayment of Tranche B debt, the Fund entered into a new debt facility on the following key financial terms:

- Facility limit of \$37.1 million
- Maturity date of 1 December 2012, subject to the fund extending the loan in October 2011 from 1 December 2011 to 1 December 2012. This is subject to the following financial covenants being met at the time of the extension:
  - Loan to Value Ratio (LVR) limit of 30% to 1 December 2011 and LVR limit of 20% from 1 December 2011 until maturity; and
  - Interest Cover Ratio (ICR) of greater than 1.25 until 1 December 2011 and ICR of greater than 1.65 from 1 December 2011 until maturity.
- Margin of 2.5% per annum over BBSY.

At 31 December 2010, the Fund was in compliance with both financial covenants on its debt facility.

### Investment facility

Following completion of the Rights Issue, a wholly owned subsidiary of Brookfield Asset Management Inc. has provided a new \$20 million Investment Facility to fund investments by the Fund. The Investment Facility will have a maturity date of 1 June 2013, being six months after the maturity date of the New Debt Facility (subject to the conditions under the New Debt Facility). If the New Debt Facility is not extended, the maturity date of the Investment Facility will be 1 June 2012 (or earlier if an event of default occurs). Further details have been provided in the Fund's Rights Issue Offer Booklet issued 28 July 2010.

### Extension of loan

During the period, the Fund has extended the term of the loan utilised to acquire the Fund's investment in Brookfield Prime Property Fund (BPACB (formerly MAFCB)) from 3 November 2010 to 3 May 2011.

The Fund borrowed \$4.97 million from an entity in the Brookfield Multiplex group to acquire units under the MAFCB entitlement offer in November 2009, in which it has a 9.9% stake. The loan was made on commercial terms and conditions and recourse for the loan is limited to the security of the units in MAFCB subscribed for under the entitlement offer. Interest capitalises during the term of the loan.

# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

	Half year ended 31 December 2010 \$'000	Half year ended 31 December 2010 Units	Year ended 30 June 2010 \$'000	Year ended 30 June 2010 Units
<b>9 Units on issue</b>				
Ordinary units				
Opening balance	203,381	202,860,930	203,381	202,860,930
Units issued	28,446	608,582,790	–	–
<b>Closing balance – ordinary units</b>	<b>231,827</b>	<b>811,443,720</b>	<b>203,381</b>	<b>202,860,930</b>
Minority interest – income units				
Opening balance	52,960	52,791,450	52,960	52,791,450
<b>Closing balance – minority interest – income units</b>	<b>52,960</b>	<b>52,791,450</b>	<b>52,960</b>	<b>52,791,450</b>

### 10 Controlled entity

The Fund owns 100% of the ordinary units of MPIF. The results of MPIF are consolidated into the results of the Fund's interim financial report. The headline items of the MPIF financial position are detailed below:

	Consolidated 31 December 2010 \$'000	30 June 2010 \$'000
<b>Assets</b>		
Total current assets	1,932	4,068
Total non-current assets	38,931	35,459
<b>Total assets</b>	<b>40,863</b>	<b>39,527</b>
<b>Liabilities</b>		
Total current liabilities	–	281
<b>Total liabilities</b>	<b>–</b>	<b>281</b>
<b>Net assets</b>	<b>40,863</b>	<b>39,246</b>

### 11 Related parties

During the period, the Consolidated Entity sold units in Multiplex New Zealand Property Fund (MNZPF) on an arms length transaction through the liquidity facility offered by BCML, the Responsible Entity of both the Consolidated Entity and MNZPF. The Consolidated Entity realised 6.35% of its investment for a total consideration of \$1,984,000.

### Rights issue

During the period, the Fund completed an underwritten 3 for 1 renounceable pro-rate rights issue of 608,582,790 fully paid new units in the Fund, at an issue price of \$0.05 per new unit (Rights Issue). The Fund used the proceeds of the Rights Issue to repay the balance owing under Tranche B of the Fund's debt facility to meet costs associated with the Rights Issue and to provide working capital to the Fund. Brookfield Multiplex Capital Securities Limited (ABN 13 103 736 081) in its capacity as trustee for Brookfield Multiplex PPF Investment No 2 Trust, a related party of the Responsible Entity, underwrote the Rights Issue.

Other than the above, there have been no significant changes to the related party transactions as disclosed in the annual report for the year ended 30 June 2010.

### 12 Contingent liabilities and assets

No contingent liabilities or assets existed at 31 December 2010 (30 June 2010: nil).

### 13 Capital and other commitments

There were no capital or other commitments at 31 December 2010 (30 June 2010: nil).

# Notes to Condensed Consolidated Interim Financial Statements continued

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## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

### **14 Events subsequent to the reporting date**

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

## Brookfield Australian Opportunities Fund

For the half year ended 31 December 2010

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In the opinion of the Directors of Brookfield Capital Management Limited (formerly Brookfield Multiplex Capital Management Limited), the Responsible Entity of Brookfield Australian Opportunities Fund (formerly Multiplex Acumen Property Fund):

- a The condensed consolidated interim financial statements and notes, set out in pages 8 to 19, are in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2010 and of its performance for the six month period ended on that date; and
  - ii complying with Australian Accounting Standards 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 28th day of February 2011



**Russell Proutt**  
**Director**  
Brookfield Capital Management Limited



## Independent Auditor's Review Report to the Unitholders of Brookfield Australian Opportunities Fund

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Brookfield Australian Opportunities Fund ('the Fund'), which comprises the condensed statement of financial position as at 31 December 2010, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed 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 8 to 20.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Brookfield Capital Management Limited, the responsible entity for 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 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 2010 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.

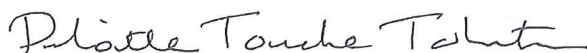
## *Auditor's Independence Declaration*

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 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 Brookfield Australian Opportunities 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 2010 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*.



DELOITTE TOUCHE TOHMATSU



Helen Hamilton-James  
Partner  
Chartered Accountants  
Parramatta, 28 February 2011