

Brookfield

**Brookfield Capital
Management Limited**
ABN 32 094 936 866
Level 22, 135 King Street
Sydney NSW 2000

GPO Box 172
Sydney NSW 2001

Tel +61 2 9322 2000
Fax +61 2 9322 2001
www.au.brookfield.com

Brookfield Australian Opportunities Fund
ARSN 104 341 988

ASX Announcement

24 September 2012

Brookfield Australian Opportunities Fund (ASX: BAO) Chairman's Address

Please find attached for release to the market the Chairman's address to be made at this morning's Unitholder Meeting of Brookfield Australian Opportunities Fund ("the Meeting").

The address will be presented to the Meeting by Mr Allan McDonald, Chairman.

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Brookfield Customer Service
Ph: 1800 570 000
Email: clientenquiries@au.brookfield.com

**Unitholder Meeting
of
Brookfield Australian Opportunities Fund
at
KPMG Tower, Auditorium
10 Shelley Street
Sydney
on
Monday, 24 September 2012
at
10:00am**

WELCOME

Allan: Good morning Ladies and Gentlemen.

It is now 10.00 am. A quorum is present, and I declare the Unitholder Meeting of Brookfield Australian Opportunities Fund open.

Out of respect for your fellow unitholders, may I ask that all mobile phones be turned off or switched to silent? Thank you.

My name is Allan McDonald and I am an independent Director and Chairman of Brookfield Capital Management Limited, the responsible entity of the Fund.

(INTRODUCTIONS)

I would like to take this opportunity to introduce you to those on stage for the meeting.

From the left we have:

- Neil Olofsson - the Company Secretary
- Russell Proutt - an executive director of Brookfield Capital Management Limited
- Barbara Ward - an independent director of Brookfield Capital Management Limited
- Shane Ross - an executive director of Brookfield Capital Management Limited

Unfortunately Brian Motteram, a fellow independent director, could not attend today's meeting.

In the front row we have Todd Hargreaves, Fund manager who is available to answer questions on the Fund.

INTRODUCTION

Brookfield Capital Management Limited has been considering a range of strategies to restore value to your Units, including regaining the ability to make distributions.

As stated in the Notice of Meeting it has become apparent that the Fund cannot meet its objectives if it continues in its current form. There is little prospect of an improvement under the existing structure, which will continue to have negative effects for unitholders. Brookfield Capital Management Limited now believes that it is in the best interests of Unitholders to wind up Brookfield Australian Opportunities Fund and distribute its assets.

And now, we will turn to the formal agenda of the meeting.

MEETING AGENDA

The order of business for this morning is that I will provide a brief outline on the events that have led to this unitholder meeting. I will then open the floor to questions before proceeding to the formal business of the meeting.

(BACKGROUND)

Two resolutions are being put before you today. The practical effect of these resolutions is as follows:

An unlisted managed investment scheme, the BAO Trust, has been established and registered with ASIC. If Resolution 1 is approved, BAO will be wound-up and unitholders will receive cash and an interest in the BAO Trust.

- If the proposal referred to in resolution 1 is approved, the Fund will liquidate its portfolio of listed securities with the exception of its holding in the Brookfield Prime Property Fund and the Multiplex European Property Fund. The holding in the Brookfield Prime Property Fund will be sold to a company in the Brookfield group if the second resolution is passed at this meeting and the holding in the Multiplex European Property Fund will be held in the BAO Trust. The Fund will use part of the sale proceeds to reduce its debt facility and the remainder of the debt facility will be transferred to the BAO Trust. All remaining assets and liabilities of the Fund will be transferred into the BAO Trust.
- An in specie distribution will be made by the Fund. Unitholders will receive one unit in the BAO Trust for every one unit held in the Fund. The Fund will then be de-listed from the ASX and wound up.
- The BAO Trust will then pay a cash distribution of 1.5 cents per unit to unitholders and will hold the assets transferred to it by the Fund. It is not intended that the BAO Trust will make any further investments. The Manager will be seeking to maximise the capital value of the assets and when the time is right will realise the assets to repay the balance of the debt facility and then return cash to Unitholders. This will of course be controlled by the terms of the underlying investments and the market. It is intended that all net income earned from the assets will be distributed to unitholders on a periodic basis.

Under resolution 2, it is proposed that units held in Brookfield Prime Property Fund will be transferred to Brookfield. Proceeds from the sale of the holding of approximately \$10.6 million will be used to further reduce the Fund's debt.

It should be noted that if Resolution 1 is not approved the proposal cannot proceed and the Fund will not be wound-up and will remain listed on ASX. If Resolution 1 is not approved Resolution 2 cannot be approved.

If Resolution 1 is passed and Resolution 2 is not, the holding in Brookfield Prime Property Fund will be transferred to the BAO Trust and, together with the other assets, will be realised at an appropriate time.

If the resolutions are not passed the Manager will continue to consider ways to maximise Unitholder value having regard to the Fund's current circumstances. This could include winding up the Fund in the future if this is considered to be in the best interests of Unitholders at that time.

The key advantages and disadvantages of the resolutions were outlined in the Notice of Meeting and Explanatory Memorandum so I won't go through those, but refer you to Section 5 of that document.

In accordance with the ASX Listing Rules BDO was appointed as Independent Expert and has provided a report which can be found on pages 28 to 42 of the Notice of Meeting and Explanatory Memorandum.

The Notice of Meeting and Explanatory Memorandum also mentions two conditions that needed to be met for the proposal to proceed. These conditions have now been satisfied.

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