

25 August 2014

Dear Investor

RE: Multiplex New Zealand Property Fund (Fund) – Investor Update

Brookfield Capital Management Limited (BCML), as responsible entity of the Fund, provides the following update to investors for the financial year ended 30 June 2014.

Financial results (Australian Dollars)

Key messages for the period are:

- A distribution of 2.2 cents per unit was paid in September 2013 and 15.24 cents per unit was paid in June 2014;
- Net profit after tax of \$4.2 million (30 June 2013: net profit after tax of \$5.7 million);
- Net assets of \$108.3 million (31 December 2013: \$146.9 million) and net assets per unit of \$0.50 (31 December 2013: \$0.67);
- Weighted average lease term to expiry of approximately 2.82 years (31 December 2013: 2.95 years);
- Portfolio occupancy of 81.1% (31 December 2013: 96.6%); and
- The Fund's debt facility was fully repaid from net proceeds from property sales.

The Fund's NTA in the six months to 30 June 2014 reduced from \$0.67 per unit to \$0.50 per unit – largely reflecting the 15.24 cents per unit distribution following the sale of Chorus House. It also reflects a decline in value of the remaining office portfolio.

Property Portfolio

The office portfolio value as at 30 June 2014 declined to NZ\$104.9 million (from NZ\$116.5 million as at 31 December 2013) due to a combination of the following factors:

- property specific issues such as an imminent lease expiry at 8 Hereford Street, capital expenditure allowances captured in the valuation and a reduced lease term for some tenants;
- higher seismic related capital expenditure requirements; and
- a softening in capitalisation rates in Wellington due to general market sentiment, higher vacancy rates and shorter weighted average lease expiries.

BCML continues to pursue sales opportunities for the remaining properties and will continue to update investors with further information in the future.

Distributions and Asset Sales

Distributions will be paid when further properties are sold or periodically when the Fund has accrued sufficient surplus cash.

Further information and financial results

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

BCML will continue to update investors with further information in the future.

Regards

Brookfield Customer Service

Phone: 1800 570 000

Email: clientenquiries@au.brookfield.com