

# ASX Announcement

08 March 2019

**Multiplex SITES Trust (ASX:MXU)  
31 December 2018 Annual Report and Appendix 4G**

In accordance with Listing Rule 4.7, please find attached for release to the market the Multiplex SITES Trust's ("the Trust") 31 December 2018 Annual Report and an Appendix 4G.

As the Trust's main asset is the investment in units of Multiplex Hybrid Investment Trust, also attached is the financial report of Multiplex Hybrid Investment Trust to be released to the market in accordance with Listing Rule 4.8.

-- ends --

**Multiplex SITES Investor Enquiries:**

Link Market Services

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**BROOKFIELD FUNDS MANAGEMENT LIMITED**

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Multiplex SITES Trust  
ARSN 111 903 747

2018

ANNUAL REPORT  
31 DECEMBER 2018

**MULTIPLEX SITES TRUST**

ARSN 111 903 747

Step-up  
Income-distributing  
Trust-issued  
Exchangeable  
Securities

**Brookfield**



# CHAIRMAN'S LETTER

Dear Multiplex SITES holder,

Multiplex SITES Trust has been trading on the ASX since January 2005 under the code "MXUPA". Distributions are discretionary, although have been paid on a quarterly basis since listing.

In accordance with the Product Disclosure Statement, the sole asset of the Trust remains the investment in units in Multiplex Hybrid Investment Trust. The Board of Directors does not anticipate any change to this situation.

The SITES distribution rate is set at the start of each quarter and represents the three month bank bill rate determined on the first business day of the relevant distribution period plus a margin of 3.9%.

Further SITES information including ASX releases, can be found at [www.au.brookfield.com](http://www.au.brookfield.com).

Alternatively, if you have any queries in relation to your investment, please contact Link Market Services on 1800 685 455.



**F. Allan McDonald**  
Chairman  
Brookfield Funds  
Management Limited  
(Responsible Entity of  
Multiplex SITES Trust)

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# DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

## INTRODUCTION

The Directors of Brookfield Funds Management Limited (ABN:15 105 371 917), the Responsible Entity of Multiplex SITES Trust (Trust) present their report together with the financial statements of the Trust for the year ended 31 December 2018 and the Independent Auditor's Report thereon.

## RESPONSIBLE ENTITY

The Responsible Entity of the Trust is Brookfield Funds Management Limited (BFML). 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 year:

<b>NAME</b>	<b>CAPACITY</b>
Mr F. Allan McDonald	Non-Executive Independent Chairman
Ms Barbara K Ward	Non-Executive Independent Director
Mr Shane A Ross	Executive Director

## INFORMATION ON DIRECTORS

DIRECTOR	EXPERIENCE	SPECIAL RESPONSIBILITIES
<b>NON-EXECUTIVE DIRECTORS</b>		
F. Allan McDonald (BEcon, FCPA, FAIM, FGIA)	<p>Mr McDonald was appointed to the Board on 22 October 2003 and was appointed Non-Executive Independent Chairman of Brookfield Funds Management Limited (BFML) in May 2005. Mr McDonald has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. Mr McDonald is also a director of Brookfield Capital Management Limited (BCML) (appointed January 2010), the Responsible Entity for Brookfield Prime Property Fund (BPA, delisted on 4 July 2017) and Multiplex European Property Fund (MUE, delisted on 17 September 2015). Mr McDonald is a director of Astro Japan Property Management Limited (Responsible Entity of Astro Japan Property Trust, delisted on 10 October 2017) in liquidation (appointed February 2005).</p> <p>Mr McDonald has also served as a director of Brookfield Office Properties Inc. (May 2011 to June 2014).</p>	Non-Executive Independent Chairman
Barbara K Ward, AM (BEcon, MPolEcon, MAICD)	<p>Ms Ward was appointed as a Non-Executive Independent Director of BFML on 22 October 2003. Ms Ward has gained extensive business and finance experience through her role as Chief Executive Officer of Ansett Worldwide Aviation Services, as General Manager Finance for the TNT Group and as a Senior Ministerial Advisor. Ms Ward is a Director of Qantas Airways Limited (appointed June 2008) and Caltex Australia Limited (appointed 1 April 2015). Ms Ward has also served as a director of Sydney Children's Hospital Foundation (November 2012 to February 2018). Ms Ward is also a director of BCML (appointed January 2010), the Responsible Entity for BPA (delisted on 3 July 2017) and MUE (delisted on 17 September 2015).</p>	Non-Executive Independent Director and Chairperson of Audit Committee and Board Risk and Compliance Committee
<b>EXECUTIVE DIRECTOR</b>		
Shane Ross (BBus)	<p>Shane is the Chief Financial Officer for Brookfield Australia Investments Limited and was appointed as an Executive Director of BFML on 6 May 2015. BFML is the responsible Entity for the listed Multiplex SITES Trust. Shane joined the organisation in 2003 following a background in banking and has over 22 years experience in treasury and finance within the property industry.</p>	Executive Director/ Alternate Director
<b>COMPANY SECRETARIES</b>		
Men (Mandy) Chiang	<p>Ms Chiang was appointed Company Secretary of BFML on 15 November 2016. Ms Chiang has over 20 years of company secretarial experience including having previously worked at Brookfield Australia Group for over 9.5 years.</p>	Company Secretary

# DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

## DIRECTORS' AND EXECUTIVES' EQUITY INTERESTS

NAME	MULTIPLEX SITES HELD AT THE START OF THE PERIOD	CHANGES DURING THE PERIOD	MULTIPLEX SITES HELD AT THE END OF THE PERIOD
Mr F. Allan McDonald	1,335	-	1,335

The number of Directors' meetings (including meetings of committees of Directors) for the Responsible Entity during the year, and the number of meetings attended by each of the Directors, are as follows:

DIRECTOR	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		BOARD RISK AND COMPLIANCE COMMITTEE MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
Mr F. Allan McDonald	4	4	2	2	3	3
Ms Barbara K Ward	4	4	2	2	3	3
Mr Shane A Ross	4	4	N/A	N/A	N/A	N/A

## PRINCIPAL ACTIVITIES

The Trust is a registered managed investment scheme domiciled in Australia and the Step-up Income-distributing Trust-issued Exchangeable securities (Multiplex SITES) are listed on the Australian Securities Exchange.

The investment activities of the Trust continue to be in accordance with the policies outlined in the original Product Disclosure Statement for the Trust dated 29 November 2004. During the year ended 31 December 2018 the Trust's sole activity was holding units in Multiplex Hybrid Investment Trust and the payment of distributions to unitholders.

The Trust did not have any employees during the year.

## REVIEW OF OPERATIONS

The Trust earned a net profit attributable to unitholders of \$26,325,000 for the year ended 31 December 2018 (2017: \$25,335,000). Total quarterly distributions paid or payable in respect of the year ended 31 December 2018 were \$26,325,000 (2017: \$25,335,000). The carrying value of the Trust's net assets at the end of the year ended 31 December 2018 was \$450,000,000 (2017: \$450,000,000).

The Trust's only activity is an investment in units in Multiplex Hybrid Investment Trust.

## CORPORATE GOVERNANCE

This corporate governance statement (Statement) is required to disclose the extent to which the third edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles) are followed by the Multiplex SITES Trust (Trust). The ASX Principles are guidelines for businesses which set out eight core principles the ASX Corporate Governance Council believes lie behind good corporate governance.

The Statement has been approved by the board of Brookfield Funds Management Limited (BFML), in its capacity as responsible entity of the Trust (Board). The Statement is current as at 26 February 2019.

It is noted that some of the ASX Principles do not apply to the Trust because it is an externally managed listed entity (as defined by the ASX Principles) and those ASX principles are referenced as 'not applicable' below.

## **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

It is the Board's responsibility to ensure that the foundations for management and oversight of the Trust are established and documented appropriately.

### **Managing the Affairs of the Trust**

Management is responsible for the operations of the Trust and their performance is overseen by the Board. The role of the Board and its committees is set out in a charter (Board Charter) and this reserves the following powers for the Board:

- approval of risk management strategy;
- approval of financial statements and any significant changes to accounting policies;
- approval of distribution payments;
- approval and monitoring of major investments or divestitures and strategic commitments;
- consideration of recommendations from the Audit Committee and Board Risk and Compliance Committee; and
- any matter which, according to law, is expressly reserved for Board determination.

A copy of the Board Charter is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

In addition, the Board is responsible for:

- monitoring the implementation of the financial and other objectives of the Trust;
- overseeing and approving the risk, control and accountability systems;
- monitoring compliance with legal, constitutional and ethical standards; and
- ensuring there is effective communication with unitholders and other stakeholders of the Trust.

### **Election and Re-election of Directors**

Recommendation 1.2 of the ASX Principles is not applicable to the Trust, however, the character, experience, education, skillsets, interests and associations of potential new directors are always considered. In addition, appropriate checks as to the suitability of a candidate for appointment to the Board are conducted.

Recommendation 1.3 of the ASX Principles is not applicable to the Trust, however, all directors have an appointment letter or employment agreement setting out the terms of their appointment.

### **Company Secretary**

Recommendation 1.4 of the ASX Principles is not applicable to the Trust, however, the Directors have direct access to the Company Secretary. In addition, the Company Secretary:

- is accountable to the Board on all governance matters;
- supports the Board by monitoring and maintaining Board policies and procedures; and
- coordinates the timely completion and dispatch of the Board meeting agendas and briefing material.

### **Diversity Policy**

Recommendation 1.5 of the ASX Principles is not applicable to the Trust, however, BFML does not employ staff and so does not have a diversity policy. However, Brookfield Australia has a Diversity Consultative Committee and a specific Brookfield Women's Advisory Committee that sets objectives and policies in relation to improving the number of women employed across the whole organisation.

### **Board Evaluation**

Recommendation 1.6 of the ASX Principles is not applicable to the Trust, however, the Board undertakes an annual self-evaluation of its performance. The evaluation is conducted by way of a survey completed by each of the Directors, followed by an analysis and discussion of the results. As part of the review, consideration is given to the existing skills and competency of the Directors, to ensure there is an appropriate mix of skills for managing BFML and overseeing the affairs of the Trust.

### **Process for Evaluating the Performance of Senior Executives**

Recommendation 1.7 of the ASX Principles is not applicable to the Trust, however, Management, responsible for the operation of the Trust are subject to a performance evaluation process, including setting KPIs and evaluating performance against these KPIs at various points throughout the year. In addition, all new employees of Brookfield Australia, including senior executives, attend a formal induction which provides an overall introduction to the various business units within the organisation.



# DIRECTOR'S REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2018

### PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

#### Nomination Committee

Recommendation 2.1 of the ASX Principles is not applicable to the Trust.

#### Board Skills Matrix

Recommendation 2.2 of the ASX Principles is not applicable to the Trust, however, the Board considers that collectively it has an appropriate matrix of skills, experience and expertise which allow it to meet the Trust's objectives. The composition of the Board is subject to continuous review. Profiles of each of the Directors can be found in the 'Information on Directors' section of this report.

#### Independence and Length of Service of Directors

The table below sets out the details of each of the Directors including their independent status and length of tenure. The interests of the Directors can be found in the 'Information on Directors' section of this report.

NAME	POSITION HELD	INDEPENDENT YES/NO	DATE APPOINTED TO THE BOARD
F. Allan McDonald	Non-Executive Independent Chairman	Yes	22 October 2003
Barbara Ward	Non-Executive Independent Director	Yes	22 October 2003
Shane Ross	Executive Director	No	6 May 2015

The independence status of the Directors was determined using the criteria set out in Recommendation 2.3 of the ASX Principles.

Recommendation 2.4 of the ASX Principles is not applicable to the Trust, however, the Board follows this recommendation and has a majority of independent directors.

Recommendation 2.5 of the ASX Principles is not applicable to the Trust, however, the Board's Chairman is independent and his role is separate from the role of Chief Executive Officer of Brookfield Australia.

#### Induction and Education of Directors

Recommendation 2.6 of the ASX Principles is not applicable to the Trust, however, an induction programme for new Directors would be facilitated by the Company Secretary. This programme would provide Directors with an understanding of the financial, strategic, operational and risk management position of BFML and the Trust.

### PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

#### Code of Business Conduct and Ethics

Brookfield Australia has a Code of Business Conduct and Ethics (Code) which sets out the requirements for workplace and human resource practices, risk management and legal compliance. The Board acknowledges that the Directors are subject to the Code.

The Code is designed to ensure that all directors, officers and employees within the organisation conduct activities with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements. The Code is aligned to Brookfield Australia's core values of teamwork, integrity and performance and is fully supported by the Board.

A copy of the Code is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

## PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### Audit Committee

The Board has established an Audit Committee to oversee the integrity of the financial reporting controls and procedures used by BFML, when acting in its capacity as the responsible entity of the Trust.

The Audit Committee is responsible for:

- overseeing financial reporting to ensure balance, transparency and integrity; and
- evaluating and monitoring the effectiveness of the external audit function.

The members of the Audit Committee throughout the reporting period were:

NAME	POSITION	NUMBER OF MEETINGS IN YEAR	ATTENDANCE
Barbara Ward	Chairman	2	2
F. Allan McDonald	Member	2	2

As noted in the commentary to ASX Principle 2, all members of the Audit Committee are independent directors. Profiles of the Audit Committee members can be found in the 'Information on Directors' section of this report.

With only two members, the Audit Committee does not follow ASX Recommendation 4.1 which requires it to have three members. However, given this is committee of the Board and the Board only has three directors, this is considered by the Board to be a sufficient size.

### Audit Committee Charter

The Audit Committee has adopted a formal charter, which sets out its responsibilities with respect:

- to financial reporting;
- external audit (including procedures regarding appointment, removal of and term of engagement with the external auditor); and
- performance evaluation.

A copy of the charter is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

### CEO and CFO Certification of Financial Statements

The Board has received declarations from the Executive Director and Vice President, Finance of BFML that the financial statements of the Trust, in all material respects: present a true and fair view of the financial position and operational results of the Trust. The declarations also confirm the statements are based upon a sound system of risk management and internal compliance and control systems are operating efficiently in relation to financial reporting risks.

### External Auditors Available at AGM

Recommendation 4.3 of the ASX Principles is not applicable to the Trust.

## PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

### Disclosure Policy

BFML is committed to complying with the continuous disclosure obligations contained in the ASX Listing Rules. The Board has adopted a continuous disclosure policy, which is designed to ensure that all unitholders have equal and timely access to material information concerning the Trust. The Continuous Disclosure Policy applies to the Directors, and managers and employees involved in the operation of the Trust and BFML.

The Company Secretary is primarily responsible for the Trust's compliance with its continuous disclosure obligations and maintaining the Continuous Disclosure Policy. The Company Secretary is also the liaison between the Board and the ASX.

A copy of the Continuous Disclosure Policy is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

# DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

## PRINCIPLE 6: RESPECT THE RIGHTS OF THE TRUST'S UNITHOLDERS

### Information on Website

Up-to-date information on the Trust and BFML, as responsible entity of the Trust, including any continuous disclosure notices given by the Trust, financial reports, governance and distribution information, is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

### Investor Relations Program

BFML, in its capacity as responsible entity of the Trust, is committed to timely and ongoing communication with the Trust's unitholders.

BFML's communication strategy is incorporated into the Continuous Disclosure Policy. The annual report also provides an update to unitholders on major achievements and the financial results of the Trust.

### Facilitate Participation at Meetings of Unitholders

Recommendation 6.3 of the ASX Principles is not applicable to the Trust.

### Facilitate Electronic Communication

The Trust's unitholders are provided the option to receive electronic communications from and send communication to BFML, in its capacity as responsible entity of the Trust, and the Trust's share registry.

## PRINCIPLE 7: RECOGNISE AND MANAGE RISK

### Risk and Compliance Committee

The Board is ultimately responsible for overseeing the management of risks relating to BFML's and the Trust's operations and has established a Risk and Compliance Committee to assist with this mandate. The Board has assigned accountability and responsibility for the management of risk to Management and reports to the Board on in relation to this via the Risk and Compliance Committee. Financial risks are managed by the Audit Committee.

The members of the Risk and Compliance Committee throughout the financial period were:

NAME	POSITION	NUMBER OF MEETINGS IN YEAR	ATTENDANCE
Barbara Ward	Chairman	3	3
F. Allan McDonald	Member	3	3

The Risk and Compliance Committee is governed by a formal charter, which is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

### Risk Management Strategy and Risk Registers

The Board has adopted a risk management strategy (RMS). The RMS describes the key elements of the risk management framework that relate to the delivery of financial services by BFML, as an Australian Financial Services Licensee. The RMS is reviewed on an annual basis. Pursuant to the RMS, risk registers are maintained to manage risks that could impact upon BFML, as the responsible entity of the Trust.

### Compliance and Internal Audit

Designated compliance staff assist BFML, as responsible entity of the Trust, with reviewing and monitoring the efficiency of compliance systems on an ongoing basis. Brookfield Australia also has an internal audit function (independent of Management) which may review aspects of BFML's and the Trust's activities as part of its annual program.

### Sustainability Risks

Environmental stewardship is a major component of Brookfield Australia's strategic business plan. Sustainability is a high priority to the organisation and is treated as a key business objective, along with revenue growth and risk management. Decisions made at Brookfield Australia take into account fiscal and environmental responsibilities.

A copy of the Sustainability Report is available on the Brookfield Australia website at [www.au.brookfield.com](http://www.au.brookfield.com).

## PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

### Remuneration

Recommendations 8.1, 8.2 and 8.3 of the ASX Principles are not applicable to the Trust.

Pursuant to the Trust's product disclosure statement and constitution, BFML, as responsible entity of the Trust is entitled to, but not mandated to claim a management fee. No such fee was claimed during the reporting period.

### Distributions

Distributions paid or declared by the Trust were as follows:

	CENTS PER UNIT	TOTAL AMOUNT \$'000	DATE OF PAYMENT
<b>Year ended 31 December 2018</b>			
Distributions for the period ended 31 March 2018	140.00	6,300	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615	16 July 2018
Distributions for the period ended 30 September 2018	151.00	6,795	16 October 2018
Distributions for the period ended 31 December 2018	147.00	6,615	15 January 2019
<b>Total distributions</b>	<b>585.00</b>	<b>26,325</b>	
<b>Year ended 31 December 2017</b>			
Distributions for the period ended 31 March 2017	140.00	6,300	19 April 2017
Distributions for the period ended 30 June 2017	141.00	6,345	17 July 2017
Distributions for the period ended 30 September 2017	141.00	6,345	17 October 2017
Distributions for the period ended 31 December 2017	141.00	6,345	16 January 2018
<b>Total distributions</b>	<b>563.00</b>	<b>25,335</b>	

On 2 January 2019, the Trust announced to the ASX that the distribution rate for the period from 1 January 2019 to 31 March 2019 is 5.9825% per annum.

### Events subsequent to the reporting date

In 2010 and 2013, Brookfield Holdings (Australia) Ltd. (BHAL) entered into a total return swap and option with BOPA Holdings Ltd. (BPO) and Brookfield BPY Holdings (Australia) ULC which included options over assets in the Brookfield Australia Property Trust (BAPT) portfolio. BHAL indirectly owns all of the units in BAPT and is obligated to procure that its subsidiaries enter into transactions to facilitate the transfer of assets pursuant to these arrangements.

The options have now been exercised and, in accordance with directions from BHAL, BAPT has entered into conditional sale agreements to dispose of the optioned properties (being nearly all of its remaining office property portfolio) (Portfolio Sale).

The Portfolio Sale is conditional on numerous matters including regulatory approvals and requisite financier and co-owner consents. Completion of the Portfolio Sale is expected to occur during the 2019 financial year.

Other than the payment of the 31 December 2018 distribution on 15 January 2019 and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

# DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

## Indemnification and insurance of officers and auditors

Under deeds of access and indemnity, Brookfield Australia Investments Limited or Brookfield Australia Pty Ltd has agreed to indemnify the Directors and Company Secretary of BFML, to the extent permitted by law, against:

- liabilities incurred as Director or Company Secretary of BFML, except for those liabilities incurred in relation to the matters set out in section 199A(2) of the Corporations Act 2001; and
- reasonable legal costs incurred in defending an action for a liability as Director or Company Secretary of BFML, except for costs incurred in relation to matters set out in section 199A(3) of the Corporations Act 2001 (the "Indemnity").

The Indemnity is satisfied by maintenance of a global directors' and officers' insurance policy, which policy prohibits certain disclosures in relation to the nature of the liability covered and the amount of the premium, however, it can be disclosed that the policy does not insure against liabilities arising out of matters including, but not limited to:

- fraudulent, dishonest or criminal acts or omissions and improper personal profit or advantage;
- violation of US Securities Act of 1993;
- losses for which coverage under a different kind of insurance policy is readily available such as, liability insurance, employment practices liability and pollution liability (there can be limited coverage for some of these exposures); and
- claims made by a major shareholder (threshold is ownership of 10% or greater).

The obligation to effect, maintain and pay the premium of the global directors' and officers' insurance policy continues for a period of seven years after the Director or Company Secretary of BFML has left office, to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

## Contract of insurance

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

## Rounding of amounts

The Trust is an entity of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

The lead auditor's independence declaration is set out on page 12 and forms part of the Directors' Report for the year ended 31 December 2018.

Signed in accordance with a resolution of the Directors, made pursuant to Section 298(2) of the Corporations Act 2001, on behalf of the Directors of Brookfield Funds Management Limited.

Dated at Sydney this 26th day of February 2019



## Shane A Ross

Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust

# AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 31 DECEMBER 2018

## Deloitte.

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

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225 George Street  
Sydney NSW 2000  
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The Board of Directors  
Brookfield Funds Management Limited  
(as Responsible Entity for Multiplex SITES Trust)  
Level 22, 135 King Street  
SYDNEY, NSW 2000

26 February 2019

Dear Board Members

### Multiplex SITES Trust

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 Funds Management Limited as responsible entity for Multiplex SITES Trust.

As lead audit partner for the audit of the financial statements of Multiplex SITES Trust for the financial year ended 31 December 2018, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

*DELOITTE TOUCHE TOHMATSU.*

DELOITTE TOUCHE TOHMATSU

*A. COLEMAN.*

Andrew J Coleman  
Partner  
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	YEAR END 31 DEC 2018 \$'000	YEAR END 31 DEC 2017 \$'000
Share of net profit of associates accounted for using the equity method	26,325	25,335
<b>Net profit for the period from continuing operations</b>	<b>26,325</b>	<b>25,335</b>
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period attributable to SITES unitholders</b>	<b>26,325</b>	<b>25,335</b>
<b>Earnings per unit</b>		
Basic and diluted earnings per ordinary unit (cents)	585.00	563.00

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	NOTE	31 DEC 2018 \$'000	31 DEC 2017 \$'000
<b>Non-current assets</b>			
Investments accounted for using the equity method	3	456,615	456,345
<b>Total non-current assets</b>		<b>456,615</b>	<b>456,345</b>
<b>Total assets</b>		<b>456,615</b>	<b>456,345</b>
<b>Current liabilities</b>			
Distributions payable	4	6,615	6,345
<b>Total current liabilities</b>		<b>6,615</b>	<b>6,345</b>
<b>Total liabilities</b>		<b>6,615</b>	<b>6,345</b>
<b>Net assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Equity</b>			
Units on issue	5	450,000	450,000
<b>Total equity</b>		<b>450,000</b>	<b>450,000</b>

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



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	UNITS ON ISSUE \$'000	ACCUMULATED PROFIT/ (LOSSES) \$'000	TOTAL EQUITY \$'000
<b>Opening equity - 1 January 2018</b>		<b>450,000</b>	<b>-</b>	<b>450,000</b>
Net profit		-	26,325	26,325
Other comprehensive income		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>26,325</b>	<b>26,325</b>
Distributions to unitholders	1	-	(26,325)	(26,325)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>-</b>	<b>(26,325)</b>	<b>(26,325)</b>
<b>Closing equity - 31 December 2018</b>		<b>450,000</b>	<b>-</b>	<b>450,000</b>
<b>Opening equity - 1 January 2017</b>		<b>450,000</b>	<b>-</b>	<b>450,000</b>
Net profit		-	25,335	25,335
Other comprehensive income		-	-	-
<b>Total comprehensive income</b>		<b>-</b>	<b>25,335</b>	<b>25,335</b>
Distributions to unitholders	1	-	(25,335)	(25,335)
<b>Total transactions with unitholders in their capacity as unitholders</b>		<b>-</b>	<b>(25,335)</b>	<b>(25,335)</b>
<b>Closing equity - 31 December 2017</b>		<b>450,000</b>	<b>-</b>	<b>450,000</b>

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	NOTE	YEAR ENDED 31 DEC 2018 \$'000	YEAR ENDED 31 DEC 2017 \$'000
<b>Cash flows from operating activities</b>		-	-
<b>Net cash inflows from operating activities</b>	2	-	-
<b>Cashflows from investing activities</b>			
Dividends and distributions received		26,055	25,335
<b>Net cash inflows from investing activities</b>		<b>26,055</b>	<b>25,335</b>
<b>Cash flows from financing activities</b>			
Distributions paid to Multiplex SITES holders		(26,055)	(25,335)
<b>Net cash outflows from financing activities</b>		<b>(26,055)</b>	<b>(25,335)</b>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of financial period		-	-
<b>Cash and cash equivalents at end of financial period</b>		<b>-</b>	<b>-</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### GENERAL INFORMATION

Multiplex SITES Trust (Trust) is a unit trust domiciled in Australia and is an Australian registered managed investment scheme under the Corporations Act 2001. Brookfield Funds Management Limited, the Responsible Entity of the Trust, is incorporated and domiciled in Australia. The units of the Trust have been listed on the Australian Securities Exchange (ASX) and are guaranteed on a subordinated and unsecured basis by Brookfield Australia Investments Limited and Brookfield Funds Management Limited (Guarantors). The Trust was registered on 25 November 2004.

The annual financial statements of the Trust for the year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors of the Responsible Entity on 26 February 2019.

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. Accounting standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with Australian equivalents to IFRS ensures that the financial statements and notes of the Trust comply with IFRS.

### Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars. The Trust is a entity of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Due to the classification of distributions payable as current liabilities at 31 December 2018, the Trust is in a net current liability position of \$6.6 million. The Trust has non-current assets of \$456.6 million and a net asset position of \$450 million. In accordance with AASB 101, 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. The accounts of the Trust have been prepared on a going concern basis as the net current asset deficiency is due to the classification of distributions payable as current liabilities. There are agreements in place that ensure the receipt of distributions by the Trust occur at the same time as the payment of their distributions to unitholders, and hence the classification of the distributions payable as current do not impact the ability of the Trust to continue as a going concern. On the 15th of January 2019 SITES received the 31 December 2018 distribution declared by Multiplex Hybrid Investment Trust (MHIT) and paid its 31 December 2018 distribution payable.

### Use of estimates and judgements

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 expense. Actual results may differ from those 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 the most significant effect on the amount recognised in the financial statements is provided in investments accounted for using the equity method (Note 3).

The accounting policies and methods of computation adopted in the preparation of the full year financial report are consistent with those adopted in the Trust's 2018 annual report for the financial year ended 31 December 2018.

### Application of new and revised Australian Accounting Standards

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018. The adoption of these new accounting standards, including AASB 15 and AASB 9 did not have any material impact.

### New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

- i. AASB 2008-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*: effective 1 January 2019;

When these standards are first adopted for the year ending 31 December 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

### Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Trust operates in a single segment, being an investment in Multiplex Hybrid Investment Trust in Australia. All items of the Statement of Comprehensive Income and Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

## PERFORMANCE FOR THE YEAR

### 1 DISTRIBUTIONS

#### Accounting Policy

A payable for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Statement of Cash Flows.

Distributions are payable at the discretion of the Responsible Entity at the three month bank bill rate on the issue date plus a margin of 3.90%. The rate is determined on the first business day of each quarter.

	CENTS PER UNIT	TOTAL AMOUNT \$'000	DATE OF PAYMENT
<b>Year ended 31 December 2018</b>			
Distributions for the period ended 31 March 2018	140.00	6,300	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615	16 July 2018
Distributions for the period ended 30 September 2018	151.00	6,795	16 October 2018
Distributions for the period ended 31 December 2018	147.00	6,615	15 January 2019
<b>Total distributions</b>	<b>585.00</b>	<b>26,325</b>	
<b>Year ended 31 December 2017</b>			
Distributions for the period ended 31 March 2017	140.00	6,300	19 April 2017
Distributions for the period ended 30 June 2017	141.00	6,345	17 July 2017
Distributions for the period ended 30 September 2017	141.00	6,345	17 October 2017
Distributions for the period ended 31 December 2017	141.00	6,345	16 January 2018
<b>Total distributions</b>	<b>563.00</b>	<b>25,335</b>	

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## 2 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Accounting Policy

An associate is an entity over which the Trust has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Trust's share of the profit or loss and other comprehensive income of the associate. When the Trust's share of losses of an associate exceeds the Trust's interest in that associate (which includes any long-term interests that, in substance, form part of the Trust's net investment in the associate), the Trust discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Trust has incurred legal or constructive obligations or made payments on behalf of the associate.

The Trust discontinues the use of the equity method from the date when the investment ceases to be an associate or when the investment is classified as held for sale. When the Trust retains an interest in the former associate and the retained interest is a financial asset, the Trust measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 139.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Trust accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Trust reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

	31 DEC 2018 \$'000	31 DEC 2017 \$'000
<b>Non-current</b>		
Units in unlisted associates	456,615	456,345
	<b>456,615</b>	<b>456,345</b>

SITES has assessed that no impairment to its investment in MHIT is required for the current period (2017:Nil).

### Relationship with Multiplex Hybrid Investment Trust

Multiplex SITES Trust has an investment (100% of the Class A units and 25% of the voting rights) in Multiplex Hybrid Investment Trust (MHIT) of \$450,000,000 (2017: \$450,000,000), and are entitled to quarterly distributions on this investment. Distributions paid or payable to Multiplex SITES Trust (the Class A unitholder) totalled \$26,325,000 for the year ended 31 December 2018 (2017: \$25,335,000). The activities of MHIT and its relationship with the Trust is strategic to the operations of the Trust. The registered office and principal place of business of the trustee of MHIT is Level 22, 135 King Street, Sydney.

Details of material interests in associates are as follows:

NAME	PRINCIPLE ACTIVITIES	VOTING INTEREST %	CARRYING VALUE	CARRYING VALUE
			31 DEC 2018 \$'000	31 DEC 2017 \$'000
Multiplex Hybrid Investment Trust	Investment	25	456,615	456,345
			31 DEC 2018 \$'000	31 DEC 2017 \$'000
<b>Movement in the carrying value</b>				
Carrying amount at the beginning of the period			456,345	456,345
Profit accounted for using the equity method			26,325	25,335
Distribution paid during the period			(26,055)	(25,335)
<b>Carrying amount at the end of the period</b>			<b>456,615</b>	<b>456,345</b>
<b>Other disclosures</b>				
<b>Associates' revenues and profits</b>				
Revenues and profit of associates			26,325	25,329
<b>Associates' profit and other comprehensive income</b>				
Profit or loss from continuing operations			26,325	25,329
Income tax expense attributable to net profit			-	-
Other comprehensive income			-	-
Total comprehensive income			26,325	25,329
<b>Total associates' net profit after tax accounted for using the equity method</b>			<b>26,325</b>	<b>25,329</b>
<b>Associates' assets and liabilities</b>				
Current assets			6,615	6,345
Non-current assets			450,000	450,000
<b>Total Assets</b>			<b>456,615</b>	<b>456,345</b>
Current liabilities			6,615	6,345
Non-current liabilities			-	-
<b>Total Liabilities</b>			<b>6,615</b>	<b>6,345</b>
<b>Net Assets</b>			<b>450,000</b>	<b>450,000</b>

## LIQUIDITY AND WORKING CAPITAL

### 3 CASH FLOW INFORMATION

	YEAR ENDED 31 DEC 2018 \$'000	YEAR ENDED 31 DEC 2017 \$'000
<b>Reconciliation of net (loss) to net cash (outflow)/inflow from operating activities</b>		
Profit/(Losses) from ordinary activities after income tax	-	-
Change in operating assets and liabilities:		
(Increase) in assets	(270)	-
Increase in liabilities	270	-
<b>Net cash inflow from operating activities</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

## 4 TRADE AND OTHER PAYABLES

	31 DEC 2018 \$'000	31 DEC 2017 \$'000
<b>Current</b>		
Distributions payable	6,615	6,345
	<b>6,615</b>	<b>6,345</b>

## OTHER NOTES

### 5 UNITS ON ISSUE

#### Accounting Policy

Issued and paid up units are recognised at face value, being the consideration of \$100 received by the Trust for each unit on issue.

	31 DEC 2018 \$'000	31 DEC 2017 UNITS	31 DEC 2018 \$'000	31 DEC 2016 \$'000
<b>Units on issue</b>				
Amounts owing to Multiplex SITES holders	450,000	4,500,000	450,000	4,500,000

#### a. Terms and conditions

Multiplex SITES is a fully paid unit issued by the Trust and is entitled to income that is derived by the Trust.

Multiplex SITES rank in priority to other units in the Trust, but behind creditors of the Trust.

The Responsible Entity, in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited (guarantors), guarantee the face value and unpaid distribution amount on redemption (being not more than the distribution payments for the four preceding but unpaid distributions). In addition, while the Responsible Entity of the Trust is a member of Brookfield Australia Investments Group, the Responsible Entity in its capacity as responsible entity of Brookfield Australia Property Trust and Brookfield Australia Investments Limited guarantee any distributions which have been declared payable by the Trust.

Under the guarantee, Multiplex SITES rank in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited but are subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited.

Multiplex SITES have an unsecured and subordinated guarantee of the face value and unpaid distribution amount (not being more than the distribution payments for the four preceding but unpaid distributions).

#### b. Assets pledged as security

The guarantee, which ranks in priority to units in Brookfield Australia Property Trust and shares in Brookfield Australia Investments Limited, is subordinated to senior creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited and ranks equally with other creditors of Brookfield Australia Property Trust and Brookfield Australia Investments Limited who are not senior creditors.

#### c. Holder redemption

Holders have the right to initiate redemption of Multiplex SITES, by issue of a holder realisation notice, in the following limited circumstances:

- where a priority distribution payment to Multiplex SITES Trust is not paid in full; or
- the occurrence of a winding-up event, with respect to either of the Guarantors, Multiplex SITES Trust (for as long as the responsible entity of Multiplex SITES Trust is a member of Brookfield Australia Investments Group) or Multiplex Hybrid Investment Trust (MHIT) (for as long as the trustee of MHIT is a member of Brookfield Australia Investments Group).

The request for redemption is effective and will be implemented if made by holders who cumulatively hold 5% or more of Multiplex SITES on issue.

Upon redemption, holders will receive the aggregate of \$100 plus the unpaid distribution amount, not being more than the distribution payments for the four preceding but unpaid distributions.

#### **d. Issuer redemption**

Subject to approval of the Responsible Entity and Brookfield Australia Investments Limited, the Trust may initiate redemption of all or some of the Multiplex SITES for cash, by sending a realisation notice to holders, in the following circumstances:

- the step-up date or the last day of each distribution period after the step-up date;
- an increased costs event;
- an accounting event;
- where the responsible entity of the Trust is no longer a member of Brookfield Australia Investments Limited;
- a change of control event; or
- here are less than \$50 million of Multiplex SITES remaining on issue.

#### **e. Holder exchange**

Holders have no right to request exchange.

#### **f. Issuer exchange**

Brookfield Australia Investments Group was delisted on 20 December 2007. For so long as Brookfield Australia Investments Group is not listed, the Responsible Entity will not be entitled to exercise its option to exchange Multiplex SITES for Brookfield Australia Investments Group stapled securities.

### **6 FINANCIAL RISK MANAGEMENT**

#### **Financial risk management**

The Trust has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Trust's financial performance.

The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Audit Committee and Risk and Compliance Committee. Management also reports to the Board through the Audit & Risk Committee as to the effectiveness of the Trust's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

### **7 REMUNERATION OF AUDITORS**

During the current and prior periods, all amounts paid to the auditor of the Trust, Deloitte Touche Tohmatsu, were borne by Brookfield Property Australia Pty Ltd (a Related Party).

### **8 CONTINGENT LIABILITIES AND ASSETS**

No contingent liabilities or assets existed 31 December 2018 (31 December 2017: nil).

### **9 CAPITAL AND OTHER COMMITMENTS**

No capital or other commitment existed at 31 December 2018 (31 December 2017: nil).

### **10 RELATED PARTIES**

#### **Associates**

Interests in associates are set out in note 3.

#### **Key management personnel**

No compensation is paid by the Trust or the Responsible Entity to Directors or directly to any of the key management personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Australia Investments Group.

The number of Multiplex SITES units held by key management personnel of the Responsible Entity, including their personally related entities, is set out below:

	<b>UNITS HELD AT 31 DEC 2018</b>	<b>UNITS HELD AT 31 DEC 2017</b>
Mr F. Allan McDonald	1,335	1,335



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2018

### Transactions with related parties

Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- An investment in Multiplex Hybrid Investment Trust of \$450,000,000 (2017: \$450,000,000); and
- Distributions received/receivable of \$26,325,000 for the year ended 31 December 2018 (year ended 31 December 2017: \$25,335,000)

### Responsible Entity

The Responsible Entity of the Trust is Brookfield Funds Management Limited, whose immediate parent company is Brookfield Australia Investments Limited. The ultimate Australian parent of the Responsible Entity is Brookfield Holdings (Australia) Pty Ltd, with the ultimate parent being Brookfield Asset Management Inc.

### 11 EVENTS SUBSEQUENT TO THE REPORTING DATE

In 2010 and 2013, Brookfield Holdings (Australia) Ltd. (BHAL) entered into a total return swap and option with BOPA Holdings Ltd. (BPO) and Brookfield BPY Holdings (Australia) ULC which included options over assets in the Brookfield Australia Property Trust (BAPT) portfolio. BHAL indirectly owns all of the units in BAPT and is obligated to procure that its subsidiaries enter into transactions to facilitate the transfer of assets pursuant to these arrangements.

The options have now been exercised and, in accordance with directions from BHAL, BAPT has entered into conditional sale agreements to dispose of the optioned properties (being nearly all of its remaining office property portfolio) (Portfolio Sale).

The Portfolio Sale is conditional on numerous matters including regulatory approvals and requisite financier and co-owner consents. Completion of the Portfolio Sale is expected to occur during the 2019 financial year.

Other than matters previously disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

# DIRECTOR'S DECLARATION

## FOR THE YEAR ENDED 31 DECEMBER 2018

In the opinion of the Directors of Brookfield Funds Management Limited, the Responsible Entity of Multiplex SITES Trust:

- a. The Financial Statements and notes set out on pages 13 to 24 are in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the financial position of the Trust as at 31 December 2018 and of its performance for the year ended on that date; and
  - ii the attached financial statements are in compliance with International Financial Reporting Standards, as stated in the notes to the financial statements; and
  - iii complying with Accounting Standards and the Corporations Act 2001 in Australia and the Corporations Regulations 2001;
- b. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors of Brookfield Funds Management Limited as required by Section 295A of the Corporations Act 2001.

Dated at Sydney this 26th day of February 2019



**Shane A Ross**  
Executive Director  
Brookfield Funds Management Limited  
as Responsible Entity for Multiplex SITES Trust

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



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

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## Independent Auditor's Report to the unitholders of Multiplex SITES Trust

### *Opinion*

We have audited the financial report of Multiplex SITES Trust (the "Trust") which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Trust's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Brookfield Funds Management Limited (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Member of Deloitte Touche Tohmatsu Limited  
Liability limited by a scheme approved under Professional Standards Legislation

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><i>Recoverability of the investment in Multiplex Hybrid Investment Trust ('MHIT')</i></p> <p>As at 31 December 2018 the investment in MHIT is valued at \$456,615,000 which is disclosed in Note 3 'Investments accounted for using the equity method'.</p> <p>The only relevant activity of the Trust is to invest in MHIT and the only source of revenue arises from distributions from the investment, as such the Directors assess impairment at each reporting date by evaluating conditions specific to the Trust and to MHIT that may lead to impairment of its investment.</p> <p>Where an impairment trigger exists, the recoverable amount of the investment is determined and compared to its carrying amount.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"><li>Identifying events in the external environment or in MHIT's operations and activities that could trigger an impairment of the investment in MHIT;</li><li>Evaluating management's processes and controls in respect of assessing indicators of impairment at the reporting date; and</li></ul> <p>We also assessed the appropriateness of the disclosures in Note 3 to the financial statements.</p>

#### *Other Information*

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Trust's Annual Report for the year ended 31 December 2018, but does not include the financial report and our auditor's reports thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Report*

The directors are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

**Deloitte.**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trust's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

*DELOITTE TOUCHE TOHMATSU.*

DELOITTE TOUCHE TOHMATSU

*A. COLEMAN.*

Andrew J Coleman  
Partner  
Chartered Accountants  
Sydney, 26 February 2019

# INFORMATION ON SECURITYHOLDERS

## FOR THE YEAR ENDED 31 DECEMBER 2018

Multiplex SITES Trust securities trade on the Australian Securities Exchange under the symbol "MXUPA". The securities were first listed on 19 January 2005 with the home exchange being Sydney.

### NUMBER OF ISSUED SECURITIES

**4,500,000**

### VOTING RIGHTS

For all Multiplex SITES Trust securities voting rights are on a show of hands, whereby each unitholder present in person and each other person present as a proxy, attorney or representative of a unitholder has one vote and on a poll, each unitholder present in person has one vote for each one dollar of the value of the Multiplex SITES Trust securities held by the unitholder and each person present as proxy, attorney or representative of a unitholder has one vote for each one dollar of the value of the Multiplex SITES Trust securities held by the unitholder that the person represents.

### SECURITYHOLDER DISTRIBUTION RANGES (AS AT 1 MARCH 2019)

RANGE	NUMBER OF SECURITIES	PERCENTAGE OF ISSUED SECURITIES	NUMBER OF HOLDERS
100,001 and Over	1,492,980	33.18	4
10,001 to 100,000	480,329	10.67	21
5,001 to 10,000	246,745	5.48	35
1,001 to 5,000	1,044,883	23.22	524
1 to 1,000	1,235,063	27.45	4,740
<b>Total</b>	<b>4,500,000</b>	<b>100.00</b>	<b>5,060</b>

There are 4 investors holding less than a marketable parcel of 6 securities (\$93.800 on 1 March 2019).

### TOP 20 SECURITYHOLDINGS (AS AT 1 MARCH 2019)

NAME	NUMBER OF SECURITIES	PERCENTAGE OF ISSUED SECURITIES
Citicorp Nominees Pty Limited	478,224	10.63
AET Structured Finance Services Pty Ltd	406,465	9.03
HSBC Custody Nominees (Australia) Limited	370,945	8.24
J P Morgan Nominees Australia Limited	237,346	5.27
National Nominees Limited	95,929	2.13
BNP Paribas Noms Pty Ltd	49,666	1.10
BNP Paribas Nominees Pty Ltd	31,700	0.70
Turnbull & Partners Pty Limited	25,610	0.57
Netwealth Investments Limited	25,054	0.56
Navigator Australia Ltd	24,872	0.55
Ms Christine Maree Windeyer & Mr Gordon Phillip Windeyer	23,389	0.52
Jamplat Pty Ltd	22,000	0.49
Darth Management Pty Ltd	19,000	0.42
Sir Lenox Hewitt	17,782	0.40
Manatee P/L	15,253	0.34
Red Indigo Pty Limited	15,000	0.33
Mr Walter Hall & Mrs Hilary Hall	14,270	0.32
Millennium Marketing and Management Pty Ltd	14,153	0.31
Mr David Feldman & Mrs Laima Feldman	14,000	0.31
705 707 Hay Street Pty Ltd	13,420	0.30
<b>Total</b>	<b>1,914,078</b>	<b>42.54</b>
<b>Balance of Register</b>	<b>2,585,922</b>	<b>57.46</b>
<b>Grand Total</b>	<b>4,500,000</b>	<b>100.00</b>

# INFORMATION ON SECURITYHOLDERS

FOR THE YEAR ENDED 31 DECEMBER 2018

## SUBSTANTIAL SECURITYHOLDING NOTICE

As at the date of this report the following substantial securityholder notices have been received by Multiplex SITES Trust from:

<b>NAME</b>	<b>NUMBER OF SECURITIES</b>	<b>PERCENTAGE OF ISSUED SECURITIES</b>
Brookfield Asset Management Inc	361,664	8.037
Clime Investment Management Limited & Clime Asset Management Pty Limited	225,981	5.02
Challenger Limited	389,941	8.67

# INVESTOR RELATIONS

## **ELECTRONIC INVESTORS**

Brookfield continually strives to improve its environmental performance and securityholders are encouraged to assist with this effort. The electronic investor service allows investors to receive annual reports electronically. Electronic investors will be notified by email when the Annual Report becomes available for them to view online at [www.au.brookfield.com](http://www.au.brookfield.com). This option reduces our impact on the environment by minimising paper usage, while also providing investors with a cost-effective, user-friendly alternative.

If you would like to elect to become an electronic investor contact our security registrar, Link Market Services Limited, by telephone on 1800 68 54 55 (within Australia) or by mail at Locked Bag A14, Sydney South, NSW 1235.

## **SECURITY REGISTRAR CONTACT DETAILS**

If you have any queries regarding your investment, please contact our security registrar:

### **Link Market Services Limited**

Level 12  
680 George Street  
Sydney NSW 2000  
Locked Bag A14  
Sydney South NSW 1235

Tel (within Australia): 1800 685 455  
Tel (outside Australia): +61 2 8280 7141  
Fax: +61 2 9287 0303

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



# CORPORATE DIRECTORY

## **RESPONSIBLE ENTITY**

Brookfield Funds Management Limited  
Level 22, 135 King Street  
Sydney NSW 2000  
Telephone: +61 2 9158 5100  
Facsimile: +61 2 9322 2001

## **DIRECTORS OF BROOKFIELD FUNDS MANAGEMENT LIMITED**

Mr F. Allan McDonald  
Ms Barbara K Ward  
Mr Shane A Ross

## **COMPANY SECRETARIES OF BROOKFIELD FUNDS MANAGEMENT LIMITED**

Ms Men (Mandy) Chiang  
Mr Neil Olofsson (resigned 9 February 2018)

## **REGISTERED OFFICE OF BROOKFIELD FUNDS MANAGEMENT LIMITED**

Level 22, 135 King Street  
Sydney NSW 2000  
Telephone: +61 2 9158 5100  
Facsimile: +61 2 9322 2001

## **STOCK EXCHANGE**

The Trust is listed on the  
Australian Securities Exchange  
(ASX Code: MXU)

## **LOCATION OF SHARE REGISTRY**

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: +61 1300 554 474  
Facsimile: +61 2 9287 0303

## **AUDITOR**

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

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Multiplex SITES Trust

ABN / ARBN:

111 903 747

Financial year ended:

31 December 2018

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

These pages of our annual report: 4 - 9

This URL on our website:

The Corporate Governance Statement is accurate and up to date as at 26 February 2019 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 8 March 2019

Name of Director or Secretary authorising  
lodgement: Men Chiang

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable. See, in addition, alternative recommendation 1.1 below <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i> ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, however noting Multiplex SITES Trust follows 1.2(a)
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, however, all directors have an appointment letter or employment agreement setting out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable. However, Brookfield Australia has a Diversity Consultative Committee and a specific Brookfield Women's Advisory Committee that sets objectives and policies in relation to improving the number of women employed across the whole organisation</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, however noting Multiplex SITES Trust follows 1.7(a) with Management being subject to a performance evaluation process, including setting KPIs and evaluating performance against these KPIs at various points throughout the year.</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and, where applicable, the information referred to in paragraph (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement, even though Multiplex SITES Trust is an externally managed entity and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.6	<p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, however, an induction programme for new Directors would be facilitated by the Company Secretary. This programme would provide Directors with an understanding of the financial, strategic, operational and risk management position of BFML and the Trust.</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.au.brookfield.com">www.au.brookfield.com</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation of why Multiplex SITES Trust does not comply with 4.1(a)(1) is included in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.3	<p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>... the fact that we follow this recommendation:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>



Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at <a href="http://www.au.brookfield.com">www.au.brookfield.com</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.au.brookfield.com">www.au.brookfield.com</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

	Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):]  ... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]  ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> at <a href="http://www.au.brookfield.com">www.au.brookfield.com</a></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, see that Multiplex SITES Trust follows the alternative to recommendation 8.1 below</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, see that Multiplex SITES Trust follows the alternative to recommendation 8.2 below</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input checked="" type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable, see that Multiplex SITES Trust follows the alternative to recommendation 8.3 below</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



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# Directory

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2018

### **Trustee**

Multiplex Hybrid Investment Pty Ltd  
Level 22, 135 King Street  
Sydney NSW 2000  
Telephone: +61 (02) 9158 5100  
Facsimile: +61 (02) 9322 2001

### **Directors of Multiplex Hybrid Investment Pty Ltd**

Mr Shane A Ross  
Mr Nicholas Britten-Jones

### **Company Secretary of Multiplex Hybrid Investment Pty Ltd**

Ms Men (Mandy) Chiang

### **Registered Office of Multiplex Hybrid Investment Pty Ltd**

Level 22, 135 King Street  
Sydney NSW 2000  
Telephone: +61 (02) 9158 5100  
Facsimile: +61 (02) 9322 2001

### **Auditor**

Deloitte Touche Tohmatsu  
Grosvenor Place, 225 George Street  
Sydney NSW 2000  
Telephone: + 61 (02) 9322 7000  
Fax: + 61 (02) 9322 7001



# Statement of Profit or Loss and Other Comprehensive Income

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

	Note	Year ended 31-Dec 2018 \$'000	Year ended 31-Dec 2017 \$'000
<b>Income</b>		<b>26,325</b>	<b>25,335</b>
Interest received	1	26,325	25,335
Other expense		-	(6)
<b>Net profit attributable to unitholders</b>		<b>26,325</b>	<b>25,329</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year attributable to unitholders</b>		<b>26,325</b>	<b>25,329</b>

The Statement of Profit or Loss and Comprehensive income should be read in conjunction with the Notes to the Financial Statements.

# Statement of Financial Position

## Multiplex Hybrid Investment Trust

As at 31 December 2018

	Note	Year ended 31-Dec 2018 \$'000	Year ended 31-Dec 2017 \$'000
<b>Current assets</b>			
Receivables	5	6,615	6,345
<b>Total current assets</b>		<b>6,615</b>	<b>6,345</b>
<b>Non-current assets</b>			
Receivables	5	450,000	450,000
<b>Total non-current assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Total assets</b>		<b>456,615</b>	<b>456,345</b>
<b>Current liabilities</b>			
Trade and other payables	6	6,615	6,345
<b>Total current liabilities</b>		<b>6,615</b>	<b>6,345</b>
<b>Total liabilities</b>		<b>6,615</b>	<b>6,345</b>
<b>Net assets</b>		<b>450,000</b>	<b>450,000</b>
<b>Equity</b>			
Units on issue	7	451,006	451,006
Undistributed losses	3	(1,006)	(1,006)
<b>Total equity</b>		<b>450,000</b>	<b>450,000</b>

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

# Statement of Changes in Equity

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2018

	Units on issue \$'000	Undistributed profits/(losses) \$'000	Total \$'000
<b>Opening balance as at 1 January 2018</b>	<b>451,006</b>	<b>(1,006)</b>	<b>450,000</b>
Profit for the period	-	26,325	26,325
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>26,325</b>	<b>26,325</b>
<b>Transactions with unit holders in their capacity as unit holders:</b>			
Distributions	-	(26,325)	(26,325)
<b>Closing balance as at 31 December 2018</b>	<b>451,006</b>	<b>(1,006)</b>	<b>450,000</b>

	Units on issue \$'000	Undistributed profits \$'000	Total \$'000
<b>Opening balance as at 1 January 2017</b>	<b>451,006</b>	<b>(1,000)</b>	<b>450,006</b>
Profit for the period	-	25,329	25,329
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>25,329</b>	<b>25,329</b>
<b>Transactions with unit holders in their capacity as unit holders:</b>			
Distributions	-	(25,335)	(25,335)
<b>Closing balance as at 31 December 2017</b>	<b>451,006</b>	<b>(1,006)</b>	<b>450,000</b>

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

# Statement of Cash Flows

## Multiplex Hybrid Investment Trust

For the year ended 31 December 2018

	Note	Year ended 31-Dec 2018 \$'000	Year ended 31-Dec 2017 \$'000
<b>Cash flows from operating activities</b>			
Interest received		26,055	25,335
<b>Net cash provided by operating activities</b>	4	<b>26,055</b>	<b>25,335</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Distributions paid		(26,055)	(25,335)
<b>Net cash flows used in financing activities</b>		<b>(26,055)</b>	<b>(25,335)</b>
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of financial period		-	-
<b>Cash and cash equivalents at end of financial period</b>		<b>-</b>	<b>-</b>

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

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

### General information

Multiplex Hybrid Investment Trust (Trust) is a unit trust domiciled in Australia. Multiplex Hybrid Investment Pty Ltd, the trustee of the Trust, is incorporated and domiciled in Australia. Its ultimate parent entity is Brookfield Asset Management Inc.

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards. Accounting standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with Australian equivalents to IFRS ensures that the financial statements and notes of the Trust comply with IFRS.

### Basis of preparation

The report has been prepared on the historical cost basis.

The financial report is presented in Australian dollars. The Trust is an entity of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The Trust has non-current assets of \$450.0 million and a net asset position of \$450.0 million. In accordance with AASB 101, 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. The accounts of the Trust have been prepared on a going concern basis as the net current asset deficiency is due to the classification of distributions payable as current liabilities. There are agreements in place that ensure the receipt of distributions by the Trust occur at the same time as the payment of their distributions to unitholders, and hence the classification of the distributions payable as current do not impact the ability of the Trust to continue as a going concern. On the 15th of January 2019 Multiplex Hybrid Investment Trust (MHIT) paid its 31 December 2018 distribution payable to SITES.

### Use of estimates and judgement

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 effected.

### Application of new and revised Australian Accounting Standards

The Trust has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2018. The adoption of these new accounting standards, including AASB 15 and AASB 9 did not have any material impact.

### New standards and interpretations not yet adopted

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

- AASB 2008-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*, effective 1 January 2019

When the standards are first adopted for the year ending 31 December 2018, there will be no material impact on the transactions and balances recognised in the financial statements.

### Segment Reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Trust that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Trust operates in a single segment, being providing a loan to Brookfield Australia Property Trust (a related party). All items of the Statement of Comprehensive Income and Statement of Financial Position are derived from this single segment. The chief operating decision maker of the Trust, the Board of Directors of the Responsible Entity, reviews and assesses performance using information displayed as set out in these statements.

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

### Performance for the year

#### 1 Revenue

##### Revenue recognition

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

	Year ended 31-Dec-18 \$'000	Year ended 31-Dec-17 \$'000
Interest from Brookfield Australia Property Trust	26,325	25,335
	<b>26,325</b>	<b>25,335</b>

#### 2 Distributions

##### Accounting policy

A payable for distribution is recognised in the Statement of Financial Position if the distribution has been declared prior to balance date. Distributions paid are included in cash flows from financing activities and distributions received are included in cash flows from investing activities in the Statement of Cash Flows

	Cents per unit	Total amount \$'000	Date of payment
<b>Year ended 31 December 2018</b>			
Distributions for the period ended 31 March 2018	140.00	6,300	17 April 2018
Distributions for the period ended 30 June 2018	147.00	6,615	16 July 2018
Distributions for the period ended 30 September 2018	151.00	6,795	16 October 2018
Distributions for the period ended 31 December 2018	147.00	6,615	15 January 2019
<b>Total distributions</b>	<b>585.00</b>	<b>26,325</b>	
<b>Year ended 31 December 2017</b>			
Distributions for the period ended 31 March 2017	140.00	6,300	19 April 2017
Distributions for the period ended 30 June 2017	141.00	6,345	17 July 2017
Distributions for the period ended 30 September 2017	141.00	6,345	17 October 2017
Distributions for the period ended 31 December 2017	141.00	6,345	16 January 2018
<b>Total distributions</b>	<b>563.00</b>	<b>25,335</b>	

#### 3 Undistributed losses

	Year ended 31-Dec-18 \$'000	Year ended 31-Dec-17 \$'000
Undistributed losses at the start of the year	(1,006)	(1,000)
Net profit to unit holders	26,325	25,329
Distributions recognised during the year	(26,325)	(25,335)
<b>Undistributed losses at the end of the year</b>	<b>(1,006)</b>	<b>(1,006)</b>

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

### Liquidity and working capital

#### 4 Cash flow information

Reconciliation of profit after income tax to net cash inflow from operating activities	Year ended 31-Dec-18 \$'000	Year ended 31-Dec-17 \$'000
<b>Profit from ordinary activities</b>	26,325	25,335
<b>Change in operating assets and liabilities:</b>		
(Increase) in assets	(270)	-
<b>Net cash inflow from operating activities</b>	<b>26,055</b>	<b>25,335</b>

#### 5 Receivables

##### Loan receivables

Loan receivables are stated at amortised cost less any identified impairment losses.

	31-Dec-18 \$'000	31-Dec-17 \$'000
<b>Current</b>		
Interest Receivable from Brookfield Australia Property Trust	6,615	6,351
	<b>6,615</b>	<b>6,351</b>
<b>Non-current</b>		
Loan to Brookfield Australia Property Trust	450,000	450,000
	<b>450,000</b>	<b>450,000</b>

Terms and conditions of ordinary Class A and B units entitle the holder to participate in distributions and the proceeds on winding up of the Trust in proportion to the number of and amounts paid on the units held. Class A units represent 25% of the voting rights while Class B units have 75% of the voting rights.

#### 6 Trade and other payables

	31-Dec-18 \$'000	31-Dec-17 \$'000
<b>Current</b>		
Distributions payable on Class A units	6,615	6,345
	<b>6,615</b>	<b>6,345</b>

#### 7 Units on Issue

	31-Dec-18 \$'000	31-Dec-17 \$'000
<b>Issued Capital</b>		
4,500,000 Class A units issued at \$100 each	450,006	450,000
19,242,118 Class B units issued at \$1 each	19,242	19,242
	<b>469,242</b>	<b>469,242</b>
<b>Less issue costs paid</b>	(18,236)	(18,236)
<b>Total Units on Issue</b>	<b>451,006</b>	<b>451,006</b>

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

### Other Notes

#### 8 Financial risk management

The Trust has responsibility for the establishment and monitoring of a risk management framework. This framework seeks to minimise the potential adverse impact of the above risks on the Trust's financial performance.

The Board regularly reviews procedures in respect of compliance with the maintenance of statutory, legal, ethical and environmental obligations through the Audit Committee and Risk and Compliance Committee. Management also reports to the Board through the Audit & Risk Committee as to the effectiveness of the Trust's management of its material business risks. As risks are primarily concerned with compliance rather than an operational nature, the existing risk management approach will continue to be enforced.

#### 9 Remuneration of auditors

During the current and comparative periods, all amounts paid to the auditor (Deloitte Touche Tohmatsu) of the Trust were borne by Brookfield Property Australia Pty Ltd (a related party).

#### 10 Contingent liabilities and assets

There are no contingent liabilities or assets requiring recognition at 31 December 2018 (2017: nil).

#### 11 Capital and other commitments

There was no capital or other commitments at 31 December 2018 (2017: nil).

#### 12 Related parties

##### Transactions between Multiplex SITES Trust and Multiplex Hybrid Investment Trust

- Multiplex SITES Trust has an investment (100% of the Class A units) in Multiplex Hybrid Investment Trust of \$450,000,000 (2017: \$450,000,000); and
- Distributions paid or payable to Multiplex SITES Trust (the Class A unit holder) totalled \$26,325,000 for the year ended 31 December 2018 (year ended 31 December 2017 \$25,335,000).

##### Transactions between Multiplex Hybrid Investment Trust and other related parties

- Multiplex Hybrid Holdings Trust holds 100% of the Class B units of the Trust which are valued at \$19,242,118 (2017: \$19,242,118); and
- The Trust has a loan of \$450,000,000 to Brookfield Australia Property Trust. The Trust earned interest revenue on this loan amounting to \$26,325,000 during the year ended 31 December 2018 (year ended 31 December 2017 \$25,335,000).

##### Key management personnel

No compensation is paid by the Trust or the Responsible Entity to Directors or directly to any of the key management personnel of the Responsible Entity. Compensation is paid by entities within the Brookfield Australia Investments Group.

##### Trustee

The Trustee of the Trust is Multiplex Hybrid Investment Pty Ltd, whose immediate parent entity is Brookfield Funds Management Limited, which is owned by Brookfield Australia Investments Limited.

Brookfield Australia Investments Limited's ultimate parent entity and the Trust's ultimate parent entity is Brookfield Asset Management Inc which is incorporated and domiciled in Canada. The ultimate Australian parent company of Brookfield Australia Investments Limited is BHCA1 Pty Limited.

The directors of Multiplex Hybrid Investment Pty Ltd are the following

Name	Capacity
Shane A Ross (Appointed 24 May 2011)	Director
Nicholas Britten-Jones (Appointed 28 August 2017)	Director



# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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For the year ended 31 December 2018

### **13 Events occurring after reporting date**

In 2010 and 2013, Brookfield Holdings (Australia) Ltd. (BHAL) entered into a total return swap and option with BOPA Holdings Ltd. (BPO) and Brookfield BPY Holdings (Australia) ULC which included options over certain assets in the Brookfield Australia Property Trust (BAPT) portfolio. BHAL indirectly owns all of the units in BAPT and is obligated to procure that its subsidiaries enter into transactions to facilitate the transfer of assets pursuant to these arrangements.

Subsequent to 31 December 2018, the options were exercised and, in accordance with directions from BHAL, BAPT has entered into conditional sale agreements to dispose of the optioned properties (being nearly all of its remaining office property portfolio) (Portfolio Sale).

The Portfolio Sale is conditional on numerous matters including regulatory approvals and requisite financier and co-owner consents. Completion of the Portfolio Sale is expected to occur during the 2019 financial year.

Other than matters previously disclosed in this report and to the knowledge of the Directors, there has been no matter or circumstance that has arisen since the end of the year that has significantly affected, or may affect, the Trust's operations in future financial periods, the results of those operations or the Trust's state of affairs in future financial periods.

# Notes to the Financial Statements

## Multiplex Hybrid Investment Trust

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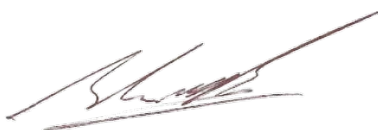
For the year ended 31 December 2018

In the opinion of the Directors of Multiplex Hybrid Investment Pty Ltd, the Trustee of the Trust:

- a the Financial Statements and the notes to the Financial Statements, as set out on pages 3 to 11, are in accordance with the Trust Constitution, including:
  - i giving a true and fair view of the financial position of the Trust as at 31 December 2018 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - ii complying with Australian Accounting Standards;
- b there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- c the Trust has operated during the year ended 31 December 2018 in accordance with the provisions of the Trust Constitution dated 24 November 2004; and
- d the register of unitholders has, during the year ended 31 December 2018, been properly drawn up and maintained so as to give a true account of the unitholders of the Trust.

Signed in accordance with a resolution of the Directors of the Trustee.

Dated this 8th of March 2019



**Shane Ross**  
**Director**  
**Multiplex Hybrid Investment Pty Ltd**

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## Independent Auditor's Report to the unitholders of Multiplex Hybrid Investment Trust

### *Opinion*

We have audited the financial report of Multiplex Hybrid Investment Trust (the "Trust"), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Trust's financial position as 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The directors of the Responsible Entity (the "Directors") are responsible for the other information. The other information comprises the information included in the Trust's Annual Report for the year ended 31 December 2018, but does not include the financial report and our auditor's reports thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Directors for the Financial Report*

The directors of the Trust, Multiplex Hybrid Investment Pty Ltd, are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Trust are responsible for assessing the ability of the Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Trust's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*DELOITTE TOUCHE TOHMATSU*

DELOITTE TOUCHE TOHMATSU

*A. COLEMAN.*

Andrew J Coleman  
Partner  
Chartered Accountants  
Sydney, 08 March 2019