

23 August 2012

Dear Investor

**RE: Multiplex Development and Opportunity Fund (Fund) – Investor Update**

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides the following update to investors.

Key financial results for the year ending 30 June 2012 are as follows:

- Net loss after tax is \$1.4 million (\$5.7 million loss for comparable period to 30 June 2011);
- Total assets of the Fund decreased by 61% to \$81.5 million (June 2011:\$211.2 million); and
- Net assets attributable to ordinary unitholders decreased by 50% to \$0.41 compared to 30 June 2011 of \$0.83 largely as a result of the return of capital of 41 cents per unit.

**Distributions and return of capital**

During the year ended 30 June 2012, the Fund sold two substantial assets to Stockland. Net proceeds realised from the sale, amounting to 41 cents per unit, were returned to unitholders as a return of capital.

Future distributions and capital returns will be dependent on the completion of the Little Bay South development. BCML will continue to assess the capital required by the Little Bay South project prior to returning any further funds to investors. Little Bay South is estimated to complete in 2014.

**Investment Update**

	<b>Investment Type</b>	<b>Status of investment</b>	<b>Forecast realisation date<sup>1</sup></b>	<b>Capital invested (A\$ million)</b>
<b>Claremont Residences, Western Australia</b>	Mezzanine loan	100% pre-sold/ residential/construction	Monthly	
	<p>In December 2011, the Fund exited the Claremont loan with proceeds of \$18.6 million representing the loan plus interest returned to the Fund. The proceeds realised have been invested in a number of term deposits providing an interest rate of approximately 5.0% per annum</p> <p>The cash is retained to meet the capital requirement of the Little Bay South development.</p>			
<b>Multiplex Acumen Vale Syndicate (MAVSL), Western Australia</b>	Equity	Pre-selling/ settlement/construction	2012	5.0
	<p>The Fund has a 49.58% interest in this investment. For the year ending 30 June 2012 the Fund received approximately \$1.5 million in return of capital.</p> <p>For the period ending 30 June 2012, the Syndicate settled on 35 lots, bringing the total number of lots settled to date to 1579. The project is 98.6% settled. A further return of capital of approximately 17 cents per share is being proposed by the Syndicate but will be subject to obtaining a ruling from the Australian Taxation Office confirming payment is capital in nature. The project is estimated to complete by December 2012, and the balance of the capital will periodically be returned to investors.</p>			

<p><b>Little Bay South, New South Wales</b></p>	<p>Equity</p>	<p>Planning / pre-selling</p>	<p>2013</p>	<p>46.9</p>
<p><b>Stage 1</b> known as the East Village is 100% complete. The project completed ahead of schedule by three weeks. 38 apartments have settled with two apartments remaining to be settled plus the Theatre Building which remains to be sold. Borrowing at the project level has been fully repaid from the settlement proceeds and the Fund received a partial return of its capital invested in the stage with the balance of capital to be returned when the remaining apartments and the Theatre Building settle. To date the capital return received from this stage has been redeployed partially into development Stages 2 and 3.</p> <p><b>Stage 2</b> known as Bay Terraces has a total of 53 apartments with a mixture of three and four bedroom apartments with double lock up garages. The development is constructed in five separable portions:</p> <ul style="list-style-type: none"> <li>- sub-stage 2-1 was completed in November 2011 facilitating the first five settlements;</li> <li>- sub-stage 2-2 completed in May 2012 with settlements anticipated over the next few of months;</li> <li>- sub-stages 2-3 and 2-4 are estimated to complete in in early September 2012;</li> <li>- initial site clearing works on sub-stage 2-5 have commenced; and</li> <li>- sub-stage 2-6 is yet to start. A certain level of pre-sales is required by the financier before work can commence in sub-stage 2-6.</li> </ul> <p><b>Stage 3</b> known as Coastal Quarters has DA approval for 163 apartments with basement parking for approximately 200 vehicles. The development will be subdivided into four sub-stages. It will consist of 83 one bedroom apartments, 50 two bedroom apartments and 30 three bedroom apartments.</p> <p>Construction is yet to start on stage 3.</p> <p>The project is in its pre-selling stage. A minimum level of pre-sales is generally required by the financier before project funding is provided. There has been 45 pre-sales achieved consisting largely of one and two bedroom apartments.</p> <p>It is anticipated that Stage 3 will complete around November 2014.</p>				

1. Realisation dates contained in this update are based on current project feasibilities as provided by the Development Manager

## Key Financial Results

	As at 30 June 2012	As at 30 June 2011	Movement
Total assets (\$'000) *	81,465	211,204	61% decrease
Total liabilities (\$'000)	9,487	69,621	86% decrease
Net assets (\$'000)	71,978	141,583	49% decrease
Minority Interest (\$'000)	5,106	6,557	22% decrease
Net assets attributable to ordinary unitholders (\$'000)	66,872	135,026	50% decrease
Number of shares on issue	163,337	163,337	No change
Net tangible assets (after minority interest)	\$0.41	\$0.83	51% decrease
	For the period ended 30 June 2012	For the period ended 30 June 2011	Variance
Total revenue (\$'000)	137,387	43,686	214% increase
Total expenses (\$'000)	138,523	50,847	172% increase
Net profit after tax / (loss) (\$'000)	(1,385)	(5,698)	76% decrease

## Financial Results as at 30 June 2012

The financial statements for the financial year to 30 June 2012 have been audited and are available at [www.au.brookfield.com](http://www.au.brookfield.com).

## Future Updates

We will continue to keep you informed of updates in relation to the Fund. Alternatively, please refer to [www.au.brookfield.com](http://www.au.brookfield.com) for regular Fund information.

Yours sincerely



**Sue Ly**  
Fund Manager  
Multiplex Development and Opportunity Fund

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