

2 June 2011

Dear Investor

RE: Multiplex Development and Opportunity Fund (Fund) – Investment Update

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides the following investment update for the quarter ended 31 March 2011.

Multiplex Acumen Vale Syndicate (MAVSL), Western Australia

The Fund owns 49.58% of this syndicate.

During the quarter, 13 lots settled, bringing the total number of lots settled to 1,534. The project is 95.9% complete with an expected practical completion date prior to December 2011.

Capital continues to be returned by MAVSL and to date the capital returned has been re-deployed into other projects within the Fund.

Little Bay South, New South Wales

- Stage 1** Approval was received from Randwick Council in April 2011 to construct 42 apartments. Development finance is in place and qualifying pre-sales have been achieved. It is anticipated that work will commence in June 2011.
- Stage 2** There are four sub stages in Stage 2. Construction work has commenced on the first sub-stage with 93.8% of apartments pre-sold. 41.6% of apartments have pre-sold for the second sub-stage. Once the target pre-sales on sub-stage 2 are achieved, construction will commence, which is expected in June 2011.
- The remaining sub-stages are yet to commence.
- Stage 3** In April 2011, Randwick Council granted approval for an increase in the number of apartments to be developed from 102 to 163. Design development is currently in progress and development finance will be sourced once finalised. A limited release of 3 bedroom apartments are scheduled for July 2011.

Vale Stages 7 to 11, Western Australia

During the quarter, 21 lots settled, bringing the total number of lots settled to date to 76. The remaining stages of the project are progressively starting with two stages expecting to achieve titles in late May and June 2011.

The project continues to comply with its financial covenants.

Whiteman Edge, Western Australia

Development of the 19 residential rural lots has commenced with seven contracts exchanged out of the ten released to the market to date. Settlement and completion of this stage has been extended from May 2011 to December 2011.

Stage one has commenced and is forecast to provide 114 residential lots with titles of those lots expected in February 2012 and settlements by April 2012.

Discussions with the Housing Authority continue in relation to a joint venture development of the adjoining properties.

The Suncorp Metway debt facility is due to expire in June 2011 and discussions are underway with a number of banks that have expressed interest in financing the project.

Claremont Loan

During the quarter ending 31 March 2011, the Fund realised \$3.3 million to assist with refinancing of the Little Bay South project. The balance of this loan stands at \$26.2 million and will remain invested until it is required for funding remaining investments in the Fund.

Future Updates

We will continue to keep investors informed of updates in relation to the Fund. Alternatively, please refer to www.au.brookfield.com for further information.

Yours sincerely



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