

24 February 2017

Dear Investor

RE: Multiplex Property Income Fund (Fund) - Investor Update

Brookfield Capital Management Limited (BCML), as Responsible Entity of the Fund, provides an update to investors for the half year ended 31 December 2016.

Financial Results

As at 31 December 2016, the Fund's net assets were \$1.3 million (30 June 2016: \$1.5 million) or 2.4 cents per unit (30 June 2016: 2.8 cents per unit). The decrease reflects distributions and capital returns made during the period.

Investment Portfolio Update

As at 31 December 2016, the Fund held units in two ASX listed securities and seven unlisted investments including four investments which are in wind up and one in receivership (no value is expected for two of the investments in wind up and the one in receivership).

A summary of the Fund's underlying investments are as follows:

APN Regional Property Fund (NSX code: APR)

APN have been investigating an opportunity for a liquidity event. If this does not occur, APN would seek to sell APR's property assets by June 2018 and return the capital to investors.

Two significant trades in APR units took place in the December quarter. A tranche of 4,993,037 units was sold at \$0.90 per unit (19% discount to 30 June 2016 NAV) and a tranche of 4,507,359 units at \$0.94 per unit (15% discount).

In light of the impending liquidity event, the Fund considers a 15% to 19% discount range too substantial to divest its APR holding at this point in time.

BGP Holdings (BGP)

BGP completed the sale of its business in January 2017 and paid a preliminary distribution in February 2017. As a result, the Fund received \$21,568. Shares in BGP cannot be traded and further small distributions may be paid. Currently, no value is attributed to the holding in BGP until further clarification on distributions is received.

BlackWall Property Trust (ASX:BWR)

The Fund received a \$10,592 distribution in November 2016. BWR renewed its debt facilities expiring in September 2017 and October 2018. A rights issue of 1 for 17 units was offered to investors at \$1.20 in November 2016. The Fund declined the offer given it is in wind up.

MAB Diversified Property Trust (MAB)

MAB paid a final residual distribution of \$10,877 in December 2016 and is expected to complete wind up by the end of February 2017.

Multiplex New Zealand Property Fund (MNZPF)

Wind up of MNZPF continues and completion is conditional on remaining seismic works and the release of escrow amounts from the sale of the properties. Subject to no claims being made, the wind up process will commence once the warranty period expires in the second quarter of 2017. Further distributions will be made as these activities are finalised.

National Storage (ASX:NSR)

The Fund received distributions of \$3,310 for the six-month period to 31 December 2016. The Fund retains a small holding in NSR and this will be disposed of in due course.

Pelathon Pub Group (PPF)

PPF made a distribution of \$1.70 per 1,000 units on 31 January 2017. This is the first distribution declared by PPF since 2009. The Fund is exploring ways to exit this investment.

Further information and half year financial results

The Fund's financial report for the half year ended 31 December 2016 is available at www.au.brookfield.com and we recommend that investors review this document.

BCML will continue to provide investor updates via the website regarding Fund earnings as well as timing and quantum of distributions.

Yours sincerely

**Sue Ly**

Fund Manager

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APPENDIX: FUND'S INVESTMENT SUMMARY

The Fund's investment portfolio as at 31 December 2016 (excluding investments in wind up and for which no value is expected) is as follows:

Listed Property Securities	Investment Value (\$m)	Percentage of total investment (%)
BlackWall Property Trust	0.11	9
National Storage REIT	0.35	30
Total Listed Property Securities	0.46	39
Unlisted Property Securities		
APN Regional Property Fund	0.62	53
BGP Holdings Beneficial Interest Share	0.00	0
Multiplex New Zealand Property Fund	0.05	4
Pelathon Pub Group	0.04	4
Total Unlisted Property Securities	0.71	61
Total Investment Value	1.17	100