

21 August 2015

Dear Investor

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

Brookfield Capital Management Limited (BCML), as responsible entity of the Fund, provides the following update to investors for the financial year end 30 June 2015.

Financial results (Australian Dollars)

Key messages:

- net profit after tax of \$3.2 million (30 June 2014: net profit after tax of \$4.2 million);
- net assets of \$62.1 million (30 June 2014: \$108.3 million) and net assets per unit of \$0.28 (30 June 2014: \$0.50);
- cash distributions to investors of \$46.9 million or 21.5 cents per unit;
- cash and cash equivalents of \$16.6 million (30 June 2014: \$15.6 million); and
- weighted average lease expiry (WALE) of approximately 3.6 years (30 June 2014: 2.8 years) and a portfolio occupancy rate of 58.0% (30 June 2014: 81.1%).

The decrease in NTA per unit from \$0.50 to \$0.28 largely reflects the cash distribution to investors during the period of \$0.215.

The Fund has a substantial cash balance of \$16.6 million at 30 June 2015 which is being retained to meet the Fund's forecast capital expenditure and leasing costs. In particular, capital works to complete seismic upgrades are essential works that are expected to enable re-leasing of vacant space.

As the investment and underlying cash-flows are not hedged, future movements in the New Zealand currency will impact returns to investors.

Property Portfolio

Three office properties located in Wellington remain in the portfolio. HP House was externally valued and Conservation House and 143 Willis Street were internally valued at 30 June 2015 for a combined portfolio value of NZ\$56.6 million.

HP House, 8 Gilmer Terrace, Wellington

At 30 June 2015, HP House had an occupancy rate of 68% and WALE of 4.2 years. HP House was externally valued at 30 June 2015 for NZ\$17.2 million (30 June 2014: NZ\$17.7 million).

During the period, roof replacement and seismic strengthening works to the building commenced. On completion of the works, the building will achieve a seismic rating of 100% New Building Standard (NBS). A conditional agreement to lease has been entered into for a whole floor and is targeted to commence at the beginning of the first quarter 2016. Selling agents are currently preparing a strategy to market the property for sale.

Conservation House, 18 Manners Street, Wellington

At 30 June 2015, Conservation House had an occupancy rate of 91% and WALE of 3.3 years. Conservation House was internally valued at 30 June 2015 for NZ\$31.4 million (30 June 2014: NZ\$31.6 million). A detailed design and programme for major seismic works is currently being prepared with works expected to commence in the third quarter of 2015. Management are in advanced negotiations with a major tenant for a long term lease of the premises and the property will be marketed for sale on completion of lease terms. The completion of the major seismic works is an essential requirement of the lease negotiations.

143 Willis Street, Wellington

At 30 June 2015, 143 Willis Street had an occupancy rate of 9.6% and WALE of 0.1 years. The property was internally valued at 30 June 2015 for NZ\$8.0 million (30 June 2014: NZ\$8.0 million). The one remaining tenant will vacate the premises during the first quarter of 2016.

Conservation House and 143 Willis Street are part of a single complex with common structural elements. Therefore, seismic upgrade works are also required for 143 Willis Street.

Sale of the Fund's properties

As advised to investors in November 2012, the Fund is in wind up and the Board has mandated the orderly sale of Fund assets.

Continued asset management initiatives coupled with the current programme of seismic upgrades will maximise the competitiveness of the properties in a challenging market. It is the intention of BCML to sell the properties in an orderly manner, but it is not possible to predict when the sale process will be completed and when future distributions will be paid.

Further information and financial results

The Fund's financial report for the year ended 30 June 2015 is available at www.au.brookfield.com and we recommend that investors review this document.

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

Regards

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