Multiplex European Property Fund
Financial report
For the year ended
30 June 2017

Multiplex European Property Fund

ARSN 124 527 206

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Responsible Entity
Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
Facsimile: +61 2 9322 2001

Directors of Brookfield Capital Management Limited
F. Allan McDonald
Barbara Ward
Shane Ross

Company Secretary of Brookfield Capital Management Limited
Men (Mandy) Chiang (appointed 15 November 2016)
Neil Olofsson

Registered Office of Brookfield Capital Management Limited
Level 22, 135 King Street
Sydney NSW 2000
Telephone: +61 2 9322 2000
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Custodian
Brookfield Funds Management Limited
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Sydney NSW 2000
Telephone: +61 2 9322 2000
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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 (Deloitte)
Grosvenor Place
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Directors' Report
Multiplex European Property Fund
For the year ended 30 June 2017

Introduction
The Directors of Brookfield Capital Management Limited (ABN 32 094 936 866), the Responsible Entity of Multiplex European Property Fund (ARSN 124 527 206) (Fund), present their report together with the financial statements of the Consolidated Entity, being the Fund and its subsidiaries, for the year ended 30 June 2017 and the Independent Auditor's Report thereon.

The Fund was constituted on 16 November 2006 and it was registered as a Managed Investment Scheme on 3 April 2007.

All amounts quoted in this report are in Australian dollars, unless otherwise noted.

Responsible Entity
The Responsible Entity of the Fund is Brookfield Capital Management Limited (BCML). BCML has been the Responsible Entity since inception of the Fund. 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 financial year:

Name	Capacity
F. Allan McDonald	Non-Executive Independent Chairman
Barbara Ward	Non-Executive Independent Director
Shane Ross	Executive Director

Information on Directors

F. Allan McDonald (BEcon, FCPA, FAIM, FGIA), Non-Executive Independent Chairman
Allan was appointed the Non-Executive Independent Chairman of BCML on 1 January 2010 and also performs that role for Brookfield Funds Management Limited (BFML). Allan has had extensive experience in the role of Chairman and is presently associated with a number of companies as a consultant and Company Director. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Allan's other directorship of listed entities is Astro Japan Property Management Limited (Responsible Entity of Astro Japan Property Trust) (appointed February 2005).

Barbara Ward, AM (BEcon, MPolEcon, MAICD), Non-Executive Independent Director
Barbara was appointed as a Non-Executive Independent Director of BCML on 1 January 2010 and also performs that role for BFML. Barbara 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. BFML is the Responsible Entity for the listed Multiplex SITES Trust. Barbara is a Director of Qantas Airways Limited (appointed June 2008), Caltex Australia Limited (appointed 1 April 2015) and Sydney Childern's Hospital Foundation (appointed November 2012).

Shane Ross (BBus), Executive Director
Shane is the Group General Manager of Treasury and Chief Financial Officer for Brookfield Australia. Shane was appointed as an Executive Director of BCML on 6 May 2015, and also performs that role for BFML. 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 20 years of experience in treasury and finance within the property industry.

Information on Company Secretary

Neil Olofsson
Neil has over 20 years of international company secretarial experience and has been with the Brookfield Australia group since 2005.

Men (Mandy) Chiang
Mandy was appointed Company Secretary of BCML on 15 November 2016. Mandy has over 20 years of company secretarial experience including having previously worked at Brookfield Australia Group for over 8 years.

Directors' interests
The following table sets out each Director's relevant interest in the units, debentures, interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report:

Director	Multiplex European Property Fund units held
F. Allan McDonald	50,000
Barbara Ward	–
Shane Ross	–

No options are held by/have been issued to Directors.

Policy on hedging equity incentive schemes
The Board of BCML do not receive any equity-based remuneration, and therefore will not be engaging in any hedge arrangements in relation to their remuneration.

A copy of the Security Trading Policy is available on the Brookfield Australia website at www.au.brookfield.com.

Directors' meetings

	Board Meetings		Audit Committee Meetings		Board Risk and Compliance Committee Meetings	
Director	A	B	A	B	A	B
F. Allan McDonald	4	4	2	2	2	2
Barbara Ward	4	4	2	2	2	2
Shane Ross	4	4	n/a	n/a	n/a	n/a

A – Number of meetings attended.
B – Number of meetings held during the time the Director held office during the year.

Committee meetings
There were no Board committee meetings held during the year other than those stated above.

Principal activities
The principal activity of the Consolidated Entity was the investment in direct properties in Europe.The Fund disposed of its properties in September 2015. The Consolidated Entity is in wind up.

Wind up of the Fund
At a meeting of unitholders held on 27 July 2015, an ordinary resolution was passed by unitholders to wind up the Fund in accordance with its Constitution and the *Corporations Act 2001.* The Responsible Entity continues to take steps consistent with those detailed in the Notice of Meetings and Explanatory Memorandum dated 1 July 2015. It is expected that the wind up process will take more than a further 12 months to complete.

As a part of the wind up process, a withdrawal agreement was signed by Multiplex German Investments GmbH, Multiplex Luxembourg General Partner S.a.r.l and Multiplex Luxembourg 1 S.a.r.l on 23 December 2016. With effect as of 31 December 2016, the German Partnerships were dissolved. All assets and liabilities of the German Partnerships were transferred to Multiplex Luxembourg Ltd Partner S.a.r.l. by way of accretion.

The next step of the wind up process involves the cross border merger of Multiplex German Investments GmbH into Multiplex Luxembourg Limited Partner S.a.r.l..

Review of operations
The Consolidated Entity recorded a net loss after tax of $1,162,000 for the year ended 30 June 2017 (2016: net loss after tax: $4,527,000).

Significant events during the year are detailed below:
- total revenue and other income of $52,000 (2016: $5,275,000); and
- net assets of $9,816,000 and net assets per unit of $0.04 (2016: $26,576,000 and $0.11 per unit).

Interests of the Responsible Entity
Management Fee
For the year ended 30 June 2017, the Consolidated Entity incurred $72,000 in management fees to the Responsible Entity (2016: $139,000). $12,000 of management fees remain payable as at year end (2016: $29,000).

Significant changes in the state of affairs
In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year other than those disclosed in this report or in the consolidated financial statements.

VAT audit and general tax audit
During the year, the German Tax office completed the special VAT audit which resulted in a small refund to the Fund. The VAT assessments however cannot be finalised and can be reviewed again as a result of the recent announcement by the German Tax office to conduct a general tax audit on some of the partnerships for the tax year 2013 through to 2015. Subject to the findings for the periods being audited, it may extend to retrospective years and to the remaining partnerships. The German Tax office is anticipating to commence the audit in August 2017.

German tax reassessment
As disclosed in prior years, a residual issue relevant to corporate income tax was being considered by the German Tax office for tax years 2007 onwards. These assessments were re-issued partly with no tax to pay and our advisors have confirmed that there are no material tax liability for the later tax years.

Events subsequent to the reporting date
Other than as disclosed, there are no other matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Likely developments
Other than the matters already included in the Directors' Report, information on likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations have not been included in this report because the Directors believe that to do so would be likely to result in unreasonable prejudice to the Consolidated Entity.

Distributions and returns of capital
Distributions and returns of capital declared to unitholders were as follows:

	Cents per unit	Total amount $'000	Date of payment
Ordinary units			
August 2016	1.6	3,951	19 August 2016
December 2016	1.0	2,470	30 December 2016
March 2017	3.4	8,333	21 March 2017
Total distributions and returns of capital for the year ended 30 June 2017	**6.0**	**14,754**	

During the year ended 30 June 2016, no distributions or returns of capital were declared to unitholders.

Indemnification and insurance of officers and auditors
Brookfield Australia Investments Limited (BAIL), a related entity, has entered into deeds of access and indemnity with each of its Directors, Company Secretary and other nominated Officers. The terms of the deeds are in accordance with the provisions of the *Corporations Act 2001* and will indemnify these executives (to the extent permitted by law) for up to seven years after serving as an Officer against legal costs incurred in defending civil or criminal proceedings against the executives, except where proceedings result in unfavourable decisions against the executives, and in respect of reasonable legal costs incurred by the executives in good faith in obtaining legal advice in relation to any issue relating to the executives being an officer of the BAIL group, including BCML.

Under the deeds of access and indemnity, BAIL has agreed to indemnify these persons (to the extent permitted by law) against:

- liabilities incurred as a director or officer of BCML or a company in the group, 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 or alleged liability as a director or officer, except for costs incurred in relation to the matters set out in section 199A(3) of the *Corporations Act 2001*.

BAIL has also agreed to effect, maintain and pay the premium on a directors' and officers' liability insurance policy. This obligation is satisfied by BAIL being able to rely upon Brookfield's global directors' and officers' insurance policy, for which it pays a portion of the premium.

Indemnification and insurance of officers and auditors continued
As is usual, this policy has certain exclusions and therefore 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 1933*;
- losses for which coverage under a different kind of insurance policy is readily available such as, for example, 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 on a policy continues for a period of seven years after the director or officer has left office to the extent such coverage is available with reasonable terms in the commercial insurance marketplace.

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 BCML or of any related body corporate against a liability incurred as such an officer or auditor.

Environmental regulation
The Consolidated Entity has systems in place to manage its environmental obligations. Based on the results of inquiries made, the Responsible Entity is not aware of any significant breaches or non-compliance issues during the year covered by this report.

Rounding of amounts
The Consolidated Entity 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 8 and forms part of the Directors' Report for the year ended 30 June 2017.

Dated at Sydney this 28th day of August 2017.

Signed in accordance with a resolution of the Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Shane Ross
Director
Brookfield Capital Management Limited

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

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The Board of Directors
Brookfield Capital Management Limited
(as Responsible Entity for Multiplex European Property Fund)
Level 22, 135 King Street
Sydney NSW 2000

28 August 2017

Dear Directors,

MULTIPLEX EUROPEAN PROPERTY FUND

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 Capital Management Limited as the Responsible Entity for Multiplex European Property Fund.

As lead audit partner for the audit of the financial statements of Multiplex European Property Fund for the year ended 30 June 2017, 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 Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Multiplex European Property Fund

For the year ended 30 June 2017

	Note	Consolidated Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
Revenue			
Property rental income		–	5,154
Interest income		29	106
Other income		23	15
Total revenue and other income		**52**	**5,275**
Expenses			
Property expenses		32	1,610
Finance costs to external parties		–	1,447
Management fees		72	139
Net loss on sale of properties held for sale		–	4,916
Provision for doubtful debt	9	674	–
Other expenses		670	1,295
Total expenses		**1,448**	**9,407**
Loss before income tax		**(1,396)**	**(4,132)**
Income tax benefit/(expense)	6	234	(395)
Net loss after tax for the year		**(1,162)**	**(4,527)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in foreign currency translation reserve	12	(844)	993
Other comprehensive (loss)/income for the year, net of income tax		**(844)**	**993**
Total comprehensive loss for the year		**(2,006)**	**(3,534)**
Net loss attributable to ordinary unitholders		**(1,162)**	**(4,527)**
Total comprehensive loss attributable to ordinary unitholders		**(2,006)**	**(3,534)**

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

Consolidated Statement of Financial Position

Multiplex European Property Fund

As at 30 June 2017

	Note	Consolidated Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
Assets			
Current assets			
Cash and cash equivalents	8	10,655	26,599
Restricted cash	8	–	1,495
Trade and other receivables	9	931	1,404
Total current assets		**11,586**	**29,498**
Total assets		**11,586**	**29,498**
Liabilities			
Current liabilities			
Trade and other payables	10	1,770	2,922
Total current liabilities		**1,770**	**2,922**
Total liabilities		**1,770**	**2,922**
Net assets		**9,816**	**26,576**
Equity			
Units on issue	11	187,779	202,533
Reserves	12	(1,201)	(357)
Undistributed losses	13	(176,762)	(175,600)
Total equity		**9,816**	**26,576**

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

Consolidated Statement of Changes in Equity

Multiplex European Property Fund

For the year ended 30 June 2017

Consolidated Entity	Attributable to Unitholders of the Fund			
	Ordinary units $'000	Undistributed losses $'000	Foreign currency translation reserves $'000	Total $'000
Opening equity - 1 July 2016	**202,533**	**(175,600)**	**(357)**	**26,576**
Changes in foreign currency translation reserve	–	–	(844)	**(844)**
Other comprehensive loss for the year	**–**	**–**	**(844)**	**(844)**
Net loss for the year	–	(1,162)	–	**(1,162)**
Total comprehensive loss for the year	**–**	**(1,162)**	**(844)**	**(2,006)**
Returns of capital	(14,754)	–	–	**(14,754)**
Total transactions with unitholders in their capacity as unitholders	**(14,754)**	**–**	**–**	**(14,754)**
Closing equity – 30 June 2017	**187,779**	**(176,762)**	**(1,201)**	**9,816**

Consolidated Entity	Attributable to Unitholders of the Fund			
	Ordinary units $'000	Undistributed losses $'000	Foreign currency translation reserves $'000	Total $'000
Opening equity - 1 July 2015	**202,533**	**(171,073)**	**(1,350)**	**30,110**
Changes in foreign currency translation reserve	–	–	993	**993**
Other comprehensive income for the year	**–**	**–**	**993**	**993**
Net loss for the year	**–**	(4,527)	**–**	**(4,527)**
Total comprehensive (loss)/income for the year	**–**	**(4,527)**	**993**	**(3,534)**
Total transactions with unitholders in their capacity as unitholders	**–**	**–**	**–**	**–**
Closing equity – 30 June 2016	**202,533**	**(175,600)**	**(357)**	**26,576**

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

Consolidated Statement of Cash Flows

Multiplex European Property Fund

For the year ended 30 June 2017

	Note	Consolidated Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		23	4,230
Cash payments in the course of operations		(1,804)	(5,296)
Interest received		35	107
Financing costs paid		–	(2,987)
Tax paid		(70)	–
Net cash flows used in operating activities	15	**(1,816)**	**(3,946)**
Cash flows from investing activities			
Proceeds from sale of properties		–	263,508
Net cash flows from investing activities		**–**	**263,508**
Cash flows from financing activities			
Return of capital		(14,754)	–
Repayment of interest bearing liabilities		–	(271,317)
Net cash flows used in financing activities		**(14,754)**	**(271,317)**
Net decrease in cash		**(16,570)**	**(11,755)**
Impact of foreign exchange		(869)	1,417
Cash at beginning of year		28,094	38,432
Cash at 30 June	8	**10,655**	**28,094**

Reconciliation of cash to cash and cash equivalents:			
Cash and cash equivalents		10,655	26,599
Restricted cash		–	1,495
Cash at 30 June	8	**10,655**	**28,094**

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

1 Reporting entity

Multiplex European Property Fund (Fund) is an Australian registered managed investment scheme under the *Corporations Act 2001*. Brookfield Capital Management Limited (BCML), the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The consolidated financial statements of the Fund as at and for the year ended 30 June 2017 comprise the Fund and its subsidiaries (together referred to as the Consolidated Entity).

2 Basis of preparation

a Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Consolidated Entity and the Fund comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Boards (IASB). For the purpose of preparing the consolidated financial statements the Fund is a for profit entity.

The consolidated financial statements were authorised for issue by the Directors on this 28th day of August 2017.

b Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost.

The consolidated financial statements are presented in Australian dollars, which is the Fund's presentation currency. The Fund's functional currency is Australian dollars. However, the Consolidated Entity is predominantly comprised of operations that are located in Europe. The functional currency of the controlled entities that hold these operations is Euros.

The Consolidated Entity 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.

c Wind up of the Fund and going concern

At a meeting of unitholders held on 27 July 2015, an ordinary resolution was passed by unitholders to wind up the Fund in accordance with its Constitution and the *Corporations Act 2001.* The Responsible Entity continues to take steps consistent with those detailed in the Notice of Meetings and Explanatory Memorandum dated 1 July 2015.

It is expected that the wind up process will take more than a further 12 months to complete.

Based on the above, the Directors of the Responsible Entity believe it is appropriate to continue to adopt the going concern basis for this set of financial statements. The financial statements do not include adjustments relating to the recoverability and classification of asset accounts, nor to the amounts and classification of liabilities that might be necessary should the Fund and Consolidated Entity not continue as a going concern.

d Use of estimates and judgments

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 affected.

As at 30 June 2017 significant areas of judgement relate to contingent liabilities and assets refer to Note 17.

e New and amended standards adopted

AASB 2015-2 *Amendments to AASB 101*, (effective from 1 January 2016) provides clarification to the existing disclosure requirements in AASB 101 *Presentation of Financial Statements* and ensures that entities are able to use judgements when applying the standard in determining what information to disclose in their financial statements.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2017 that have a material impact on the Consolidated Entity.

3 Significant accounting policies

The significant policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

a Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Fund and its subsidiaries. Control of an entity is achieved where the Fund is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to significantly affect those returns through its power to direct the activities of the entity.

The results of the subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Consolidated Entity.

All intra-group transactions, balances, income and expenses, including unrealised profits arising from intra-group transactions, are eliminated in full in the consolidated financial statements. In the separate financial statements of the Fund, intra-group transactions (common control transactions) are generally accounted for by reference to the existing carrying value of the items. Where the transaction value of common control transactions differs from their carrying value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

In the Fund's financial statements, investments in controlled entities are carried at cost less impairment, if applicable.

Non-controlling interests in subsidiaries are identified separately from the Consolidated Entity's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Consolidated Entity's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Consolidated Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to unitholders.

When the Consolidated Entity loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

b Foreign and cross currency transactions

Foreign and cross currency transactions of the Consolidated Entity are converted to Australian dollars at the rate of exchange prevailing at the date of the transaction or at hedge rates where applicable. Amounts receivable or payable by entities within the Consolidated Entity that are outstanding as at period end and are denominated in foreign currencies are converted to Australian dollars using rates of exchange at the end of the period. All resulting exchange differences arising on settlement are brought to account in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Foreign currency differences are recognised directly in equity in the foreign currency translation reserve (FCTR).

3 Significant accounting policies continued

c Expense recognition

Management fee

A base management fee calculated on the gross value of assets less fair value of derivatives is payable to the Responsible Entity. The fee is payable by the Consolidated Entity quarterly in arrears.

Performance fee

A performance fee of 20% (including GST less any reduced input tax credits) of the outperformance of the Consolidated Entity against the benchmark return (S&P/ASX 300 Property Trust Accumulation Index) is recognised on an accruals basis. Any previous underperformance must be recovered before a performance fee becomes payable.

Other expenditure

Expenses are recognised by the Consolidated Entity on an accruals basis.

d Goods and services tax (GST)

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

e Value added tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of VAT (where applicable), except where the amount of VAT incurred is not recoverable from the relevant tax authority. In these circumstances, the VAT is recognised as part of the cost of acquisition of the asset or as part of an expense item.

Receivables and payables are stated with the amount of VAT. The net amount of VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

f Income tax - funds

Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled at year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

The subsidiary entities of the Fund that own properties in Germany are liable to pay tax under German tax legislation at the current corporate rate of 15% plus a solitary surcharge of 5.5% on the corporate rate. Wholly owned entities of the Fund that are based in Luxembourg are subject to tax at just under 30%.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

The carrying amount of deferred income tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

3 Significant accounting policies continued

g Cash and cash equivalents

For purposes of presentation in the Consolidated Statement of Cash Flows, cash includes cash balances, deposits at call with financial institutions and other highly liquid investments, with short periods to maturity, which are readily convertible to cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

h Trade and other receivables

Trade debtors and other receivables are stated at their amortised cost using the effective interest rate method less any identified impairment losses. Non-current receivables are measured at amortised cost using the effective interest rate method.

i Trade and other payables

Payables are stated at amortised cost using the effective interest rate method and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

j Distributions

A provision for distribution is recognised in the Consolidated Statement of Financial Position if the distribution has been declared prior to period end. Distributions paid and payable on units are recognised as a reduction in equity. Distributions paid are included in cash flows from financing activities in the Consolidated Statement of Cash Flows.

k Units on issue

Issued and paid up units are recognised as changes in equity at the fair value of the consideration received by the Consolidated Entity, less any incremental costs directly attributable to the issue of new units.

l New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Consolidated Entity in the period of initial application. They are available for early adoption at 30 June 2017 but have not been applied in preparing this financial report:

AASB 9 *Financial Instruments* (and applicable amendments), (effective from 1 January 2018) addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard is not applicable until 1 January 2018 but is available for early adoption.

AASB 15 *Revenue from Contracts with Customers* (and applicable amendments), (effective from 1 January 2018) is a new standard for the recognition of revenue. This will replace AASB 118 *Revenue* which covers contracts for goods and services and AASB 111 *Construction Contracts* which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.

The Consolidated Entity does not intend to early adopt the above new standards and amendments and management continues to assess their impacts.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions.

4 Parent entity disclosures

	Fund 2017 $'000	2016 $'000
Assets		
Current assets	19	2,601
Total assets	**19**	**2,601**
Liabilities		
Current liabilities	12,421	117
Total liabilities	**12,421**	**117**
Equity		
Units on issue	187,779	202,533
Undistributed losses	(200,181)	(200,049)
Total equity	**(12,402)**	**2,484**

	Fund Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
Net loss for the year	(132)	(306)
Total comprehensive loss for the year	**(132)**	**(306)**

The Fund has a working capital deficit of $12,402,000. The deficit has arisen due to surplus cash been passed up from its fully owned subsidiary Multiplex German Landowing Fund by way of intercompany loan which was subsequently distributed as a returned capital. There is no intention of Multiplex German Landowning Fund requesting repayment of the intercompany loan with the Fund. Accordingly, the Fund shall be able to meet its debts as and when they fall due.

Subsequent to 30 June 2017 Multiplex German Landowning Fund has commenced steps to clear the intercompany loan recoverable to them by way of return of capital to the Fund.

The Fund did not have any contingent assets or liabilities, commitments or guarantees at 30 June 2017 or 30 June 2016. Refer to contingent liabilities and assets (Note 17) and capital and other commitments (Note 18) for amounts in relation to the Consolidated Entity.

5 Auditor's remuneration

	Consolidated Year ended 30 June 2017 $	Year ended 30 June 2016 $
Auditors of the Fund:		
Audit and review of financial reports	35,000	85,400
Network firms to the auditors of the Fund:		
Audit and review of financial reports	21,506	–
Other audit firms:		
Audit and review of the financial reports	7,805	11,328
Total auditor's remuneration	**64,311**	**96,728**

Fees paid to the auditors of the Fund in relation to compliance plan audits are borne by the Responsible Entity.

6 Income tax

	Consolidated Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
a Major components of income tax expense		
Current income tax charge and adjustments in respect of prior year charges	234	(395)
Total current income tax benefit/(expense)	**234**	**(395)**
Deferred income tax		
Relating to origination and reversal of temporary differences	–	–
Total deferred income tax expense	**–**	**–**
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**234**	**(395)**
b Income tax benefit/(expense)		
Numerical reconciliation between tax expense and pre-tax net loss		
Loss before income tax	**(1,396)**	**(4,132)**
Prima facie income tax benefit on loss using the domestic corporate tax rate of 30% (2016: 30%)	419	12,240
Effect of tax rates in foreign jurisdictions using the Luxembourg and German tax rates of 28.6% and 15.8% respectively (2016: 28.6% and 15.8%)	(123)	11,981
Non-assessable income [1]	762	1,110
Deferred tax not previously brought to account and utilised in the current year	(824)	(14,726)
Total income tax benefit/(expense) reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**234**	**(395)**

[1] Under current income tax legislation, the Fund is not liable for Australian income tax as unitholders are presently entitled at year end to the income of the trust estate calculated in accordance with the Fund's Constitution and applicable tax law.

	Consolidated 2017 $'000	2016 $'000
c Tax assets and liabilities		
Tax liability – current (recognised within trade and other payables)	**(35)**	**(334)**

d Recognised deferred tax assets and liabilities

In accordance with AASB 112 *Income Taxes*, there are no unrecognised deferred tax asset (2016: $13,720,000).

There is no tax amounts recognised directly in equity for the current or prior years.

7 Distributions and returns of capital

Distributions and returns of capital declared to unitholders were as follows:

	Cents per unit	Total amount $'000	Date of payment
Ordinary units			
August 2016	1.6	3,951	19 August 2016
December 2016	1.0	2,470	30 December 2016
March 2017	3.4	8,333	21 March 2017
Total distributions and returns of capital for the year ended 30 June 2017	**6.0**	**14,754**	

During the year ended 30 June 2016, no distributions or returns of capital were declared to unitholders.

8 Cash and cash equivalents

	Consolidated 30 June 2017 $'000	30 June 2016 $'000
Cash at bank	10,655	26,599
Total cash and cash equivalents	**10,655**	**26,599**
Cash in escrow	–	1,495
Total restricted cash	**–**	**1,495**
Total cash	**10,655**	**28,094**

9 Trade and other receivables

	Consolidated 30 June 2017 $'000	30 June 2016 $'000
Trade receivables		
Trade receivables	585	693
Provision for doubtful debt	(585)	(108)
Total trade receivables	**–**	**585**
Prepayments and other receivables		
Prepayments and other receivables	1,128	819
Provision for doubtful debt	(197)	–
Total prepayments and other receivables	**931**	**819**
Total trade and other receivables	**931**	**1,404**

10 Trade and other payables

	Consolidated 2017 $'000	2016 $'000
Current		
Trade payables	307	516
Management fee payable	12	29
Other payables and accruals	1,451	2,377
Total trade and other payables	**1,770**	**2,922**

11 Units on issue

	Year ended 30 June 2017 $'000	Year ended 30 June 2017 Units	Year ended 30 June 2016 $'000	Year ended 30 June 2016 Units
Opening balance	202,533	246,950,150	202,533	246,950,150
Returns of capital	(14,754)	–	–	–
Closing balance	**187,779**	**246,950,150**	**202,533**	**246,950,150**

Ordinary units entitle the holder to participate in distributions and the proceeds on winding up of the Fund in proportion to the number of units held. On a show of hands, every holder of units present at a meeting of unitholders, in person or by proxy, is entitled to one vote, and upon a poll each unit is entitled to one vote. All units in the Fund are of the same class and carry equal rights.

12 Reserves

Foreign Currency Translation Reserve

	Consolidated Year ended 30 June 2017 $'000	Year ended 30 June 2016 $'000
Opening balance	(357)	(1,350)
Movement in reserves due to changes in foreign exchange rates	(844)	993
Closing balance	**(1,201)**	**(357)**

13 Undistributed losses

	Consolidated Year ended 30 June 2017 $'000	Consolidated Year ended 30 June 2016 $'000
Opening balance	(175,600)	(171,073)
Net loss after tax	(1,162)	(4,527)
Closing balance	**(176,762)**	**(175,600)**

14 Controlled entities

	Principal place of business / country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Directly held subsidiaries			
Multiplex German Property Fund	Australia	100.0	100.0
Indirectly held subsidiaries			
Multiplex German Landowning Fund	Australia	100.0	100.0
Multiplex Malta 1 Ltd	Malta	100.0	100.0
Multiplex Malta 2 Ltd	Malta	100.0	100.0
Multiplex Luxembourg Holding S.a.r.l.	Luxembourg	100.0	100.0
Multiplex Luxembourg Limited Partner S.a.r.l.	Luxembourg	100.0	100.0
Multiplex Luxembourg General Partner S.a.r.l.	Luxembourg	100.0	100.0
Multiplex Luxembourg 1 S.a.r.l.	Luxembourg	100.0	100.0
Multiplex German Investments GmbH	Germany	100.0	100.0
Monti Partnerships [1]	Germany	–	100.0

1 As a part of the wind up process, a withdrawal agreement was signed by Multiplex German Investments GmbH, Multiplex Luxembourg General Partner S.a.r.l and Multiplex Luxembourg 1 S.a.r.l on 23 December 2016. With effect as of 31 December 2016, these German Partnerships were disolved. All assets and liabilities of the German Partnerships were transferred to Multiplex Luxembourg Ltd Partner S.a.r.l. by way of accretion.

15 Reconciliation of cash flows from operating activities

	Consolidated Year ended 30 June 2017 $'000	Consolidated Year ended 30 June 2016 $'000
Net loss after tax for the year	**(1,162)**	**(4,527)**
Adjustments for:		
Non-cash items		
Loss on sale of properties held for sale	–	4,916
Amortised costs	–	157
Other costs	24	–
Foreign exchange movements	–	(256)
Operating (loss)/profit before changes in working capital	**(1,138)**	**290**
Changes in assets and liabilities during the year:		
Decrease/(increase) in trade and other receivables	473	(902)
Decrease in trade and other payables	(1,151)	(3,334)
Net cash flows used in operating activities	**(1,816)**	**(3,946)**

16 Related parties

Responsible Entity

The Responsible Entity of the Fund is Brookfield Capital Management Limited.

Key management personnel

The Fund is required to have an incorporated Responsible Entity to manage the activities of the Fund. The Directors of the Responsible Entity are Key Management Personnel of that entity.

F. Allan McDonald
Barbara Ward
Shane Ross

The Responsible Entity is entitled to a management fee which is calculated as a proportion of gross assets less fair value of derivatives attributable to unitholders. Refer below for further details related to the management fee and other fees the Responsible Entity is entitled to.

No compensation is paid to any of the Key Management Personnel of the Responsible Entity directly by the Fund.

Directors' interests

The following table sets out each Director's relevant interest in the units, debentures, interests in registered schemes and rights or options over such instruments issued by the entities within the Consolidated Entity and other related bodies corporate as at the date of this report:

Director	Multiplex European Property Fund units held
F. Allan McDonald	50,000
Barbara Ward	–
Shane Ross	–

No options are held by/have been issued to Directors.

Responsible Entity's fees and other transactions

In accordance with the Fund Constitution, Brookfield Capital Management Limited is entitled to receive:

Performance fee

A performance fee of 20% (including GST less any reduced input tax credits) of the outperformance of the Fund against the benchmark return (S&P/ASX 300 Property Trust Accumulation Index) is recognised on an accruals basis. Any previous underperformance must be recovered before a performance fee becomes payable. The performance fee expense for the year ended 30 June 2017 was nil (2016: nil). As at 30 June 2017, the performance fee payable to the Responsible Entity was nil (2016: nil).

Management fee

A management fee based on the gross value of assets, less fair value of derivatives, is payable to the Responsible Entity. The fee is payable by the Consolidated Entity quarterly in arrears. The management fee expense for the year ended 30 June 2017 was $72,000 (2016: $139,000). As at 30 June 2017, the management fee payable to the Responsible Entity was $12,000 (2016: $29,000).

Establishment costs

The Fund was constituted on 16 November 2006 and it was registered as a Managed Investment Scheme on 3 April 2007. The Consolidated Entity was previously ultimately owned by Brookfield Australia Investments Limited (71.91% ownership), Brookfield Australia Property Trust (22.36% ownership) and Brookfield Australian Opportunities Fund (5.73% ownership) from inception to 26 June 2007. On 27 June 2007 the Fund allotted units to unitholders under the Fund's PDS dated 20 April 2007.

Prior to the allotment of units to external unitholders, Brookfield Australia Investments Limited held 160,000,000 units or 71.91% ownership of the Fund. These units were fully redeemed. Multiplex German Investment Pty Ltd as trustee for Multiplex German Investment Trust, retained its 49,750,100 units. JP Morgan Chase Bank N.A., as custodian for Brookfield Australian Opportunities Fund, retained its 12,750,050 units, until October 2012 when it disposed its holdings to BAO Trust. These are related parties by virtue of their responsible entities being part of the Brookfield group.

16 Related parties continued

Responsible Entity's fees and other transactions continued

Related party unitholders

The following related parties held units in the Fund during the financial year:

- Multiplex German Investment Pty Ltd as trustee for Multiplex German Investment Trust, owned 100% by Brookfield Australia Property Trust, holds 49,750,100 units or 20.2% of the Fund at year end (2016: 49,750,100 units or 20.2%); and
- JP Morgan Chase Bank N.A., as custodian for BAO Trust, holds 12,750,050 units or 5.2% of the Fund at year end (2016: 12,750,050 or 5.2%).

	Consolidated 2017 $'000	2016 $'000
Transactions with the Responsible Entity		
Management fee	72	139
Cost reimbursements	45	150
Management fee payable	12	29
Transactions with Unitholders		
Returns of capital to Multiplex German Investment Trust	2,985	–
Returns of capital to BAO Trust	765	–

Transactions with related parties are conducted on normal commercial terms and conditions. Distributions paid by the Consolidated Entity to related party unitholders are made on the same terms and conditions applicable to all unitholders.

17 Contingent liabilities and assets

VAT audit and general tax audit

During the year, the German Tax office completed the special VAT audit which resulted in a small refund to the Fund. The VAT assessments however cannot be finalised and can be reviewed again as a result of the recent announcement by the German Tax office to conduct a general tax audit on some of the partnerships for the tax year 2013 through to 2015. Subject to the findings for the periods being audited, it may extend to retrospective years and to the remaining partnerships. The German Tax office is anticipating to commence the audit in August 2017.

German tax reassessment

As disclosed in prior years, a residual issue relevant to corporate income tax was being considered by the German Tax office for tax years 2007 onwards. These assessments were re-issued partly with no tax to pay and our advisors have confirmed that there are no material tax liability for the later tax years.

Other than as disclosed above there are no other contingent liabilities or assets at 30 June 2017.

18 Capital and other commitments

There are no capital or other commitments at 30 June 2017 (30 June 2016: nil).

19 Events subsequent to the reporting date

Other than as disclosed there are no matters or circumstances which have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

Directors' Declaration

Multiplex European Property Fund

For the year ended 30 June 2017

In the opinion of the Directors of Brookfield Capital Management Limited, the Responsible Entity of Multiplex European Property Fund:

a The consolidated financial statements and notes, set out in pages 9 to 22, are in accordance with the *Corporations Act 2001*, including:

  i giving a true and fair view of the financial position of the Consolidated Entity as at 30 June 2017 and of its performance for the financial year ended on that date;

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

  iii complying with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements.

b There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Brookfield Capital Management Limited pursuant to Section 295(5) of the *Corporations Act 2001*.

Dated at Sydney this 28th day of August 2017.

Shane Ross
Director
Brookfield Capital Management Limited

Deloitte.

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Independent Auditor's Report to the Unitholders of Multiplex European Property Fund

Opinion

We have audited the financial report of Multiplex European Property Fund (the "Fund") which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the Fund is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Fund's financial position as at 30 June 2017 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 Fund 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 the Fund**,** 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.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Fund's financial report for the year ended 30 June 2017, but does not include the financial report and our auditor's report 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.

Deloitte.

Responsibilities of the Directors for the Financial Report

The directors of the Fund 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 Fund 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 Fund 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.

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 Fund'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 Fund'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 Fund 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, 28 August 2017