

26 February 2019

Dear Investor

Re: Multiplex European Property Fund (Fund) – Investor Update

Brookfield Capital Management Limited, as responsible entity of the Fund, provides an update to investors for the half year ended 31 December 2018.

Financial Results

As at 31 December 2018, the Fund's Net Asset Value (NAV) was \$10.35 million or \$0.04 per unit (30 June 2018: \$10.26 million or \$0.04 per unit).

The movement in NAV during the period was due to exchange rate movements and costs incurred in winding up the European subsidiaries.

The Fund reported a net loss after tax of \$0.1 million due to operating costs and costs incurred in winding up the European structure.

Wind Up Update

During the half year, wind-up of the Fund's European structure continued resulting in several subsidiaries being merged and dissolved. However, further European subsidiaries will need to be dissolved and liquidated before the wind up of the Fund's Australian subsidiaries can commence.

The wind-up process in Europe had taken longer than anticipated due to requirements of different regulators in different jurisdictions.

VAT Audit / General Tax Audit

During the period, no announcements were made by the German tax authority regarding the general tax audit. The general tax audit continues and the VAT tax audit, although completed, remains open until the general tax audit is closed.

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Multiplex European Property Fund

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Revised Net Asset Value

The Fund's 31 December 2018 NAV of \$10.35 million excludes \$4.1 million of forecast wind up costs and taxes yet to be incurred. These costs are unable to be recognised in the financial statements as a liability or provision under the relevant accounting standards as there is no obligation as at 31 December 2018.

The revised estimated NAV to be distributed during the wind up is approximately 2.5 cents per unit:

	\$ million	CPU
Net asset value as at 31 December 2018	10.35	4.2
Australia operating costs	(0.06)	(0.1)
Non-Australia operating costs (including taxes)	(3.44)	(1.4)
Wind up costs (Australia and Europe)	(0.57)	(0.2)
Revised NAV on wind up	6.28	2.5

Wind up of the Fund's subsidiaries continues in line with the strategy contained in the July 2015 Notice of Meeting (NOM), although it has taken longer than anticipated to progress the wind-up the European subsidiaries. To date, approximately 6.0 cpu of the 8.4 cpu forecast in the NOM has been returned to investors.

Cash distributed on completion of wind-up may be higher or lower than the current forecast of 2.5 cents per unit. Future distributions are subject to:

- movements in exchange rates;
- changes in previous interpretation of German tax laws or laws in other jurisdictions; and
- increased costs through delay in any required restructuring or wind up.

Further Information and Financial Results

The Fund's audited financial report for the half year ended 31 December 2018 is available at www.au.brookfield.com and we recommend that investors review this document.

Yours sincerely

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