Brookfield

Brookfield Capital Management Limited
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Sydney NSW 2000

Multiplex New Zealand Property Fund
ARSN 110 281 055

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29 May 2012

Dear Unitholder

Important Update regarding your decision to remain invested, or dispose of your investment, in Multiplex New Zealand Property Fund ARSN 110 281 055 (Fund)

In accordance with the Fund's constitution, Brookfield Capital Management Limited (BCML or Manager) as responsible entity of the Fund is required at any time up to 3 months before 30 August 2012 to send a Notice to Unitholders giving Unitholders an option either to continue to remain invested or to dispose of units in the Fund (by way of sale or withdrawal).

To assist with your decision this Notice includes the following key messages:

- Investors may dispose of some or all of their current investment or remain invested in the Fund;
- It is important that investors **return the Election Form by 31 July 2012**; and
- If the Election Form is not returned by 31 July 2012, your investment will be re-invested for a period up to three years.

Note:

1. Please read the attached documentation and Annexures carefully;
2. Please seek independent advice prior to completing the attached Election Form;
3. Unless otherwise indicated, the information is current as at the date of this Notice; and
4. All dollar amounts are in Australian dollars, unless otherwise indicated.

Further information in relation to the Fund and its properties is provided in the enclosed Notice together with a report prepared by CBRE regarding the relevant New Zealand property markets.

If you have any enquiries concerning your unitholding or completing the enclosed Election Form, please telephone 1800 766 011 between 8.30am and 5.30pm AEST time Monday to Friday.

Regards

Brookfield Client Services

NOTICE

Fund Update

BCML is currently in negotiations to sell one or more of the Fund's assets. These negotiations are not finalised and the potential purchasers are requiring strict confidentiality which prevents disclosure of further information at the present time. The sale of these assets will have an impact on the financial position of the Fund and may impact your decision to remain invested in the Fund.

At the same time BCML has been in discussions with the Fund's financiers regarding extending the current debt facility (due to expire on 30 August 2012). The outcome of these discussions may be impacted if one or more of the Fund's property assets are sold.

In the event that any assets are sold before 31 July 2012, BCML will issue Unitholders with further information on the impact of any such sale and refinancing of the Fund. This will provide Unitholders an opportunity to change their decision if they have previously returned their Election Form.

Your response to this Election Form is required to be returned by 31 July 2012 and given that properties may be sold before your notice is required, BCML recommends that your decision is made closer to that date in order to allow BCML the opportunity to confirm the status of sale negotiations and their impact on the Fund.

Provision of this Notice to Unitholders	30 May 2012
Expected date for provision of further information in relation to potential asset sales or refinancing (subject to the timing of any confirmation of the sale of any of the Fund's properties)	On or around 30 June 2012
Date by which the Election Form must be returned by Unitholders	31 July 2012

What investors need to do

The enclosed Election Form asks Unitholders to advise whether or not they want to continue to hold their units or dispose of them. You can dispose of all or part of your holding. If you wish to dispose of all your holding you will need to select this on the enclosed Election Form. If you wish to dispose of part of your holding you must indicate the number of units being disposed on the Election Form and continue to own an investment of at least 10,000 units otherwise BCML may choose to treat the election as a request to dispose of all of your units.

Under the Fund's constitution, Unitholders have irrevocably appointed BCML as their attorney for the purpose of offering their units for sale or submitting a withdrawal request.

If you DO NOT return your Election Form by 31 July 2012 you will be taken to be in favour of continuing to remain an investor in the Fund holding the units for a further period of three years.

Please submit your Election Form (and any Power of Attorney under which it is signed) using the reply paid envelope enclosed. Forms must be received at the address below by 5pm, 31 July 2012.

BY MAIL	Unit Registry Boardroom (Victoria) Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
BY FAX	+ 61 2 9290 9655
IN PERSON	Unit Registry Boardroom (Victoria) Pty Limited Level 7, 207 Kent Street Sydney NSW 2000 Australia

What price will be paid for units?

For Unitholders who wish to dispose of their units the price of each unit will be the Withdrawal Price (as defined in the Fund's constitution) or any lesser amount agreed by the Unitholder.

Note that entities in Brookfield Group or their associates may be a purchaser of units from Unitholders who wish to sell their units.

BCML will seek to sell the units at the Withdrawal Price calculated at the time the units are sold. This may therefore be different to the Withdrawal Price calculated at 30 April 2012 as set out below.

If a buyer at the Withdrawal Price cannot be located, a sale at a lower price will only occur with your consent. BCML will contact you if a purchaser at a price less than the Withdrawal Price exists. You will not be required to accept a sale price less than the Withdrawal Price and you will then have your units redeemed.

In the event that your units cannot be sold, the Manager is required under the Fund's constitution to facilitate your exit from the Fund by way of withdrawal (redemption). To do this, the Manager will be required to sell sufficient properties of the Fund in an orderly manner within a reasonable time in order to redeem those Unitholders choosing to withdraw, and the Withdrawal Price will then be the price prevailing at the time of the withdrawal.

In practical terms, a withdrawal will be effected and money returned to you when the Fund has accumulated sufficient cash reserves to facilitate the required redemptions. The number of assets required to be realised, if any, cannot be determined until the requirements of all Unitholders have been assessed and the requirements of the Fund’s debt facility have been satisfied.

If properties are not sold at their current value or the New Zealand dollar fluctuates, the Withdrawal Price may be higher or lower than the current calculated Withdrawal Price utilizing existing property valuations. In addition, the conditions of the New Zealand property market and the ability of the Manager to source a purchaser at an appropriate price will dictate this process. It may take time to sell the assets necessary to facilitate the redemptions and the timing of receipt of your redemption proceeds cannot be accurately determined at the present time.

Calculating the Withdrawal Price

The Withdrawal Price is calculated as follows:

$$\frac{NAV - AI - TC}{\text{Units on issue}}$$

Where:

NAV	The net asset value of the Fund at the withdrawal date.
AI	Accrued income. This is deducted because Unitholders are separately entitled to that income pro rata on a daily basis for the number of days of the income period for which units are held.
TC	The transaction costs the Fund would incur if all of the Fund's assets were sold. This must be deducted to ensure the remaining Unitholders are not disadvantaged by bearing all of the disposal costs. The transaction costs will therefore include fees that would be paid to lawyers and consultants, any fee payable to the Manager on the sale of an asset by the Fund, break costs on debt facilities relating to the asset and other selling costs. This transaction cost amount is not paid to the Manager as a fee. Rather, the deducted amount remains in the Fund for the benefit of the remaining Unitholders.
Units on issue	The total number of units which are on issue at the time the withdrawal is effected.

When a withdrawal opportunity arises, the Withdrawal Price will be published on www.au.brookfield.com

Withdrawal price as at 30 April 2012

On an unaudited basis, the Fund's net assets as at 30 April 2012 were approximately $126.7 million or $0.58 per unit. As no distributions are payable at present, Accrued Income is not required to be adjusted in the calculation.

Transaction costs are estimated to be generally in the range of 1.25% to 1.75% of the gross property values. Taking this into account, the Withdrawal Price calculated based on the 30 April 2012 net asset value is estimated to be $0.56 per unit.

What could happen if I remain invested in the Fund?

In accordance with the Fund's constitution, BCML has determined that the Fund will continue to operate for another **three years**. In reaching this decision a number of factors including availability of financing, prospects for the Fund's properties over the short to medium term, access to liquidity, and economic conditions in New Zealand were considered.

If Unitholders remain invested in the Fund, BCML must provide a further right to withdraw on the same terms within another three years. It does not prevent BCML offering other withdrawal opportunities throughout the term of the Fund, provided those opportunities occur within the terms of the Fund's constitution and the Corporations Act 2001.

In the section "Additional information to assist with your decision" and Annexures, there is further information about the extension of the Fund for three years.

Please note, if investors decide to remain invested in the Fund, BCML may realise further properties or wind up the Fund at any time if it is considered to be in the best interests of Unitholders. The value of your interest in the Fund may also be affected by the requirements of other Unitholders who dispose of their investment in the Fund.

In the event that the Fund's property assets are realised to facilitate redemptions, the sale price of such assets may be different to the current value of the assets. As such, the value of a Unitholder's interest in the Fund and the profile of the assets representing their interest may be different to those currently existing in the Fund.

In making a decision to remain invested in the Fund, Unitholders should carefully consider the additional information including associated risks set out in this Notice.

Potential for Fund wind up AFTER receipt of Election Forms

If properties are required to be sold, it may not be possible for BCML to balance the interests of Unitholders who wish to dispose of part or all of their investment and those who wish to remain in the Fund. In these circumstances, BCML may determine to wind up the Fund and distribute net proceeds to all Unitholders in accordance with the constitution.

BCML will review the election results made by Unitholders and will assess options available to meet the requirements of those Unitholders wishing to dispose of part or all of their investment. In the event that no buyer can be found for the units at the Withdrawal Price, it may be necessary for the Manager to realise a number of the Fund's properties in order to facilitate the withdrawal of those wishing to dispose of their units.
As the Fund owns substantial property assets, it may take a number of years to realise the assets at values it considers to be in the best interests of Unitholders. If the Fund is winding up, the debt facility requires proceeds of asset sales be paid to the financier before any capital can be returned to Unitholders.

It is not possible, at this stage, to estimate the likely net proceeds to be distributed upon a winding up or the timing of such distributions.

Additional information to assist with your decision

The following information is provided to assist Unitholders with their decision making. The information provided is from sources believed to be accurate at the date of this Notice. However, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of any information, opinion or conclusion contained in this Notice derived from third party sources. To the maximum extent permitted by law, neither the Manager nor any of its directors, officers, employees, agents, advisers or intermediaries, nor any other person, accepts any liability for any loss arising from the use of this Notice or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on their part.

Historical information in this Notice is, or is based upon, information that is available to Unitholders at the Fund's website at au.brookfield.com. The information should be read in conjunction with the Fund's other periodic and continuous disclosure announcements, including the Fund's full year financial results for the year ended 30 June 2011 and the Fund half year financial results for the period ended 31 December 2011.

The information is not represented as being indicative of BCML's views on the future financial condition and/or performance of the Fund.

Financial position of the Fund

Below is an unaudited balance sheet as at 30 April 2012 which shows net assets attributable to Unitholders of $126.7 million and a net tangible asset (NTA) per unit of $0.58.

Multiplex New Zealand Property Fund
Proforma balance sheet

	Consolidated Proforma positions 30 April 2012 $'000	Notes (a)
Assets		
Current assets		
Cash and cash equivalents	24,762	
Trade and other receivables	782	
Total current assets	**25,544**	
Non-current assets		
Investment properties	339,597	(b)
Total non-current assets	**339,597**	
Total assets	**365,141**	
Liabilities		
Current liabilities		
Trade and other payables	27,781	(c)
Interest bearing liabilities	199,183	
Total current liabilities	**226,964**	
Non-current liabilities		
Deferred tax liability	11,437	(d)
Total non-current liabilities	**11,437**	
Total liabilities	**238,401**	
Net assets	**126,740**	

Assumptions

(a) The proforma positions at 30 April 2012 presented in the table above represents unaudited 30 April 2012 positions adjusted to reflect certain known and expected balances as the date of this Notice.

(b) The investment properties balance reflects external valuations as at 30 April 2012, as conducted by Colliers.

(c) This balance includes unpaid management fees at the outstanding fee amount plus non-claimable GST, with the April 2012 monthly fee adjusted to reflect the proforma positions.

(d) The net deferred tax liability position has been adjusted to take into account the proforma 30 April 2012 positions, with the exception of any deferred tax asset losses on carried forward tax which has been retained at the 31 December 2011 position.

Fund's property portfolio

The portfolio was externally valued as at 30 April 2012 at $339.6 million (NZ$432.0 million) representing a reduction of 3.4% in New Zealand dollars compared to 31 December 2011. The reduction was primarily due a significant forthcoming expiry at ASB Bank Centre and a reduction in gross effective market rents for the Wellington assets for higher insurance costs, partially offset by an overall improvement in the portfolio's weighted average market capitalisation rate by 0.04%.

As at 30 April 2012, the Fund's portfolio consisted of:

- eight commercial assets valued at NZ$335.7 million;
- one retail asset valued at NZ$26.3 million; and
- one industrial asset valued at NZ$70 million.

The weighted average lease term is 4.6 years and portfolio occupancy rate is 97.3 % by area as at 30 April 2012.

Independent Valuations as at 30 April 2012:

Investment Properties	**Purchase Date**	**Purchase Price NZ$ million**	**Book Value April 2012 NZ$ million**
ASB Bank Centre	September 2004	113.9	107.0
Chorus House	May 2005	63.7	80.0
8 Hereford Street	May 2005	55.5	45.0
Conservation House	June 2007	37.7	31.0
HP House	April 2006	26.1	24.0
The AIA Building	May 2005	24.6	27.0
143 Willis Street	June 2007	19.0	11.3
The Plaza	May 2005	10.5	10.4
Office sub-total		**351.0**	**335.7**
The Hub	September 2006	42.8	26.3
Retail sub-total		**42.8**	**26.3**
Mangere Distribution Centre	September 2004	55.5	70.0
Industrial sub-total		**55.5**	**70.0**
Portfolio Total		**449.3**	**432.0**

Additional property information is provided in Annexure 1.

Valuation methodology

In accordance with the Fund's valuation policy, all properties are required to be valued at every reporting period and their fair value stated. The fair value is determined at prices which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction.

The fair value of an investment property is assessed using market capitalisation and contract income (Capitalisation approach) and the Discounted Cash Flow (DCF) calculation method. These methods take into account agreed rent for the signed leases, market rent for vacant space and estimated rents for re-letting space after lease term expiry, deductions for forecast capital expenditure, cost of letting space, application of appropriate capitalisation and discount rates.

The fair value assessed by a valuer may not equate to the realisable value at which the property would ultimately be realised. The reason for this is that available historical evidence adopted represents property with investment fundamentals as close as possible to, but not identical to, the subject property and the assessed fair value would not include any deductions such as selling costs.

Fund Performance since inception

NTA Movement

Year End	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Dec-11	Apr-12*
NTA (A$)	$0.96	$1.18	$1.39	$1.20	$0.75	$0.68	$0.59	$0.56	$0.58
Movement in NTA (%)		**23**	**18**	**-14**	**-38**	**-9**	**-13**	**-5**	**4**
NTA (NZ$)	$1.05	$1.43	$1.53	$1.51	$0.93	$0.84	$0.76	$0.74	$0.74
Movements (%)		**37**	**7**	**-1**	**-38**	**-10**	**-9**	**-4**	**1**
Exchange Rate A$:NZ$	$1.09	$1.22	$1.10	$1.26	$1.24	$1.23	$1.30	$1.31	$1.27

*Proforma

Past performance is no indication of future performance.

The fall in value can be attributed to a fall in value of underlying assets and depreciation of the New Zealand dollar.

New Zealand property market outlook

A report prepared by CBRE regarding the New Zealand property market can be found in Annexure 2. The report provides Unitholders with CBRE's opinions and estimates of the historic, current and future conditions for Auckland's industrial, A and B Grade office markets and Wellington's B grade office market. It is not an assessment of the Fund's properties. The report provides an outlook for the next three years to align with the extension period of the Fund.

Prospects for payment of distributions

The Fund's existing debt facility only permits distributions in circumstances:

- Where distributions are required to be paid to facilitate the distribution of Australian taxable income; or
- Where the LVR is below 55%.

Based on current valuations, the LVR is approximately 59% and there is no immediate prospect of the Fund having Australian taxable income in the absence of asset sales or a significant change in the underlying ownership of the Fund.

A review of future cash flows from the Fund's assets indicates that it is highly unlikely that excess cash will be available to fund distributions for the next three years unless the Fund is able to sell one or more assets. This is due to a combination of Fund gearing, likely refinancing requirements and the expected need for cash to support the property assets through leasing incentives and required capital expenditure.

In the event of a sale of one or more assets, the likelihood of distributions being paid will depend on the terms of any refinancing, the necessity to utilise excess cash to enable withdrawals from the Fund and cash requirements of the remaining properties.

Fees

The Product Disclosure Statement dated 7 September 2004 (PDS) and the Fund constitution set out the fees payable to the Manager.

As at the date of this Notice, the Fund has a liability for deferred management fees to the Manager of approximately $17 million. These have been accrued in the Fund's balance sheet and reflected in the Fund's Current NTA.

What is BCML and related entities intending to do with their holdings in the Fund?

Subsidiaries of Brookfield Australia Investments Limited hold interests in the Fund of approximately 31.5%.

In addition BCML, as responsible entity of Brookfield Australian Opportunities Fund (ASX: BAO), holds approximately 20% in the Fund. BAO is listed on the Australian Securities Exchange (ASX) in which subsidiaries of Brookfield Australia Investments Limited holds an interest of approximately 62%. BCML, as responsible entity of Multiplex Property Income Fund (an unlisted fund) also holds an interest of approximately 0.5% in the Fund.

At present no confirmation has been provided by these Unitholders in relation to their intentions in continuing to remain invested in the Fund.

Risks

Other than the risks arising for Unitholders as set out previously, the PDS also outlines risks associated with an investment in the Fund. Unitholders should refer to those risks identified in making their decision. The PDS can be found at the website au.brookfield.com

In particular, the following issues should be considered by Unitholders.

Cash requirements

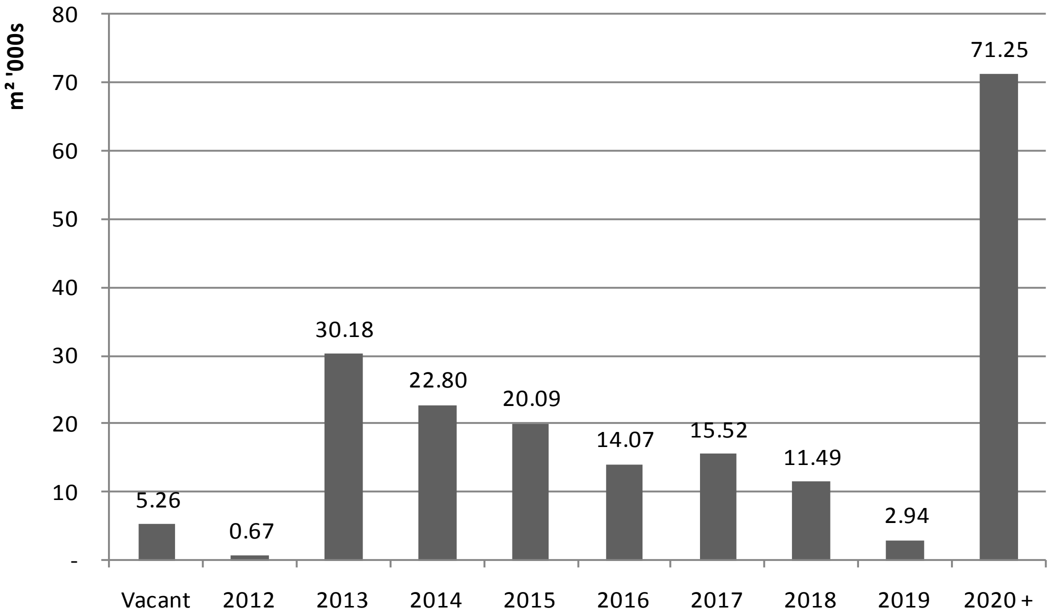
In recent years BCML has adopted a policy of retaining cash reserves to meet capital expenditure and re-leasing costs for the properties. This has been done in order to ensure that the properties' value may be preserved as much as possible.

This policy is unlikely to change in the near future as the Fund is unable to redraw on its debt facility and sourcing additional equity at appropriate values may be difficult. A conservative approach to cash management will continue to be adopted. This may adversely impact the Fund's ability to pay distributions. Beyond the current leasing expiry cycle being managed over the short term, cash retention requirements are expected to be at lower levels.

Re-leasing

Currently, the occupancy rate of the properties is 97.3% by area. A major lease expiry will arise in July 2013 at the ASB Building. This represents 14% of the Fund's rental income.
Re-leasing the property brings risks of a prolonged vacancy and/or significant costs in securing tenants by way of lease incentives and capital expenditure. This may strain the Fund's cash flows and adversely impact the property value in the short term.

The Fund's lease expiry profile for the next eight years is:



To mitigate risks associated with re-leasing, BCML has undertaken regular asset and market reviews. In addition, the Fund leased approximately 40,200 square metres since January 2011 which improved financial ratios and reduced valuation risks at the properties.

Currency

The Fund's properties produce rental income in New Zealand dollars and the debt facility is in New Zealand dollars.

Net cash flows are not hedged and therefore Australian investors are exposed to movements in the Australian dollar against the New Zealand dollar both in terms of capital invested and net cash flow that may be available for distribution. Investors from countries outside of Australia are similarly affected.

Sensitivity analysis: movements in exchange rates and the impact on the NTA.

		Sensitivity			
	April 2012*	**+ 5%**	**+ 10%**	**- 5%**	**- 10%**
NTA - A$	$0.58	$0.55	$0.53	$0.61	$0.65
Exchange Rate	$1.272	$1.335	$1.399	$1.208	$1.145
NTA - NZ$	$0.74	$0.74	$0.74	$0.74	$0.74

*proforma

A movement in exchange rate of 5% in the New Zealand dollar would result in approximately 3 cents movement in the NTA in Australian dollar. A change in the relevant exchange rate may also impact outcomes for Australian tax purposes and may result in a higher level of taxable income being distributed to Unitholders.

Interest rate risk

No interest rate hedging is contemplated at the present time however this will be re-assessed in light of the decision of investors to remain invested in the Fund.

Refinancing

The Fund's existing facility will remain in place until 31 August 2012. Discussion with the financier continues however at expiry of the facility there is no guarantee that refinancing will be available.

Tax losses

In accordance with accounting standards the Fund currently recognises on its balance sheet a deferred tax asset of approximately $11.2 million representing tax losses which are available to reduce New Zealand tax that may otherwise be payable.

These losses may not be available to the Fund in the event the sale or withdrawal process results in the Fund being unable to demonstrate that the same group of persons held an aggregate of at least 49% of the minimum voting interests in the Fund in respect of each available loss. In such circumstances the deferred tax asset would be written off with a resultant decrease of up to $11.2 million or 5 cents per unit in the net asset position of the Fund.

In addition as at 30 June 2011, the Fund has carried forward Australian revenue losses of approximately $18.3 million and its subtrust has capital losses of approximately $33.9m. These losses are not reflected on the Fund's balance sheet. However, subject to the following comments, these losses will be available to shelter Australian taxable income and in the case of capital losses shelter capital gains that may be derived and distributed to Unitholders. In the event that the sale or withdrawal of units in the Fund causes the Fund to fail the continuity of ownership requirements of the tax legislation, the revenue losses may not be available. As a result a greater proportion of cash returned to investors may be taxable income for Australian taxation purposes.

Taxation issues relevant to Unitholders

The taxation information that follows is general in nature. It only applies to Unitholders who are individuals that are residents of Australia for income tax purposes and who hold their investment in the Fund on capital account.

The tax implications for Unitholders may differ depending on individual circumstances. Therefore all Unitholders are recommended to seek independent taxation advice in relation to their own position.

This summary is based on the relevant Australian tax legislation and administrative practice in effect as at the date of this Notice.

Capital gain or loss - Sale or redemption of units held in the Fund

The sale or withdrawal of units in the Fund may give rise to a capital gain which should be included in the assessable income of the Unitholder in the year in which the capital gain arises. The capital gain will be equal to the proceeds received in respect of the unit less the cost base of the units. To the extent a capital gain remains after the application of capital losses by the Unitholder, the gain may be able to be discounted by 50% if the units have been held for more than 12 months.

A capital loss on the sale or redemption of units will arise when the reduced cost base of the units held by the Unitholder is greater than the proceeds received on the sale or withdrawal of the units. In those circumstances, any capital loss realised by the Unitholder may only be applied against other capital gains of the Unitholder.

Annexure 1

ASB Centre

135 Albert Street, Auckland

Property Details

Property Type	Prime Commercial Office
Building completion date	1991
Net lettable area (sqm)	33,446
Car bays	299
Latest Valuation (NZ$)	107,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	96.3
Weighted average lease expiry (years)	1.57
Major tenant	ASB Bank Limited
Net lettable area (sqm)	20,416
Lease expiry	July 2013

Chorus House

66 Wyndham Street, Auckland

Property Details

Property Type	A Grade Commercial Office
Building completion date	1990
Net lettable area (sqm)	22,614
Car bays	199
Latest Valuation (NZ$)	80,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	94.8
Weighted average lease expiry(years)	4.00
Major tenant	Chorus Limited
Net lettable area (sqm)	3,937
Lease expiry	February 2018

8 Hereford Street

8 Hereford Street, Auckland

Property Details

Property Type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	15,665
Car bays	475
Latest Valuation (NZ$)	45,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	94.6
Weighted average lease expiry (years)	3.65
Major tenant	Auckland Council
Net lettable area (sqm)	11,232
Lease expiry	August 2014

Conservation House

18-32 Manners Street, Wellington

Property Details

Property Type	Commercial Office
Building completion date	Refurbished 2007
Net lettable area (sqm)	8,616
Car bays	34 plus 20 bike bays
Latest Valuation (NZ$)	31,000,000
Latest valuation date	April2012

Tenancy Profile

Occupancy (%)	98.0
Weighted average lease expiry (years)	5.83
Major tenants	Department of Conservation
Net lettable area (sqm)	7,257
Lease expiry	October 2018

HP House

8 Gilmer Terrace, Wellington

Property Details

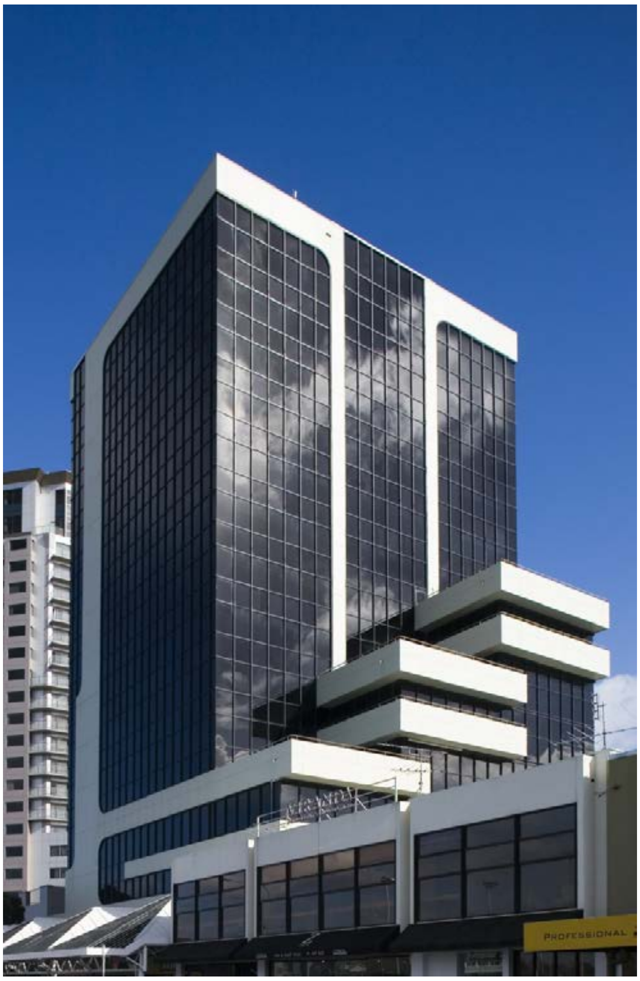
Property Type	Commercial Office
Building completion date	1988
Net lettable area (sqm)	9,940
Car bays	33
Latest Valuation (NZ$)	24,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	84.2
Weighted average lease expiry (years)	3.02
Major tenants	Hewlett Packard
Net lettable area (sqm)	7,802
Lease expiry	April 2015

AIA House

5-7 Bryon Avenue, Takapuna



Property Details

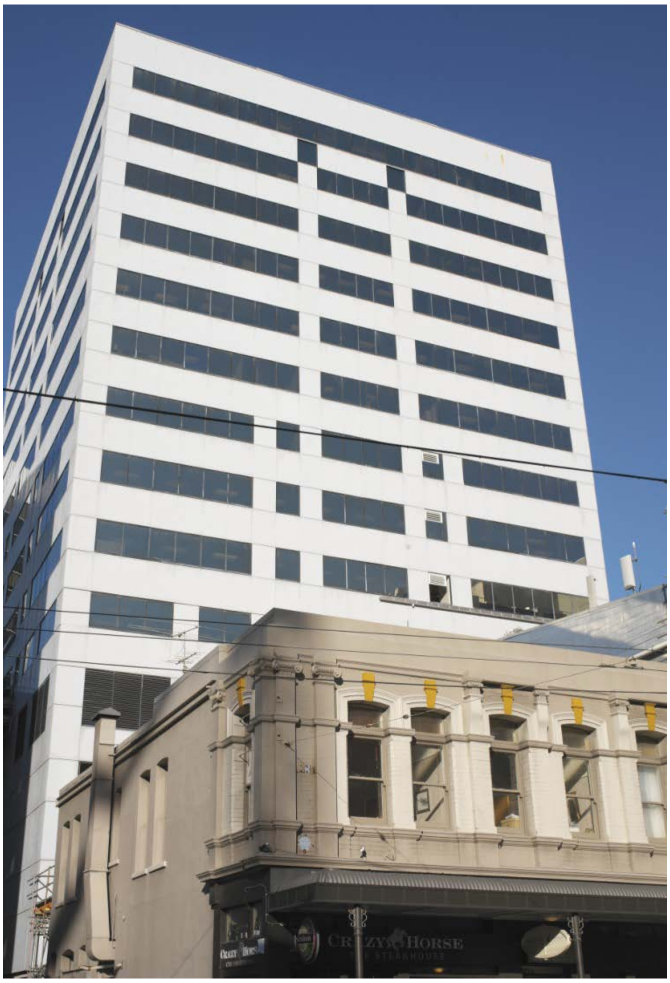
Property Type	Commercial Office
Building completion date	1989
Net lettable area (sqm)	9,484
Car bays	190
Latest Valuation (NZ$)	27,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	100.0
Weighted average lease expiry (years)	5.15
Major tenants	Inland Revenue Department
Net lettable area (sqm)	7,288
Lease expiry	December 2017

143 Willis

143 Willis Street, Wellington



Property Details

Property Type	Commercial Office
Building completion date	1985
Net lettable area (sqm)	7,595
Car bays	15
Latest Valuation (NZ$)	11,250,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	100.0
Weighted average lease expiry (years)	1.62
Major tenants	Telecom
Net lettable area (sqm)	5,488
Lease expiry	May 2013

The Plaza

501 Karangahape Road, Auckland

Property Details

Property Type	Commercial Office/Retail
Building completion date	Refurbished 1980s
Net lettable area (sqm)	4,693
Car bays	34
Latest Valuation (NZ$)	10,400,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	94.0
Weighted average lease expiry (years)	3.85
Major tenants	Fairfax Media
Net lettable area (sqm)	2,840
Lease expiry	March 2017

The Hub

3 Phoenix Drive, Whakatane

Property Details

Property Type	Bulky Goods Retail Centre
Building completion date	2006
Net lettable area (sqm)	18,301
Latest Valuation (NZ$)	26,250,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	100
Weighted average lease expiry (years)	5.36
Major tenants	Farmers
Net lettable area (sqm)	5,979
Lease expiry	May 2020

Mangere Distribution Centre

Northside of Favona Road, Auckland

Property Details

Property Type	Distribution Centre
Building completion date	Refurbished 1995
Net lettable area (sqm)	65,274
Latest Valuation (NZ$)	70,000,000
Latest valuation date	April 2012

Tenancy Profile

Occupancy (%)	100.0
Weighted average lease expiry (years)	12.34
Major tenants	General Distributors Ltd (Woolworths)
Net lettable area (sqm)	65,274
Lease expiry	August 2024

Annexure 2

THE DIRECTORS

BROOKFIELD CAPITAL MANAGEMENT LIMITED AS RESPONSIBLE ENTITY FOR THE MULTIPLEX NEW ZEALAND PROPERTY FUND

Market Report For Inclusion In Multiplex New Zealand Property Fund Investor Communication

4 MAY 2012

4 May 2012

The Directors
Brookfield Capital Management Limited
As Responsible Entity for the
Multiplex New Zealand Property Fund

Market Report for Inclusion in Multiplex New Zealand Property Fund Investor Communication

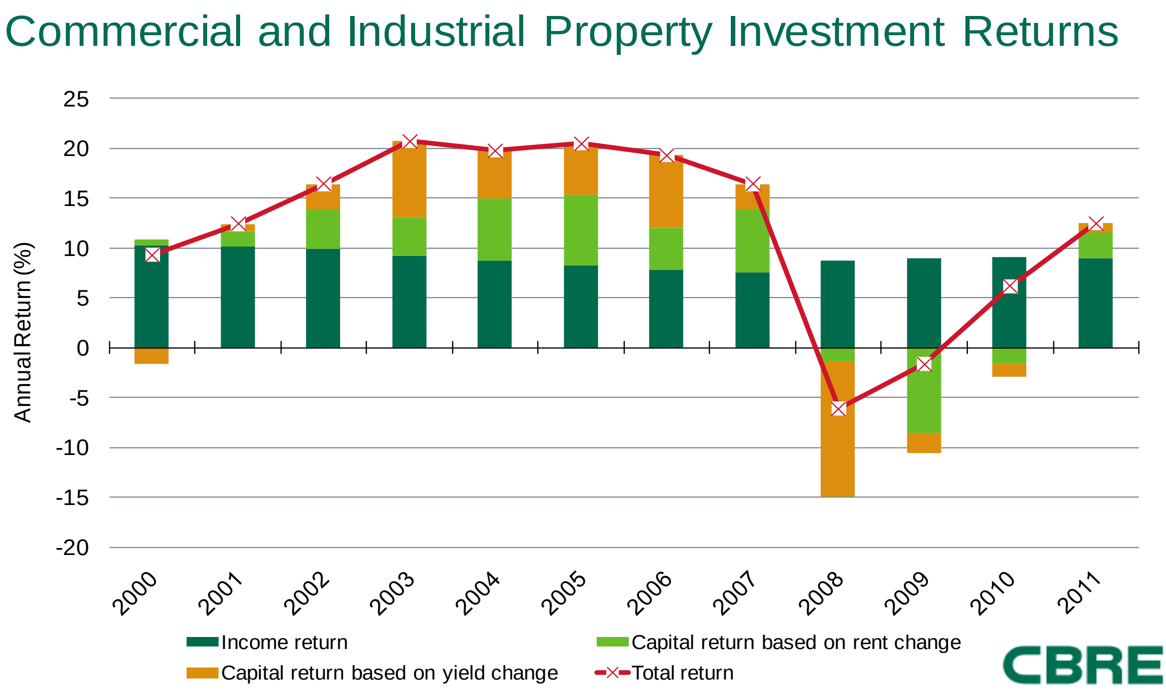
Introduction

This report has been prepared for inclusion in a Notice to unitholders in the Multiplex New Zealand Property Fund issued by Brookfield Capital Management Limited (Brookfield). Brookfield has requested CBRE to provide its opinions and estimates of the historic, current and future conditions for the Auckland and Wellington property markets with a focus on the Auckland Grade A and Grade B office market, the Wellington Grade B office market and the Auckland industrial market.

Historic and Current Market Conditions

Chart 1 illustrates the property market cycle of the past decade in terms of income and capital return movements and their impact on the total returns generated by the commercial and industrial property market. The data in the chart is based on CBRE's assessment of market rents, yields and capital values. It represents gross returns without taking into consideration factors such as capex and vacancy periods that lower returns for actual buildings. It should also be remembered that market returns can have little bearing on the actual returns that may be provided by specific assets. There are submarket variations in property market dynamics. Furthermore for individual properties the level of over/under renting, fixed CPI based rather than market rent increases, the timing of rent reviews as well as vacancy issues means a wide range of actual return outcomes around indicative market returns.

Chart 1



A number of trends are evident from Chart 1.

- Total returns experienced steady growth during the early 2000s. Total returns subsequently peaked, and remained, at around 20% per annum through the mid 2000s.
- The global financial crisis and recession had a dramatic impact on property market performance. Total returns were negative 6% in 2008 and remained negative in 2009. This deterioration was driven by increasing market yields and decreasing market rents.
- Market conditions started to stabilise in 2010. Capital returns remained negative but to a significantly lesser degree than in the previous two years which enabled the market to produce a positive total return.
- Market conditions improved further in 2011. Net effective market rents have increased and market yields have declined. For the first time since 2007 capital returns were positive and, in combination with the income return, resulted in a further strengthening of total returns.

The positive rent and yield movements in 2011 were underpinned by improving market fundamentals with most property submarkets showing stronger occupier demand which resulted in improving vacancies in sectors not excessively exposed to the impact of new supply. Property investment market conditions were assisted by greater investor confidence due to the improvements in market fundamentals as well as a supportive interest rate environment.

As of May 2012, a general feeling of cautious positivity prevails within the New Zealand property market. Downside risks remain but the market recovery established in the past year has provided a positive momentum for the commercial and industrial property market into 2012. CBRE's assessment in the first quarter of 2012 showed a further stabilisation and improvement of market rents and yields for the overall commercial and industrial property market.

At the same time risk aversion remains a feature of the investment market and the improvements, evident at the overall market level, hide substantial variations in submarket performance. Some submarkets remain exposed to adverse demand and high vacancy. At the level of individual assets, building quality, location, tenure, lease term and lease covenant continue to have a large bearing on values. Riskier property in unpromising settings continues to underperform in 2012.

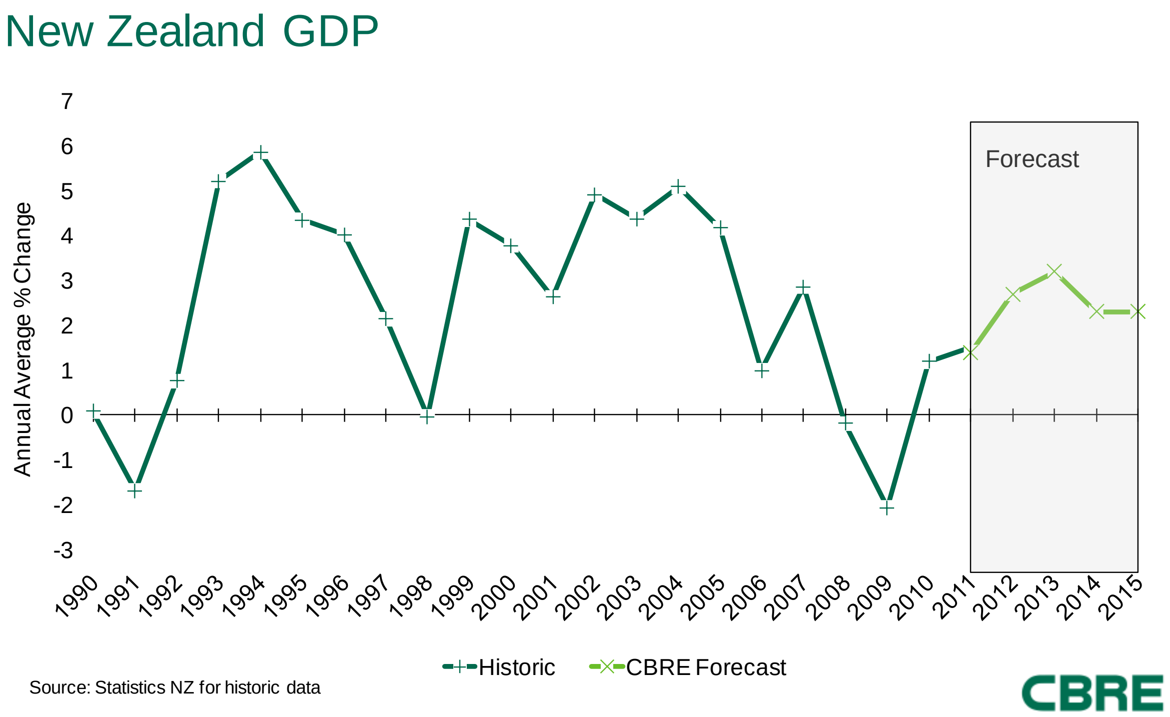
Market Drivers

Economic and monetary trends

The New Zealand economy continues its gradual recovery amidst global volatility. Gross domestic product increased by 1.4% last year, following 1.3% growth in 2010. The recovery has been slower than previously expected due to the impacts of the Canterbury earthquake, global market volatility, domestic deleveraging and fiscal restraint.

The global economic environment remains highly volatile and there are several risk factors that could have significant negative impacts on the New Zealand economy and property market. However, while acknowledging the risk, there is broad agreement between economists, evident from the NZIER's March 2012 Consensus Forecasts publication that New Zealand's recovery will continue. Conversely, economists' opinions diverge on the timing of the Canterbury reconstruction and the strength of the broader recovery. Some expect a material impact from the reconstruction in 2012; others expect a delay until 2013. This is resulting in a wide range of opinion regarding the GDP growth rate in 2012, from forecasts that are little different to the growth experienced in 2011 to a more significant uplift. Apart from the Christchurch rebuild, supportive factors expected to aid economic growth over the next three years include a rebounding housing market resulting in increased construction activity, a lift in consumption due to improving labour market conditions and supportive export sector performance. As an input into its property market forecasts, CBRE prepares GDP forecasts based on information available from a number of economists. CBRE's most recent GDP forecasts within the context of historic GDP growth are shown in Chart 2. CBRE's forecast for GDP growth is higher than the average of the economists' consensus for 2012 and 2013 but lies below the upper end of the GDP forecast range by mainstream economic and financial agencies.

Chart 2



Regional variations are expected in economic performance. Auckland is likely to benefit from a number of supportive factors with the rebounding housing market flowing through into the broader regional economy. On the other hand, Wellington's heavy exposure to the government sector, combined with the staff and cost cutting and efficiency improvement measures being implemented by central government, will have a negative bearing on its economy over the next few years.

To lessen the economic impact of the earthquake, New Zealand's Official Cash Rate was reduced by 50 basis points to 2.5% in March 2011 and has remained at this level since. Inflation has remained restrained and any increase to the Official Cash Rate is unlikely until later in 2012/2013 when the economy is expected to experience a boost in its recovery. As a result, following little change in 2012, interest rates are forecast to gradually rise through 2013 and 2014.

Economic and monetary conditions will influence the occupational and investment demand for property. The trends and projections outlined above have been incorporated into our property market forecasts that follow.

Auckland Office Market Outlook

Economic recovery has been followed by recovering demand for Auckland office space. During 2011, net absorption, which measures the change in occupied office space, has been approximately 30,000 sqm. This has been a good result for the market, exceeding longer term averages. Despite positive occupier demand, the Auckland CBD office market vacancy rate increased in 2011. The vacancy rate was 14% at CBRE's most recent six monthly survey in December 2011, up from 13.8% in December 2010. This increase was driven by the impact of new supply. In 2011, 39,500 sqm of new office space was completed which offset the beneficial impact of increased demand and hence resulted in the increasing vacancy.

Looking forward, the Auckland CBD office supply pipeline is reducing. In the past five years 167,000 sqm of new office space was completed in the CBD. The current supply pipeline comprises two projects totalling 30,500 sqm, completed by the end of 2013. Additional development projects may proceed over the next few years but given the lead time for major new office developments, and the current environment for development, we don't expect a significant volume of additional new supply to be completed by 2015.

Given the consensus economic growth outlook, CBRE expects that the positive CBD office occupier demand experienced in the past year will prevail over the next few years. In our view demand will be sufficient to offset the moderate amount of new supply expected and result in improving vacancies, although with some periodic fluctuations following new building completions.

Specific rental trends are discussed in the Grade A and B submarket commentaries that follow, but broadly, a positive demand environment combined with reducing vacancies will be supportive of rent growth through 2015 to recover the rent declines experienced between 2008 and 2010.

In the investment market the fundamentals of location, quality, tenure, lease term and lease covenant will continue to have a large bearing on yields but improving property market fundamentals will likely to lead to less risk aversion among investors. At the same time pricing will continue to feel the ongoing effects of the Canterbury earthquakes in terms of building upgrade requirements and insurance issues and a conservative environment for debt funding. In summary, CBRE expects yields to firm somewhat due to the combination of greater investor activity and a continuing low interest rate environment although a more significant yield improvement is not expected until a deep and sustained improvement in economic growth and property market conditions materialises.

Auckland Grade A Office Market

A significant proportion of the new Auckland office supply experienced over the past five years has been for Grade A property. Offsetting this however demand has also been strong and, in contrast to overall market trends, Grade A net absorption has exceeded demand during both 2010 and 2011. As a result, after peaking in 2009 Grade A vacancy has declined in the past two years.

The vacancy improvement since 2009 has been accompanied initially by the stabilisation of rents and more recently by increasing net effective rents as the prevailing level of incentives during the recession has started to reduce.

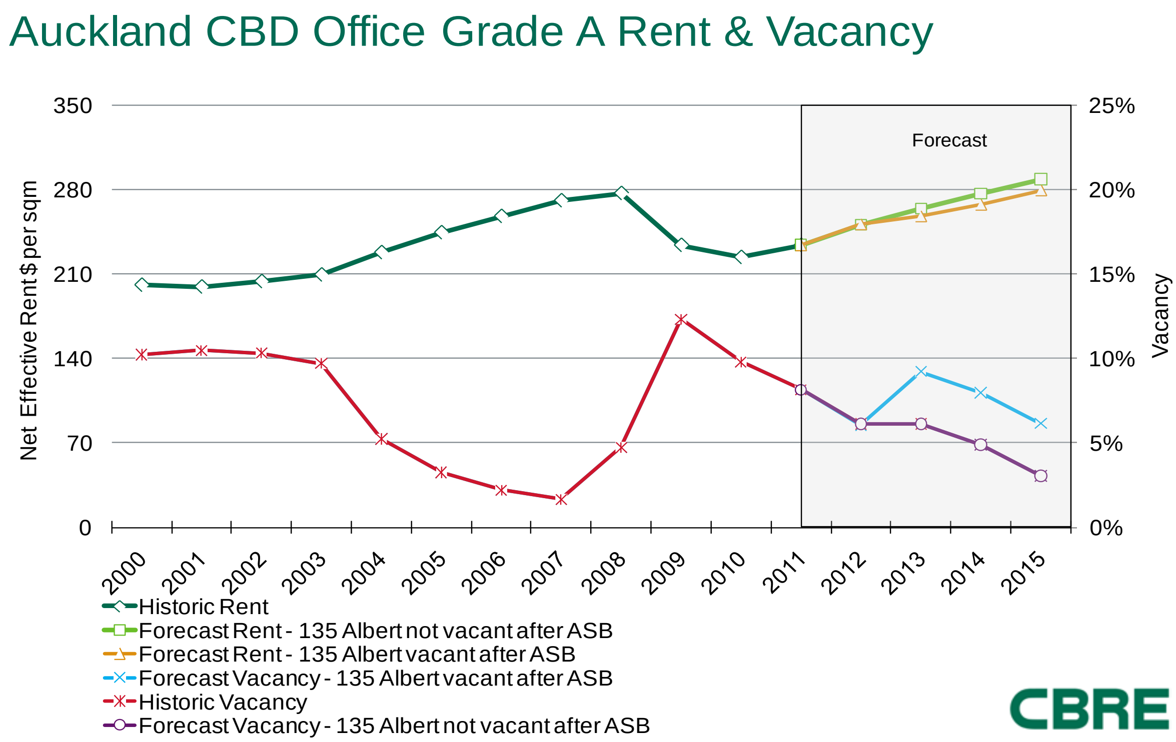
The Grade A office market recovery is anticipated to continue over the next few years. As discussed in the previous section, the office supply pipeline is reducing although both developments currently underway, the new ASB Bank head office in Wynyard Quarter and a new building in Quay Park with AECOM as its anchor tenant, are expected to be in Grade A on completion. The forecast economic environment will support the continued growth of demand for Grade A office space. However, overlaying the demand generated by economic growth, tenant movements will also influence Grade A net absorption and vacancy. These tenant movements principally revolve around the take up of the new ASB Bank head office and the backfill space created through this.

The new ASB headquarters are fully leased by the bank but ASB will be vacating an existing Grade A building at 135 Albert St. This will occur in 2013. At the time of writing this commentary the fate of the backfill space at 135 Albert St once ASB leaves is uncertain. At one extreme, all of the space previously occupied by ASB will be vacant and available for lease when the bank relocates. It is also possible that the space will not be available for lease on the market.

The new building at Quay Park comprises 12,000 sqm of which 5,500 sqm will be leased by AECOM. This building is being completed in the second half of 2012 and the tenant will be relocating from an older, low grade, building in Newmarket.

In 2012, CBRE's forecasts indicate that demand for Grade A space will exceed supply and vacancy will decline. The vacancy outcome in 2013 will be influenced to a significant degree by what happens to the backfill space created in 135 Albert St once ASB relocates. CBRE has projected Grade A vacancy under both scenarios of the ASB backfill space either becoming available to the market or not. The difference is material. Based on the assumption that the ex ASB space becomes available on the market, the Grade A vacancy rate is forecast at 9.3% as at December 2013. If it does not become available we expect a 6.1% vacancy rate. Chart 3 highlights CBRE assessed and forecast market rents and vacancy rates for Auckland CBD Grade A office space.

Chart 3



Based on the forecasts for demand and vacancy we expect that net effective Grade A office rents will increase through to 2015 although the differences in the vacancy outcome based on the two possible scenarios for 135 Albert St influence the forecast rental growth through the 2013-2015 period.

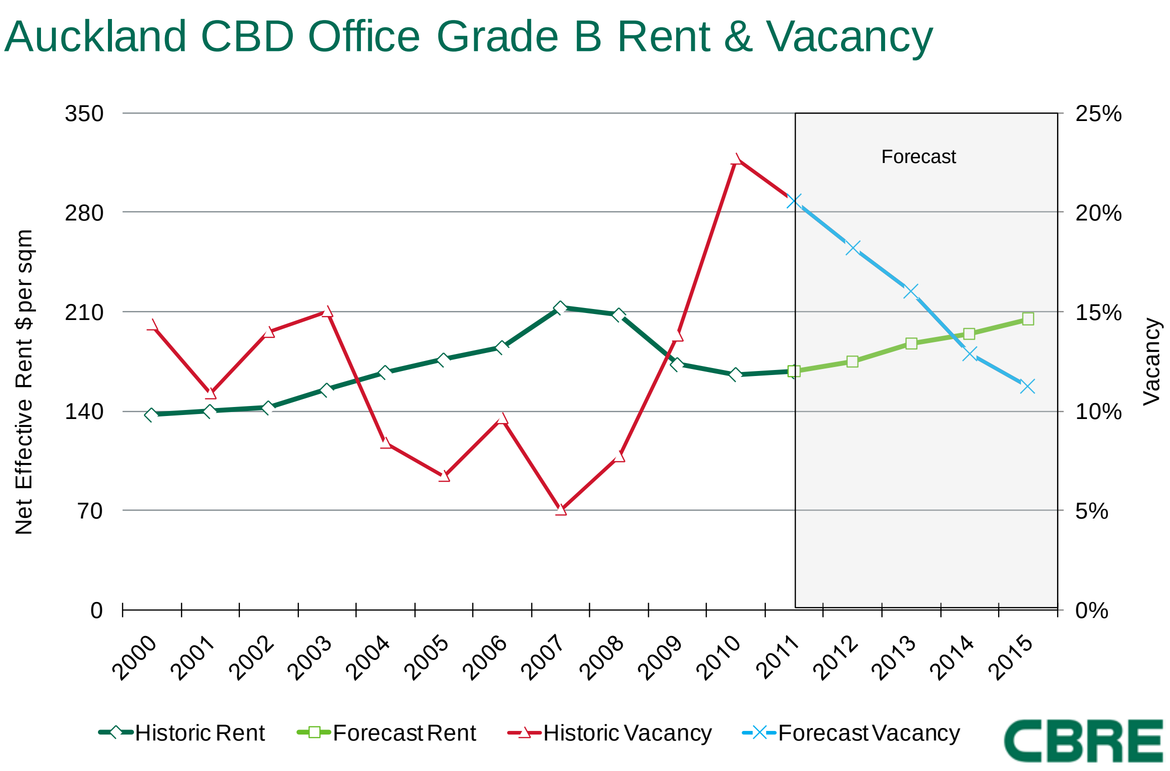
Auckland Grade B Office Market

The Grade B office market experienced significant demand contraction during the recession with over 33,000 sqm of negative net absorption between 2008 and 2010. However, during 2011 demand for Grade B office space has turned around with positive absorption of approximately 5,600 sqm. Vacancy trends reflected this with the vacancy cycle peaking at more than 22% for Grade B space in 2010 and improving to around 20% in December 2011.

As for the overall market, CBRE expects that economic conditions will be supportive of further demand growth for Grade B office space. CBRE are not aware of significant tenancy relocations that will impact on the Grade B property market although as a general tendency, corporate tenants tend to migrate to higher grade office space over time. This means that from time to time there will be negative impacts on some Grade B occupiers moving into higher grade buildings although this will also be offset by tenants in lower quality buildings moving into Grade B office space.

CBRE's forecasts for Grade B office space indicate that vacancy will gradually decline and reach around 11% by 2015. As for the Grade A market, positive demand and improving vacancy is forecast to result in increasing net effective Grade B rents but CBRE expects that rental growth in Grade B will also be positively influenced by the relative value offered by this grade of office space given the functional quality of its accommodation that is suitable / desirable to a wide range of potential occupiers. Chart 4 illustrates vacancy and rental trends for Auckland Grade B office space.

Chart 4



Wellington Office Market Outlook

Wellington's office vacancy is lower than Auckland's but the improvement in conditions evident in the Auckland office market has been lacking in Wellington. Over the second half of 2011, overall

Wellington office vacancy continued to increase, moving from 9.8% to 10.8%. Vacancy rates have been rising steadily in Wellington since December 2008.

The impact of new supply on the Wellington office market has been similar to Auckland's with a significant supply cycle delivering new buildings to the market at the time of the economic recession. Similarly to Auckland, CBRE expects that the supply cycle has peaked and that new completions to 2015 will be below recent levels.

Wellington's office demand drivers however are significantly different from Auckland's. The public sector occupies approximately 40% of Wellington's office space therefore government requirements have a large impact on overall office demand trends. In addition, the Canterbury earthquakes had a significant impact on the Wellington office market. The seismic performance of buildings had become an important consideration for occupiers with increasing resistance to office buildings that do not meet market expectations in this regard.

The above demand drivers ensure that the differentiation of performance amongst various Wellington office submarkets is significantly more distinct than in Auckland. The Wellington market is being differentiated on the specific attributes of individual buildings to a greater extent than Auckland is currently and this phenomenon is expected to continue over the next few years. This means that trends and projections attributed to various building quality grades apply to a lesser degree in the Wellington office market when individual properties are considered. Specially, given government occupier trends, office buildings that offer cost effective and efficient accommodation options in close proximity to the core government precinct while meeting market expectations for seismic performance are expected to outperform their specific market sector over the next few years in terms of their occupancy, rent and investment performance regardless of the quality grade they are in. Conversely those that do not meet these criteria may struggle to attract occupiers.

Another factor that differentiates the Wellington office market is its prevailing tendency for gross leases. This means that the landlord rather than the tenant pays the operating costs of the building and takes the risk associated with the impact of changing operating expenses on net rental income. Currently, operating expenses are escalating due to the impact of rising insurance premiums following the Canterbury earthquake. In a gross lease environment the impact of escalating operating expense costs will result in reduced net rental receipts.

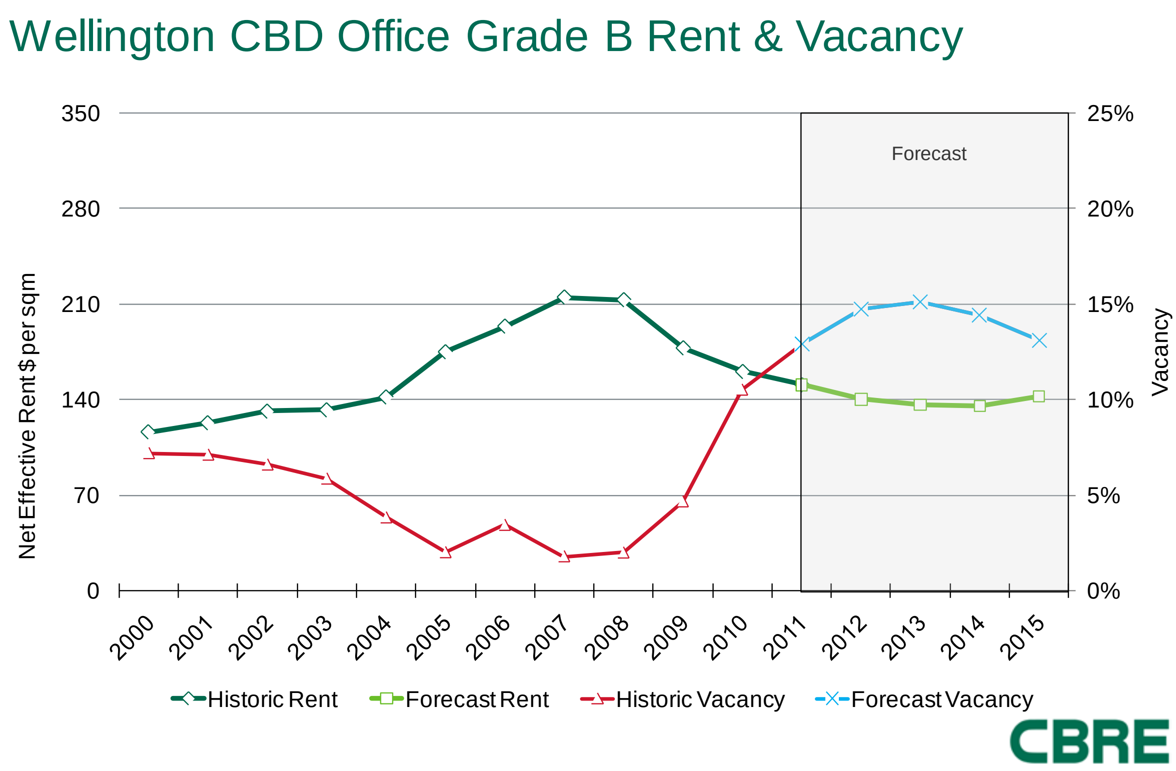
Wellington Grade B office market

Wellington Grade B office vacancy reached 12.7% at the end of 2011. Negative market drivers in 2012 and 2013 are expected to result in continued demand contraction in 2012. New supply will also be added to the market through refurbishments of existing buildings although the withdrawal of some existing buildings after becoming vacant will offset this. In CBRE's opinion, the prospects for government office demand at the aggregate level are negative over the next two years. Partially offsetting this the impact of some of the vacant stock being withdrawn from the market, albeit in some cases only temporarily pending refurbishment, will dampen the vacancy increases expected through negative net absorption. A moderate improvement of economic and demand conditions will allow some improvement of office vacancies by 2015 however CBRE expects that vacancy will remain higher in 2015 than at the end of 2011.

As a consequence of increasing vacancies we expect that Wellington Grade B net effective office rents will decline in 2012 and 2013 although, given the significant falls already experienced since

2008 the rate of rental decline will lessen. In relation to our vacancy and rental forecasts we reiterate that the market averages presented in Chart 5 below need to be interpreted with caution in light of the significant differences in asset specific performance as discussed in the previous section.

Chart 5



Auckland Industrial Market

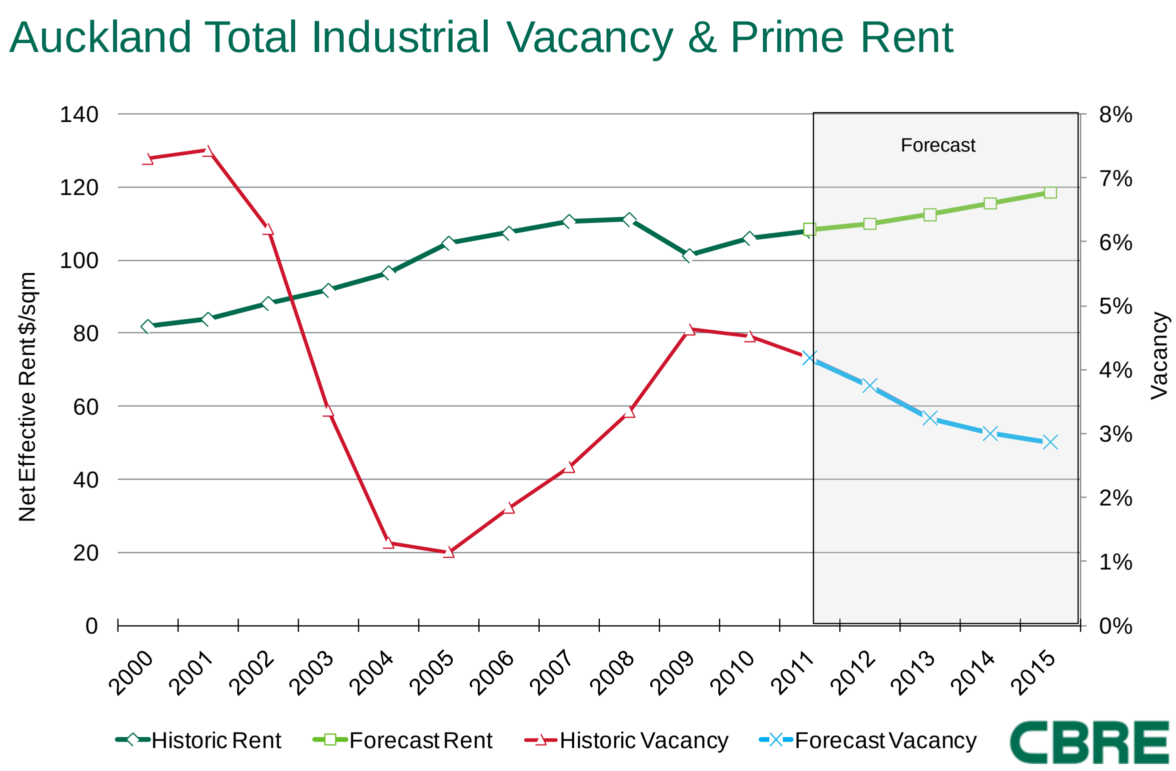
The Auckland industrial property market has been less impacted by the economic and property market downturn than the office sector. Demand contracted only moderately in 2009 before bouncing back in 2010 and, in contrast to the office market, the construction pipeline has reduced significantly during the downturn. As a result, vacancy has steadily improved since mid 2010, sitting at 4.2% in December 2011. The industrial sector also experienced an early rental recovery with net effective rents increasing in both 2010 and 2011. Due to the comparatively lesser impact of the recession on the industrial property market, and its early recovery, Prime industrial rents currently are only about 7% below their previous cyclical peak in 2008.

More recently however the recovery of the Prime industrial rental market has stalled. As a result of the sector's early recovery, the development market for new design build premises has intensified amongst larger institutional property investors/developers and, as a result, rents for recent new purpose built industrial developments have been lower in CBRE's opinion than otherwise could have been achieved.

As for the office sector, the expected economic recovery should support occupier demand improvements for the Auckland industrial property market during the next few years. The supply pipeline is also expected to increase as more companies commit to new industrial premises. CBRE's

forecast shows that demand growth should exceed supply growth and result in further steady vacancy improvements. Much of this vacancy improvement is likely to materialise in the Secondary sector with a closer match of supply and demand for Prime space resulting in largely stable Prime vacancy rates through to 2015 as indicated in
Chart 6.

Chart 6



We expect that the development market for Prime industrial premises will remain competitive for the foreseeable future and the competition between developers will hinder rent growth. At the same time, rents are forecast to increase, driven by cost increases for new development, the particularities of occupier requirements and developer/investor focus on enhancing asset and portfolio values. As a result, Prime Auckland industrial is one of the few property market sectors where net effective rents in 2015 are forecast to be ahead of their previous cyclical peak in 2008.

Conclusion

The Auckland and Wellington property markets experienced a significant downturn in their performance during the 2008-2009 recession. During the past two years there has been a general recovery and this recovery is expected to continue and strengthen through to 2015. However, there have been significant performance variations across the property submarkets which have implications for their performance over the next few years.

The Auckland markets are expected to provide the strongest performance with CBRE's view that the office market's recovery of the significant losses experienced during the downturn will result in a cyclical lift in rental growth driving capital and total returns. The Auckland Prime industrial property sector has lesser ground to recover and is forecast to produce lower, although more stable, market rent and yield based capital returns.

Recovery is forecast to lag in Wellington. The demand drivers for the Wellington office market are expected to be subdued and we don't expect a recovery to commence until 2014 for Grade B office space. Within the broader performance parameters of the Wellington office market significant differences in asset specific performance are expected based on individual building attributes.

Finally, it should be noted in relation to the assessments and forecasts contained in the report that many economic and property market variables cannot be estimated with certainty and our assessments and forecasts represent assumptions which are not guaranteed to hold. Accordingly, they should only be considered in an illustrative rather than definitive context and no warranties are provided as to their accuracy.