

27 August 2019

Dear Investor

## **RE: BAO Trust (Fund) - Investor Update**

Brookfield Capital Management Limited (BCML), as responsible entity of the Fund, provides an update to investors for the year ended 30 June 2019.

### **Financial Results**

For the year ending 30 June 2019, BAO Trust made a net loss after tax of \$54,067 due to operating costs incurred during the period.

BAO Trust's net assets as at 30 June 2019 was \$0.7 million equating to 0.1 cents per unit, materially in line with BAO Trust's net assets at 30 June 2018.

### **Investment Portfolio Update**

BAO Trust remains invested in the Multiplex Development and Opportunity Fund and Multiplex European Property Fund. A summary of each of these investments is provided below:

#### *Multiplex Development and Opportunity Fund (MDOF)*

Since the last investor update, the builder of Stage 2 Little Bay South (LBS2) notified MDOF that it had received a Legal Dispute Notice (Notice) from the Owners Corporation. The Notice relates to the Owners Corporation's dissatisfaction at the quality and timeliness of work completed by the builder, to which the builder has defended the accusations. Liquidation of LBS2 cannot commence until the dispute is resolved.

An investor update was issued by MDOF on 24 May 2019 advising that a claim had been made against Little Bay South Stage 1 (LBS1) by the Owners Corporation. The claim was subsequently dismissed at a NSW Civil and Administrative Tribunal hearing on 19 August 2019. Liquidation of LBS1 will now continue.

#### *Multiplex European Property Fund (MEPF)*

During the period, several European subsidiaries of the Fund were merged to streamline the liquidation process. Completing of the wind up of MEPF is subject to resolution of tax issues with the German tax authority. It is anticipated that, on wind up, the Fund will receive approximately 2.6 cents per unit.

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BAO Trust

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**Further information and financial results**

The Fund's financial report for the year ended 30 June 2019 is available at [www.au.brookfield.com](http://www.au.brookfield.com) and we recommend that investors review this document.

Yours sincerely

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