

27 August 2019

Dear Investor

RE: Multiplex Development and Opportunity Fund (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 twelve months to 30 June 2019, the Fund made a net profit after tax of approximately \$19,636 compared to a net loss after tax of \$269,339 for the comparative period.

As at 30 June 2019, the net asset value attributable to investors was \$1.4 million, equating to \$0.008 per unit and materially in line with the Fund's net assets at 30 June 2018.

Fund update

As noted in our last investor update, a claim was made against Little Bay South Stage 1 (LBS1) by the Owners Corporation. The claim was dismissed at the NSW Civil and Administrative Tribunal hearing on 19 August 2019. The liquidator will now continue with the liquidation of LBS1.

The builder of Little Bay South Stage 2 (LBS2) notified the Fund that it had received a Legal Dispute Notice from the Owners Corporation regarding their dissatisfaction at the quality and timeliness of rectification works. The builder has defended the accusations. In their opinion, the Owners Corporation has acted unreasonably in failing to engage with them to close out the completion works.

Although the Fund is not a party to the dispute, it cannot withdraw from its obligation under the Home Builders Act.

BCML will keep investors updated on the status of the dispute.

Distributions

Wind up of MDOF will commence once the issues regarding defects at LBS2 are resolved.

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Multiplex Development and Opportunity Fund

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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 and we recommend that investors review this document.

Yours sincerely

**Sue Ly**

Fund Manager

Multiplex Development and Opportunity Fund

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