

25 August 2020

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 year ended 30 June 2020.

Financial Results

As at 30 June 2020, the Fund's Net Asset Value (NAV) was \$5.5 million or \$0.02 per unit (30 June 2019: \$10.2 million or \$0.04 per unit).

The Fund reported a net loss after tax of \$0.2 million due to operational costs and costs incurred in winding up the European structure.

Wind Up Update

The completion of the wind up of the European subsidiaries was interrupted by COVID-19. One subsidiary in Malta was placed into liquidation in September 2019, but has not yet formally being struck off the Malta Business Registry. Commencement of the wind up of the final entity in Europe was delayed due to technical issues encountered by the Luxembourg tax authority, which prevented the lodgment of the entity's tax return for the financial year end 30 June 2019.

The issue was resolved in July 2020, but the entity now needs to prepare and lodge its 30 June 2020 tax return before it can be dissolved.

VAT Audit / General Tax Audit

To-date the Fund has not received any announcement from the German tax authority regarding the balance of the of the general tax audit which included the VAT audit. The Fund's tax advisors maintain that the tax issues are unlikely to have an adverse tax impact on the Fund.

BCML continues to work with the Fund's tax advisors to close out all outstanding tax issues to enable the Fund to implement its complete exit from Europe.

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Multiplex European Property Fund

ARSN: 124 527 206

Revised Net Asset Value

The Fund's 30 June 2020 NAV of ~\$5.5 million excludes ~\$3.4 million of forecast wind up costs and taxes yet to be incurred. These costs are unable to be recognised in the financial statements as there is no present obligation as at 30 June 2020.

The estimated NAV of 0.85 cents per unit to be distributed on wind up has not materially changed compared to the 31 December 2019 forecast of 0.8 cents per unit. The estimated NAV may be higher or lower due the following reasons:

- 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.

Distributions

It is expected that further cash distributions will be made once the Fund's outstanding tax issues have been resolved.

Further Information and Financial Results

The Fund's audited financial report for the year ended 30 June 2020 is available at www.au.brookfield.com and we recommend that investors review this document.

Yours sincerely

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