

Multiplex Prime Property Fund



Unit Pricing Policy

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Brookfield Multiplex Capital Management Limited
ACN 094 936 866

Multiplex Prime Property Fund
ARSN 110 096 663

Unit Pricing Discretions Policy

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1. Date

This Policy was first adopted by Brookfield Multiplex Capital on 1 May 2007.

This version of the Policy is current as at 1 May 2008.

2. What this Policy relates to

This Policy applies to the pricing of any new Units in the Multiplex Prime Property Fund ARSN 110 096 663.

3. Background

Section 601GA of the Act requires the constitution of a registered managed investment scheme to—

- (a) make adequate provision for the consideration that is to be paid to acquire an interest in the scheme, and
- (b) where members have a right to withdraw from the scheme, set out adequate procedures for making and dealing with withdrawal requests.

ASIC considers “adequate provision” has been made if it is possible to objectively test the determination of the issue price and withdrawal price from the terms of the scheme’s constitution. ASIC considers if a provision of a scheme’s constitution allows the responsible entity to influence any aspect of the issue price or the withdrawal price, then the constitution may not comply with section 601GA of the Act.

However, ASIC has issued class order relief (class order 05/1236, which amended an existing class order, class order 05/26), allowing a formula or method in the constitution for a scheme to permit the responsible entity to exercise a discretion which influences an aspect of the issue price or withdrawal price. This relief is conditional on, amongst other things, the responsible entity

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exercising its discretion in accordance with a documented policy.

4. Purpose and scope

- (a) The purpose of this Policy is to set out a description of how the Application Price for any new Units will be arrived at and particularly, whether Brookfield Multiplex Capital will be entitled to exercise any discretion in calculating the Application Price.
- (b) This Policy must be reviewed at appropriate periods, but at least yearly.

5. Interpretation

Unless otherwise defined in Schedule 1 of this Policy, capitalised terms used in this Policy have the meanings given to them in the Constitution.

6. The Fund and pricing of Units

- (a) The Fund is listed on the ASX, which means the Units are quoted on the ASX.
- (b) Units were issued under the PDS, at a fixed Application Price of \$1.00, payable in two instalments. The first instalment was \$0.60 per Unit payable on application, and the final instalment will be \$0.40 per Unit payable in or around June 2011.
- (c) As the Units are quoted on the ASX, they are bought and sold through on-market trading, at a price which is determined by the market.
- (d) Brookfield Multiplex Capital will not issue further Units, unless—

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- (i) it wishes to raise more money for the Fund, or
 - (ii) new Units are issued to existing investors, under the distribution reinvestment plan (DRP).
- (e) The Fund is not currently open for further investment. Accordingly (apart from the issue of new Units under the DRP), there is no present need for Brookfield Multiplex Capital to determine the Application Price.

7. Application Price—further fundraisings

While the Fund is listed

- (a) As the Fund is listed on the ASX, in any future fundraising, new Units will normally be issued by Brookfield Multiplex Capital at their current market price.
- (b) Under the Constitution¹, the market price for Units is based on the weighted average price per Unit for sales on the ASX (excluding any special crossings) for the period of 15 trading days immediately prior to the relevant day.
- (c) In certain circumstances, new Units could be issued at a price other than their current market price, subject to any requirements set down in the Act or in ASIC Policy. For example, under the Constitution, Brookfield Multiplex Capital may set a different Application Price, where Units are to be issued as a result of—
 - (i) a rights issue

¹ See clause #[] of the Constitution.

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- (ii) a placement
 - (iii) a security purchase plan, or
 - (iv) a determination by Brookfield Multiplex Capital that the weighted average market price does not provide a fair reflection of the current market value of a Unit, in the circumstances.
- (d) However, Brookfield Multiplex Capital has not set policies in relation to how it might exercise Discretions the Constitution gives to it when determining the Application Price in these sorts of circumstances, because the Fund is not currently open for investment, and, as at the date of this Policy, additional fundraisings have not been planned.
- (e) If in the future Brookfield Multiplex Capital intends to issue new Units using an Application Price which involves the exercise of Discretions, then Brookfield Multiplex Capital will document its policies for exercising those Discretions (in accordance with ASIC class order 05/26). This information will be made available to existing and new investors, upon request.

If Units are not quoted on the ASX

- (f) The Constitution also sets out how the Application Price for new Units will be struck, if for some reason Units are no longer quoted on the ASX. If Units are not quoted (e.g., if the Fund is ever de-listed), then any new Units will be issued at an Application Price calculated in accordance with the following formula:

$$\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{number of fully paid Units in issue} + \text{Paid-up proportion}}$$

- (g) There is no intention to de-list the Fund. Accordingly, as at the date of this Policy, Brookfield Multiplex Capital does not consider there is any need for it to set policies in relation to how it might exercise Discretions given to it under the Application Price formula shown in paragraph 7(f). If for some reason Units are no longer quoted, then Brookfield Multiplex Capital will document its pricing policies, where necessary.

8. Units issued under the DRP

- (a) New Units allotted under the DRP are issued at an Application Price equal to the average of the volume weighted average trading price (VWAP) on the ASX for each of the ten trading days from and including the third trading day after the record date for the relevant distribution period ("DRP VWAP Price").
- (b) However, under the Constitution, Brookfield Multiplex Capital can apply a discount of up to 10% when issuing units under the DRP. As at the date of this Policy, Brookfield Multiplex Capital has not fixed the discount to be applied when calculating the Application Price for new units under the DRP, although in accordance with the Constitution, it will not be greater than 10%.
- (c) The Constitution also allows Brookfield Multiplex Capital to have an independent expert set a different Application Price for Units under the DRP, if Brookfield Multiplex Capital believes the volume weighted average trading price does not provide a fair reflection of the current market price of Units. However, Brookfield Multiplex Capital does not expect to

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have to determine the Application Price in this manner. If for some reason the Application Price needs to be determined by an expert, then (in accordance with ASIC class order 05/26), Brookfield Multiplex Capital will document how the Application Price is worked out. This information will then be made available to existing and new investors, upon request.

9. Withdrawals

- (a) As the Fund is listed, investors cannot withdraw from the Fund.
- (b) Accordingly, there is no need for Brookfield Multiplex Capital to calculate the Redemption Price.
- (c) If for some reason there is a need to calculate the Redemption Price in the future, then Brookfield Multiplex Capital will document the policies it will apply in determining the Redemption Price and in exercising any Discretions relevant to doing so. This information will be made available to existing and new investors, upon request.

10. Record keeping

- (a) Brookfield Multiplex Capital must keep records to identify its policies in relation to the exercise of any Discretions, and the way in which Discretions are exercised.
- (b) Brookfield Multiplex Capital must do the following:
 - (i) Retain any documents concerning the exercise of a Discretion (including this Policy) for seven years after they cease to be current.

- (ii) Give a copy of the documents referred to in clause 10(b)(i) to the following persons on request at no charge:
 - A. A Unitholder in the Fund.
 - B. A person who has been or should have been given, or who has obtained, the PDS for the offer of Units in the Fund.

11. Review

The fund manager must review this Policy on an ongoing basis and suggest any modifications to this Policy considered necessary. Brookfield Multiplex Capital may amend or supplement this Policy from time to time.

12. Contact

Any questions may be directed to :

Client Services Coordinator
Brookfield Multiplex Capital
Level 1
1 Kent Street
SYDNEY NSW 2000
Telephone: 1800 570 000
Email: enquires@Brookfieldmultiplexcapital.com

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Schedule 1—Dictionary

Act	Corporations Act 2001 (Cth) and the Corporations Regulations 2001 (Cth), as amended and in force.
Application Price	The price at which a Unit is issued, calculated in accordance with the Constitution.
ASIC	Australian Securities and Investments Commission.
ASX	The Australian Securities Exchange, operated by ASX Limited.
Constitution	The constitution for the Fund lodged with ASIC, as amended from time to time.
Discretion	A discretion to do either or both of the following: (a) Decide a matter that affects the value of a factor included in the formulae for pricing Units. (b) Decide a matter that is an aspect of the method for calculating an Application Price or Redemption Price.
Fund	Multiplex Prime Property Fund ARSN 110 096 663.
Multiplex Capital	Brookfield Multiplex Capital Management Limited ACN 094 936 866.
PDS	The product disclosure statement under which investment in the Fund is offered (as may be supplemented or replaced from time to time).
Policy	This policy, including all of its annexures and schedules.
Redemption Price	The price at which a Unit is redeemed (if applicable), calculated in accordance with the Constitution.
Unit	A unit in the Fund.