

Investor Update

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Highlights

- MIRT investors receive 8.40%* return
- MDPT records 33% value increase for ACT commercial premises
- Pavilion value increases by 60% in five years

MAB International Retail Trust (MIRT) ARSN 121 054 662

Growth plans for MIRT

MAB Rosenthal has entered into exclusive due diligence with the owner of two retail properties in the US State of Georgia. Consistent with the initial MIRT portfolio, the properties are fully leased grocery anchored shopping centres in high growth areas. If the properties meet MAB FM's stringent investment criteria, a second MIRT offering will be released to investors.

Eastfield fully leased

With Eastfield Village in Charlotte, North Carolina fully leased, MAB Rosenthal is considering a development for the property's final vacant site. The development is anticipated to increase the capital base and be accretive to the income for the trust.

MIRT meets target

Distributions to investors for FY07 were in line with forecast returns for the period of 8.40%*. The FY08 forecast return is 8.45%^. Units remain available for investment in the Trust. To obtain a Product Disclosure Statement and Prospectus please contact your financial adviser, visit www.mabfunds.com.au or call 1800 760 012.

Rising domestic property prices point to better value overseas

Recent property transactions show the continuing strength of the Australian property market, with income yields in many cases below the cost of borrowings. Commercial property values within Australia have continued to increase over the past six months and recent sales of investment grade properties are around 7.00% p.a. income return.

The current returns offered by domestic property makes it increasingly difficult for retail property funds to provide attractive investments where dividends are derived from the property income alone and without a partial return of capital.

A return of capital is where an investor is returned some of the asset value through increasing the borrowings on the asset, or through returning a portion of the initial equity which was raised.

To illustrate, a property purchase at a 7.25% yield would deliver a first year income return of around 5.17% after all fund acquisition fees and ongoing funds management fees.

The parameters of this are indicated in the table below:

| | |
|-------------------------------------|-------|
| Property Return | 7.25% |
| Cost of Borrowings | 7.60% |
| Level of Gearing (Borrowings/Value) | 50.0% |
| Fund Management Fees | 0.70% |
| Equity NTA | 85.0% |
| Investment Return | 5.17% |

This scenario is one of the reasons why MAB FM identified investment in the US as providing a return generated through property income. The cost of borrowings and property returns enable fund returns to be generated from the property income and not from capital returns, thus resulting in attractive forecast returns for the MIRT at 8.45%^ for FY08. The return achieved for FY07 was 8.40%*.

When analysing property funds, it is important that investors and their advisers understand the components that make up the forecast returns.

*Annualised ^This forecast distribution yield includes a distribution from MAB International Retail Trust and an interest payment from MAB American Property REIT Inc. This yield is based on, and must be read with, Key Assumptions and Risk Factors in the Product Disclosure Statement and Prospectus dated 17 January 2007.



Eastfield Village, Charlotte North Carolina



Cheshire Centre, Charlotte North Carolina



Terraces at Park Place, Charlotte North Carolina

MAB Diversified Property Trust (MDPT) ARSN 103 463 467

Barton value hits \$20 million

Premium MDPT property at 50 Blackall Street, Barton ACT has increased in value by 33.1% or \$5.1 million over the past year. The property was re-valued at \$20.5 million in June from \$15.4 million in 2006.

This demonstrates the strength of the local commercial market and is underpinned by lease renewals secured by MAB FM last year. Australian Government Solicitors and the onsite child care centre both entered into new five year leases.



50 Blackall Street, Barton ACT

Leasing activity

A Japanese restaurant has leased premises at Rising Sun Shopping Centre in Townsville QLD, while an Indian restaurant has moved to Trafalgar Square Shopping Centre in Wanganui NZ. Merringtons' Optometrists has taken up shop at Village Central Wyong in NSW.

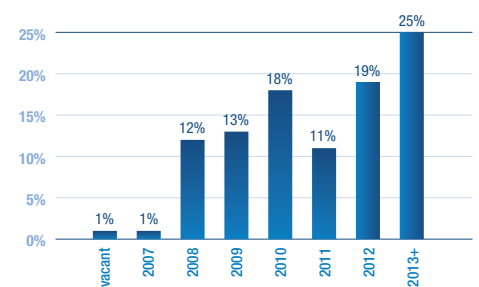
MDPT has a current weighted average lease expiry profile (by income) of five years with a total occupancy rate of 99.0%.



Rising Sun Shopping Centre, Townsville QLD

Lease expiry by income

Weighted average lease term remaining from 30 June 2007 by income: 5.04 years.



Trafalgar Square Shopping Centre, Wanganui NZ

MAB Bourke Street Trust (MBST) ARSN 099 460 616

Pavilion value up 60% since purchase

The Pavilion at 360 Bourke Street Melbourne was re-valued at \$24.1 million in June 2007, an 8.31% (\$1.9 M) uplift from the 2006 valuation.

As the sole property for the successful MBST, the Pavilion's value has risen by 60.67% or \$9.1 million since its 2002 purchase at \$15 million.

Forecasts indicate that the Melbourne Bourke Street Mall precinct will remain strong, particularly with the recent sale of the freehold component of Myer Bourke Street to Colonial First State and Singapore's Government Investment Corporation. A planned revamp of the Myer premises is expected to improve amenity for the overall precinct.



The Pavilion

New to MAB FM

Welcome to Roger Phipps, MAB FM's National Distribution Manager who joins the team with almost three decades of experience in the financial services industry. Roger manages the distribution of MAB FM products within retail and wholesale markets, building strong relationships with key accounts and consultants.

As Vice President Business Development at Legg Mason Asset Management, Roger managed relationships with financial planning dealer groups, platform providers, research personnel and financial planners. At HSBC Asset Management as Senior Executive Managed Funds, Roger's portfolio included product development and sales management.



Roger Phipps, National Distribution Manager

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Your MAB FM Team

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