

MAB Funds

Property Funds Management

MAB Funds Management Limited

ABN 36 098 846 701

AFSL 232 747

MAB International Retail Trust

ARSN 121 054 662

INFORMATION MEMORANDUM FOR WHOLESALE CLIENTS AND QUALIFYING EXISTING INVESTORS



Contents

1.0	KEY FEATURES OF THE OFFER.....	2
2.0	DETAILS OF THE OFFER.....	8
3.0	ACTION REQUIRED BY APPLICANTS	12
4.0	THE TRUST	13
5.0	PROPERTY VALUATIONS AND US PROPERTY MARKETS	28
6.0	FINANCIAL INFORMATION	31
7.0	TAXATION.....	35
8.0	MANAGEMENT, GOVERNANCE AND FEES	39
9.0	FEES AND OTHER COSTS.....	45
10.0	RISK FACTORS	50
11.0	ADDITIONAL INFORMATION	55
12.0	GLOSSARY	63
13.0	DIRECTORY	66
14.0	APPENDIX 1: APPLICATION FORM AND ANCILLARY DOCUMENTATION	67

Important Notices

Important dates

Offer Opens:	22 nd November 2010
Offer Closes:	17 th December 2010
Expected Issue of Units:	20 th December 2010

The Responsible Entity of the MAB International Retail Trust (Trust) reserves the right to vary these dates without notice including the date the Offer closes. Investors are therefore encouraged to submit their Application Forms as early as possible.

Responsible Entity and Issuer

MAB Funds Management Limited (ABN 36 098 846 701) (MAB Funds, Responsible Entity or Manager) is the responsible entity of the MAB International Retail Trust ARSN 121 054 662 and is (in that capacity) the issuer of this Information Memorandum.

Defined terms and financial information

Certain terms used in this IM have been defined in the Glossary of this IM. All financial and operational information contained in this IM is stated as at the date of this IM, unless otherwise specified.

Information Memorandum (IM)

This IM, is dated 22nd November 2010 and relates to a new offer of 10,833,335 units in the MAB International Retail Trust ARSN 121 054 662 (Trust) by MAB Funds. MAB Funds holds Australian Financial Services Licence number 232 747.

The Offer is only available to investors who are wholesale clients under the Corporations Act and certain existing investors in the Trust. This document should be read in conjunction with the Information Memorandum dated 1 March 2010 (Previous IM) and the continuous disclosure statements available at www.mabfunds.com.au.

Any information or representation not contained in this IM may not be relied upon as having been authorised by the Manager in connection with the Offer.

No financial product advice

This IM is not financial advice, nor a recommendation to apply for Units, and does not take into account your investment objectives, financial situation and particular needs.

It is important that you read this IM carefully and in its entirety before deciding whether to invest in Units, considering your personal circumstances (including financial and taxation issues) and seek professional advice before deciding to invest.

Updated Information

Information contained within this IM is subject to change from time to time. The Responsible Entity will post material updates on its website at www.mabfunds.com.au.

Forward Looking Statements

This IM contains forward looking statements about the Trust, identified by the use of words such as "will", "believe", "anticipated", "expected", "should" and "consider." Forward looking statements are subject to the occurrence of known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Trust to vary materially from those expressed or implied in such forward looking statements. Some of the risk factors that impact on forward looking statements in this IM are set out in Section 10. Past performance is not a reliable indicator of future performance.

Disclosing Entity

The Trust is a disclosing entity and subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents that the Trust previously lodged with ASIC to meet these requirements may be obtained from or inspected at an ASIC office. The Manager intends to comply with its continuous disclosure obligations by following ASIC's good practice guidance for website disclosures on material information.

Offer restrictions

This IM has been prepared to comply with the requirements of the laws of Australia. It is limited solely to wholesale clients under the Corporations Act and Qualifying Existing Investors in the Trust. No Units are being offered to any person whose registered address is outside Australia.

No action has been taken to register Units or otherwise permit an offering of Units to any other class of client or investor or in any jurisdiction outside of Australia. This IM does not constitute an offer or invitation to any person to whom, or in any place in which, it would not be lawful to make such an offer or invitation.

The distribution of this IM in jurisdictions outside Australia may be restricted by law and persons who come into possession of it who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Certain terms used in this IM have been defined and the definitions are set out in the Glossary in Section 12. Section 12 should be read in conjunction with the body of this IM.

1.0 Key Features of the Offer

Investors who qualify as wholesale clients as defined in the Corporations Act 2001 (Wholesale Clients) and Qualifying Existing Investors of the Trust are being offered the opportunity to invest in the MAB International Retail Trust.

The Trust is seeking to raise AU\$1.3 million via the issue of 10,833,335 Units at an Issue Price of 12 cents each. The Trust recently obtained a short term debt facility from a related party of MAB Funds and the proceeds were applied to cure a continuing net worth covenant breach with the debt facility provider for the Terraces at Park Place ("Facility Provider A" or "Terraces Lender" or "Terraces Financier"). An amount of US\$1,056,639 will be placed on deposit to cure the breach.

The purpose of the offer is to repay this short term related party loan in accordance with the requirements of the Australian Lender and cover the costs associated with this offer as well as the costs associated with curing the continuing default with Facility Provider A.

The key benefits of the Offer are as follows:

- the Units will be offered at the Issue Price of 12 cents each (the same price as the offer recently completed under the Previous IM);
- the continuing default with the debt facility provider for Terraces at Park Place will be remedied, with Facility Provider A waiving the right to any default interest or other penalties associated with the default;
- the requirement of the Australian Lender to raise additional equity capital to repay the short term related party loan will also be satisfied;
- after the successful completion of the Offer, the gearing ratio of the Trust (which equals total interest bearing liabilities divided by total assets) is expected to be 76.3%, reduced from 77.7%;
- after the completion of the Offer (and assuming all the conditions of the Offer are fulfilled), the net asset backing per Unit is expected to be 17 cents.

Readers should refer to Section 6 for further information about the impact of the Offer on the Trust.

KEY QUESTIONS

Summary of the Offer (See section 2)

The Offer	10,833,335 Units in MIRT at an Issue Price of \$0.12 per unit to Investors who are either Wholesale Clients or Qualifying Existing Investors.
Issue Price	\$0.12 per unit.
Gross amount to be raised by the Offer	Approximately A\$1.3 million.
Why is the Trust raising capital?	The Trust is seeking to repay a short term loan from a related party of MAB Funds, and satisfy the requirements of its Australian Lender.
Minimum Investment	\$5,000 with increments of \$1,000.
What happens if the offer is not fully subscribed?	MAB Funds or an associate of MAB Funds will subscribe to any shortfall in unit subscriptions.
Use of Proceeds	The proceeds of the Offer will be applied to repay a short term debt facility provided by an associate of MAB Funds, and cover the expenses associated with this offer and those costs associated with curing the position with Facility Provider A.
Why is the offer being made at a discount to the current Net Asset Unit Value?	The offer represents a 33.3% Discount to the 30 June 2010 NTA and is priced at \$0.12 per unit. Given that not all of the units were issued under the Previous IM, the Issue Price is consistent with the Offer Price under the Previous IM. The Responsible Entity has considered available funding options and in light of the current difficult market conditions it believes that the Offer must be made at an Issue Price representing a discount to the NTA per unit so as to attract sufficient capital to meet the objectives of the Offer.
How is my existing investment (if any) impacted by the Offer?	For existing unitholders, the Offer will impact the unit price and NTA per Unit of their current holding. The Offer will result in existing Unitholders having their percentage ownership in the Trust diluted if they do not participate. For detailed information on the effect of the Offer on existing unitholders, please see Sections 2.5, 2.6 and 2.7.
Who can participate in the Offer?	<p>Investors who qualify as Wholesale Clients (as defined in the Corporations Act 2001) or who are Qualifying Existing Investors are being offered the opportunity to invest into the MAB International Retail Trust.</p> <p>The Offer is only available to Australian residents who receive this IM in Australia. If you receive this IM in electronic form you are entitled to obtain a paper copy (including Application Form) free of charge by contacting MAB Funds on 1800 760 012.</p>
Participation of the Responsible Entity and its associates	To provide greater flexibility to raise the necessary funds in the event of a shortfall, MAB or MAB Funds and/ or any associates may participate in the offer.

Action by Existing Unitholders and New Investors (See section 3)

How do I participate in the Offer?	<p>You Should:</p> <ul style="list-style-type: none">• complete the Investor Application Form and ancillary documentation which can be found in Appendix 1 to this IM;• attach or arrange payment for the full Application Monies payable (being \$0.12 multiplied by the number of Units that you are applying for) to the Investor Application Form; and• Return the Investor Application Form to MAB Funds.
---	--

Overview of the MAB International Retail Trust (See section 4)

Responsible Entity	MAB Funds Management Limited, AFSL: 232 747, ABN 36 098 846 701 (MAB Funds).
Investment type	The Trust is an unlisted unit trust. The Trust is a registered managed investment scheme which, through MIHT has approximately a 100% interest in the common stock issued by MAB Inc. MAB Inc has also previously issued preference shares to US shareholders with a face value of US\$121,000. MAB Inc through wholly owned special purpose entities owns 5 grocery anchored neighbourhood shopping centres in the US.
Investment strategy	Following the recent economic downturn and reductions in the valuations of property described above, MAB Funds' objective for the Trust is to ensure that it continues to manage it in the best interests of Unitholders, particularly in light of the changed circumstances facing it. The principal objective of the Trust is to protect and grow Unitholders' equity.
The Property Assets	The Trust indirectly owns five grocery anchored assets located in North and South Carolina in the United States of America: <ul style="list-style-type: none"> • Eastfield Village, Charlotte, North Carolina; • The Terraces at Park Place, Charlotte, North Carolina; • Cheshire Centre, Charlotte, North Carolina; • Grandview Plaza, Winston-Salem, North Carolina; and • Summerville Plaza, Charleston, South Carolina.
Value of the Property Assets	The Portfolio was independently valued as at 31 December 2009 at US\$51.725 million. The Directors of MAB Inc adopted these valuations at 30 June 2010. See section 5 for further details.
Anchor Tenants	The Anchor Tenants include Lowes Foods, Bi-Lo, Food Lion, Bloom, Dollar Tree, Rite Aid and Piggly Wiggly.
Lease Expiry Profile	The Portfolio's weighted average lease expiry by income is 5.4 years and has an occupancy level of 91% as at 1 October 2010.
Distributions	Investor distributions are projected to commence in the period commencing 1 October 2011. The ability to pay distributions will largely be dependent upon the Trust's ability to refinance the Australian Lender Debt on reasonable terms. An annualised distribution of 0.84 cents per unit is projected on the basis that this is achievable, and equates to a yield of 6.99% per annum for new investment under this offer.
Redemptions and transfers	Real estate investments are not liquid securities and as such MIRT is not a liquid investment. MAB Funds, in its own personal capacity, initially provided a limited liquidity facility for the benefit of Unitholders. The Responsible Entity had the right to suspend the liquidity facility in certain circumstances. Notification of suspension of the limited liquidity facility was given to unitholders on 1 July 2008. The prospect of reinstating this facility is unlikely. The limited liquidity facility was not provided in respect of Notes.

What is the term of the Trust?	The Trust will be an open ended unlisted property trust with Unitholders to be given an opportunity to withdraw in December 2013. At this time it is intended that redemptions of Units and Notes will be funded by asset sales if cash reserves and' or alternate investors cannot be identified to meet the obligations to withdrawing investors.
Number of Units currently on issue	65,261,709
Number of Notes currently on issue	3,729,222
Borrowings	<p>As at 30 June 2010, the Trust's US dollar borrowings amount to US\$39.43 million (excluding unsecured Notes). Total borrowings including the Notes amount to US\$42.40 million.</p> <p>These borrowings are denominated in US dollars and are secured by first ranking mortgage against the Properties and in certain circumstances against equity of MAB Inc.</p> <p>MAB Inc issued medium term unsecured Notes to individual investors in addition to the abovementioned borrowings. The face value of the Notes is A\$3.7 million (US\$2.97 million).</p>

Investment risks (See section 10)

An investment in the Trust carries risks including but not limited to:	<p>General Risks:</p> <ul style="list-style-type: none"> • Property market risk • Overall economic conditions • Australia/US Free Trade Agreement • Changes in government legislation • Australian and US taxation <p>Specific Risks:</p> <ul style="list-style-type: none"> • Sale price of the Properties • Borrowings, refinancing and access to capital markets <ul style="list-style-type: none"> ○ Australian Lender Facility ○ Terraces at Park Place debt facility • Non-satisfaction of debt facility covenants • Building E settlement risk • Geographical concentration of the Properties • Retail property supply • Financial strength of tenants • Capital expenditure requirements • Bi-Lo LLC – tenant of the Terraces at Park Place • Capital expenditure requirements • Taxation and US REIT Status • Exchange rate risk • Interest rate risk • Impact of exchange rate on tax profile of Distributions • Unforeseen expenses • No Liquidity • Term • Deductibility of interest • Insurance risk
---	--

ASIC Disclosure Principles

ASIC now requires responsible entities of unlisted property funds in which retail investors invest to address eight disclosure principles set out in Regulatory Guide 46 Unlisted property schemes – improving disclosure for retail investors (RG 46). Updates to RG 46 disclosures can be found at www.mabfunds.com.au.

The disclosure principles are intended to assist retail investors to understand the risks associated with investing in unlisted property funds and to decide whether such investments are suitable for them.

Disclosure Principles	Section reference
1. Gearing Ratio This indicates the extent to which the Trust's assets are funded by external liabilities.	Section 6.2
2. Interest Cover This indicates the Trust's ability to meet interest payments from its earnings.	Section 6.3
3. Scheme Borrowings This principle requires information on the Trust's borrowing maturity, credit facility expiry and associated risks.	Section 4.6
4. Portfolio Diversification This information addresses the Trust's investment practices and direct property investment portfolio risk.	Section 4.4
5. Valuation Policy This will explain how the Trust values its property investments and how investors can assess the reasonableness of those valuations.	Section 4.11
6. Related Party Transactions This relates to information that should be disclosed on the Manager's approach to related party transactions.	Section 4.10
7. Distribution Practices This will explain how the Trust meets its distributions and enables investors to assess whether distributions are sustainable.	Section 4.5
8. Withdrawal Arrangements This will explain the withdrawal arrangements in relation to the Trust.	Section 4.8

2.0 Details of the Offer

2.1 The Offer

The Responsible Entity proposes to issue 10,833,335 Units at the Issue Price of \$0.12 per new unit. The Offer is made to those who are Wholesale Clients under the Corporations Act 2001 or Qualifying Existing Investors.

These investors may also be referred to as either Qualifying Investors throughout this Information Memorandum.

The main categories of wholesale clients are:

- Invest at least \$500,000 at one time;
- Invest at least \$500,000 together with an “associate” at one time;
- The investor and a body corporate which the investor wholly owns and controls together invest at least \$500,000 in aggregate at one time;
- The investor has an accountant's certificate that shows that they have net assets of at least \$2.5 million or gross income for each of the last two financial years of at least \$250,000;
- The investor is a company or trust controlled by someone who has such an accountant's certificate;
- The investor is a business which is not a small business;
- The investor is a subsidiary or holding company of another body corporate which is a wholesale investor;
- The investor is a financial services licensee;
- The investor is the trustee of a superannuation fund with net assets of at least \$10 million; or
- The investor controls at least \$10 million in net assets.

2.2 Reasons for the Offer

Background

Per the disclosure in the Previous IM, and recent letters to investors MAB Funds had highlighted a continuing breach of a net worth covenant with Facility Provider A. MAB Funds has previously requested a waiver of the breach and has been negotiating the terms of the waiver in recent months. Facility Provider A previously issued a conditional waiver which was subject to the provision of a letter of credit with face value of US\$1,056,639. The letter of credit would require US\$1,056,639 to be raised and placed on deposit with the issuer and would be accessible to the lender in the event of default.

In order to prevent the imposition of remedies available to the Terraces Financier which include penalty interest of 5.00%, forced sale of the asset, and early repayment penalties, MAB Funds determined that it was in the interests of investors and the Trust as a whole to raise the required capital to cure the default. This position was also based on the view that retention of the asset would likely provide investors with an opportunity to benefit from any capital growth over the remaining term of the trust.

Course of Action undertaken by MAB Funds to remedy the position:

MAB Funds sought to obtain a letter of credit from MIRT's Australian Financier; however the Australian Financier and the Terraces Financier were unable to agree the terms of the Letter of Credit. As a result, MAB funds obtained approval from MIRT's Australian Financier to place cash collateral directly with the Terraces Financier in Lieu of the letter of credit to cure the default. This approval was conditional and requires that further equity be raised to fund the placement of the cash collateral with the Terraces Financier.

The commercial terms of the cash collateral agreement have been recently agreed and the agreement has now been executed. In order to ensure the prompt placement of the cash collateral, an associate of MAB Funds provided a short term debt facility to MIRT to ensure the funds were available to cure the default upon execution of the cash collateral agreement.

MAB Funds has determined that it was in the interests of the investors and the Trust as a whole to cure the default and raise the required capital to satisfy the requirements of the Australian Financier. The benefits of this course of action are seen to be:

- **Preventing realisation of capital loss:** (Purchase Price US\$14.75m, June 2010 Valuation US\$11.5m).
- **Preventing default interest and other penalties:** the lender is entitled to capitalise default interest and other penalties into the loan balance if the default remains un-remedied;
- **Releasing Property Cash Flow:** Currently not accessible under default.
- **Debt Amortisation:** Equity in the property will increase over time due to the amortisation of debt in accordance with the existing facility.
- **Opportunity to participate in capital upside:** Management expects that the value of the property will increase over time. This is expected to have a positive impact on the NTA per unit.

2.3 Proceeds of the Offer

The gross proceeds to be raised under the Offer is A\$1.3 million. In accordance with an agreement with the Australian Lender, the Trust is seeking to raise capital and intends to apply the proceeds to repay the related party debt facility of AU\$1.108 million and cover the expenses associated with the this offer and those costs associated with curing the position with Facility Provider A.

Sources		('000) ¹	Applications		('000) ¹	('000) ¹
		AUD			USD	AUD
Equity from Unitholders		1,300	Repayment of related party loan	²	1,057	1,108
			Estimated legal expenses	³	150	155
			Estimated capital raising costs	⁴		37
Funding Required		1,300	Funding Required		1,207	1,300

¹ All figures are subject to rounding as per ASIC class order 98/100 and compiled under AIFRS.

² This is the balance of a short term loan from a related party of MAB Funds. This facility is due to be repaid with the proceeds of this Offer. The proceeds of this loan were ultimately utilised to contribute equity capital to MAB Inc of US\$1,056,639, and this amount will be placed on deposit with Facility Provider A.

³ Relates to the anticipated legal costs associated with the negotiation of amendments to debt facilities required by Facility Provider A and the Australian Lender.

⁴ Relates to the estimated legal and ancillary costs for amending the constitution to facilitate this Offer. Includes the cost of a currency option premium which was utilised to convert the AU\$ proceeds from the Related Party Loan to US\$ in October 2010.

To the extent that the estimated legal expenses and estimated capital raising costs are not fully incurred, any surplus amounts will be applied to the reduction of the Australian Lender debt facility.

2.4 Financial impact of the Offer

The details of the financial impact of the Offer are set out in Section 6 of the Information Memorandum.

2.5 Discount to Unit Price

The issue price of A\$0.12 represents a discount of 33.3% to the June 2010 NTA. After completion of the offer the NTA per unit will fall to A\$0.17 as compared to a NTA per unit of \$0.18 at 30 June 2010 in accordance with the Trust's audited financial statements.

The offer price is equal to the price offered for the issue of units under the Previous Offer. MAB Funds had disclosed the risk associated with the Terraces at Park Place debt facility in the Previous Offer and given that under the Previous Offer raised A\$3.802 m out of a total A\$7.5 m offered, this secondary offer at \$0.12 per unit is deemed to be reasonably priced.

2.6 Dilutionary effect of Offer

Given that the Offer price is structured as a 33.3% discount to the 30 June 2010 NTA, the Offer will have a dilutionary effect on existing investors who do not participate; i.e. their percentage ownership of the Trust will decrease. An example is provided below:

For an existing unit holder who holds 100,000 units issued by MIRT;

Existing Unit holder's percentage ownership of the Trust prior to the issue of Units		0.15%
Existing Unit holder's percentage ownership of the Trust after the issue of Units		0.13%

2.7 Minimum subscription

MAB Funds or an associate of MAB funds will subscribe for any shortfall in units offered under this IM.

2.8 Minimum Investment

The minimum investment amount is \$5,000 with increments of \$1,000.

2.9 Opening and Closing Dates

The offer is open for Applications from 22nd November 2010 and closes at 5:00PM on 17th December 2010.

These dates may change. The Responsible Entity reserves the right to amend this timetable without notice, including closing the Offer early or extending the closing date. Prospective investors are encouraged to send in their Applications as soon as possible. The Responsible Entity and its directors and related entities reserve the right to acquire Units from time to time.

2.10 Application Monies held on Trust

Application Monies for new Units will be held in a separate account until issue of the new Units. Any interest earned on Application Monies will be applied against the cost of the Offer, whether or not the Offer proceeds.

The Manager reserves the right to accept or reject any Application including those which are not correctly completed or those submitted by a person whom they believe is not a Wholesale Client or Qualifying Existing Investor. The Manager also reserves the right to waive or correct any errors in an Application Form and to reject an Application in whole or in part for any other reason.

2.11 Right to withdraw or close the Offer

The Manager reserves the right to withdraw the Offer at any time. If for any reason the Offer does not proceed, your Application Moneys will be returned. Subject to the Trust's Constitution and the Corporations Act, the Manager reserves the right to close the Offer at any time without notice. If the Manager receives Application Monies from you after the close of the Offer, it will refund those Application Monies to you as soon as practicable.

2.12 Issue of new Units

The anticipated date of issue of new units is 20th December 2010.

2.13 Ranking of new Units

The new Units will rank equally with existing Units.

2.14 Taxation

You should seek professional taxation advice before deciding whether to participate in the Offer. The taxation implications of participating in the Offer and investing in the Trust are discussed in section 7.

2.15 Brokerage

No brokerage, commission or stamp duty is payable by investors who apply for new Units using the Application Form. MAB Funds may arrange to pay brokerage and / or commissions to advisers and financial planners whose clients invest in the Offer.

2.16 Non-resident investors

The Offer is only available to Wholesale Clients and Qualifying Existing Investors who are Australian residents and receive this Information Memorandum in Australia. If you receive this Information Memorandum in electronic form you are entitled to obtain a paper copy (including Application Form) free of charge by contacting MAB Funds on 1800 760 012.

The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Information Memorandum comes should inform themselves about, and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Information Memorandum does not constitute an offer of securities or other financial products in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

3.0 Action required by Applicants

To apply for an Investment please complete the Application Form accompanying this Information Memorandum (refer Appendix 1).

Applications must be for a minimum of \$5,000 and in multiples of \$1,000 thereafter. Cheques and money orders for Applications should be made payable to 'Sandhurst Trustees Limited acf MAB International Retail Trust Applications a/c' and crossed 'Not Negotiable'. All payments must be in Australian dollars. Applications on a correctly completed Application Form accompanied by payment in full will be deemed to be valid even if the Application Form is unsigned. By submitting payment, applicants will be deemed to have applied for the number of Units for which payment is made. Once an Application has been lodged it cannot be withdrawn.

By completing and returning an Application Form, you confirm that you are a Wholesale Client and/or a Qualifying Existing Investor.

Where to Send Your Application Form

Completed Application Forms, W-8BEN US tax forms and accompanying cheques can be forwarded to your financial adviser or sent or delivered to the following address:

Investor Services
MAB Funds Management Limited
Level 5, 441 St Kilda Road
MELBOURNE VIC 3004

4.0 The Trust

4.1 Overview of the Trust

The Trust is a managed investment scheme registered under the Corporations Act. It was initially established to raise capital from Australian investors for investment in US retail property, the initial portfolio of which is the Properties.

The Trust invests in the Properties as follows:

- (a) first, the Trust and a wholly owned subsidiary of MAB Funds own 100% of units in the MAB International Holdings No 1 Trust (MIHT), a unit trust of which the Trust has day to day operational control;
- (b) secondly, MIHT owns all of the common stock issued by MAB Inc; and
- (c) lastly, MAB Inc has 100% interests in special purpose LLCs, each of which has acquired one of the underlying Properties.

MAB Inc is a body incorporated under the law of the State of Maryland in the US under which law it is recognised as a legal entity separate from its members, whose liability is limited. MAB Inc has been registered as a foreign company in Australia.

MAB Inc has issued Notes which are unsecured notes and therefore debt obligations of MAB Inc to Investors. MAB Inc is solely responsible for the performance of its obligations under the Notes including the payment of interest and the repayment of the Notes at maturity.

MAB Inc through its wholly owned subsidiaries owns the Properties, a portfolio of 5 retail properties in the US.

MAB Administration and Management Services Pty Ltd, an affiliated entity of MAB Funds has formed a joint venture, MAB Rosenthal LLC (MAB Rosenthal), together with Rosenthal Realty Investment Management Inc. MAB Rosenthal is based in Los Angeles and is responsible for asset management of the Portfolio.

4.2 Investment strategy

Following the recent economic downturn and reductions in the valuations of property described in the Previous IM, MAB Funds objective for the Trust is to ensure that it continues to manage the Trust in the best interests of Unitholders given the changed circumstances facing it. The principal objective of the Trust is to protect and grow Unitholders' equity.

4.3 Responsible Entity and Custodian

MAB Funds Management Limited is the responsible entity of the Trust. Further information on MAB Funds can be found in section 8.

MAB Funds as responsible entity for the Trust has entered into custodial arrangements with Sandhurst Trustees Limited to act as custodian of the property of the Trust.

4.4 Portfolio Overview

MAB Inc, through its subsidiaries, owns 5 neighbourhood shopping centres which are all anchored by supermarkets. The Portfolio is concentrated in cities within regions of North and South Carolina that are experiencing strong population growth.

Key Features of the Portfolio:

- strong demographics within growing catchments
- a strong weighted average lease expiry by income of 5.4 years
- well presented and maintained buildings
- good representation from national retailers
- a total vacancy of 9.0% at 1 November 2010

Geographic Diversification



The majority of the income is concentrated in the Charlotte market which has a strong demographic profile.

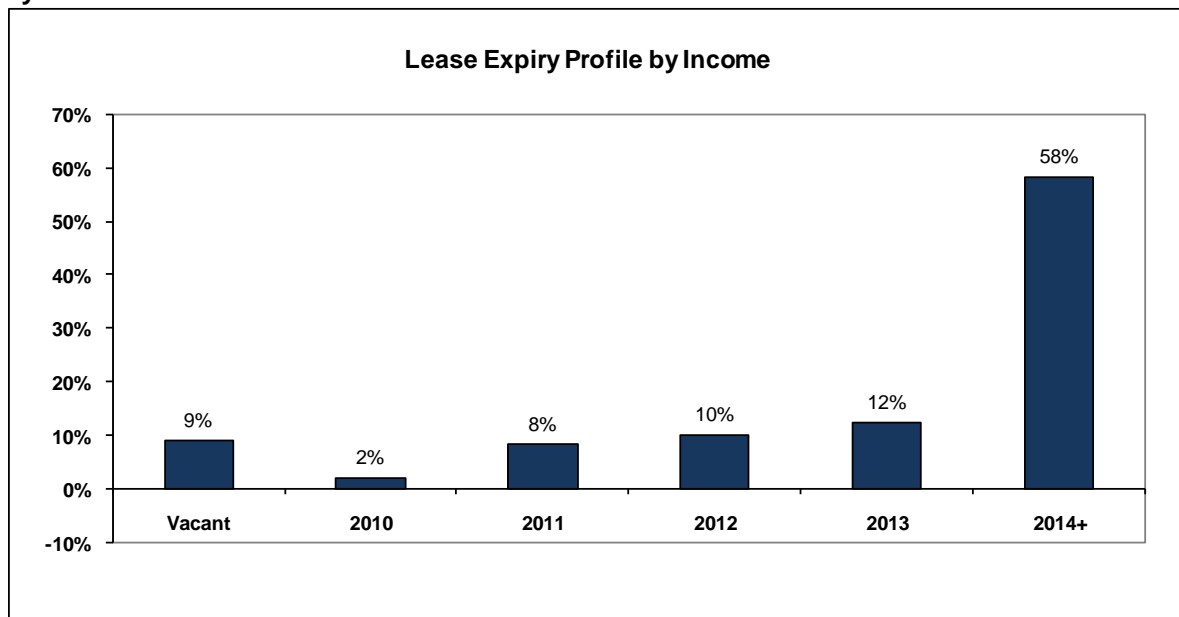
State	% of Gross Rental Income by State
North Carolina	82
South Carolina	18
Total	100

Lease Expiry (by income)

By property as at 1 November 2010



By Portfolio as at 1 November 2010



Property Due Diligence

When acquiring the Properties, MAB Funds, through MAB Rosenthal, engaged appropriate experts to investigate the following aspects of the Properties:

- valuation
- structural
- environmental
- legal
- trade area and competition analysis.

Investment Parameters for the Trust

MAB Funds and MAB Rosenthal initially selected the investment properties from within markets which exhibited the following characteristics:

Growing population base

The demographics surrounding the target shopping centres must indicate the area is growing.

Grocery anchored retail

The preference for non-discretionary food based retailing which is less affected by economic cycles based on the premise that 'people always have to eat'. The Properties all include a strong presence of national retailers including Food Lion/Bloom (the Delhaize Group) and Lowes Foods.

Well located and profitable retail properties

The Trust's strategy when compiling the initial portfolio of properties was to target shopping centres which are well exposed and have a strong position within their direct marketplace. The Trust's due diligence process included the commissioning of a trade area analysis of the property catchment to ensure that there is an adequate population base to support the centre. The Trust also examined local and potential future competitors in order to confirm there will be an appropriate demographic base to support the centre in the future.

Market presence

The focus on a concentration of properties within North and South Carolina enabled the Trust to suitably resource the management function of the centres. The Trust holds 5 shopping centres and in excess of 70 tenancies. This scale enables the Trust to employ a dedicated resource to manage the Properties through an appropriate specialist retail property manager, the Bell Moore Group. The management function is overseen by MAB Rosenthal.

The Properties

Eastfield Village, Huntersville, Charlotte, North Carolina

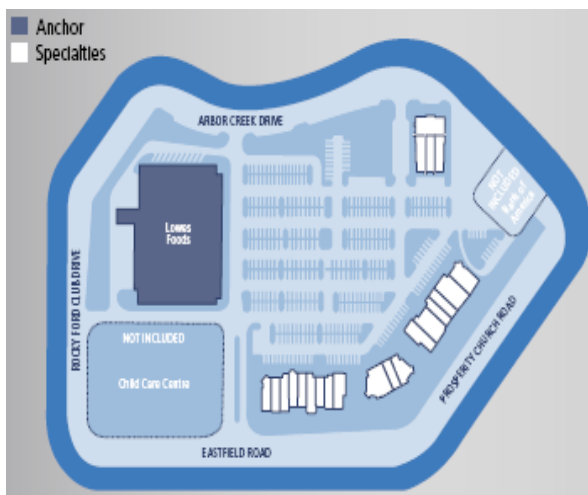


Key Data

Lease Expiry (from 1 November 2010)	7.7 years by income
Major Tenant	Lowes Foods
Expiry (Major Tenant)	September 2024
Building Area	8,128 m ²
Site Area	39,560 m ²
Car Spaces	384

Property and Tenancy Information

Constructed in 2004, Eastfield Village is a grocery anchored neighbourhood centre with a Lowes Foods supermarket occupying 4,807 square metres, and supported by national, regional and local specialty tenants. The specialty shops are located in 3 buildings surrounding the supermarket and car park.



Location

Eastfield Village is located in a rapidly growing northern suburb of Huntersville in Charlotte. Eastfield Village forms a part of Prosperity Village, a master planned community comprising over 700 acres. The locality will be further enhanced by the planned intersection of the Charlotte Interstate 485 Ring Road and Prosperity Church Road, approximately 2.5 kilometres to the south of the property.

Grandview Plaza, Pfafftown, Winston-Salem, North Carolina

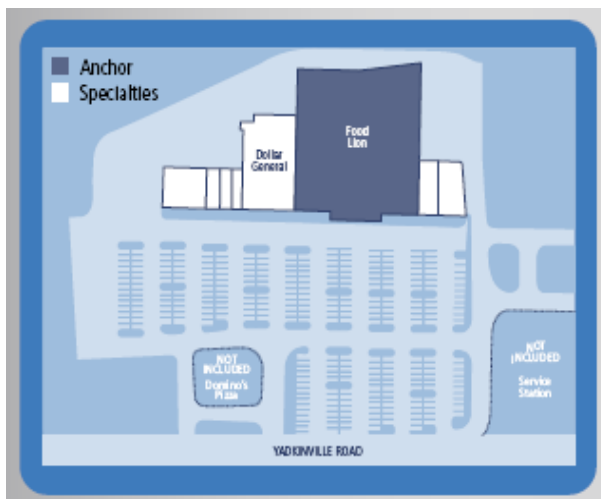


Key Data

Lease Expiry (from 1 November 2010)	4.3 years by income
Major Tenant	Food Lion (Delhaize Group)
Expiry (Major Tenant)	December 2016
Building Area	5,073 m ²
Site Area	40,024 m ²
Car Spaces	329

Property and Tenancy Information

Built in 1996, Grandview Plaza is a neighbourhood shopping centre anchored by Food Lion supermarket (part of Delhaize Group). The major tenant occupies approximately 3,073 square metres of the 5,073 square metre centre and contributes 54% of the total income.



Location

Grandview Plaza is located in Pfafftown, a suburb of Winston-Salem, North Carolina. A strong presence from Wells Fargo (formerly Wachovia), AON Consulting, Dow Corning, Frisby Technologies, Pepsi Cola Customer Service Center and Sara Lee Corporation supports the growing economy of Winston-Salem.

Summerville Plaza, Summerville, Charleston, South Carolina



Key Data

Lease Expiry (from 1 November 2010)

3.6 years by income

Major Tenants

Piggly Wiggly and Rite Aid (formerly Eckerd)

Expiry (Major Tenants)

June 2013 and March 2020

Building Area

9,996 m²

Site Area

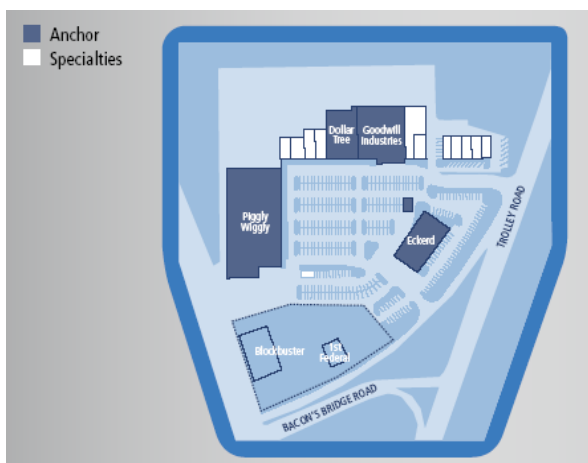
54,303 m²

Car Spaces

327

The Property and Tenancy Information

Summerville Plaza is a supermarket anchored shopping centre consisting of 4 buildings occupying 9,996 square metres on a 54,303 square metre site. The property is well leased to a number of national retailers including Piggly Wiggly supermarket, a 1,013 square metre freestanding Rite Aid Pharmacy, a Dollar Tree discount variety store and Tuesday Morning. Goodwill vacated the property earlier in 2010, and Tuesday Morning will be relocating into this larger space. A pet store operator has expressed interest in the smaller Tuesday Morning space.



Location

Summerville Plaza is located at the intersection of Bacon's Bridge and Trolley Roads, a few minutes drive from central Summerville. It is easily accessed by the entire Dorchester County submarket via the SC-18 99 and SC-165 major roadways, both of which are major commercial corridors in Dorchester County. Summerville's economy is driven by the Port of Charleston, US military and tourism.

4.5 Distributions

Distribution policy for units:

Distributions are paid from current year profits and (to the extent necessary) prior year retained earnings. It is anticipated that future distributions will be funded by realised earnings from the portfolio of assets.

The Responsible Entity ensures that any material issues related to the Fund's distribution practices are notified to investors through ongoing disclosure which includes direct correspondence with investors via mail and email, website updates and through regular quarterly investor updates.

Forecast distribution rates:

Distributions forecasts are set out in section 6.3 of this Information Memorandum. Distributions are generally payable quarterly and are paid to investors within six weeks after the end of relevant quarter. Unitholder distributions have been suspended as a result of the debt facility agreement in place with the Australian Lender. The ability to pay these forecast distributions will depend on the ability of the Trust to refinance or renegotiate the Australian Lender debt facility when it expires in October 2011.

Tax deferred component on distributions:

Based on the information currently available, MAB Funds estimates that when reinstated, future distributions will be 100% tax deferred. The tax deferred percentage is likely to change due to factors such as the type of income and expenses incurred, the differences between tax and accounting income and the amount of depreciation that the Trust can claim. Tax deferred component of the distribution may also be affected by changes in tax law as well as other circumstances not foreseen by MIRT.

4.6 Trust Borrowings

A summary of the borrowings of the trust is provided in the table below.

Debt Facility Profile	Amount Drawn US\$	Loan Type	Facility Maturity Date	Effective Interest Rate
Debt Facility Provider A - U.S. CMBS Loan	10,490,359	Amortising	Dec-2013	6.10%
Debt Facility Provider B - U.S. CMBS Loan	8,272,911	Amortising	Apr-2025	6.18%
Debt Facility Provider C - U.S. CMBS Loan	6,309,230	Amortising	Apr-2013	5.40%
Debt Facility Provider D - U.S. CMBS Loan	2,824,308	Amortising	Jul-2024	6.35%
Australian Lender	3,541,756	Interest Only	Oct-2011	8.01%
Australian Lender	3,600,000	Interest Only	Oct-2011	8.33%
Australian Lender	1,193,400	Interest Only	Oct-2011	8.09%
Australian Lender	3,200,468	Capitalising	Oct-2011	16.00%
Unsecured Loan Notes	2,970,273	Interest Only	Dec-2013	7.44%
Total	42,402,705			

Note that the Australian Lender facility which was drawn to \$3,200,468 at 30 June is a capitalising facility and the effective interest rate is based on an 11% margin over LIBOR, and takes into account interest rate swaps previously entered into which were fixed at a rate of approximately 5%.

A summary of the key terms of each facility provider is outlined below.

Debt Facility Provider A - US CMBS Loan	
Facility type	Amortising
Facility Limit	As at 30 June 2010, the facility limit was \$10,490,359, this amount will reduce with each monthly principal payment.
Borrowing Entity	Terraces SC Property Holdings LLC
Limited Guarantor	MAB Inc
Security	Registered first mortgage Cash Collateral of US\$1,056,639* Limited Guarantee provided MAB Inc.
Financial Covenants*	Satisfying Monthly debt servicing requirements. Minimum net worth requirement imposed on MAB Inc of USD10 million.

* A breach of financial covenant with respect to the minimum Net Worth requirement has occurred. In order to cure the position with the lender, the provision of cash collateral amounting to US\$1,056,639 has been placed on deposit with the lender. This is discussed in further detail in section 4.7.

Debt Facility Provider B - U.S. CMBS Loan	
Facility type	Amortising
Facility Limit	As at 30 June 2010, the facility limit was \$8,272,911, this amount will reduce with each monthly principal payment.
Borrowing Entity	Eastfield SC Property Holdings LLC
Limited Guarantor	MAB American Property REIT Inc
Security	Registered first mortgage Limited Guarantee provided MAB Inc.
Financial Covenants	Satisfying Monthly debt servicing requirements.

Debt Facility Provider C - U.S. CMBS Loan	
Facility type	Amortising
Facility Limit	As at 30 June 2010, the facility limit was \$6,309,230, this amount will reduce with each monthly principal payment.
Borrowing Entity	Summerville SC Property Holdings LLC
Limited Guarantor	MAB American Property REIT Inc
Security	Registered first mortgage Limited Guarantee provided MAB Inc. & MAB Corporation Pty Ltd
Financial Covenants	Satisfying Monthly debt servicing requirements.

Debt Facility Provider D - U.S. CMBS Loan			
Facility type	Amortising		
Facility Limit	As at 30 June 2010, the facility limit was \$2,824,308, this amount will reduce with each monthly principal payment.		
Borrowing Entity	Cheshire Commons SC Property Holdings LLC		
Limited Guarantor	MAB American Property REIT Inc		
Security	Registered first mortgage Limited Guarantee provided MAB Inc.		
Financial Covenants	Satisfying Monthly debt servicing requirements.		
	Minimum Net Worth requirement imposed on MAB Inc of USD2.82 million.		

Australian Lender - Existing Facility			
Facility type	Interest only ("I/O") and capitalising ("Cap") facilities		
Facility Limits	Facility limits as at 30 June 2010 are as follows:		
	Borrowing Entity		
	Cheshire Place SC Property Holdings LLC	I/O	3,541,756
	Grandview SC Property Holdings LLC	I/O	3,600,000
	Eastfield 2 SC Property Holdings LLC	I/O	1,193,400
	MAB American Property REIT Inc	CAP	3,200,468
Guarantor	MAB American Property REIT Inc		
Security	Registered first mortgages against Grandview Plaza, Cheshire Place, Eastfield Building D. Equity pledge from MAB Inc.		
Financial Covenants	Satisfying quarterly debt servicing requirements. Portfolio LVR Test Excluding Terraces: 65%. Australian Lender First Mortgage LVR Test: 81%.		
	Portfolio ICR Test Excluding Terraces: 1.6 times. Australian Lender ICR Test: 1.25 times.		

Related party loan

MIRT has borrowed A\$1,108,000 from a related party of MAB Funds. The amount was drawn on 24th September 2010, and interest is applicable at a rate of 7.00% per annum. The proceeds of this Offer will be predominantly applied to repay this facility.

Satisfaction of Financial Covenants

Post completion of this offer, it is anticipated that the financial covenants for each debt facility will be satisfied. There is a risk that certain circumstances may cause further asset value declines and/ or reduced rental income from the properties which could ultimately cause a breach of financial covenant. See section 10 for further detail.

Maturity of Australian Lender Facility

The Australian Lender debt facility is due to expire in October 2011. Refinancing of this facility is a priority for MIRT and its subsidiaries and presents a risk to the Trust. The process may be challenging due to the high level of gearing of the assets funded under this facility. Strategies to improve the attractiveness of the portfolio for an incoming financier are currently being considered. These strategies include incorporating Eastfield Building E and Cheshire Commons into the package as well as reducing the Australian Lender debt by closing out the capital foreign currency hedge contract which is currently in the money.

Whilst these strategies may improve the ability of the Trust to refinance the maturing debt, it should be noted that further equity capital may be required to ensure that the facility can be refinanced in full. In the event that the facility is not refinanced or repaid before the maturity date, this would be deemed an event of default.

Unsecured Loan Notes

Unsecured Loan Notes with a face value of A\$3,729,222 have been issued by MAB Inc to existing investors in accordance with the Notes Trust Deed. The notes have a maturity date in December 2013 and are unsecured. It is anticipated that the Notes will continue to be serviced in accordance with the Trust Deed through to expiry of the Notes.

Hedging Arrangements

The Australian Lender is also the provider of a number of currency and interest rate arrangement to the subsidiaries of the Trust. These arrangements are outlined below. In the event that the Australian Lenders debt facilities are refinanced, cash collateral will be required to support the hedging arrangements. Refer to Section 10 for further detail on this risk.

Capital foreign currency hedge

The Responsible Entity has hedged the Trust's exposure to US dollar denominated cash flows by entering into a forward foreign exchange contract with the Australian Lender. The Face Value of this contract is US\$9,000,000 with an exchange rate of AU\$/ US\$ 0.7565. The settlement date of the contract is 16 December 2013. MIRT is considering closing out this position and applying the proceeds to reduce the Australian Lender debt. This is intended to improve the refinancing prospects of the Australian Lender facility which is due to expire in October 2011. Under these circumstances the return of capital from the US\$ will occur at the floating exchange rate on the date of the transaction.

Note foreign currency hedging

MAB Inc has entered into a number of cross currency swaps which have the affect of converting the face value of the Australian dollar denominated debt instrument to a United States dollar denominated debt instrument. It is intended that these contracts will be retained.

Interest rate hedging

MAB Inc had previously entered into interest rate swaps with a face value of US\$13.3 million for its Australian Lender Facilities, these swaps remain in place and will continue to be serviced through to the maturity of the Australian Lender debt facility in October 2011.

Building E Settlement Assumptions

It is assumed that debt finance will be arranged with facility provider B for 65% of the purchase price of Building E which is a maximum of US\$1.57 million. Financial Modelling assumes that settlement will occur in the first quarter of 2011. MIRT previously raised \$549,000 which was deposited in a MAB Inc US dollar bank account for the equity component of the purchase. CB Richard Ellis assessed the property at 31 December 2009 at a valuation of US\$2.05 million.

4.7 Breach of Loan covenant

Facility Provider A:

Under the debt facility provided by Facility Provider A, a minimum “Net Worth” requirement of US\$20 million previously applied to MAB Inc (the US REIT) as a limited guarantor was breached. As at 30 June 2010, the Net Worth is approximately US\$10.9 million.

Remedies available to Facility Provider A:

1. Charge a default rate of 5% p.a. (Circa US\$525k p.a.).
2. Accelerate the Principal Payment.
3. Charge an early repayment penalty (circa US\$1.7 million).
4. Take Possession of the property.

The lender issued a default notice in June 2010. This indicated:

1. The lender would back charge default interest from 31 October 2009 at a rate of 5% per annum.
2. Default interest would continue to accrue until the default is remedied by either restoring the Net Worth to US\$20 million or re-instating a Letter of Credit (LoC) for circa US\$1.1 million.

Facility Provider A recently agreed to a waiver of the net worth default and the default interest, on the basis that the borrower provides cash collateral for the sum of US\$1,056,639 and that MAB Inc maintains a minimum Net Worth of US\$10 million. MIRT recently arranged for a related party loan to be drawn to ensure that the funds are available in a timely manner to cure the default. MIRT expects that the position with the Terraces Lender will be cured on or before November 19, 2010. The purpose of the offer is to repay this short term related party loan in accordance with the requirements of the Australian Lender and cover the costs associated with this offer as well as the costs associated with curing the continuing default with Facility Provider A.

It should be noted that under the revised terms with the Facility Provider A, if an event of default occurs, the Terraces Lender will have recourse to the cash collateral.

Risks associated with any debt facility covenant breach

Any facility covenant breach has the potential to accelerate the timing of the principal repayment, impose penalty interest and other costs and may require facility re-negotiation which also has the potential to result in less favourable financing terms such as higher margins. Lenders also have the right to enforce their security and cause a sale of the assets to recover their debt.

Ranking of Unitholders

Unitholders should be aware that amounts owing to lenders and other creditors of the Trust rank before an investor’s interests in the Trust. As part of the debt financing arrangements, lenders receive a first mortgage of the property asset or assets relating to the funding as well as a fixed and floating charge over the assets. This security gives the debt provider the right to take possession of the assets in the event of default under the loan documentations.

4.8 Liquidity of an investment in the Trust – no withdrawal rights

The Trust is illiquid and there are no withdrawal rights.

4.9 Term of the Trust and Exit Mechanism

The Trust will be an open ended unlisted property trust with Unitholders to be given an opportunity to withdraw in December 2013. At this time it is intended that redemptions of Units and Notes will be funded by asset sales if cash reserves and/or alternate investors cannot be identified to meet the obligations to withdrawing investors.

4.10 Related Party Transactions

Related party disclosures are reported in the annual accounts. Accounts as at and for the periods ended 30 June 2008, 30 June 2009 and 30 June 2010 are available on the MAB Funds Website www.mabfunds.com.au.

The Responsible Entity has policies in place to manage related party transactions and conflicts of interest issues which form part of the overall compliance process. The Trust has a Compliance Plan which provides for a review of related party transactions and conflicts of interest at an operational level by the Compliance Committee. For further details about the Trust's Compliance Plan and Compliance Committee, please see Section 8.

These policies have been established to protect investors and any related party transactions are reported to the Compliance Committee. The committee is comprised of two independent committee members and a director of MAB Funds.

Companies associated with MAB Funds may provide services to the Manager and/or the Trust or transact with the Manager and/or the Trust in other ways. The Constitution specifically authorises the Manager (and parties associated with the Manager) to enter into transactions with the Trust or have an interest in any such transaction.

These types of dealings may result in fees payable to the MAB Funds (and in some instances, its related parties) for services relating, but not limited to:

- Due diligence;
- Capital raising/ minimum subscription commitments; and
- Investment management.

Any transactions or dealings are on the basis that they are conducted on commercial arm's length terms. In addition, the Manager will ensure its procedures for managing potential conflicts of interest are followed, in relation to any related party transaction. The Responsible Entity has policies in place to manage related party transactions and conflicts of interest issues which form part of the overall compliance process. These policies have been established to protect investors and any related party transactions are reported to the Compliance Committee. The committee is comprised of two independent committee members and a director of MAB Funds.

MAB Funds owns Units in the Trust which were acquired under normal commercial terms. MAB Funds may acquire Units (or cause a related party or associate to acquire units) if the Offer is not fully subscribed. MAB Funds (or a related party or associate) will make such investment on normal commercial terms. The Manager aims to ensure that all transactions that might involve related parties are dealt with on a fair, reasonable and consistent basis.

A related party of MAB Funds has provided a short term debt facility to MIRT. Interest is payable at 7.00% per annum and costs are not expected to exceed \$20,000 due to the short term nature of the loan.

4.11 Valuation Policy

1. Investment Property Valuations:

- All Investment property is to be valued on an as is basis.

2. Development Property Valuations:

- All Development property is to be valued on an as if complete basis.

3. Appointment, Qualification and licensing of Valuer:

- Valuers must be independent and formally appointed and instructed to undertake the valuation.
- The valuer must be appropriately qualified and licensed to perform the property valuation.
- If a scheme holds more than 10 individual properties, a single valuer may not value the whole portfolio.

4. Regularity of Valuations:

- Independent valuations are to be obtained at a minimum of every two years for existing properties.
- For new capital raisings, valuations must be no older than 12 months from the date of the offer document.

5. Trustee Consent:

- Where an entity has issued debentures, that entity must seek consent from the Trustee to appoint a valuer.

5.0 Property Valuations and US Property Markets

Property Valuations have been conducted by CB Richard Ellis as of 31 December 2009. A summary of the valuations is provided below. These valuations are consistent with those adopted by management in the accounts as at 30 June 2010.

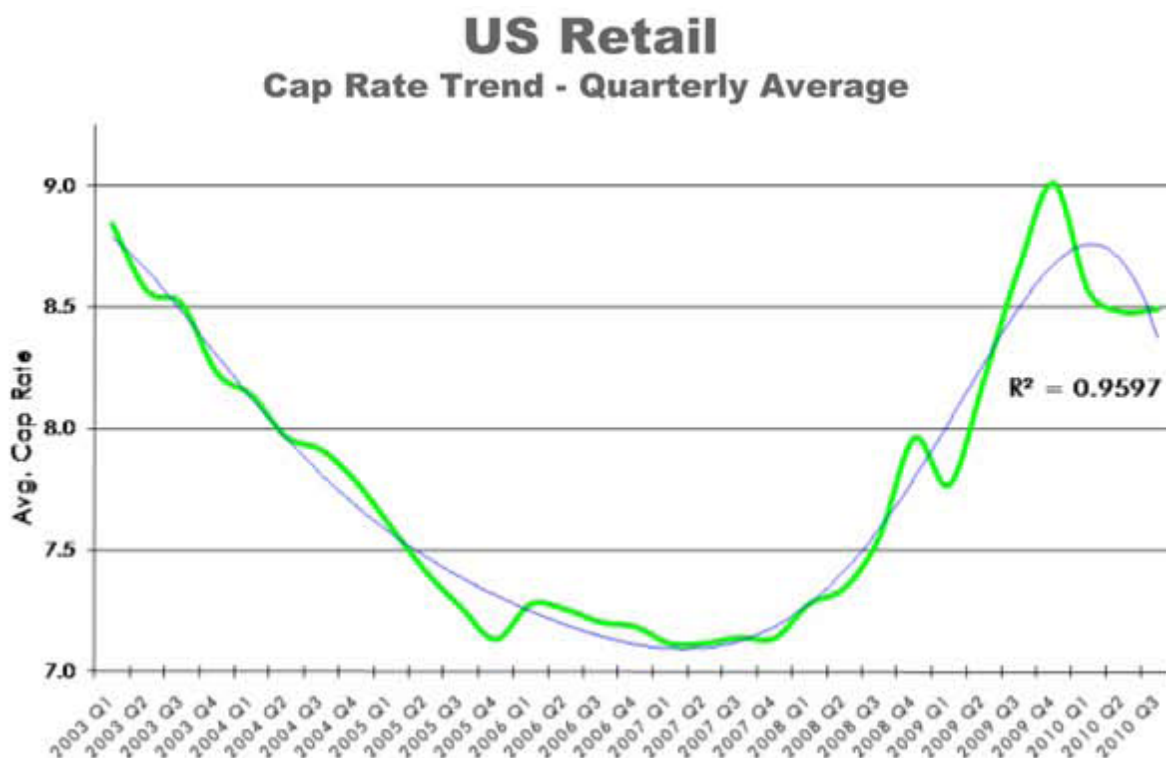
Property	Major Tenants	Gross Lettable Area Sq ft	31/12/2009 Valuation (USD)	Valuer's Market Capitalisation Rate¹ %
Eastfield Village Charlotte North Carolina	Lowes Foods	87,400	15,000,000	8.50%
The Terraces at Park Place Charlotte North Carolina	Bi-Lo	82,,396	11,500,000	10.00%
Cheshire Centre Charlotte North Carolina	Bloom, Dollar Tree and Rite Aid Pharmacy	103,918	11,850,000	9.09%
Grandview Plaza Winston-Salem North Carolina	Food Lion	54,600	3,975,000	9.75%
Summerville Plaza Charleston South Carolina	Piggly Wiggly and Rite Aid Pharmacy	107,800	9,400,000	9.25%
Total		436,114	51,725,000	9.20%

5.1 US Property Markets

When considering unitholders and the Trusts best interests, MAB Funds maintains its view that the property markets in which the assets are located will recover from the current weak state over the period to 2013.

In forming this view, MAB Funds has considered a range of updated information from various economic and industry research sources.

- A global leader in the real estate industry recently reported that US GDP and jobs have been growing, albeit, at an extremely modest pace. The level of unemployment has stabilised, at a level of 9.6%.
- In order to further stimulate economic growth, the U.S. Federal Reserve recently announced plans to purchase a further US\$600 billion in additional treasuries to improve liquidity and access to capital.
- The economic backdrop does present some uncertainty for the retail property sector, however average US retail capitalisation rates were materially unchanged in the third quarter of 2010 according to a global real estate industry leader. The same group stated that projected fourth quarter capitalisation rate declines were based on the low interest rate environment.
- The following chart from the same group demonstrates that average US retail capitalisation rates have firmed in late 2009 and early 2010 and have remained relatively stable since.



Whilst MAB Funds has formed a view that the property markets should recover in the medium to longer term; real estate and capital markets in the United States remain volatile in the short term. This volatility could potentially result in further asset price declines and adversely affect the ability of the Trust to satisfy financial covenants with its lenders. This may also adversely affect the ability of the trust to refinance debt facilities at their expiry. For further information on Trust borrowings refer to sections 4.6, 4.7 and 6. For further information on the Risks associated with this Offer refer to section 10.

6.0 Financial Information

6.1 Introduction

The financial information in this section has been prepared by the MAB Funds. It comprises a summary of the:

- (a) financial impact of the Offer;
- (b) forecast distributions; and
- (c) pro forma balance sheet based on the successful completion of the Offer.

Information relating to the taxation implications of the Offer is set out in Section 7.

The forecast financial information in this section has been prepared based on the assumption that the Offer is fully subscribed. The information has been prepared only for use in this Information Memorandum.

The Responsible Entity has prepared the forecast financial information based on an assessment of present economic and operating conditions and a number of assumptions in relation to future events and actions, which it reasonably expects will take place. While due care and attention has been taken in preparing the financial information, investors should appreciate that many factors which affect results are not capable of being foreseen or predicted.

The forecast financial information in this section is subject to a variety of business, economic and competitive risks and uncertainties, many of which will be outside the control of the Responsible Entity and MAB Inc and their respective directors, officers and employees. These risks and uncertainties could give rise to potential material differences between actual results and the forecast information in this Information Memorandum. The Responsible Entity and MAB Inc and their respective directors and related entities do not and cannot give any assurance that the forecasts will be achieved.

In order to understand the basis, assumptions and limitations underlying the forecast financial information presented, the information should be read in conjunction with the key assumptions in this section and the risk factors in Section 10.

The financial information in this Information Memorandum has been prepared in accordance with AIFRS and the summary of significant accounting policies are outlined in this section.

6.2 Financial impact of the Offer

Gearing ratio (Calculated per ASIC Regulatory Guide 46)

The Trust's gearing ratio is calculated by dividing total interest bearing liabilities by total assets. Gearing refers to the Trust's level of borrowing. This indicates the extent to which the Trust's assets are being funded by external liabilities.

The Gearing Ratio for the Fund based on 30 June 2010 Audited accounts is 77.7%.

Upon the successful completion of the Offer the Gearing Ratio is expected to reduce to 76.3%.

Gearing exposes MIRT to funding costs and therefore interest rate risk. Generally, as interest rates fall, so to does the cost of borrowing, and conversely as interest rates rise, borrowing costs increase. MIRT has substantially fixed its cost of borrowings by utilising interest rate swaps for the term of the debt, which has the effect of providing some certainty of cash flow.

Calculated per ASIC Regulatory Guide 46

During the 12 months to 30 June 2010, MIRT's interest cover ratio was equal to 1.1 times. This implies that the Trust's realised earnings before interest and taxes (minus unrealised gains plus unrealised losses) were 1.1 times its interest expenses for the period. This ratio is utilised to monitor the Trust's overall profitability as a ratio to finance costs. The Trust's ability or inability to meet interest payments depends on a variety of factors including changes in underlying earnings and interest rates. MIRT is projecting reduced property income for MIRT, and higher interest expense per the previously agreed terms with its Australian Lender. It should be noted that capitalising interest is included in these calculations.

6.3 Forecast distribution assumptions

A summary of the forecast distributions for both new and existing investors assuming successful completion of the Offer is summarised in the table below. The key assumptions associated with these projections are outlined below.

	Forecast for Year Ending 30 June 2011	Forecast for Year Ending 30 June 2012	Forecast for Year Ending 30 June 2013
Forecast Distribution Returns			
Trust	AUD	AUD	AUD
Forecast Distributions	-	638,221	638,221
Units on Issue	76,095,043	76,095,043	76,095,043
Distribution CPU	-	0.84	0.84
New Investment under this Offer			
Forecast Distributions	-	90,861	90,861
Units on Issue	10,833,335	10,833,335	10,833,335
Investment Amount	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000
Investment Yield	0.00%	6.99%	6.99%
Existing Investor Notes (MAB Inc)			
Interest Payment	309,525	309,525	309,525
Notes on Issue	3,729,222	3,729,222	3,729,222
Value of Notes on Issue	\$ 3,729,222	\$ 3,729,222	\$ 3,729,222
Interest Rate	8.30%	8.30%	8.30%

Key Assumptions

The Responsible Entity's Distribution forecasts have been prepared based on various best estimate assumptions. Although care and attention has been taken in preparing the forecasts, many factors which affect the forecasts are outside the control of the Responsible Entity or are not capable of being foreseen or accurately predicted. Actual results may therefore differ from the forecasts.

Investors' returns are dependent on the Distributions received by them and the amount received on the sale of the Portfolio.

The projected reinstatement of distributions in the period commencing October 2011 will be largely dependent upon the Trust's ability to refinance the Australian Lender Debt on reasonable terms. Refer to section 4.6 for further detail on the risks associated with the Australian Lender debt facility maturity.

Issue Date

This financial information assumes that the date of the issue of new Units is 20 December 2010.

Taxation and US REIT Status

As a result of the Previous Offer, MAB Inc will not qualify as a REIT for US federal income tax purposes for the 2010 calendar year. Under these circumstances US federal income tax may apply where MAB Inc has taxable income which could potentially reduce the distribution from MAB Inc and therefore reduce the Investor Yield. Current projections indicate that the REIT will not have taxable income for the period through to December 2013.

Trust

It is assumed that the Trust will not be classified as either a public trading trust or a corporate unit trust for Australian tax purposes.

Rental Income

Net rental income consists of gross rental and all other income (including recoverable expenses) less property expenses (including property management expenses). The forecast net rental income is subject to a number of assumptions as set out below.

In estimating property income, the current rental and rent review provisions in respect of each tenancy have been analysed and adjustments made to the current rents to reflect anticipated variations on rent reviews. These are based on the Responsible Entity's estimate of market rentals at the relevant time.

Expiry and Reletting

Where a tenancy is due to expire during the Forecast Period, allowance has been made for a loss of rental over the reletting period as indicated in the table below and for the new rental to reflect the Responsible Entity's estimate of market rentals, incentives and leasing costs at the relevant time. The Responsible Entity has also assessed a probability of the likelihood of each tenant renewing its lease and has then applied this to these allowances.

General Portfolio Allowance

Rental income from the various tenants in the Portfolio is receivable monthly. Rents for all tenants are assumed to increase in accordance with the provisions of the leases. Forecasts include a general portfolio allowance for a rent reduction of 2.5% of net operating income.

Property Outgoings

Statutory outgoings, other outgoings and non-recoverable expenditure are estimated to increase during the in line with budget estimates prepared and adopted by MAB Funds.

Capital Expenditure

A capital expenditure budget has been included in the Forecast Period for items of a capital nature. It is expected these works will be funded from surplus cash flow.

Management Fee

A fee of 0.575% of gross assets of MAB Inc applies. In any year where Distributions exceed forecasts, the rate may increase to 0.65% of gross assets of MAB Inc in that year. Refer to Section 9 entitled Fees and Other Costs for further information.

Foreign Currency Assumptions

Distributions to Unitholders are funded by Distributions from MAB Inc. These are subject to currency risk and the assumed exchange rate to determine distributions is AU\$/ US\$ 0.9500.

6.4 Financial impact of the Offer

Pro-forma Balance Sheet					
		Adjustments for related party loan as at 30 September 2010	Pro-forma consolidated as at 30 September 2010	December 2010 capital raising	Pro-forma consolidated at completion of this offer
('000) ¹	Pro-forma Consolidated 30 June 2010				
	AUD	AUD	AUD	AUD	AUD
Assets					
Cash and cash equivalents	1,882	1,108	2,990	-	2,990
Other Assets	1,490	-	1,490	-	1,490
Investments - Direct Property	60,689	-	60,689	-	60,689
Total assets	64,061	1,108	65,169	-	65,169
Liabilities					
Other Liabilities	2,483	-	2,483	-	2,483
Preferred Shareholder Debt	142	-	142	-	142
Interest bearing liabilities - Investor Notes	3,485	-	3,485	-	3,485
Interest bearing liabilities	46,266	1,108	47,374	(1,108)	46,266
Total liabilities	52,375	1,108	53,483	(1,108)	52,375
Net Assets	11,685	-	11,685	1,108	12,793
Equity	11,685	-	11,685	1,108	12,793
Net tangible assets attributable to Unitholders per unit	\$ 0.18		\$ 0.18		\$ 0.17

¹ All figures are subject to rounding as per ASIC class order 98/100 and compiled under AIFRS.

Impact of the Offer

Assuming the completion of the Offer of 10,833,335 Units at an issue price of \$0.12, the net tangible assets referable to each unit is expected to decrease from AU\$0.18 to AU\$0.17.

Key Assumptions

30 June 2010 Balance Sheet:

The MIRT Consolidated Balance Sheet at 30 June 2010 is based on audited financial statements. The Consolidated Balance Sheet is reported in Australian Dollars and is prepared in accordance with International Financial Reporting Standards (IFRS).

The Assets and Liabilities of MAB Inc have been converted at an exchange rate of AU\$/US\$ 0.8523, being the spot rate at 30 June 2010.

The adjustments to the 30 June 2010 Pro-forma balance sheet take into account the related party loan drawn in September 2010, demonstrate the repayment of this loan using the net proceeds of this offering being A\$1.3 million less the anticipated expenses associated with this offer and those costs associated with curing the position with Facility Provider A.

Significant accounting policies can be found in the 30 June 2010 audited financial statements which is available at www.mabfunds.com.au.

7.0 Taxation

The information in this section has been prepared based on independent taxation advice previously provided and included in the Product Disclosure Statement and Prospectus dated 17 January 2007. Investors should note that as a result of the composition investors in the Previous Offer, MAB Inc will not qualify as a REIT for US tax purposes for the calendar year 2010. However, financial forecasts indicate that there will be no federal income tax payable through to December 2013.

You should seek professional taxation advice before deciding whether to participate in the Offer.

MAB Inc qualification as a US real estate investment trust (REIT)

The rules relating to REITs are contained in the *US Internal Revenue Code of 1986*, as amended, and prescribe very detailed requirements for qualification as a REIT relating to the structure of the entity and the ongoing operations of the entity. These requirements include the following:

- Other than in its first year, a REIT must have a minimum of 100 persons who directly hold shares in the REIT for a minimum period in each year.
- Other than in its first year, a REIT must not, during the last half of each taxable year, have more than 50% of the value of the outstanding stock owned, directly or indirectly, by five or fewer “individuals” (as defined in the US Federal income tax rules to include specified entities, and to provide for certain attribution rules). This test will not be satisfied for the calendar year 2010, implying that MAB Inc will not qualify as a REIT.
- There are tests relating to the underlying assets of the REIT, such as a requirement that at least 75% of the value of total assets must be represented by interests in real property or certain other related assets.
- There is a 75% of gross income test requiring at least 75% of a REIT’s gross income to be real property income which includes qualifying “rents from real property” and certain related income items.
- There is a 95% of gross income test requiring at least 95% of a REIT’s gross income to include qualifying “rents from real property,” interest and dividends.
- There is a distribution requirement for a REIT to distribute at least 90% of its ordinary REIT taxable income in respect of any year.

How is MAB Inc taxed in the US?

Federal Income Tax

Given that MAB Inc has not qualified as a REIT, potentially significant tax liabilities could arise. This could adversely affect the distributions available from the US REIT and subsequently the distributions from MIRT to Unitholders. However, current forecasts indicate that there will be no federal income tax payable through to December 2013, due to higher finance costs, carried forward losses and reduced rental income compared to original PDS forecasts.

State and Local Taxes

The US REIT through its subsidiaries may be subject to state or local income tax and property tax in the jurisdictions in which it holds properties. We do not expect state and local income and property taxes to be material.

How are Distributions and Interest payments by the REIT taxed in the US?

Distributions to MIRT

Payments by and distributions from the US REIT to MIRT may be subject to US withholding tax, which can apply at varying rates depending on their nature, and the tax rates will be affected by any applicable double tax treaty. If such tax applies, the US REIT would withhold the amount of tax due from the distributions.

MIRT is a resident of Australia for the purposes of the US-Australia Double Tax Treaty. Accordingly, the Treaty may reduce the basic rates of tax that would apply to distributions made by the US REIT to MIRT. It should be noted that a protocol to the Treaty entered into force from 1 July 2003 has specifically affected the tax rates on dividends paid by a REIT to Australian residents from that date. Any US taxes suffered by MIRT may be available to MIRT's Unitholders as a foreign tax credit against their Australian tax liability on their distribution income from MIRT, subject to various restrictions (refer below).

Distributions from the US REIT that qualify as ordinary dividends are generally subject to US tax at the rate of 30%. Distributions made by the US REIT in excess of earnings and profits (a term of the US tax law), not attributable to capital gains, will be treated as a non taxable return of capital of the US REIT, to the extent the return does not exceed the adjusted tax basis of the shares in the US REIT (i.e. the cost of the US REIT shares reduced by previous return of capital distributions). An exemption certificate from withholding should be available to MIRT in respect of these distributions such that the distributions are ultimately not subject to withholding tax.

Distributions made by the US REIT which are attributable to gains from disposition of US real property are likely to be subject to a special US tax of 35% on the distribution. A further branch profits tax of 30% will apply, which may be reduced to 5% under the Treaty.

Interest payments to Unitholders

Interest payments to Unitholders by US REIT should not be subject to US withholding tax provided Unitholders have a less than 10% interest in the US REIT, are not a "bank" or "controlled foreign corporation" for US tax purposes and complete the W8-BEN US Tax Form attached to this PDS. Where a Unitholder holds an interest of 10% or more in US REIT, is a "bank" or "controlled foreign corporation", and/or the W8-BEN form is not completed, interest paid by US REIT will be subject to 10% US withholding tax.

How is MIRT Taxed in Australia?

MIRT should not generally be liable for income tax as it is intended that Unitholders will be presently entitled to all of the income of MIRT. MIRT may, however, be liable for income tax in any given year in circumstances where it meets the requirements to be classed as either a public trading trust or a corporate unit trust for that year. It is intended that MIRT will not meet either of these requirements and should therefore not be taxable in its own right.

Distributions received by MIRT from the US REIT will represent dividends for Australian tax purposes and will be included in the calculation of MIRT's taxable income, except where the distribution is paid out of the share capital account of the US REIT. In this latter case, the amount should be treated as a return of capital and reduce the capital gains tax ("CGT") cost base of the US REIT shares held by MIRT. To the extent that such distributions exceed the CGT cost base of the US REIT shares, a capital gain equal to the excess will arise. the amount of any dividend included in the taxable income of MIRT will be grossed up for any US tax suffered. A foreign tax credit may be available to MIRT's Unitholders in respect of this tax (refer below).

The US REIT is a controlled foreign company ("CFC") for Australian tax purposes. However, specific exemptions that apply to REITs that hold only US real estate will mean there will be no application of the CFC rules to MIRT in respect of its shareholding in the US REIT. Accordingly, the accruals taxation consequences of the CFC rules will not impact MIRT in respect of its shareholding in the US REIT. There are similar exemptions under the foreign investment fund ("FIF") rules so that the accruals taxation consequences of the FIF rules will not impact MIRT in respect of its shareholding in the US REIT.

US and Australian Tax Position of Disposals of US REIT Shares

Should any shares in the US REIT be disposed of at any time by MIRT, or MIRT receives return of capital distributions in excess of the cost of its shares, a capital gain calculation under US tax laws will be required and US capital gains tax may arise. Special US withholding tax of 10% applies to the gross sales proceeds. MIRT is then subject to US income tax at 35% on the capital gain together with a further branch profits tax (at 30% which may be reduced to 5% under the double tax treaty). The withholding tax is applied against the 35% tax on the US capital gain. A capital gains tax calculation will also be required under Australian tax rules and any Australian capital gain will be included in MIRT's Australian taxable income calculation. Double taxation of capital gains may be eliminated through the availability of foreign tax credits for Australian Unitholders in MIRT in respect of any US capital gains tax suffered (this will however ultimately depend on the tax position of the Australian Unitholder).

Taxation of MIRT's Unitholders and Availability of Foreign Tax Credits

Unitholders will be generally assessable on their proportionate share of the taxable income of MIRT in respect of each year. If MIRT is receiving income from the US REIT this will be included in MIRT's taxable income in the manner noted above, and so will be proportionally included in Unitholders' assessable income. In general terms, it will be the income received from the US REIT, grossed-up for any US taxes, that will be used in calculating the Unitholders' share of assessable income from MIRT.

Unitholders will include interest on the loan notes in their assessable income when the interest is due and receivable. This interest should be grossed up for US withholding tax deducted from this interest (if any). Unitholders should be entitled to credits against their Australian tax liability on their share of income derived from the US REIT for amounts up to the amount of the tax they have indirectly suffered. These foreign tax credits are limited in any year in respect of each Unitholder, to the Australian tax payable on foreign income of the same class derived by that Unitholder. For this purpose the income derived from the US REIT is passive foreign income. If foreign tax credits cannot be used in the year they arise they may be carried forward by the Unitholder for up to five years against future Australian tax payable on foreign income of the same class.

The Federal Government in its 2005 Budget announced a proposal to repeal the foreign tax credit quarantining rules. Specifically, the requirement to quarantine foreign tax credits into separate classes will be removed. The Budget announcement indicated the new rules will apply to income years commencing on or after the date the amending legislation receives Royal Assent. These new rules will be beneficial to Unitholders in MIRT as they will make foreign tax credits easier to utilise and will reduce some aspects of record keeping for foreign income. As at the date of this letter no amending legislation has been published.

Amounts distributed by MIRT that are in excess of its taxable income are referred to as tax deferred amounts. It is the current practice of the ATO that tax deferred amounts are not assessable when received unless and until the total tax deferred amounts received by a Unitholder exceed the cost base of the Units. For CGT purposes, tax deferred amounts received reduce the cost base of the Units for the Unitholders and therefore affect the Unitholder's capital gain/loss on disposal of the Units.

Disposal of Units in MIRT

A disposal of Units in MIRT will have Australian CGT implications. Broadly, Unitholders must include any realised capital gain or loss in the calculation of their net capital gain or loss for the year. A net capital gain will be included in assessable income for that year. A net capital loss is not deductible for the year, but may be carried forward until the Unitholder has realised capital gains in the future against which the net capital loss can be offset.

The net capital gain or loss to Unitholders is worked out as follows:

- The capital gain or loss is the excess or shortfall of disposal proceeds over the cost base of the Units.
- If Units have been held for less than 12 months this is the amount of gain or loss included in the net capital gain calculation.
- If Units have been held for 12 months or more and there is a loss, similarly this loss is included in the net capital gain calculation.
- If Units have been held for 12 months or more and there is a gain, a discounting factor may be available to certain Unitholders. The discounting factor for individuals and trusts is 50% (including non-complying superannuation trusts), whilst a discount factor of 33 1/3% applies to complying superannuation entities.

US and Australian Tax Position of Disposal of Loan Notes issued to existing investors

Australia

The gain made on disposal of Loan Notes must be included in assessable income and any loss may be deducted from foreign income of the same class. For this purpose, the gain or loss arising on the disposal of Loan Notes will be modified passive income.

The Loan Notes will be CGT assets but any capital gain or capital loss arising on their disposal will be disregarded for purposes of applying the CGT provisions.

Tax File Numbers, Australian Business Numbers and Exemptions

If a Tax File Number ("TFN") is not quoted by a Unitholder, and no appropriate TFN exemption information is provided, Pay As You Go ("PAYG") tax is required to be deducted from any income distribution entitlement at the highest marginal tax rate plus Medicare levy (currently 46.5%). A Unitholder may quote a valid Australian Business Number (ABN) in place of a TFN, where the holding of units is part of the carrying on of an enterprise by the Unitholder.

The collection of TFNs is authorised and their use and disclosure are strictly regulated by the tax laws and the Privacy Act.

Goods and Services Tax ("GST")

The purchase and disposal of units in MIRT by Unitholders is not subject to GST. MIRT is likely to make a mixture of GST taxable supplies, GST free supplies and possibly input taxed supplies. Depending upon this mixture MIRT will be able to reclaim all or some of the GST it suffers on its purchases.

US and Australian Tax Position of Disposals of US REIT Shares

Should any shares in the US REIT be disposed of at any time by MIRT, or MIRT receives return of capital distributions in excess of the cost of its shares, a capital gain calculation under US tax laws will be required and US capital gains tax may arise. Special US withholding tax of 10% applies to the gross sales proceeds. MIRT is then subject to US income tax at 35% on the capital gain together with a further branch profits tax (at 30% which may be reduced to 5% under the double tax treaty). The withholding tax is applied against the 35% tax on the US capital gain. A capital gains tax calculation will also be required under Australian tax rules and any Australian capital gain will be included in MIRT's Australian taxable income calculation. Double taxation of capital gains may be eliminated through the availability of foreign tax credits for Australian Unitholders in MIRT in respect of any US capital gains tax suffered (this will however ultimately depend on the tax position of the Australian Unitholder).

8.0 Management, Governance and Fees

The Responsible Entity

MAB Funds is the responsible entity of the Trust and is a specialist property investment manager. Its objectives are to create quality investment products and provide property investment management services for private and institutional investors.

A key strength of MAB Funds is its ability to offer investors an integrated property investment team incorporating funds management, asset management, development management and support services.

Formed in 2001, MAB Funds has established a successful track record of managing property assets throughout Australia and New Zealand. MAB Funds has over \$210 million funds under management in the MAB International Retail Trust and the MAB Diversified Property Trust.

Compliance Plan and Compliance Committee

The Responsible Entity has established a compliance plan for the Trust, which will be monitored by the directors of the Responsible Entity and its compliance committee.

The compliance committee must meet at least every 3 months, unless the committee members agree it is not necessary or desirable for a particular meeting to be held. The compliance committee is made up of at least 3 members at all times, the majority of which are external to the Responsible Entity.

The compliance plan outlines the principles and procedures the Responsible Entity will invoke to ensure it complies with the Corporations Act and the Constitution. It focuses on the systems in place to assist in competent management of the Trust by the Responsible Entity.

Issues covered by the compliance plan include procedures for the following:

- identification, operation and custody of the Trust property and valuation of the Assets
- audit of the compliance plan and the Trust
- adequacy of records, capital, liquidity and insurance for the Trust
- unit price calculation, issue and withdrawal procedures
- investment, borrowing and the calculation for income, payment and reinvestment
- offer documents, advertising and recommendations
- communications and payments
- meetings and complaints of Unitholders
- calculation of expenses and fees
- amendments to the compliance plan and Constitution
- retirement and removal of the Responsible Entity
- termination of the Trust
- Australian Financial Services Licence, ASIC compliance checks and related party transactions
- training, delegates, agents and contractors.

Directors and Company Secretary of MAB Funds

Andrew Buxton B.Sc Chairman

Andrew Buxton began his career in the quarry and asphalt industry. From 1974 to 1988 Andrew was Co-Managing Director of the Associated Quarries and Asphalts Group. He diversified into property development and in 1995 founded MAB Corporation with Michael Buxton. Andrew has over 20 years of experience in the property industry and is the Managing Director of MAB Corporation.

Michael Buxton AAPI, MREI Director

Michael Buxton has over 40 years of experience in the property industry that commenced with property management and sales in his family's business, JR Buxton Pty Ltd. In 1976, Michael co-founded Becton Corporation and as joint Managing Director built the company into one of the most successful property investment and development companies in Australia.

At the end of 1994, Michael sold his interest in Becton Corporation and in 1995 founded MAB Corporation with his brother Andrew. Michael is Executive Director of MAB Corporation.

Nicholas Gray B.Sc, AAPI, MRICS Director and General Manager

Nick brings a wealth of experience in property to MAB Funds. A qualified valuer with over 30 years of international experience in property and funds management, Nick established the MAB Funds operation in 2001 and has executive responsibility for the group. He is a member of the Compliance Committee. Nick was Head of Property for Norwich Union and Norwich Investment Management from 1987 to 1998 and from 1995 was also General Manager Funds Management for GRW, a Norwich group company. In 1998 Nick joined Colonial First State as Fund Manager of the listed Colonial First State Commercial Property Trust.

Anthony Calvi B.Sc (Hons), Dip Ed, LLB, MBA, Grad Dip AppCorpGov Company Secretary

Anthony is a solicitor with 16 years of experience. He began his career in private practice and was with the Schiavello Group for seven years before joining MAB Corporation in 2001 as a Group General Counsel. Anthony completed his MBA in 1998 and is an Associate of the Chartered Institute of Secretaries.

Key Executives - Australia

Fiona Grogan B.Bus (Prop), AAPI, Licensed Estate Agent Senior Asset Manager

Fiona is responsible for the strategy development and management of all of the properties within MAB Funds trust portfolios. Fiona has also contributed to the purchase of a number of MAB FM properties.

Fiona's property experience spans over 15 years and includes previous Property and Asset Management roles for Jones Lang LaSalle in their London and Melbourne Offices where she worked with a varied range of private and institutional property owners.

Ben White B.Bus (Admin) Asset Manager

Ben is responsible for the strategic development and management of all of the properties within MAB Funds trust portfolios. Ben's property experience spans over 8 years and includes previous Asset Management roles for Orchard Funds Management in their Melbourne and Sydney Offices where he was responsible for the performance of assets across a number of Funds in the Office, Retail and Industrial sectors throughout Australia.

Mark Biancucci B.Bus (Acc/Fin), F Fin, CPA Finance Manager

Mark manages the treasury, finance, capital and risk functions of MAB Funds Management and its registered managed investment schemes. He also oversees fund and Responsible Entity accounting and ensures compliance with statutory reporting requirements. Mark has over 9 years of experience in the financial services and property industry.

John Ryan B.Comm (Acc/Fin), CA Financial Accountant

John is responsible for the financial accounting, reporting and modeling for MAB Funds Management trusts. He has eight years of experience in public practice accounting and the property industry. John has gained valuable experience in financial reporting and taxation across a wide variety of industries, servicing companies such as The Good Guys, TXU and Lloyd Morgan Recruitment.

Stephen Stephens B.Bus (Bkg&Fin), Compliance Officer

Stephen is responsible for Compliance & Fund Administration for MAB Funds Management Trusts. He has 5 years experience as a Senior Investment Compliance Analyst, most recently with the National Australia Bank in their Custody Division NCS.

Stephen has gained valuable experience in the preparation and delivery of Investment Compliance Analysis Reporting & Specialist Exposure Risk Reporting, across a number of asset classes, servicing clients such as Uni Super, TWU Super & Vision Super.

Key Executives - United States of America

MAB Rosenthal

David Rosenthal, B.S., MBA, CGREA, MAI

President – US Operations

With over 25 years of experience in the property industry, David is a Certified General Real Estate Appraiser with licenses in California and Arizona. He established his west-coast based appraisal and consulting firm, Curtis-Rosenthal Inc, in 1982 and brings significant property expertise to the MAB Rosenthal management team. David's impressive credentials include an MBA with a specialisation in finance and accounting, and experience in the banking industry at Security Pacific National Bank.

David jointly leads the operations of MAB Rosenthal and is a member of the REIT Board.

Cary Uretz, BA, MBA

Senior Vice President – Investments

Cary brings over 25 years of experience in property acquisitions and asset management to the MAB Rosenthal management team. Throughout his career, Cary has sourced, structured and closed in excess of \$1 billion of commercial investment properties throughout the US. Cary is a graduate of the University of Illinois and earned his MBA in finance and accounting from Northwestern University's J.L. Kellogg Graduate School of Management. Cary leads the acquisitions and asset management initiatives of MAB Rosenthal and is a member of the REIT Board.

US Management – MAB Rosenthal

MAB Administration and Management Services Pty Ltd, an affiliated entity of MAB Funds, established in 2005, MAB Rosenthal LLC, with US-based Rosenthal Realty Investment Management Inc. Rosenthal Realty Investment Management Inc is an affiliate of property consultants Curtis-Rosenthal Inc.

The principals of Curtis-Rosenthal Inc provide local US experience, knowledge and resources to the MAB Rosenthal joint venture, namely:

- knowledge of the various property markets within the US
- a range of networks and relations within the US to assist MAB Funds in conducting its activities in this market
- local property valuation experience
- knowledge of the US debt markets and in particular the US Conduit Loans (CMBS) market
- a depth of resources to manage US activities.

MAB Funds considers this knowledge, experience and resources vital to successfully operate MAB Inc in the US market.

The purpose and business of MAB Rosenthal is to perform the services and duties on behalf of MAB Inc that are set out in an Advisory Agreement between MAB Rosenthal and MAB American Property Fund LLC (to which MAB Inc is the successor entity at law).

MAB Rosenthal is responsible for the following activities within the Trust and MAB Inc:

Asset Management

MAB Rosenthal is responsible for managing the Properties including:

- arranging for the general management of all the Properties through the appointment of appropriately experienced local managing agents (currently the Bell Moore Group). This includes:
 - rent collection and operating expense recoveries
 - lease administration (rent reviews and renewals)
 - disbursement of funds
 - repairs
 - maintenance
 - cleaning
 - payment of building expenses
 - provision of monthly reports and financial statements.
- formulating business plans and investment strategies for the Properties
- recommending and implementing capital investment strategies to maintain and improve the Properties
- recommending the appropriate levels of insurances for the Properties

Debt Services

MAB Rosenthal is involved in financing arrangements including:

- managing existing debt US facilities and relationships
- organising any required refinancing.

Property Identification and Acquisition

MAB Rosenthal is mandated, when appropriate, to source new properties for MAB Inc.

Property Due Diligence

MAB Rosenthal is engaged, when appropriate, to arrange all necessary due diligence in relation to the acquisition of properties for MAB Inc

The Manager's financial capacity and insurance

MAB Funds must comply with the strict financial obligations to which a responsible entity must adhere under its AFSL issued by ASIC. These obligations include maintaining a minimum level of net tangible assets and ensuring that it has sufficient financial resources in reserve to meet all its obligations for a minimum period of three months. In accordance with the compliance plan, the Manager's financial capacity is monitored at least monthly.

The Funds holds an insurance policy for professional indemnity and fraud insurance which meets ASIC's requirements.

Reporting and continuous disclosure

As the Trust has more than 100 Unitholders, it is classified as a disclosing entity under the Corporations Act. As a disclosing entity, the Trust is subject to regular reporting and disclosure obligations. Copies of documents previously lodged with ASIC in relation to the Trust may be obtained from or inspected at any ASIC office.

MAB Funds now intends to comply with its continuous disclosure obligations by following ASIC's good practice guidance for website disclosure of material information. All material information, including the quarterly reports that the Manager provides to Unitholders as well as announcements and updated information, will be placed on MAB Funds website, www.mabfunds.com.au as soon as practicable. The Manager intends to place all material information on its website as soon as practicable after it becomes aware of the information, not just at the time when quarterly or half-yearly reports are issued. Material information will be kept on the website as long as it is material to the determination of the price or value of a Unit.

MAB Funds has processes and procedures to monitor the Trust's compliance with the continuous disclosure requirements of the Corporations Act to the extent that they apply to disclosing entities such as the Trust.

A Unitholder may obtain a copy of the following documents from MAB Funds upon request, free of charge:

- the Product Disclosure Statements for the Trust dated 17 January 2007;
- the annual financial report for the Trust most recently lodged with ASIC;
- any half-year financial reports for the Trust lodged with ASIC between the date of the most recent annual financial report and the PDS; and
- any continuous disclosure notices in relation to the Trust previously lodged with ASIC.

A copy of the annual financial statements for the financial year ending 30 June 2010 can also be found on MAB Funds website.

9.0 Fees and Other Costs

Annual fees and costs

This Section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole.

The taxation implications of participating in the Offer and investing in the Trust generally are discussed in the taxation information in Section 7.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and When Paid
Fees when your money moves in or out of the Trust		
<i>Establishment Fee:</i> The fee to open up your investment.	Nil	Not Applicable
<i>Contribution fee:</i> The fee on each amount contributed to your investment.	Nil	Not Applicable
<i>Withdrawal fee:</i> The fee on each amount you take out of your investment.		
Withdrawals under the Withdrawal Opportunity.	Nil	Not Applicable
<i>Termination fee:</i> The fee to close your investment.	Nil	Not Applicable
Management Costs:²		
The fees and costs for managing your investment.		
Capital arranging fee	Nil	Not Applicable
Set up costs	2.85% of the amount raised in respect of the issue of Units and Notes under this Information Memorandum.	Deducted from either the assets of the Trust or the assets of MAB Inc or any of its subsidiaries. These expenses are payable to third parties but may be reimbursed to the Responsible Entity or MAB Rosenthal as incurred.
Debt establishment costs	Nil	Not Applicable
Due diligence fee	Nil	Not Applicable
Management fee	A fee of 0.575% of gross assets of MAB Inc	Deducted from the gross assets of MAB Inc and payable quarterly in arrears to the Responsible Entity or MAB Rosenthal.
Administration costs ³	Administration costs of up to 0.5% of gross assets of MAB Inc.	Paid or reimbursed to the Responsible Entity or to third parties as incurred.
Performance fee	20% of performance being any change in the Performance Value of a Unit ⁴ over a Performance Fee Calculation Period, less any change in net value of a Unit which would have occurred if the net value of the Unit had changed in accordance with the Mercer Unlisted Property Funds Index.	Paid to the Responsible Entity from the gross assets of the Trust. Payable (if any) at 30 June 2009, then payable annually at financial year end.

² See 'Capacity to alter fees and other costs' under the heading 'Additional Explanation of Fees and Costs' on page 48.

³ See 'Administration Costs' under the heading 'Additional Explanation of Fees and Costs' on page 47.

⁴ See 'Performance Value of a Unit' under the heading 'Additional Explanation of Fees and Costs' on page 47.

Type of Fee or Cost	Amount	How and When Paid
Retirement or removal fee	2% of the value of the gross assets of the Trust and its controlled entities on a consolidated basis.	Deducted from the gross assets of the Trust. Payable to the Responsible Entity upon its retirement or removal.
Service Fees:		
<i>Investment switching fee:</i> The fee for changing investment options.	Nil	Not Applicable

Example of Annual Fees and Costs

This table gives an example of how the fees and costs of investing in the Trust and MAB Inc can affect your investment over a 1 year period. You should use this table to compare the investment in the Trust and MAB Inc with other managed investment products.

Example	Balance of \$50,000	
Plus Management costs	6.71%	For every \$50,000 you invest, you will be charged \$3,355
Equals cost of the Trust and MAB Inc	6.71%	If you have an investment of \$50,000, you will be charged fees of \$3,355

Ongoing management costs or Indirect Costs Ratio of 6.71% per annum shown in the table is a measure of the annual management costs and forecast expense recoveries charged against the estimated value of the Trust's net assets per the Pro-forma Balance Sheet in section 6.4 at completion of the offer (A\$12.8 million).

The costs incurred at MAB Inc level have been converted to AUD at an exchange rate of \$0.8523 (being the spot exchange rate as at 30 June 2010).

Management Costs include a management fee payable to MAB Rosenthal by MAB Inc equal to 0.575% of the Gross Assets of MAB Inc.

Additional Explanation of Fees and Costs

Administration Costs

Ongoing administration costs may include but are not limited to:

- establishing and maintaining the register (including branch registers) of Unitholders and Note Holders
- preparation of audit, taxation returns and accounts for the Trust and MAB Inc and its subsidiaries
- engagement of agents, valuers, contractors and advisers (including legal advisers)
- custodian and trustee fees and expenses
- compliance committee costs.

Performance Value of a Unit

Performance Value of a Unit means the net assets of the Trust excluding Unitholders' equity divided by the number of Units on issue at the relevant time, adjusted as at the end of the Performance Fee Calculation Period for (in respect of the Unit):

- (a) liabilities for the performance fee, accrued during the Performance Fee Calculation Period, being added back
- (b) the amount of any franking, foreign tax or other applicable taxation credits attaching to dividend or other income actually received by the Trust during the Performance Fee Calculation Period (except to the extent that those credits cannot be made available to Unitholders) being added
- (c) the Trust's proportion of the amount of any franking, foreign tax or other applicable taxation credits attaching to dividend or other income actually received during the Performance Fee Calculation Period by any fund invested in by the Trust (except to the extent that those credits

- cannot, or will not, be made available to the Trust as an investor in that fund and which has not already been taken into account in paragraph (b), being added
- (d) the amount of any distributions made during the Performance Fee Calculation Period being added
 - (e) the amount of any negative performance from the immediately preceding Performance Fee Calculation Period (if any) being deducted.

Performance Fee Calculation Period

Performance Fee Calculation Period means:

- (a) the period commencing on the date of first issue of Units under this Information Memorandum and ending on 30 June 2009 and thereafter each subsequent 12 month period or
- (b) if the Responsible Entity retires or is removed before the end of a period calculated in accordance with paragraph (a), the date of the Responsible Entity's retirement or removal.

Additional Details of Incidental Fees

The Responsible Entity and MAB Inc will be entitled to retain any interest paid in respect of Application Moneys held from time to time in the application moneys trust account in the proportions agreed between them.

Capacity to Alter Fees and Other Costs

Under the Constitution, the Responsible Entity has the power to charge higher fees or additional fees above those which are set out in this Information Memorandum. The Responsible Entity will give you 3 months notice if it proposes to charge any such higher fees or additional fees.

The maximum fees (not including GST) that the Responsible Entity may charge under the Constitution include a:

- management fee of 1.5% per annum of the Gross Assets of the Trust (as defined under the heading 'The Constitution' below) reduced by any fee paid to the Responsible Entity or an affiliate for managing assets of an investee entity e.g. MAB Inc or MIHT
- performance fee in respect of each Unit of 20% of performance exceeding the relevant index
- establishment and capital arranging fee of 10% of the amount raised in respect of any issue of Units
- due diligence fee of up to 1.5% of the value of any investment upon which the Responsible Entity conducts due diligence investigations
- fee for the arrangement of a debt facility of up to 1% of the value of any debt facility arranged
- entry fee of 5% of the consideration payable on an application for Units or, if the application relates to a switch, no switching fee for the first 4 switches in any 12 month period, and thereafter a switching fee of \$50, CPI adjusted each year commencing from 1 January 2007, instead of an entry fee
- exit fee of 4% of the redemption price
- retirement or removal fee of 2% of the consolidated value of the Gross Assets of the Trust and its controlled entities.

The Constitution:

- permits the Responsible Entity to add an amount on account of GST to these maximum fees
- defines Gross Assets as the aggregate value of the assets of the Trust and its controlled entities on a consolidated basis, disregarding Liabilities. For the avoidance of doubt, where the Responsible Entity takes into account the value of assets in a controlled entity, it will disregard the investment value of the ownership interests (whether shares, units, partnership interests or otherwise) in that controlled entity. Applicable accounting standards are to guide classification of assets, controlled entities and the basis of consolidation.

The Responsible Entity is entitled under the Constitution to charge fees in relation to the proper performance of services provided or work carried out on behalf of a Unitholder which go beyond the Responsible Entity's duties under the Constitution.

The Responsible Entity is also entitled under the Constitution to be reimbursed for certain expenses incurred in properly performing its duties as the Responsible Entity of the Trust. These expenses include but are not limited to:

- costs connected with the Constitution and the formation of the Trust
- preparation, review, distribution and promotion of any offer document in respect of Units or other promotion of the Trust
- acquisition, disposal and any other dealings with the assets of the Trust
- establishing and maintaining the register of Unitholders
- convening and holding meetings of Unitholders and implementing a resolution of the meeting
- the implementation of any resolutions and communications with Unitholders
- the engagement of agents, valuers, contractors and advisers (including legal advisers)
- preparation of audit, taxation returns and accounts of the Trust
- borrowing arrangements by the Responsible Entity on behalf of the Trust or Unitholders or guarantees in connection with the Trust, including the cost of hedging any risk
- costs associated with the establishment and operation of the compliance committee
- custodian fees and expenses.

In the event that you are overpaid by the Responsible Entity, you will owe that amount overpaid as a debt to the Responsible Entity.

The Responsible Entity may redeem or sell some or all of your investments in the Trust to satisfy any amount of money due from you to the Responsible Entity, and to maintain a minimum amount in the Trust's accounts.

The maximum fees (not including GST) that Forestgreen as trustee of MIHT may charge under the trust deed of MIHT are:

- a management fee of 1.5% per annum of the gross assets of MIHT
- a capital arranging fee of 10% of the amount raised in respect of any issue of units of MIHT
- a due diligence fee of up to 1.5% of the value of any investment upon which Forestgreen conducts due diligence investigations, where the investment becomes MIHT property or an investment of any controlled entity of MIHT
- a fee for the arrangement of a debt facility of up to 1% of the value of any debt facility arranged
- an entry fee of 5% of the consideration payable on an application for units or, a switching fee of \$50, CPI adjusted each year commencing from 1 January 2007 except for a switch in the first 4 months of any year
- an exit fee of 4% of the redemption price of units.

Taxation

For a general overview of the impact of taxation on your Investment, refer to the Taxation Report in Section 7.

Goods and Services Tax (GST)

Where applicable all fees and charges are quoted inclusive of GST net of any anticipated input tax credits or reduced input tax credits to which the Trust is entitled, unless otherwise stated.

10.0 Risk Factors

Investment Risks

All investments involve varying degrees of risk. Generally, the higher the projected returns, the higher the risk.

While there are many factors which may impact on the performance of any investment, the summary below details some of the general and specific risks that prospective investors should be aware of when considering acquiring an Investment.

General Risks

Property market risk

The US property market can rise and fall and there is no guarantee as to the state of the property market throughout the term of the Trust. A downturn in the US property market in general may adversely affect the value of the Properties and in turn the value of Units.

Overall economic conditions

The general state of the Australian, US and international economies as well as changes in inflation, taxation, monetary policy, exchange rates and statutory requirements may have an influence on investments generally. A downturn in the US economy may slow growth in retail spending, employment and the growth in income from the Properties.

Australia/US Free Trade Agreement

The Australia/US Free Trade Agreement may not continue in its current form, due to an event of breach or termination or change in Australian or US government policy.

Changes in government legislation

Government legislation, including changes to taxation laws, may affect future earnings and the relative attractiveness of investing in the Trust and MAB Inc. Changes to the tax law in Australia may affect the tax treatment of the Trust in particular and the market for property trust investments generally. As the Properties are within the US, changes to US laws (including tax laws) may adversely impact on MAB Inc and accordingly the Trust.

Australian and US taxation

Tax rules or their interpretation in both Australia and the US and the tax treaty which governs the taxation of distributions and interest payments from the US to Australia may change. In particular, both the level and basis of taxation may change. These changes may affect the future earnings and relative attractiveness of investments in the Trust and MAB Inc. In addition, an investment in Units or Notes involves tax considerations which may differ for each Investor. Each prospective Investor is encouraged to seek professional tax advice in connection with any investment in the Units or in the Notes.

MAB Funds and MAB Inc believe that, under current law, MAB Inc will not qualify as a REIT under the US Internal Revenue Code for the 2010 calendar year and beyond. To the extent that it has taxable income, MAB Inc will be required to pay US Federal income tax and state tax at ordinary corporate rates on its taxable income in that year and possibly future years. This could adversely affect the amount available for distribution by MAB Inc to MIHT and, accordingly, the amount available for distribution by the Trust to its Unitholders. Unless entitled to relief under specific statutory provisions, MAB Inc would be disqualified from re-electing for taxation as a REIT for the 4 taxable years following the year in which qualification was lost.

Specific Risks

Assumptions upon which the forecasts and projections are based may not occur, or may occur in a manner different to that assumed by MAB Funds, including:

Sale Price of the Properties and Asset Price risk

Upon Unitholders electing to withdraw from the Trust in accordance with the Withdrawal Opportunity or any other redemption offer made by the Responsible Entity, or upon the repayment of the Notes at their maturity date, some or all of the Properties may need to be sold. In this event, the returns of remaining Investors may be affected by the sale of those Properties.

Whilst MAB funds has formed a view that the property markets should recover in the medium to longer term; real estate and capital markets in the United States remain volatile. This volatility could potentially result in further asset price declines and adversely affect the ability of the Trust to satisfy financial covenants with its lenders. This may also adversely affect the ability of the trust to refinance debt facilities at their expiry. For further information on Trust borrowings refer to sections 4.6, 4.7 and 6.

Borrowings, refinancing and access to capital markets

The borrowings used by MAB Inc and its subsidiaries have a leveraging effect on this investment by increasing the potential gains or losses. Returns from a geared investment will generally be more volatile than returns from a less highly geared or an un-geared investment.

A key risk associated with this investment is refinancing risk associated with the Australian Lender facility which matures in October 2011. The facility may not be extended and could potentially be difficult to refinance. This may cause a requirement to raise further equity capital or sell assets.

Australian Lender Facility:

The Australian Lender debt facility is due to expire in October 2011. Refinancing of this facility is a priority for MIRT and its subsidiaries and presents a risk to the Trust. The process may be challenging due to the high level of gearing of the assets funded under this facility. Strategies to improve the attractiveness of the portfolio for an incoming financier are currently being considered. These strategies include incorporating Eastfield Building E, Cheshire Commons into the package as well as reducing the Australian Lender debt by closing out the capital foreign currency hedge contract which is currently in the money.

Whilst these strategies may improve the ability of the Trust to refinance the maturing debt, it should be noted that further equity capital may be required to ensure that the facility can be refinanced in full. In the event that the facility is not refinanced or repaid before the maturity date, this would be deemed an event of default, and the remedies available to the financier are outlined below in the section headed Non-satisfaction of debt facility covenants.

Terraces at Park Place Debt Facility:

Under the debt facility provided by Facility Provider A, a minimum "Net Worth" requirement of US\$20 million previously applied to MAB Inc as a limited guarantor was breached. As at 30 June 2010, the Net Worth is approximately US\$10.9 million.

MIRT recently agreed to a waiver of the net worth default and the default interest, on the basis that the borrower provides cash collateral for the sum of US\$1,056,639 and that MAB Inc maintains a minimum Net Worth of US\$10 million.

At the completion of this offer, the Net Worth position is expected to be circa US\$11.9 million, however in the event that the portfolio's Net Worth declines to a level below US\$10 million, this would again constitute an event of default, and the lender will have access to the cash collateral as well as other remedies available under the loan documentation.

Non-satisfaction of debt facility covenants

Any facility covenant breach has the potential to accelerate the timing of the principal repayment, impose penalty interest and other costs and may require facility re-negotiation which also has the potential to result in less favourable financing terms such as higher margins. This may result in forced asset sales and or requirements to raise further capital.

Building E Settlement Risk

The purchase price for Building E at Eastfield Village is a maximum of US\$1.57 million. A key assumption is that MAB Inc will be able to obtain debt financing equivalent to 65% of the purchase price; or US\$1.02 million, and the balance of the purchase price is to be funded by cash retained from the Previous Offer amounting to US\$0.55 million. It is assumed that the property settlement will occur in March 2011. The property is also being considered for inclusion in a new refinancing package to assist with the Australian Lender debt maturity in 2011.

Geographical concentration of the Properties

The Properties are located within 3 cities in the Carolinas. The geographical concentration of the assets exposes all the Properties to specific risks within those areas from both an environmental and economic viewpoint.

Retail property supply

An increase in competition within the catchments of the Properties or demographic changes may result in the turnover of occupants declining or vacancy levels in the Properties increasing, which in turn may affect the level of rental income received by MAB Inc's subsidiaries and in turn MAB Inc and the Trust and therefore the returns available to Investors.

Financial strength of tenants

The financial strength of the Properties' tenants affects their ability to make rental payments. If tenants become unable to meet their lease commitments and MAB Rosenthal are unable to find replacement tenants in a timely manner, the forecast returns to Investors may be affected.

Bi-Lo LLC – tenant of the Terraces at Park Place.

On 23 March 2009 BI-LO, LLC, the supermarket operator at The Terraces property in Charlotte North Carolina, announced that it filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. In May 2010, BI-LO, LLC emerged from Chapter 11 Bankruptcy, having completed a capital restructure. The tenancy risk associated with this asset has therefore been reduced, given that the tenant affirmed the lease in place.

Capital expenditure requirements

The good condition of the Properties suggests that capital expenditure is likely to be low during the Forecast Period. Notwithstanding this, any unforeseen capital expenditure may result in a reduction in Distributions to Investors, an increase in borrowings or a requirement for further equity capital to be raised. MAB Inc intends to fund capital expenditure partly from its cash flows.

The property management team has highlighted drainage issues at the Summerville property in South Carolina. Experts have been engaged to assess the issue and make a recommendation as to how it may be remedied. At this stage management cannot reasonably determine the scope of work required and associated costs to either repair or replace the storm water drains.

Exchange rate risk

The Properties are assets located in the US. When overseas assets are purchased by Australian or domestic entities, exchange rate or currency risk is introduced. A currency risk is the risk of a loss or gain on US asset values due to changes in the exchange rate between the US currency and the Australian currency. This means that if the USD depreciates or appreciates relative to the AUD the value of the asset in AUD will also depreciate or appreciate respectively. This risk has been partially reduced this risk by causing entering into a currency hedge with a face value of US\$9,000,000 and also by borrowing the debt for the Properties in USD.

The Australian Lender requires that the capital hedge arrangement be novated to an alternative provider at the maturity of the facility in October 2011, or cash collateral be provided at that time. This is a significant risk as cash collateral requirements could potentially amount to US\$2,500,000 or more if the contracts cannot be novated to a new counterparty.

MAB Inc has entered into cross currency swap hedging arrangements in relation to the principal and interest on the Notes. The Australian Lender requires that these arrangements be novated to an alternative provider at the maturity of the facility, or cash collateral be provided at that time. This is a significant risk as cash collateral requirements could potentially amount to US\$950,000 or more if the contracts cannot be novated to a new counterparty.

Interest rate risk

Interest Rates under each of the debt facilities are fixed. With the recent reduction in the Australian Lender debt facility, MAB Inc has interest rate swaps with face values greater than debt drawn, creating an over-hedged position, these swaps will be serviced through to expiry of the Australian Lender Facility. The Australian Lender facility expires in October 2011, and if a new facility is negotiated the Trust will be subject to the interest rates and financier margins applicable at that time.

Impact of exchange rate on tax profile of Distributions

As currency hedges taken out by the Trust and MAB Inc mature, the net amount receivable or payable under the hedging contract will be assessable or deductible (respectively) for income tax purposes. The net payment or receipt will represent the difference between the exchange rate at the date of maturity and the rate applied under the currency hedge contract. At the time of preparing the financial information for the Information Memorandum, it is not possible to forecast whether the currency hedges will give rise to a net amount payable or receivable by the Trust or MAB Inc.

If the Trust or MAB Inc has a net amount receivable, this may result in the Trust having increased taxable income during the Forecast Period and Distributions may contain a reduced tax deferred component compared to forecast Distributions and additional US withholding tax may result on any increased dividends from MAB Inc.

Unforeseen expenses

The Responsible Entity is not aware of any expenses that may need to be incurred in respect of the Properties that have not already been taken into account in the forecasts. However, if unforeseen expenses were to be incurred, the Distributions may be reduced as a result.

No liquidity

Investments MAB Inc will not be liquid and there will not be a secondary market or a redemption facility for Units or Notes.

Term

The Trust is an open ended unlisted property trust. Unitholders have an opportunity to withdraw after December 2013 pursuant to the Withdrawal Opportunity. Redemptions may be funded by asset sales if cash reserves and/or alternate investors cannot be identified to meet obligations to exiting Unitholders.

Deductibility of interest

In general, and in the absence of other deferral or disallowance provisions, interest paid to non US persons such as the Note Holders, within MAB Inc's taxable year, are deductible for US tax purposes. However, there are special rules that may limit or defer the deductibility of interest paid to a related party where that interest is subject to a reduced rate of US withholding tax under a double-tax treaty.

These special rules include the US 'earnings stripping' rules. In general, under the earnings stripping rules, MAB Inc is treated as being related to any non-US Note Holder(s) if the Note Holder hold more than a 50 percent direct or indirect ownership interest in MAB Inc (when taken together with 'associates'). If such a relationship exists, a deduction for interest paid to the non US Note Holder(s) may be deferred or disallowed in MAB Inc, which may result in additional earnings and profits of MAB Inc and increased withholding taxes on distributions paid by MAB Inc.

Insurance risk

MAB Funds has arranged appropriate insurance for the risks associated with the ownership of properties such as the Properties which are normally insured. There is no certainty such insurance will be or continue to be available or that premiums will not rise and this may affect the projected income of the Properties. Insurance policies typically have exclusions such as some acts of terrorism and war. In the event of damage or loss as a consequence of an exclusion, or if insurance is unavailable, returns to Investors may be adversely affected.

Conclusion

As with any property investment, this investment is, by its nature, a speculative investment. No guarantee is or can be given that there will be a capital gain arising on the sale of the Properties, that the Portfolio will not decrease in value or that Distributions will be similar to those forecast in this Information Memorandum for the Forecast Period or later.

11.0 Additional Information

The Corporations Act

The Trust is a managed investment scheme that is registered in accordance with Chapter 5C of the Corporations Act. MAB Funds is the responsible entity of the Trust.

The Trust is governed by the Corporations Act and the Constitution. The terms and conditions of the Constitution are binding on the Responsible Entity and each Unitholder (and any person claiming through any of them in accordance with its terms) as if each of them had been a party to the Constitution.

Chapter 5C of the Corporations Act imposes a number of obligations on a responsible entity of a registered scheme designed to protect the interests of Unitholders. Amongst other things, the responsible entity must:

- hold an Australian financial services licence authorising it to, among other things, operate the registered scheme;
- at all times act in the best interests of Unitholders;
- meet certain prudential financial requirements set by ASIC;
- prepare and lodge a constitution with ASIC;
- prepare and lodge a compliance plan with ASIC;
- ensure that compliance with the Corporations Act and the Constitution is monitored by a compliance committee.

Summary of Constitution

The Constitution of the Trust comprises a deed dated 28 July 2006 as amended by Supplemental Deed No. 1 dated 17 October 2006, Supplemental Deed No 2 dated December 2009, Supplemental Deed No 3 dated 26 February 2010, and Supplemental Deed No 4 dated 11 November 2010 all executed by the Responsible Entity. The Constitution deals with a wide range of matters including:

- application procedures and pricing
- valuation of Assets
- income and distributions to Unitholders
- withdrawal procedures and pricing
- payments
- powers of the Responsible Entity
- retirement of the Responsible Entity
- meetings of Unitholders
- rights and liabilities of the Responsible Entity
- rights and liabilities of Unitholders
- fees and expenses of the Responsible Entity
- duration of the Trust
- amending the Constitution
- complaints.

Anyone wishing to receive a copy of the Constitution during the Offer Period, free of charge, should contact MAB Funds on 1800 760 012.

Summary of Trust Deed for MAB International Holdings No 1 Trust

The Trust Deed for MAB International Holdings No 1 Trust (MIHT) comprises a deed dated 15 September 2006 as amended by Supplemental Deed No. 1 dated 31 October 2006, Supplemental Deed No. 2 dated December 2009, Supplemental Deed No. 3 dated February 2010, and Supplemental deed No. 4 dated September 2010 all executed by Forestgreen, the trustee of MIHT and an affiliated entity of MAB Funds. The Trust Deed deals with a wide range of matters including:

- application procedures and pricing
- valuation of assets
- income and distributions to holders of units in MIHT
- withdrawal procedures and pricing
- payments
- powers of the trustee
- retirement of the trustee
- meetings of holders of units in MIHT
- rights and liabilities of the trustee
- removal and replacement of the trustee
- rights and liabilities of holders of units in MIHT
- fees and expenses of the trustee
- duration of MIHT
- amending the Trust Deed
- complaints.

The Trust Deed operates on the basis that the day-to-day control over the operation of MIHT is vested with MAB Funds and its relevant wholly owned subsidiaries as the unitholders.

Summary of Existing Unsecured Notes Trust Deed

MAB Inc is the successor at law to MAB American Property Fund LLC (MAB LLC) and therefore has assumed all of MAB LLC's rights and obligations under the Notes Trust Deed between MAB LLC and Sandhurst Trustees dated 3 November 2006.

Under the Notes Trust Deed MAB Inc may issue medium term unsecured Notes and may issue further series of unsecured Notes. Also under that deed, Sandhurst Trustees agrees to act as trustee for the benefit of the Note Holders, and the Note Holders are deemed to have notice of and be bound by that deed. MAB Inc has given Sandhurst Trustees an indemnity in respect of all costs, liabilities and expenses incurred by it in performing its obligations under the Notes Trust Deed. If Sandhurst Trustees cannot recover under that indemnity within 5 business days of notifying MAB Inc of an amount for which it should be indemnified, Sandhurst Trustees may immediately use moneys held by it on trust for the Note Holders to indemnify itself.

The Notes Trust Deed deals with a range of matters, including:

- the terms of issue of the Notes
- the obligations of MAB Inc
- the representations and warranties made by MAB Inc in favour of the Trustee
- the responsibilities of the Trustee with regard to holders of Notes
- the handling of moneys received by the Trustee in respect of the Notes
- the duration of the trusts established by the Notes Trust Deed
- the Trustee's powers
- the Trustee's right of indemnity
- retirement and removal of the Trustee
- fees and expenses payable by MAB Inc to the Trustee
- the Trustee's rights and liabilities
- the establishment and maintenance of the Note register including any branch register
- amending the Notes Trust Deed
- meetings of holders of Notes
- pricing and payment procedures (including MAB Inc's discretion to repay before the maturity date) for Notes
- ranking of Notes
- transfer of Notes.

The key features of the Notes are set in the following table:

Nature	Unsecured Notes issued by MAB Inc at an issue price and face value of \$1.00 per Note
Interest rate	Fixed interest rate of 8.30%
Interest payment dates	Quarterly, payable within 6 weeks of the end of each calendar quarter commencing 31 March 2007
Maturity	Notes are due to be redeemed at maturity on 15 December 2013. At this time, redemptions of Notes will be funded by asset sales if cash reserves and/or alternate investors cannot be identified to meet the obligations of withdrawing Note Holders.
Early redemption	MAB Inc has an early right of repayment in certain circumstances.

The Responsible Entity

In fulfilling its duty as responsible entity, MAB Funds is governed by the Corporations Act, the Constitution and general law.

MAB Funds may retire as responsible entity of the Trust as set out in the Corporations Act. MAB Funds may also be removed by Unitholders in the circumstances set out in the Corporations Act.

Nature of Units and Transferability

Each Unit confers on the Unitholder an equal undivided interest in the Assets as a whole, subject to the liabilities of the Trust. However, it does not confer an interest in any particular Asset.

Unitholders may transfer Units, subject to the procedure set out in the Constitution. The Responsible Entity may refuse to record a transfer of a Unit if, in its opinion, it is not in the best interests of the Trust do so.

Nature of Notes and Transferability

The Notes are unsecured Notes issued by MAB Inc and have the effect of making each Note Holder an unsecured creditor of MAB Inc. Notes may be transferred subject to the Notes Trust Deed but there is no guaranteed secondary market for the Notes.

Documentation in Exercise of Unit Pricing Discretion

MAB Fund's pricing policy relating to the exercise of the Responsible Entity's discretions under the Constitution, if applicable, with respect to pricing on application for and withdrawal of Units is available from the Responsible Entity at no charge by calling 1800 760 012.

Key Termination Events

MAB Inc may terminate MAB Rosenthal as advisor on 30 days written notice without compensation:

- for any act of gross negligence in the performance of its duties
- for any act of fraud, misappropriation of funds, or embezzlement
- it commits any other willful and material violation of the agreement (and such willful and material violation continues for a period of 30 days after written notice specifying such violation and requesting that the same be remedied in that 30 day period)
- if MAB Funds, or any successor of MAB Funds, does not control MAB Rosenthal
- the bankruptcy of MAB Rosenthal
- the dissolution of MAB Rosenthal
- MAB Inc determines, in good faith, that MAB Rosenthal's performance falls below the standard of professional competence customarily maintained by property management and investment service providers where such conduct has been materially detrimental to MAB Inc.

Income Entitlements and Other Distributions

Under the Constitution, the Responsible Entity will determine the distributable income of the Trust for each distribution period, and distribute that income to each Unitholder in proportion to their respective number of Units, adjusted for any amounts unpaid by a Unitholder at the end of the distribution period, within 3 months of the end of the distribution period. It is intended that distributions will be paid quarterly, within 6 weeks of the end of each quarter.

Units in the Trust cannot be transferred or redeemed in the period 5 days prior to a dividend being paid by MAB Inc and until MIHT has calculated the distribution payable to the Trust in respect of that dividend.

The Responsible Entity may decide the classification of any item as being on income or capital account and the extent to which reserves or provisions need to be made.

Closely Held Trusts

Due to the outcome of the Previous Offer, the Trust is now a closely held trust. The Responsible Entity will be required to comply with special reporting requirements imposed by the Tax Act. A Unitholder that is a trustee of a trust must disclose information to the Responsible Entity so that it can meet these reporting requirements. If this information is not provided, distributions to this Unitholder will be taxed at the highest personal tax rate. A closely held trust is a trust where up to 20 individuals have between them fixed entitlements to at least a 75% share of the income or capital of a trust. Individuals should seek professional advice as to how this may effect their investment.

Powers of the Responsible Entity

The Constitution gives the Responsible Entity all the powers in respect of the Trust that it is possible under the law to confer on a trustee and does so as though it were the absolute owner of the Assets acting in its personal capacity.

The main duties and responsibilities of the Responsible Entity include:

- to ensure the distribution of income of the Trust to the Unitholders
- to manage, improve and enhance the value of the Trust's investments
- to negotiate and enter into deeds and agreements, including guarantees, mortgages or any other agreements for the financing of the acquisition of properties and the ongoing operation of the Trust and the properties
- to sell or dispose of any part or all of the assets of the Trust
- to make all necessary payments required for the proper management of the Trust
- to keep records relating to all financial transactions and prepare the necessary income tax and other returns and reports as required
- to maintain a current register of Unitholders
- to conduct the business of the Trust
- to comply with both the Constitution and Trust's compliance plan
- to ensure any property is valued at regular intervals appropriate to the nature of the asset
- to report any breaches of the Corporations Act or its licence conditions to ASIC
- to treat Unitholders equally and fairly
- to act honestly.

Meetings of Unitholders

The Responsible Entity may convene a meeting of Unitholders at any time, and must do so if required by the Corporations Act. The quorum for a meeting of Unitholders is 2 Unitholders present in person or by proxy together holding at least 10% of all Units. Other matters relating to Unitholder meetings are dealt with in the Constitution and Corporations Act.

Rights and Liabilities of the Responsible Entity

Subject to the Corporations Act, the Responsible Entity and its associates may hold Units in the Trust. The Responsible Entity is also permitted by the Constitution (subject to the Corporations Act) to:

- deal with itself (as trustee of the Trust or in another capacity), an associate or any Unitholder
- have an interest in any contract or transaction with itself (as trustee of the Trust or in another capacity), an associate or any Unitholder and retain for its own benefit any profits or benefits derived from such contract or transaction
- act as responsible entity of other managed investment schemes
- to take and act on certain opinions, advices or documents without liability where it acted in good faith.

Other Classes of Interests

The Constitution permits the Responsible Entity to create and issue various classes of Units and to create and issue options and convertible Notes exercisable or convertible into Units. The Responsible Entity also has the power to staple Units to other financial products and to unstack Units.

Limitation of Liability and Indemnity

The Constitution provides that, subject to the Corporations Act, the Responsible Entity is not liable to Unitholders for any loss suffered in any way relating to the Trust provided that it has not acted with fraud, negligence or breach of trust involving a failure to show the degree of care and diligence required of it having regard to the powers, authorities or discretions conferred by the Constitution.

The Responsible Entity's liability to any person is limited to the Responsible Entity's indemnity from the Assets.

The Constitution provides that the Responsible Entity is entitled to be indemnified out of the Assets for any liability incurred by it in properly performing or exercising its powers in relation to the Trust.

MAB Funds as the Responsible Entity, in the event of any conflict with MAB Funds acting in its personal capacity, will act in the best interests of Unitholders as required by the Corporations Act and the Constitution.

Liability of Unitholders

The Constitution contains provisions designed to limit the liability of Unitholders to the amount which remains outstanding in relation to their Units in the Trust (i.e. nil in the case of Units under this Offer) and so that they are not, by reason alone of being Unitholders, under any personal obligation to indemnify the Responsible Entity or any creditor of the Responsible Entity in the event of there being any deficiency in the Assets.

The Constitution requires a Unitholder to indemnify the Responsible Entity to the extent that the Responsible Entity incurs a liability for tax or certain fees as a result of their action or inaction or as a result of an act or omission requested by them.

Termination of the Trust

The Constitution provides the Trust will be terminated on the earlier of:

- the date the Responsible Entity determines to wind up the Trust
- the date on which the Trust terminates in accordance with any other provision of the Constitution or by law.

Following termination, the Responsible Entity must realise the Assets. The Net Proceeds of Realisation, after making allowance for all liabilities of the Trust (both actual and anticipated) and meeting the expenses (including anticipated expenses) of the termination (including payment of any performance fee), must be distributed pro-rata to Unitholders according to the number of Units they hold. The Constitution allows the Responsible Entity to distribute proceeds of realisation in installments.

Further Issues of Units

The Responsible Entity may issue further units in the Trust after the Offer closes to invest in new or existing properties.

Complaints Handling

The Constitution contains provisions which explain the steps that the Responsible Entity will take to deal with a problem or complaint of a Unitholder in relation to the operation of the Trust and what further avenues of appeal a Unitholder may have. Further information is set out below under the heading 'Complaints Handling and Disputes Resolution'.

Complaints Handling and Disputes Resolution

Representatives of the Responsible Entity are available between 8.30 am and 5.30 pm (Melbourne time), Monday to Friday by calling 1800 760 012.

If Unitholders have a concern they should write to MAB Funds at the address below or call 1800 760 012.

MAB Funds Management Limited
Investor Services
PO BOX 7657
St Kilda Road VIC 8004

MAB Funds will acknowledge your concern, investigate it and report back to you.

If you are dissatisfied with MAB Funds's response, you may raise the matter directly with the Financial Ombudsman Service Limited (FOS). Its contact details are:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne VIC 3001 (Australia)
Telephone 1300 78 08 08

Privacy Statement

By lodging an Application Form, you are disclosing personal information. MAB Funds and MAB Inc uses this information, and any additional information it may collect from you in the future, for the primary purpose of providing you with this Investment product (including assessing your Application and identifying you). This information will also be collected for the related purposes of administering and managing your Investment and complying with Australian taxation laws, the Corporations Act and other laws.

Unless you request otherwise, MAB Funds may also use your information to forward to you, from time to time, details of other investment opportunities from across the MAB Corporation group in which you may be interested.

If you do not include your contact details and other information in your Application Form, MAB Funds and MAB Inc may not be able to process your Application, administer or manage your Investment or tell you about other investment opportunities in which you may be interested. The consequences of not providing your tax file number are described in the taxation information in this Information Memorandum.

The types of organisations to which MAB Funds and MAB Inc might disclose your personal information include:

- organisations involved in providing, administering or managing your Investment such as Sandhurst Trustees in its capacity as trustee or custodian, technology, mailing, posting or printing services and MAB Funds advisers
- companies in the MAB Corporation group that wish to tell you about other investment opportunities in which you may be interested, and their service providers, except where you request not to receive such information
- the Australian Taxation Office, the US Internal Revenue Service and other government or regulatory bodies
- your financial adviser and their service providers and any joint holder of your Investment (if any)
- those where you have consented to such disclosure, or as required or authorised by law.

Your information may only be used in connection with the purposes for which it is collected.

You can gain access to the personal information MAB Funds or MAB Inc or both holds about you, subject to some exceptions allowed by law. MAB Funds will give you reasons if it denies access.

Please contact MAB Funds on (03) 8681 2222, or by writing to MAB Funds at the address listed on the inside back cover of this Information Memorandum, if you have any questions about how your personal information is looked after, or if you wish to access or update the personal information that it holds about you.

MAB Fund's privacy policy sets out MAB Funds policies on management of personal information. Please contact MAB Funds if you would like information about or a copy of this privacy policy.

For more information about privacy generally, you can visit the Privacy Commissioner's website at www.privacy.gov.au or contact the Privacy Commissioner's hotline on 1300 363 992.

New Information

Information in this Information Memorandum may be subject to change during the Offer Period. The Responsible Entity and MAB Inc reserves the right to change the terms and conditions set out in this Information Memorandum at any time, after giving not less than 30 days prior notice to Investors. If the change is not materially adverse to Applicants or Investors the updated information will be posted on MAB Funds website www.mabfunds.com.au and a hard copy of that updated information will be supplied free of charge on request.

If the change is or may be materially adverse or MAB Funds believes it should be specifically brought to the attention of Applicants or Investors, the updated information will be incorporated into a supplementary product disclosure statement and supplementary prospectus and notified to Applicants or Investors in writing.

Additional Information

The Trust is a disclosing entity and as such is subject to regular reporting and disclosure obligations. MAB Inc is also a disclosing entity and as such will also be subject regular reporting and disclosure obligations. In this case, copies of any documents previously lodged with ASIC in relation to the Trust and in any case in relation to MAB Inc may be obtained from or inspected at, an ASIC office. Unitholders may also request in writing a copy of the Trust's and MAB Inc's annual financial report and the half year financial report most recently lodged with ASIC. Requests should be sent to MAB Funds, Investor Services, PO BOX 7657, St Kilda Road, VIC 8004. The Manager will now be meeting its continuous disclosure obligations in relation to the Trust by following ASIC's good practice guidance for website disclosures on material information.

Consents and Disclaimers

Neither the Responsible Entity or any expert (or any of their lawyers or advisers) gives any guarantee with respect to the return of any investment, any tax deduction with respect to the investment, or the performance of the investment generally.

12.0 Glossary

AIFRS	Australian equivalents to IFRS
Application	an application for Units offered under this Information Memorandum
Application Form	the application form which accompanies this Information Memorandum
Application Money(s)	the amount(s) required to be paid in respect of an Application, being \$0.12 per Unit
ASIC	Australian Securities and Investments Commission
Assets	the assets of the Trust
AUD	Australian dollars
Australian Lender	Debt Facility Provider to the following entities: Cheshire Place SC Property Holdings LLC; Grandview SC Property Holdings LLC; Eastfield Village 2 SC Property Holdings LLC; and MAB American Property REIT Inc.
Billion or Bn	one thousand million
Cheshire Centre	includes both Cheshire Commons and Cheshire Place shopping centres
Constitution	the constitution of the Trust dated 28 July 2006 as amended by supplemental deeds 1,2,3 and 4.
Corporations Act	the Australian <i>Corporations Act 2001</i> (Cth) as amended
CPI	Consumer Price Index – US City Average, All Items
Distribution	a distribution from the Trust plus an interest payment from MAB Inc
Facility Provider A; Terraces Lender; Terraces Financer.	Debt facility provider for the Terraces at Park Place Asset.
Forecast Period	the period from 01 July 2010 to 30 June 2013 inclusive
Forestgreen	Forestgreen Pty Ltd (ACN 120 758 616)
GST	Goods and Services Tax, a tax levied by the Australian Commonwealth Government under the Tax Act currently at a rate of 10%
IFRS	International Financial Reporting Standards
Information Memorandum	this Information Memorandum dated 18 November 2010
Investment	the offer under this Information Memorandum of Units in the Trust
Investor	a Unitholder and Note Holder
Issue Price	\$0.12 per Unit
LLC	a limited liability company formed in Delaware, US, with the liability of its members limited

Liquidity Facility Provider	MAB Funds in its own personal capacity or a third party appointed by the Responsible Entity
MAB	MAB Corporation Pty Ltd (ACN 065 207 230)
MAB Corporation Group	MAB Corporation and its affiliated entities, including MAB Funds
MAB Inc	MAB American Property REIT Inc (ARBN 123 316 209), a body incorporated in Maryland, US with the liability of its members limited) and the successor at law of MAB LLC
MAB Rosenthal or MAB Rosenthal LLC	an LLC that operates as a joint venture between MAB Administration and Management Services Pty Ltd, an affiliated entity of MAB Funds, and Rosenthal Realty Investment Inc
MAB Funds	MAB Funds Management Limited (ABN 36 098 846 701)
MIHT	MAB International Holdings No 1 Trust with Forestgreen Pty Ltd, an affiliate of MAB Funds, as trustee
NTA	Net Tangible Asset calculated under AIFRS
Net Proceeds of Realisation	the net proceeds of realisation of the Assets upon termination of the Trust after making allowance for all liabilities of the Trust (actual and anticipated) and meeting the expenses (including anticipated expenses) of termination but excluding the performance fee (if any)
Note	an unsecured note issued by MAB Inc and governed by the Notes Trust Deed
Note Holder	the registered holder of a Note
Notes Trust Deed	the Medium Term Unsecured Note Trust Deed between MAB Inc and Sandhurst Trustees dated 3 November 2006
Offer	the invitation to apply for Units pursuant to this Information Memorandum
Offer Period	the period from 19 November 2010 to 17 December 2010 or as varied by MAB Funds and MAB Inc
Properties or Portfolio	5 properties owned by MAB Inc through its wholly owned subsidiaries
Qualifying Existing Investor	existing investors who have had access to: <ul style="list-style-type: none"> (a) the Product Disclosure Statement in relation to the Trust dated 17 January 2007, periodic statements and continuous disclosure notices prepared by the Responsible Entity (Disclosure Documents); and (b) the Information Memorandum dated 1 March

	2010.
REIT	a qualifying real estate investment trust for US tax purposes under the US Internal Revenue Code
Responsible Entity	MAB Funds as responsible entity of the Trust
Sandhurst Trustees	Sandhurst Trustees Limited (ABN 16 004 030 737), the custodian of the Trust and the trustee for the Note Holders
Tax Act	the Australian <i>Income Tax Assessment Act 1936</i> (Cth) as amended and the Australian <i>Income Tax Assessment Act 1997</i> (Cth) as amended
TFN	Australian Tax File Number
Trust or AU Trust or MIRT	MAB International Retail Trust (ARSN 121 054 662)
Unit	a unit in the Trust issued by the Responsible Entity under this Information Memorandum
Unit Redemption Price	the price at which a Unit may be redeemed under the Constitution
Unitholder	the registered holder of a Unit in the Trust
US	United States of America
USD	US dollars
WALE	Weighted Average Lease Expiry
Wholesale Client	An investor who is considered a wholesale client under section 761G of the Corporations Act and applicable Corporations Regulations 2001 (Cth).

13.0 Directory

Responsible Entity
MAB Funds Management Limited

Registered Office
Level 5, 441 St Kilda Road
Melbourne Vic 3004
Telephone: (03) 8681 2222
Facsimile: (03) 8681 2100
www.mabfunds.com.au

Board of the Responsible Entity
Andrew Buxton B.Sc (Chairman)
Michael Buxton AAPI, MREI
Nicholas Gray B.Sc AAPI, MRICS

Secretary of the Responsible Entity
Anthony Calvi B.Sc (Hon), Dip Ed, LLB, MBA, GDCSP

MAB American Property REIT Inc
Suite 1010
5959 W. Century Boulevard
Los Angeles CA 90045
United States of America

Directors of MAB Inc
David Rosenthal B.Sc, MBA, CGREA, MAI
Cary Uretz
Nicholas Gray B.Sc AAPI, MRICS

Custodian for the Trust and Trustee for the Note Holders
Sandhurst Trustees Limited
Level 5
120 Harbour Esplanade
Docklands VIC 3008

14.0 APPENDIX 1: Application Form and Ancillary Documentation

Section 14: Application Form and W-8BEN US Tax Form

Guide to the Application Form

Please complete all relevant sections of the Application Form and W-8BEN US tax form using BLOCK LETTERS.

These instructions are cross referenced to each section of the Application Form.

- A** If you are an existing unitholder of an MAB Funds managed fund insert your Investor Number.
- B** The Application must be for a minimum of \$5,000 and in multiples of \$1,000 thereafter.
- C** Write the full name you wish to appear on the statement of holding of Units. This must be either your own name or the name of a company and if required your designated account. Applications using the wrong form of title may be rejected.
- D** Please enter your postal address for all correspondence. All communications to you from the Trust and MAB Inc unit registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- F** If you wish to appoint an agent to act on your behalf in relation to your Investment, please complete this section.
- G** Enter your Tax File Number (TFN), Australian Business Number (ABN) or exemption category. Where applicable, please enter the TFN for each joint applicant.
- H** All Distributions will be credited directly to an account with your financial institution.
- I** Annual Reports for the Trust and MAB Inc can be downloaded from MAB Fund's website www.mabfunds.com.au.
- J** If you have a financial adviser please complete this section.
- K** MAB Funds and MAB Inc and their related entities and agents may use and disclose your details to your financial adviser, or any member of the MAB Corporation group to inform you of other products or services that may be of interest to you. Please tick the box if you do not want this information sent to you.

- L** Before completing the Application Form you (whether as an individual applicant or as joint applicants) should read the whole of the Information Memorandum to which the Application relates. By lodging the Application Form, you agree that this Application is for Units in MAB International Retail Trust and subject to the terms of the Information Memorandum, agree to take any number of Units equal to or less than the number of Units indicated in Section B that may be issued to the applicant(s) pursuant to the Information Memorandum, agree to be allocated as the MAB Funds determines in its absolute discretion, and declare that all details and statements made are complete and accurate.
- M** New investors must also complete the Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (W-8BEN Form).
- N** If you are a New Investor and you are not investing through a dealer or other financial adviser, then you must provide additional information in accordance with Anti-Money Laundering/ Counter Terrorism Financing (AML/CTF) identification materials (for New and Direct Investors only).

Lodgment of Applications

Return your completed Application Form with cheque(s) attached to:

Investor Services

MAB Funds Management Limited

Investor Services

PO BOX 7657

St Kilda Road VIC 8004

Application forms must be received at the office of MAB Funds no later than 5:00 pm Melbourne time on the Offer close date of 17 December 2010.

If you have any queries concerning your Application, please contact MAB Funds on 1800 760 012.

A decision to invest should only be made after considering all of the material contained in the Information Memorandum and obtaining independent professional advice if required.

MAB INTERNATIONAL RETAIL TRUST (ARSN 121 054 662; Responsible Entity – **MAB Funds Management Limited** ABN 36 098 846 701, AFSL 232 747)

Application Form

Defined terms in this Application Form are the same as in the Information Memorandum to which this Application Form relates.

A Existing MAB Funds Investor Number (if applicable)

B Application Amount (Applications must be in multiples of \$1,000 with a minimum Application of \$5,000)

Units x \$0.12 = \$ *make cheque payable to "Sandhurst Trustees Limited acf MAB International Retail Trust Applications a/c"*

C Applicant Details

Investor A/Trustee A

Title	Given Names	Surname
<input type="text"/>		

Investor B/Trustee B

Title	Given Names	Surname
<input type="text"/>		

Company ABN

Account

D Postal Address

PO Box/Street Number	Street	
<input type="text"/>		
Suburb	State	Postcode
<input type="text"/>		

E Contact Details

Contact Number (Home) Contact Number (Work) Contact Name

Email Address

F Agent Are you appointing an agent? Yes No

Agent Name Signature

G Tax File Number (TFN) or Australian Business Number (ABN)

Collection of TFNs is authorised by tax law and the Privacy Act 1988. You do not have to advise us of your TFN. Failure to provide a TFN, ABN or exemption will result in tax being deducted from your distributions at the highest individual marginal rate plus the Medicare Levy.

Exemption Are you exempt from providing your Tax File Number?

No Yes (*please complete exemption below*)

I receive a Pension (Age, Widow, Disability Support, Wife, Special Benefit, Carer, Special Needs or Service)

I represent an organisation that is exempt from income tax

I am a child under 16 and earn income less than \$420 per year Date of Birth: _____ / _____ / _____

I am a non-resident (tax may be deducted from your distributions at the rate applicable to your resident country)

Country: _____

TFN or ABN

Individual

Investor A

Investor B (*if required*)

Company or
Partnership

Trust Account

MAB INTERNATIONAL RETAIL TRUST (ARSN 121 054 662)

Application Form

📄 Bank Account Details for crediting of Distributions

BSB	<input type="text"/>	Account Number	<input type="text"/>
Account Name	<input type="text"/>		
Bank	<input type="text"/>		

📄 Annual Report Would you like to receive an annual report for the Trust and MAB Inc each year?

Yes No

If 'Yes', tick this box if you agree to view or to download the annual report on or from the MAB Funds website instead of receiving a paper copy (MAB FM supports the environment) .

Please provide your email address so that you can be notified when the annual report is available at www.mabfunds.com.au.

Email address:

📄 Adviser

AFSL Holder	<input type="text"/>		
Adviser's Company	<input type="text"/>		
Adviser's Name	<input type="text"/>		
Address	<input type="text"/>		
Email	<input type="text"/>		
Telephone	<input type="text"/>	Area code	<input type="text"/>
Facsimile	<input type="text"/>		

📄 Permission to Receive Further Information

The Responsible Entity and their related entities and agents may use and disclose your details to your financial adviser, or any member of the MAB Corporation group to inform you of other products or services that may be of interest to you. Please tick the box below if you do not want this information sent to you. All personal information on this Application Form will be dealt with in accordance with the Responsible Entity's and MAB Inc's privacy policies which may be viewed at www.mabfunds.com.au.

- I/We do not wish to receive further information about the Responsible Entity's services and products.
- I/We do not wish to receive further information about the services and products of the MAB Corporation group.

📄 Signature(s)

Capitalised terms in the Application Form have the same meaning as in the Information Memorandum.

I/We declare that I/we have read the Information Memorandum.

I/We declare that I am/we are a Wholesale Client or Qualifying Existing Investor.

I/We declare that this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Trust.

I/We agree that return of the Application Form with my/our cheque for the Application Money will constitute an application for Units in the Trust and acknowledge that we may receive new Units, or existing Units may be transferred to me/us from an existing Investor. If I/we receive existing Units, I/we will not have to pay stamp duty or any other costs relating to the transfer of Units to me. I/We agree that I/we will be allocated new Units as the Responsible Entity determines in its absolute discretion.

I/We acknowledge that the Responsible Entity has the right to reject my/our Application or to allocate a lower number of Units Notes than I/we applied for.

I/We agree that I/we cannot withdraw my/our Application except when I/we have such a right under the Corporations Act or if MAB FM consents.

I/We acknowledge that the information contained in the Information Memorandum does not constitute financial product advice or a recommendation that Units are suitable for me/us, given my/our investment objectives, financial situation and particular needs.

I/We declare that this form is completed and lodged according to the Information Memorandum and that all statements made by me/us are complete and accurate.

I/We declare that if signed by an Applicant corporation, this form has been signed in accordance with section 127 of the Corporations Act, the corporation's constitution and applicable laws.

I/We declare that if signed by an attorney, the power of attorney authorises the signing of this Application Form and no notice of revocation has been received.

I/We acknowledge that by submitting an Application, I/we agree and consent to all arrangements between the Responsible Entity and their members or related entities which are disclosed in the Information Memorandum.

I/We acknowledge that the Information Memorandum contains forecasts based on assumptions that the Responsible Entity considers to be appropriate at the time of preparing the Information Memorandum and these forecasts and assumptions are subject to factors which are outside the control of the Responsible Entity or which are not predictable on a reliable basis and that actual results may vary materially from the forecasts.

I/We acknowledge that an investment in the Trust is subject to investment risk, including possible delays in repayment and loss of income or capital invested and agree that those risks are appropriate for a person in my/our circumstances and with my/our investment objectives.

I/We declare that I/we are over 18 years of age nor do I/we suffer from any legal disability preventing me/us from applying for Units.

I/We will not hold or control more than 9.95% of the Units on issue at any one time unless consent is given by the Responsible Entity.

I/We acknowledge that MAB FM as the Responsible Entity, in the event of any conflict with MAB FM acting in its personal capacity, will act in the best interests of Unitholders as required by the Corporations Act and the Constitution.

I/We acknowledge that none of the Responsible Entity or any of their related entities or affiliates, nor any other person, does in any way stand behind or guarantee the repayment of capital from the Trust, the performance of the Investment, or any particular rate of return.

Transferee(s)/Buyer(s) Sign Below

Investor A/Trustee A

Sole Director/Company Secretary

Investor B/Trustee B (if required)

Director/Secretary

Executed in accordance with section 127 of the *Corporations Act 2001* (Cth).

Transferor(s)/Seller(s) Sign Below

Investor A/Trustee A

Sole Director/Company Secretary

Investor B/Trustee B (if required)

Director/Secretary

Executed in accordance with section 127 of the *Corporations Act 2001* (Cth).

Form **W-8BEN**

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Part I Identification of Beneficial Owner

1 Name of individual or organization that is the beneficial owner	2 Country of incorporation or organization
--	---

3 Type of beneficial owner:

<input type="checkbox"/> Individual	<input type="checkbox"/> Corporation	<input type="checkbox"/> Disregarded entity	<input type="checkbox"/> Partnership	<input type="checkbox"/> Simple trust
<input type="checkbox"/> Grantor trust	<input type="checkbox"/> Complex trust	<input type="checkbox"/> Estate	<input type="checkbox"/> Private foundation	<input type="checkbox"/> International organization
<input type="checkbox"/> Central bank of issue	<input type="checkbox"/> Government	<input type="checkbox"/> Tax-exempt organization		

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a PO Box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
---	-----------------------------

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
---	-----------------------------

6 US taxpayer identification number <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN	7 Foreign tax identifying number
---	---

8 Reference number(s)

Part II Claim of Tax Treaty Benefits (if applicable)

9 I certify that (check all that apply):

a The beneficial owner is a resident of Australia within the meaning of the income tax treaty between the United States and that country.

b If required, the US taxpayer identification number is stated on line 6.

c The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits.

d The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a US trade or business of a foreign corporation, and meets qualified resident status.

e The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10 Special rates and conditions (if applicable): The beneficial owner is claiming the provisions of Article _____ of the treaty identified on line 9a above to claim a _____% rate of withholding on (specify type of income): _____

Explain the reasons the beneficial owner meets the terms of the treaty article:

Part III Notional Principal Contracts

11 I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part Certification

IV

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,

2 The beneficial owner is not a US person,

3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**

4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here

▶	_____ Signature of beneficial owner (or individual authorized to sign for beneficial owner)	_____ Date	_____ Capacity in which acting
---	---	---------------	--------------------------------------

Guide to the W-8BEN US tax form

If your Investment will be held jointly each investor must complete a W-8BEN US tax form.

Please complete all relevant sections of the Application Form and W-8BEN US tax form using BLOCK LETTERS.

These instructions are cross referenced to each section of the W-8BEN US tax form.

Part I

Line 1 Write the full name

Line 2 If you are a company, write the country of incorporation

Line 3 Select the type of beneficial owner that applies
For example:
for a joint holding each investor should select 'Individual'
for a company select 'Corporation'
for a superannuation fund or family trust select 'Simple trust'

Line 4 Write your permanent residential address

Line 5 Write your mailing address if different from Line 4

Line 6 Not being requested – may be left blank¹

Line 7 Australian Tax File Number (TFN) or Australian Business Number (ABN)

Line 8 Not being requested – may be left blank¹

Part II Not being requested – may be left blank¹

Part III Not being requested – may be left blank¹

Part IV Sign and date the form
Write the capacity in which you are acting
For example:
for an individual write 'self'
for a company write 'director'
for a superannuation fund or family trust write 'trustee'

Investors do not need to provide a TIN or EIN on their W-8BEN US tax forms. Investors may nonetheless obtain and provide a TIN or EIN on their W-8BEN US tax forms if they so choose or if they hold less than 10% of Units in the Trust and are able to claim the reduced rate of withholding tax on dividends from MAB Inc. Investors should refer to the Taxation Report in Section 10.

If you have any queries concerning your Application, please contact MAB FM on 1800 760 012.

AML/CTF Identification Materials

If you are a New Investor and you are not investing through a dealer or other financial adviser, then you must provide the following documentation to the Manager along with the completed Application Form.

This table contains a list of acceptable identification materials.

Individual

Please provide the documentation from **either** A or B:

A. A current original or certified copy of **one** of the following:

- an Australian driver's licence containing a photograph of the person
- an Australian passport
- an identification card issued by a state or territory of Australia that contains the date of birth and a photograph of the card holder, or
- a foreign government, the United Nations or a United Nations agency issued passport or similar travel document containing a photograph and signature of the person.

B. A current original or certified copy of one of the following:

- an Australian birth certificate
- an Australian citizenship certificate
- a pension card issued by Centrelink
- a foreign driver's licence that contains a photograph of the person
- a citizenship certificate issued by a foreign government, or
- a birth certificate issued by a foreign government, the United Nations or a United Nations agency.

Plus

One of the following:

An original notice that contains the name and residential address of the person, and is:

- issued by the Commonwealth or a state or territory of Australia within the preceding 12 months that records the provision of financial benefits
- issued by the Australian Taxation Office within the preceding 12 months; and records a debt payable to or by the person by or to the Commonwealth, or
- issued by a local government or utilities provider in Australia within the preceding 3 months that records the provision of services to that address or to that person.

Individual acting in the capacity of a sole trader

Please provide the documentation for verification of individuals (listed above) and a business name search.

Company

Please provide the following:

A search of the ASIC databases showing:

- the full name of the company
- the ACN
- the registered office address of the company
- the principal place of business of the company
- the names of each director (only provide if a proprietary company)
- the names and addresses of each shareholder (only provide if a proprietary company that is not licensed and is not subject to regulation).

Trust

Please provide the following:

- For a registered managed investment scheme or a government superannuation trust:
 - an ASIC search confirming the registration of the managed investment scheme, or
 - an extract from relevant legislation confirming registration of the government superannuation trust.
- For an unregistered managed investment scheme that only has wholesale clients and does not make small scale offerings under Section 1012E of the Corporations Act, a declaration is provided to this effect in the application form.
- For all other trusts (including wrap trusts/master trusts) please provide the original trust deed or a certified copy or certified extract of the trust deed confirming the following:
 - the full name of the trust
 - the type of trust
 - the country where the trust was established, and
 - the name of each beneficiary or class of beneficiary

Note: If the trust is a unit trust then you will need to provide a certified extract of the trust register to confirm the name of each beneficiary. If the trustee is an individual, please also provide documentation required for individuals (listed above). If the trustee is a company, please also provide documentation required for companies (listed above).

Partnership

Please provide the following:

- a partnership agreement, certified copy or certified extract of the partnership agreement, or
- a certified copy or certified extract of minutes of a partnership meeting showing:
 - the full name of the partnership
 - the full name of the partnership, as registered under any state or territory of Australia business names legislation
 - the country in which the partnership was established, and
 - the full name and residential address of each partner.

- Please also provide the documentation required for individuals (listed above) for one partner.