

Notice of extraordinary general meeting and explanatory notes

MAB Funds Management Limited (ACN 098 846 701) responsible entity of MAB International Retail Trust (ARSN 121 054 662)

Date: ***22nd December 2020***

Time: ***11:00AM***

Place: ***via a Teams internet link:***

[Click here to join the meeting](#)

Notice of extraordinary general meeting

In accordance with the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020, the extraordinary general meeting of unitholders of MAB International Retail Trust ARSN 121 054 662 (the **Trust** or the **Fund**) will be held via a Teams internet link:

[Click here to join the meeting](#)

at **11:00AM** (Melbourne time) on **Tuesday 22nd December 2020**.

Business

Resolution: Approval of Responsible Entity's recommendation

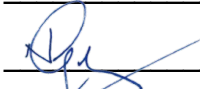
To consider, and if thought fit, to pass the following resolution:

'That for the purposes of sections 208 and 217 to 227 inclusive of the Corporations Act 2001 (Cth) as applied to the Trust by Part 5C.7 of that Act and for all other purposes, the Members of the Trust approve the giving by MAB Funds Management Limited in its capacity as the responsible entity of the Trust (**Responsible Entity**) of financial benefits to MAB Eastfield LLC (**MAB Eastfield**), a related party by approving the recommendation of the Responsible Entity to accept the offer from MAB Eastfield, to purchase Eastfield Village for the sum of \$US16,800,000 as described in the Explanatory Notes accompanying and forming part of the notice of this meeting.'

Other business

To transact any other business which may legally be brought before the meeting.

By order of the board of MAB Funds Management Limited (**MAB Funds**) as the responsible entity of the Fund.

Date 27/11/2020
Signed 
Name **Nicholas Gray**
Director

Proxies

A unitholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that unitholder. If you require an additional proxy form, please contact:

The Compliance Officer
MAB Funds Management Limited
Level 5, 441 St Kilda Road
Melbourne VIC 3004
Telephone: (03) 8681 2222
Facsimile: (03) 8681 2100

If a unitholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that unitholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

Where a unitholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.

A proxy need not be a unitholder of the Trust.

To be effective, MAB Funds must receive the completed proxy form and, if the form is signed by the unitholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 5:00PM (Melbourne time) on 18th December 2020.

Proxies may be lodged with MAB Funds:

by mail, to The Compliance Officer, using the enclosed reply envelope to:

The Compliance Officer
MAB Funds Management Limited
Level 5, 441 St Kilda Road
Melbourne VIC 3004

by facsimile, to "The Compliance Officer MAB Funds Management Limited":

Facsimile: (03) 8681 2100

by email, to FM@MAB.com.au

by delivery to MAB Funds's registered office,

MAB Funds Management Limited
Level 5, 441 St Kilda Road
Melbourne VIC 3004

Proxies given by corporate unitholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a unitholder appoints the chairperson of the meeting as the unitholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that unitholder, in favour of that item on a poll.

Explanatory Notes

Important Notice: The information in these Explanatory Notes is provided by MAB Funds Management Limited ACN 098 846 701 AFSL 232747 in its capacity as responsible entity of the MAB International Retail Trust ARSN 121 054 662. The information has been prepared without taking into account the objectives, financial situation or needs of any person. Before making a decision as to whether to approve the recommendation of the Responsible Entity described in these Explanatory Notes, you should consider the appropriateness of the information having regard to your own objectives, financial situation and needs and seek legal, taxation and financial advice as appropriate.

These Explanatory Notes accompany and form part of the notice of meeting.

1. Introduction

- 1.1 The MAB International Retail Trust (ARSN 121 054 662) (**Trust or Fund**) is a registered managed investment scheme. MAB Funds Management Limited (**MAB Funds**) is the responsible entity of the Trust.
- 1.2 The purpose of these Explanatory Notes is to inform unitholders of the Trust (**Unitholders**) of a recommendation of the Responsible Entity to accept the offer from MAB Eastfield LLC, a party related to the Responsible Entity, to purchase Eastfield Village for the sum of US\$16,800,000, subject to the approval of Unitholders of the Trust for the purposes of Chapter 2E of the Corporations Act (related party transactions) as applied to the Trust by part 5C.7 of that Act. These Explanatory Notes have been prepared to provide information to help Unitholders to make an informed decision whether to approve the recommendation by passing the resolution.
- 1.3 Unitholders should read these Explanatory Notes in their entirety prior to making a decision on whether to approve the recommendation.

2. Background and Recommendation

- 2.1 **Structure:**
 - (a) The Trust was established in 2007 to raise capital from Australian investors for investment in an initial portfolio of five US retail properties.
 - (b) Only one property Eastfield Village, Charlotte, North Carolina, USA (**Property**) remains in the portfolio all others having been sold in pursuance of the Trust strategy (see 2.2 below).
 - (c) The Trust invests in the Property as follows:
 - (i) 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;
 - (ii) secondly, MIHT owns all of the common stock issued by MAB Inc; and

- (iii) lastly, MAB Inc has a 100% interest in two special purpose LLC's (formed in Delaware), which own the Property.
- (d) 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 is registered as a foreign company in Australia.
- (e) 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.

2.2 Strategy

- (a) As previously stated in recent MAB Funds quarterly updates, the strategy for the Trust is to sell its assets and thereafter to wind it up. In accordance with this strategy, all assets, other than the Property, were sold in 2018 and 2019.
- (b) The Property was the last considered for sale being held until new anchor tenant, Food Lion Supermarkets, commenced trading in May 2019 and until surplus space from the previous supermarket tenant was let to Golds Gym.

2.3 Eastfield Village

- (a) At 30 June 2019, the Property had a book value of US\$16.4 million, which reflected a gross value of US\$17.0 million less incentives of US\$600,000 associated with letting to Golds Gym (now paid). In September 2019, the Property was placed on the market for sale and a marketing campaign concluded in early November 2019. Subsequently, a conditional sale contract for US\$18.0 million was entered into in December 2019 subject to due diligence. The sale did not proceed, as the purchaser was unable to obtain financing due to the COVID-19 impacts on the lending community.
- (b) International real estate company, CBRE, independently valued the Property as at 30 June 2020 at a figure of US\$16,200,000. This valuation reflected a deterioration in the market due to the effects of COVID-19. A copy of a summary of the valuation begins at page 18 of these Explanatory Notes.
- (c) In its valuation report, CBRE also provided a forward looking "as stabilised" value of US\$17,000,000 as at 30 June 2022.
- (d) The appointed sale agents continued to monitor the market to identify potential purchasers and this resulted in the following offers being received:
 - (i) US\$16,500,000 from Twin Oaks Equity Partners in July 2020. Although MAB Funds believed that the price was acceptable, the purchaser required unacceptable vendor finance terms and rejected the offer. The purchaser then submitted an offer of US\$15,750,000 without vendor finance, which MAB Funds rejected.

- (ii) US\$15,567,000 from First National Realty Partners in August 2020. MAB Funds rejected this offer as it was below valuation.
- (iii) US\$16,500,000 from Slate REIT in September 2020 subject to 45 days due diligence. MAB Funds was minded to recommend acceptance of this offer but endeavoured to obtain an increase in price be obtained. The potential purchaser reconsidered its offer in October but declined to increase its price.
- (e) In October 2020 a related party to two Directors of MAB Funds, MAB Eastfield, made an offer of US\$16,800,000 for the Property, which is the subject of the recommendation contained in these Explanatory Notes.
- (f) MAB Funds' recommendation to Unitholders is to accept the offer from MAB Eastfield believing that it is in the best interests of the Trust as a whole and its investors.

3. Advantages and Disadvantages of the Recommendation

3.1 Following analysis and consideration of Unitholders' interests, MAB Funds is of the opinion that its recommendation has a number of key advantages. These are as follows:

- (a) The price of US\$16.8M is above independent valuation and above other offers received for the Property.
- (b) The sale agent and the asset manager, MAB Rosenthal, have advised that no better offer is likely to be received within an acceptable period.
- (c) Mitigates Due Diligence risk: As the Purchaser is a related party of MAB Funds, the Property is well known to it and it does not require a due diligence period. It is typical for sale contracts in the United States to contain due diligence periods of 45 to 60 days or more and that a purchaser can terminate for any reason or none during this period.
- (d) Saves agents fees and reduces other sale costs: A typical sale agent's fee in the USA is 1.0% of sale price. No sale fee would be applicable if the recommendation is accepted saving approximately, US\$168,000. It is also likely that there will not be prolonged negotiation of the detailed terms of the sale contract thus potentially reducing legal fees.
- (e) Provides the earliest opportunity to return to Unitholders the remaining capital of the Trust (after the discharge of its debts and obligations) and to wind up the Trust.

3.2 MAB Funds has identified the following disadvantage of its recommendation regarding the future strategy of the Trust:

- (a) Over time, a higher price could be obtained as market values increase:
In general, property values increase in the longer term in line with inflation and, accordingly, as rents grow and construction costs increase.

3.3 Following a close consideration of Unitholders' interests, and these advantages and disadvantages, MAB Funds is of the opinion that its recommendation to sell the Property for US\$16,800,000 is in the best interests of Unitholders and the Trust as a whole.

4. Reasons for the Recommendation

- 4.1 When considering recommending whether the sale of the property is in the best interests of Unitholders and the Fund as a whole, MAB Funds has given primary regard to the current and likely future performance of the property markets in the United States of America.
- 4.2 MAB Funds views in this regard are encapsulated as follows:
- (a) MAB Funds is of the opinion that the USA property markets, in general, and the retail property markets, in particular, have stabilised to some extent over the past 3 to 4 months in line with improvements to unemployment and retail spending within the USA economy. However, the impacts of the COVID-19 pandemic are likely to remain for some time and adversely affect the demand for property from both an occupational and investment viewpoint.
 - (b) This view is broadly supported by Wells Fargo Bank's 2 October 2020 commentary paper entitled "Retail after the Pandemic". For example, in this paper Wells Fargo comments:

"While the economy is on the mend, the climb to higher altitudes will likely endure some turbulence. For starters, uncertainty surrounding the trajectory of COVID-19 continues to loom large. The summer surge in COVID-19 cases across the southern half of the country appears to have subsided, but infections are now on the rise in some Mountain and Midwest states. The concern is that cooler temperatures may intensify the spread of COVID-19 throughout the country as many stop-gap measures such as outdoor dining and curbside pickup become less viable and people spend more time indoors. The pace of improvement in recouping jobs lost to pandemic mitigation efforts has also slowed, as employers have rebalanced headcounts with new occupancy limitations and softer demand. Moreover, funding for expanded unemployment benefits (prolonged by executive order after expiring in July) is running dry. Absent another round of fiscal stimulus, a still-cautious consumer may go into hibernation later this fall and winter. In short, the economy continues to improve, but continued progress will be more challenging".
- 4.3 MAB Funds is of the view that a return of the USA retail property market to "pre-COVID" conditions will take some considerable time, most likely 12-18 months. This view is supported by CBRE's view that the value of the Property at 30 June 2022 is estimated at US\$17.0 million assuming all current vacancy is let.
- 4.4 MAB Funds has also given regard to the impact on returns to unitholders of achieving a higher price (than US\$16.8M plus costs savings of US\$168K = US\$16.968M) at some time in the future.

No of Units held	Additional return at Price of \$17.5M	Additional return at Price of \$17.75M	Additional return at Price of \$18.0M
10,000	A\$84 ¹	A\$124 ¹	\$A163 ¹
50,000	A\$420 ¹	A\$618 ¹	\$A816 ¹
100,000	A\$841 ¹	A\$1,235 ¹	\$A1,631 ¹

4.5 MAB Funds considers that even if a higher price than currently recommended is achieved in the future it is unlikely that this will occur within a 12-18 month period. Accordingly, unitholders should also take into account the benefits of short-term liquidity when making a decision whether to approve the recommendation.

5. Trust Update and Financial Information

This section provides an update on the Trust as it currently stands.

5.1 Financial Summary

(a) 30 June 2020 audited NTA:

The audited net tangible asset backing per Unit (“NTA”) calculated under AIFRS as at 30 June 2020 is A\$0.211

Approval of the recommendation to sell the property for \$US16.8 million will increase the audited 30 June 2020 NTA to A\$0.221

The NTA consists predominantly the value of the Property. No foreign exchange hedging is currently in place for the repatriation of funds and therefore the Redemption Price remains highly sensitive to movement in the AUD/USD exchange rate. Hedging will be considered should this recommendation be approved. The above numbers have been calculated based on the f(x) rate at 30 June 2020, 0.6863.

(b) Net realisation:

The NTA noted above does not include expenses that are required from any potential sale or the impact of foreign exchange to the date of issue for this note:

- Selling, taxation or early debt repayment costs. It is estimated these decrease the NTA by approximately \$0.014¹ per unit;
- Other adjustment to the IFRS NTA of approximately \$0.009¹ per unit relating to capital expense items for the properties.
- Impact of the foreign exchange rate moving from 0.6863 at 30 June 2020 to 0.7362 at 27 November 2020, decreases the NTA by approximately A\$0.014 per unit.

Resulting in a net realisation value of A\$0.184¹ per unit.

(c) Distributions

If the recommendation is approved, the following further estimated distributions are expected:

1 – Returns have been converted based on the Reserve Bank of Australia US Foreign Exchange rate on 27 November 2020, 0.7362.

	When Paid	Amount (Cents per Unit)
Sale Proceeds	Mar 2021	17.40 ¹
Final Distribution (upon completion of wind up)	Dec 2021	1.0 ¹
Total		18.40¹

As a guide for unitholders the above table translates to the following total distribution amounts for a given level of units held:

No of Units held	Sale Proceeds distribution	Final Distribution
10,000	\$1,740	\$100
50,000	\$8,700	\$500
100,000	\$17,400	\$1,000

5.2 Trust Borrowings

A summary of the Trust Borrowings and maturity profile as at 31 October 2020 is provided below:

Debt Facility Profile at 31 October 2020	Amount Drawn US\$	Loan Type	Facility Maturity Date	Effective Interest Rate	Interest Rate Type
Debt Facility Provider B - US CMBS Loan	4,592,103	Amortising	Apr-25	6.18%	Fixed
Total Senior Debt	4,592,103				

(a) Portfolio Gearing:

At 30 June 2020, the Loan to Value Ratio (LVR) is 27.2%. This ratio is calculated as interest bearing liabilities divided by gross assets. This ratio indicates the extent to which the Assets of the Trust are funded by external liabilities or third party debt.

Warning Concerning Forecasts

These Explanatory Notes including the forecasts, expectations and any other forward-looking statements, have been carefully prepared and reviewed by MAB Funds. However all forecasts are based on various assumptions and so they are not a guarantee of future performance. Unitholders should appreciate that many factors affect results; known and unknown risks, uncertainties and other factors, many of which are outside the control of MAB Funds or may not be capable of being foreseen or accurately predicted. Accordingly, actual results may differ from the forecasts and Unitholders are cautioned not to place undue reliance on projections. MAB Funds is not making any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forecast.

(b) Interest Cover:

The Interest Cover Ratio (ICR) is 2.52 at 30 June 2020. This ratio is calculated as earnings before interest and taxes, plus unrealised losses, minus unrealised gains divided by interest expense. This implies that the Trust's realised earnings before interest and taxes were 2.52 times its interest expenses for the period.

5.3 Taxation -

The information in this section has been prepared based on independent taxation advice from Kaczynski & Associates, Ltd in respect of the US and from Pitcher Partners in respect of Australia.

You should seek professional taxation advice before deciding whether to approve the recommendation.

How will this transaction be taxed in the US?

Federal Income Tax

MAB American Property REIT Inc (US REIT) will be taxed on its taxable income at the regular US corporate rates of 21%. Current forecasts indicate that based on the proposed sales price, there will be no US federal income tax payable from operating profits or the sale of Eastfield, this forecast is subject to performance of the centre over the coming months.

The ability to utilise carried forward tax losses can be affected by changes in investor composition and could affect the timing of tax payable, however we do not believe this will be an issue for the US REIT.

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.

Distributions to MIRT – Withholding Taxation

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.

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).

We are currently anticipating that the distributions from the sale of Eastfield will be a liquidating distribution and therefore capital in nature. Our current forecast indicates no withholding taxation will be required on these distributions.

This is subject to final lodgement with the Internal Revenue Services.

How is MIRT Taxed in Australia?

US and Australian Tax Position of Disposals of US REIT Shares

We are currently forecasting that distributions flowing to MIRT from the sale of Eastfield will be treated as a capital distribution. Accordingly, distributions to the unitholders of MIRT should be treated as tax deferred distributions, with capital gains taxation implications for Australian unitholders.

The capital gains taxation outcomes for each Australian unitholder will be different and you should seek professional taxation advice before deciding whether to approve the recommendation.

5.4 Continuous disclosure

Please refer to the MAB Funds website (www.mabfunds.com.au) for disclosure information required to be provided under ASIC Regulatory Guide 46. This information has been updated as at 30 June 2020 and contains important disclosures with respect to the Trust.

6. Risks

If the Resolution is approved, Members should be aware of the following risks that could affect the financial forecasts included in these Explanatory Notes.

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:

Exchange rate risk

The Property is located in USA. When overseas assets are owned by Australian or domestic entities, exchange rate or currency risk is introduced. A currency risk is the risk of a loss or gain on USA asset values or income due to changes in the exchange rate between the USA and the Australian currency. This means that if the USD depreciates or appreciates relative to the AUD the value of the asset or any distribution of capital in AUD will also depreciate or appreciate respectively.

Existing debt facility pre-payment

The calculation of the existing debt pre-payment penalty depends upon the prevailing 10-year USA Treasury Rate at the actual date of pre-payment and also to conversion of the amount to AUD. The pre-payment amount included in the financial forecasts in these Explanatory Notes has been assessed upon current interest rates and the exchange rate noted on pages 8 and 9 above. Both rates are subject to change and may affect the forecast returns.

Forecasts

The forecast information provided in these Explanatory Notes is based on certain assumptions which are inherently subject to significant uncertainties. The actual results and outcomes may therefore differ from the current estimates.

7. Voting on the Resolution

- 7.1 The resolution proposed at the meeting affects the future of your investment in the Fund. You are therefore encouraged to either attend the meeting in person and vote on the resolutions, or appoint a proxy to attend and vote in your place.
- 7.2 The Resolution is an ordinary resolution. It will be passed if approved by a simple majority of the Unitholders present and voting at the meeting either in person or by proxy.
- 7.3 Under the *Corporations Act 2001* (Cth), where the responsible entity of a registered scheme holds an interest in that scheme, the responsible entity and its associates are not entitled to vote on a member resolution if the responsible entity has an interest in the outcome of the resolution other than as a member of the scheme.
- 7.4 The purchasing entity of the Property is related to the Responsible Entity. Additionally MAB Funds is entitled to fees from the Fund for services it provides as responsible entity. Accordingly, MAB Funds has an interest in the outcome of the Resolution other than as a member, and so is not entitled to vote on the Resolution.
- 7.5 Neither MAB Funds, nor any associate of MAB Funds will vote any Units they hold on the Resolution. However, MAB Funds and its associates may vote as proxy for another Unitholder where the Unitholder has specified the manner in which the proxy is to vote.

8. Disclosures for the purposes of Chapter 2E of the Corporations Act

The following information may be considered material to Unitholders' decision about how to vote on the proposed resolution and is required disclosure for the purposes of Chapter 2E of the Corporations Act as applied to the Trust by Part 5C.7 of that Act;

8.1 Identity of the related party (s219(1)(a))

The related party is MAB Eastfield LLC, a Delaware limited liability company.

MAB Eastfield is a related party of MAB Funds. Two of the MAB Funds Directors Andrew Buxton and Michael Buxton are the beneficial owners of MAB Eastfield.

8.2 Nature of the financial benefit (s219(1)(b))

The financial benefit is the proposed sale of the Property by the Responsible Entity for US\$16.8 million. The consideration is proposed to be paid in cash, on closing, which is expected to be approximately 2 months after signing of the contract.

The sale of the Property will have the effect that on closing the only asset of the Trust will be cash at bank. It is intended that after closing, the Trust will commence to be wound up and the cash returned to Unitholders, after discharge of the Responsible Entity's debts and obligations.

8.3 Directors' recommendations (s219(1)(c))

The directors of MAB Funds are:

Andrew Buxton

Michael Buxton

Nicholas Gray.

As two of the directors, Andrew and Michael Buxton, are the beneficial owners of the related party, the Board of MAB Funds is of the view that the Resolution should be decided by a vote of the unitholders without a recommendation from them. Accordingly, they decline to make a recommendation. The third director, Nicholas Gray, does recommend that Unitholders vote in favour of the resolution.

All directors consider that the proposed transaction is in the best interests of the unit holders and the Trust as a whole. The reasons are that in their opinion, they consider that the advantages of the sale of the Property (see page 6 of these Explanatory Notes) outweigh the disadvantages (see page 6 and offer a better return for Unitholders than the alternative opportunities that had been considered (see in particular pages 5 and 6).

The opportunity costs and the implications of not proceeding with the transaction include the potential for an increased price being achieved at a later date, a sensitivity table for this has been included in section 4.4.

8.4 Directors' interest in the outcome (s219(1)(d))

Andrew Buxton

Andrew Buxton and entities associated with him and his family hold 44.8% of the units in the Trust.

Andrew Buxton will hold a 50% beneficial ownership interest in MAB Eastfield.

These holdings are considered to be a material interest

Michael Buxton

Michael Buxton and entities associated with him and his family hold 42.9% of the units in the Trust.

Michael will hold a 50% beneficial ownership interest in MAB Eastfield.

These holdings are considered to be a material interest

Nicholas Gray

The spouse of Nicholas Gray, Andrea Brisbane, holds 20,000 units in the Trust. This is not considered to be a material interest.

The Directors and their associated entities will be excluded from voting on the Resolution

8.5 Other (s219(1)(e))

MAB Funds considers that all other information that is reasonably required by Unitholders to decide whether or not it is in their interests to pass the resolution is contained above in these Explanatory Notes.

MAB Funds does not consider that the arm's length exception would not have necessarily applied to the transaction and the terms are in its opinion better for the Trust than would have been obtained from a transaction with an unrelated third party. This is apparent from the description of the background to the proposal at pages 6 and 7 of these Explanatory Notes.

Additional information

MAB International Retail Trust (ARSN 121 054 662) (Trust) Proxy form for Extraordinary General Meeting – 22 December 2020

To: The Company Secretary
MAB Funds Management Limited (Responsible Entity)
Level 5, 441 St Kilda Road, Melbourne, Victoria, 3004, Australia

Fax: 03 8681 2100

Appointment of Proxy

I/We, _____ [Name
of investor]

of _____ [Address
of investor]

being a Unitholder(s) of the Trust and entitled to attend and vote

appoint as my/our proxy _____ [Name
of proxy]

of _____
[Address of proxy]

or, failing him or her, the Chairman of the Extraordinary General Meeting of the Trust to be held at Level 5, 441 St Kilda Road, Melbourne, Victoria, 3004 on Tuesday, September 7, 2010 at 11.00am to vote for me/us at that meeting and at any adjournment of it.

Appointing a second proxy - If you wish to appoint two proxies, see overleaf, item 4.

Important :

- If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on the resolution, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he or she has an interest in the outcome of the resolution and that votes cast by him or her, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majorities.

The Chairman intends to vote undirected proxies in favour of the resolutions.

Voting - I/We direct my/our proxy to vote in accordance with the directions below. Unless the proxy is directed, they may vote or abstain as they think fit, as they will on any other matters arising at the meeting.

Resolution	For	Against	Abstain *
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1. To approve the following resolution:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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'That for the purposes of sections 208 and 217 to 227 inclusive of the Corporations Act 2001 (Cth) as applied to the Trust by Part 5C.7 of that Act and for all other purposes, the Members of the Trust approve the giving by MAB Funds Management Limited in its capacity as the responsible entity of the Trust (**Responsible Entity**) of financial benefits to MAB Eastfield LLC (**MAB Eastfield**), a related party by approving the recommendation of the Responsible Entity to accept the offer from MAB Eastfield, to purchase Eastfield Village for the sum of \$US16,800,000 as described in the Explanatory Notes accompanying and forming part of the notice of this meeting.'

* If you mark the Abstain box, you are directing your proxy not to vote on your behalf on a show of hands or on a poll, or if your votes entitlement cannot be voted by the Chairman of the Meeting, your votes will not be counted in computing the required majority on a poll. Accordingly, the Responsible Entity urges members to lodge only "Directed" Proxy forms (ie, forms directing proxies to vote 'For' or 'Against' the proposed resolutions).

Authorised signature/s

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Investor A/Trustee A/Director/Company Secretary

Investor B/Trustee B/Director (if required)

Contact Name

Contact Daytime Telephone

Date

/
/2020

How to complete this proxy form

Your Name and Address

The Notice of Meeting and this proxy form have been sent to your name and address as it appears on the register of the Trust. If this information is incorrect, please advise the Responsible Entity of your new details.

Appointment of a Proxy

If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy and vote on your behalf. A proxy need not be a unitholder of the Trust.

Votes on items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite the resolution. All your units will be voted in accordance with this direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of units you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the resolution, your proxy will vote as he or she chooses. If you mark more than one box on the resolution, your vote on the resolution will be invalid.

Appointment of a Second Proxy

If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Responsible Entity on 1800 760 012 or you may copy this form.

To appoint a second proxy you must:

on each of the first proxy form and the second proxy form, state the percentage of your voting rights or number of units applicable to that form. If two proxy forms are received but no percentage or number of votes is indicated, each proxy may exercise half your votes. Fractions of votes will be disregarded; and return both forms together in the same facsimile transmission or in the same envelope. [As noted above, consider allowing return of proxies by email]

Authorised Signature(s)

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name, all of the holders must sign.

Power of Attorney: to sign under a power of attorney, you must have already lodged this document with the share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the power of attorney to this form when you return it.

Companies: a director may sign jointly with another director or a responsible entity secretary. A sole director who is also a sole responsible entity secretary may also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the responsible entity is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Responsible Entity by telephoning on 1800 760 012.

Lodgement of Proxy

To be valid the form appointing the proxy and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged with the Responsible Entity by any of the following:

by hand delivery or post to the Responsible Entity's offices at 441 St Kilda Road, St Kilda VIC 3004; or

by faxing it to fax number 03 8681 2100, or

By email to fm@mab.com.au

to be received not later than 5:00PM, Friday 18 December 2020.

7. Please note that there are no voting exclusions that apply to the business of the meeting as set out in the Notice of Meeting, apart from those that apply to the Responsible Entity and its associates. In accordance with section 253E of the Corporations Act, the Responsible Entity and its associates are not entitled to vote their interests in the Trust on the resolution if they have an interest in the matter other than as a member of the Trust. As the proposed transaction is a related party transaction due to the relationship with the proposed purchaser, MAB Eastfield, they have such an extraneous interest.

8. Members are urged to complete any one of the "FOR", "AGAINST" OR "ABSTAIN" boxes, so giving a directed proxy which then can be voted in all circumstances.

**Documents may be lodged by posting, delivery, facsimile or email to
MAB Funds Management Limited as noted on page 3 of the Notice of extraordinary
general meeting.**

Summary of CBRE Valuation (Appraisal)

VALUATION & ADVISORY SERVICES

CBRE

3550 Lenox Road, Suite 2300
Atlanta, GA 30326

T 404-812-5030
F 404-304-0021

www.cbre.com

Date of Report: June 19, 2020

Mr. Cary Uretz
Director
MAB AMERICAN PROPERTY REIT, INC
525 North Tryon Street, Suite 1600
Charlotte, North Carolina 28202

RE: Appraisal of: Eastfield Village
13108 Eastfield Road
Charlotte, Mecklenburg County, North Carolina 28078
CBRE, Inc. File No. 20-341SE-3700-1

Dear Mr. Uretz:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 95,562-square foot retail property (neighborhood/community center) located at 13108 Eastfield Road in Charlotte, North Carolina. The improvements were constructed between 2004 and 2011 and are situated on a 9.89-acre site. The subject tenants are considered local or regional in nature. The subject is anchored by a Food Lion grocery store. The subject is more fully described, legally and physically, within the enclosed report.

The subject is operating at 88.2% occupancy, which is less than stabilized occupancy. Therefore, we have also estimated the subject's market value at stabilized operation values.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is - Prospective	Leased Fee Interest	June 30, 2020	\$16,200,000
As Stabilized	Leased Fee Interest	June 30, 2022	\$17,000,000

Compiled by CBRE

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

Mr. Cary Uretz
June 19, 2020
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As of the date of value and the date of this report, the nation, region, and market area are impacted by the COVID-19 pandemic. This could have a prolonged effect on macroeconomic conditions, though at this time the length of duration is unknown. The perceived impact on real estate varies depending on several factors, including asset class, use, tenancy, and location. Our analysis considers available information as of the effective date.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



Lee C. Holliday, MAI
Executive Vice President
North Carolina Certification No. A2820

Phone: +1 404 8125030
Email: Lee.Holliday@cbre.com



John W. Cherry, Jr., MAI, CRE
Managing Director
North Carolina Certification No. A6842

Phone: +1 404 8125028
Email: John.Cherry@cbre.com

Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of North Carolina.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Lee C. Holliday, MAI and John W. Cherry, Jr., MAI, CRE have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Lee C. Holliday, MAI has and John W. Cherry, Jr., MAI, CRE has not made a personal inspection of the property that is the subject of this report.
12. Antonio de Quesada provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Lee C. Holliday, MAI has not and John W. Cherry, Jr., MAI, CRE has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.



Lee C. Holliday, MAI
North Carolina Certification No. A2820



John W. Cherry, Jr., MAI, CRE
North Carolina Certification No. A6842

Subject Photographs



Aerial View

Eastfield Village, Charlotte, North Carolina

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