

Media Release

MAB Funds Management LimitedABN 36 098 846 701
AFSL 232 747Level 1, 54 St Kilda Road
St Kilda Victoria 3182 AustraliaTelephone 03 8530 2222
Fax 03 8530 2200
www.mabfunds.com.au

Release Date: 17/09/2007**Page 1 of 4**

LOS ANGELES EXPERT SAYS US PROPERTY MARKET IS A STRONG PLACE TO INVEST FOR AUSTRALIANS

David Rosenthal, President of US-based MAB Rosenthal, has outlined the advantages of investing in the commercial property markets in the USA and the buying opportunities that exist for Australian investors.

Mr. Rosenthal is visiting Australia this week to discuss with partner MAB Funds Management (MAB FM) further acquisitions of retail properties for the MAB International Retail Trust (MIRT).

MIRT has a strategic focus on non discretionary grocery based shopping centres located in regions exhibiting strong population and employment growth, such as south-eastern USA.

Mr Rosenthal said: "The US property market has a considerably larger pool of investment grade assets and is not as heavily securitised as the Australian market meaning that there are many more buying opportunities.

"The US economy is the largest in the world and there are significant growth opportunities for Australian investors. For example, the retail property market has proven a consistent performer, particularly in areas and regions exhibiting strong population growth, such as the south-east of the USA."

Nick Gray, General Manager of MAB FM said: "MAB Rosenthal has been able to access retail properties at higher yields than for comparable properties in Australia. With the advantage of lower borrowing costs in the US, MAB FM has been able to generate higher returns for its investors in MIRT."

Mr Gray added: "From the knowledge we have gained from our US partners about the US property markets, it is clear that there are many similarities between the US and Australian markets.

Release Date: 17/09/2007 Page 2 of 4

“The US, like Australia, is a transparent market with excellent disclosure of information. This makes us very comfortable to provide Australians with investment opportunities in that region.”

In the wake of the sub-prime mortgage issues in the USA, Mr Rosenthal said: “Such events simply demonstrate the need for investors to diversify their investment portfolio, seek professional advice from experts and be aware of risk, but my advice is certainly don’t shy away from US markets.

“Lax lending standards to insufficiently credentialed borrowers led to rising mortgage defaults as interest rates and loan repayments rose. Lenders failed to appropriately assess and price risk – investors should learn from this and not make the same mistakes.

“For some categories of borrowers in the USA, debt is now not as easily available and is more expensive. While this may lead to a tempering of demand for property, it should also lead to some good buying opportunities.

“A well credentialed buyer such as the MAB International Retail Trust can obtain still obtain debt at an interest rate well below yields on grocery based shopping centres.

“Grocery based shopping centres catering for essential products are an example of lower risk investments. They provide strong secure cash flows and have proven to be resilient performers over time and throughout various market cycles and events.

This is the type of property targeted by the MAB International Retail Trust and we have identified a number of future properties for the Trust in strong population growth areas.”

Mr Gray said: “With any investment, there is risk. The key ingredient for success in investing in the US is to manage the investment risks by partnering with local expertise to be able to assess and respond quickly to opportunities.

“With MAB Rosenthal we have a first rate team in the US to manage our assets and to identify and execute investment opportunities.”

MIRT Key Features

Responsible Entity	MAB Funds Management Limited
Structure	Unlisted unit trust
Asset class	Grocery anchored retail property
Term of trust	7 years with ability to add properties with additional raisings during that time
Minimum investment	AU\$10,000
Distribution frequency	Quarterly
Forecast distribution yield [^]	Actual return 30/6/2007 – 8.40% [#] FYE 30/6/2008 – 8.45% FYE 30/6/2009 – 8.50% Tax advantage 90% for forecast period
Liquidity	Limited liquidity facility offered after Y1
Strong lease expiry profile	8.0 years by income from 1 April 2007 Average expiry for major tenants 12.4 years
Debt and gearing	Borrowings drawn in USD Interest rates fixed for minimum 5 years Initial gearing approximately 65%
Hedging	AUD capital hedged for 7 years USD distributions substantially hedged for 7 years
Exit	All investors provided with exit opportunity after 7 years

[#]Annualised

^{*}8.45% pa forecast average distribution yield for the forecast period to 30 June 2009.

[^]This forecast distribution yield includes a distribution from MAB International Retail Trust (ARSN 121 054 662) and an interest payment from MAB American Property REIT Inc (ARBN 123 316 209).

About MAB Funds Management

MAB FM is a specialist property investment manager. Formed in 2001, the team has established a successful record in managing property assets throughout Australia, New Zealand and the United States.

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

MAB FM has over \$250 million funds under management in the MAB International Retail Trust, MAB Diversified Property Trust and MAB Bourke Street Trust.

MAB Healthcare Trust was wound up in December 2006 with the sale of sole asset Victoria House at 30% above its 2003 purchase price. MAB Development Fund 1 was also wound up with the repayment of the loan facilities in April 2007. MDF1 provided an average annual return to investors of 17.6%.

MAB FM is a subsidiary of diversified property group MAB Corporation. With over \$2 billion in projects completed or commenced, MAB Corporation generates approximately \$200 million in annual sales and has net assets approaching \$200 million. MAB Corporation was formed in 1995 by Michael and Andrew Buxton – whose family has been active in real estate since 1861 – and employs over 100 people in its property investment, development and management businesses.

About MAB Rosenthal

In 2006 MAB Funds Management Limited formed a dynamic investment operation with Los Angeles based Rosenthal Realty Investment Management Inc, an affiliate of property consultants Curtis-Rosenthal, to professionally manage the MIRT property portfolio.

MAB Rosenthal is responsible for property identification and acquisition, property due diligence, asset management and debt arrangement within the MIRT portfolio.

MEDIA COMMENT

Nick Gray

General Manager
MAB Funds Management Limited
Tel: (03) 8530 2278
Mob: 0408 527 137

MEDIA CONTACT & INFORMATION

Vaia Goodwin

Communications Manager
MAB Corporation Pty Ltd
Tel: (03) 8530 2289
Mob: 0432 286 615

Important Notice: This update has been prepared by MAB Funds Management Limited (AFSL 232 747) for general information purposes and while every care has been taken in relation to its accuracy, no warranty is given or implied. The information in this update is general in nature and does not constitute an offer nor does not take into account your objectives, financial situation or needs. Before you invest in any MAB FM trusts you should read the relevant Product Disclosure Statement and Prospectus carefully in its entirety and, if required, obtain independent financial and legal advice. A copy of each PDS and Prospectus can be obtained from MAB Funds Management Limited, 54 St Kilda Road, St Kilda, VIC, 3182 or www.mabfunds.com.au. MAB Funds Management Limited nor any of their respective directors, officers or associates guarantee or give any reassurance as to the performance of the investment, the repayment of capital or any particular rate of capital or income return and past performance is not an indication of future performance.