

# >> Media Release

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## **MAB's Bourke Street Trust Excels with \$23.64 Million Sale Amidst Turbulent Times**

MAB Funds Management Limited (MAB Funds) has put more runs on the board, for its successful property funds business in a deal that is set to give investors at total return of around 21.5% per annum over the past six years, despite the current challenging market.

MAB Funds has entered into a contract of sale for its premium retail property, The Pavilion, which occupies a prestigious corner site at 360 Bourke Street in the heart of Melbourne's CBD.

After initially purchasing The Pavilion for \$15 million in May 2002, MAB Funds as Responsible Entity (RE) established MAB Bourke Street Trust (MBST) to provide strong income and capital returns for investors.

The decision by MAB Funds to offer The Pavilion to the market via an expression of interest sale campaign managed by Knight Frank was in keeping with the intended investment term of six years for MBST.

"We received a strong response from the market to 360 Bourke Street due to its exceptional CBD location and outstanding tenancy profile. Several bidders vied for the property before the sale was contracted at \$23.64 million, said selling agent Clinton Baxter of Knight Frank.

"In challenging times, investors tend to gravitate towards blue-chip assets such as this."

Mr Nick Gray MAB Funds General Manager said the transaction highlights the ability of the MAB Funds team to identify and manage first-class property investments and to deliver it's investors with exceptional returns in all market conditions.

Ultimately the decision on the future strategy of MBST is vested in the Unitholders who will vote on a recommendation which is currently being prepared by MAB Funds for the proposed sale. A decision on whether the sale is to proceed is expected in December 2008.

Closure of the deal through the sale of its single asset, would wrap up a successful innings by MBST which has met its forecast returns since commencement.

Distributions commenced at 9.25% per annum and have increased to a strong 11.00% in the year ended 30 June 2008 (for the original investors of May 2002).

MBST original investors stand to reap a total return per annum of approximately 21.5% on their investment, based on an estimate by MAB Funds, who have forecast figures for the property sale and the distribution of proceeds of the MBST.

#### **About MAB Funds Management**

MAB FM is a specialist property investment manager. Formed in 2001, the team has established a successful track record in managing property assets throughout Australia, New Zealand and the USA. 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 almost \$300 million funds under management in the MAB International Retail Trust, MAB Diversified Property Trust, MAB Bourke Street Trust MAB FM is a subsidiary of diversified property group MAB Corporation.

With over \$2 billion in projects completed or commenced, MAB Corporation generates approximately \$250 million in annual sales and has net assets approaching \$300 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.

## Further information

Location Image – MAB's Bourke Street Trust, attached as JPG in email



### MEDIA COMMENT & INTERVIEW

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