

13 May 2016

Dear Investor,

MAB International Retail Trust (MIRT) – Update

MAB Funds Management Limited (MAB Funds), the responsible entity for MIRT, is pleased to provide investors with an update on MIRT.

Market Conditions

U.S. economic growth slowed in the first quarter as consumer spending softened and a strong dollar continued to undercut exports, however, a pick-up in activity is anticipated given a buoyant labour market.

Gross domestic product increased at a 0.5 percent annual rate, the weakest since the first quarter of 2014. Almost all sectors of the economy weakened in the first quarter, with the housing market being the exception. The slowdown in growth is likely to be temporary, given a fairly robust jobs market. Applications for unemployment benefits are close to a 43-year low and employment gains averaged 209,000 jobs per month in the first quarter.

In terms of the property investment market, deal volume for the retail property sector continued to slowdown in the first quarter of 2016 with a fall of 30% compared to the same period in 2015. While volume has been decreasing, pricing has been stable. Capitalisation rates for the retail sector came in at 6.6% in the first quarter of 2016, unchanged from a year earlier.

Trust Strategy

The strategy for MIRT is to continue to operate for a period until March 2019. A further right to withdraw will be provided on or about 9th March 2019. MAB Funds will continuously review the opportunity to sell the MIRT assets over the next three years. If we take the view that it is in investor's best interests to sell the assets and wind up the Trust during the extension period, then we will do so.

MAB Funds will continue to focus upon asset management strategies for each property and will look for opportunities to add value through leasing and lease management.

Portfolio Update

MAB Funds is able to report that the MIRT portfolio continues to perform well at a property level.

Key Performance Measures at 31 March 2016 include:

Occupancy Rate: 95.1% (4.9% vacancy)

Average unexpired lease term: 3.9 years overall

Current Book Values: With the exception of Eastfield Village the assets of MIRT were revalued by CBRE at June 2015 resulting in an increase of \$1.05 million. Eastfield Village is to be independently valued as at 30 June 2016.

Property	Previous Book Value \$USD	June 2015 Valuations
Eastfield, Charlotte	18,150,000	18,150,000
Cheshire Commons, Charlotte	7,300,000	7,250,000
Cheshire Place, Charlotte	3,900,000	4,550,000
Terraces, Charlotte	13,000,000	13,000,000
Grandview, Winston Salem	4,100,000	4,550,000
Total Value	\$46,450,000	\$47,500,000

Eastfield Village, Charlotte North Carolina

We continue to pursue potential interest in the anchor tenancy from another supermarket operator which if successfully brokered could alleviate the perceived downside risks presented by this property.

Debt Facilities

A summary of MIRT's current debt facilities is now set out in the table below:

Debt Facility Profile at 31 March 2016	Amount Drawn US\$	Loan Type	Facility Maturity Date	Effective Interest Rate
Debt Facility Provider A - US CMBS Loan	9,171,947	Amortising	Sep-23	5.46%
Debt Facility Provider B - US CMBS Loan	6,515,087	Amortising	Apr-25	6.18%
Debt Facility Provider D - US CMBS Loan	1,969,829	Amortising	Jul-24	6.35%
Australian Lender - Facility E1	2,275,000	Interest Only	Oct-17	3.38%
Australian Lender - Facility E2	2,335,000	Interest Only	Oct-17	3.38%
Australian Lender - Facility E3	2,610,000	Interest Only	Oct-17	3.38%
Total Senior Debt	24,876,863			

NTA

The NTA per unit as at 31 March 2016 is \$0.36, down from \$0.37 at 31 December 2015. This mainly reflects the strengthening of the Australian Dollar against the US Dollar over the first three months of 2016.

In accordance with Accounting Standards, the NTA calculation does not include any costs that would be incurred in selling the properties or in settling the US CMBS loans early; the decrease associated with these will depend on the timing of when the respective items occur.


Distributions

The March distribution will be paid to investors on 13 May 2016 at a rate of 0.375 cents per unit, in line with our previous advice.

Please rest assured that MAB Funds will continue to act in the best interests of investors and the Trust as a whole. We will continue to provide you with regular updates and on market conditions.

Please do not hesitate to contact MAB Funds Investor Services on 1800 760 012 or fm@mabcorp.com.au with any queries or if you require further clarification on the above or talk to your financial advisor.

Yours faithfully,



Nicholas Gray
General Manager
MAB Funds Management Limited