

12 February 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

In December, the U.S. economy passed a major psychological threshold as the Federal Reserve closed the door on the extraordinary measures put in place to combat the financial crisis. With the quarter-point increase of its overnight lending rate, the Fed signalled that the economy has finally returned to normal operating levels. Though some sectors still face headwinds, broader economic measures including employment, retail sales and even home prices have largely returned to healthy performance standards. The Fed's policy-setting committee reiterated that it will maintain a gradual pace of rate increases, aligning actions with key indicators such as labour market conditions, inflation and international developments.

U.S. employers pushed ahead with hiring plans in December to top off a strong year of job creation. The vigour of the U.S. labour market evident throughout 2015 will enable the Federal Reserve to place greater weight on inflation trends in guiding its monetary policy decisions this year. Nonetheless, volatile global equity markets so far in 2016, serve as a reminder that there are potential disruptions to the U.S.

In terms of the property investment market, deal volume for most property sectors experienced a pronounced slowdown and even periods of falling growth in volume in H2'15. The retail sector fits this story with zero growth in Q3'15 and a 16% year on year decline in Q4'15.

Retail cap rates fell 20 basis points year on year to hit 6.4% in Q4'15. Much of the decline came on the Q4'15 figures with cap rates relatively flat in all previous quarters.

Trust Strategy

Following the Unit Withdrawal Opportunity of March 2014, MIRT will continue for a period of up to five years from 9th March 2014. A further right to withdraw will be provided on or about 9th March 2019. We confirm that we will continuously review the opportunity to sell the MIRT assets over the 5 year extension period. 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.

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 December 2015 include:

Occupancy Rate: 95.1% (4.9% vacancy)

Average unexpired lease term: 4.1 years overall

Current Book Values: With the exception of Eastfield Village the assets of MIRT have been revalued by CBRE at June 2015 resulting in an increase of \$1.05 million.

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 December 2015	Amount Drawn US\$	Loan Type	Facility Maturity Date	Effective Interest Rate
Debt Facility Provider A - US CMBS Loan	9,206,128	Amortising	Sep-23	5.46%
Debt Facility Provider B - US CMBS Loan	6,605,162	Amortising	Apr-25	6.18%
Debt Facility Provider D - US CMBS Loan	1,999,582	Amortising	Jul-24	6.35%
Australian Lender - Facility E1	2,275,000	Interest Only	Oct-17	3.47%
Australian Lender - Facility E2	2,335,000	Interest Only	Oct-17	3.47%
Australian Lender - Facility E3	2,610,000	Interest Only	Oct-17	3.47%
Total Senior Debt	25,030,871			

NTA

The NTA per unit as at 31 December 2015 is \$0.37, up from \$0.35 at 30 June. This improvement mainly reflects the strengthening of the US Dollar against the Australian Dollar and the increase in value of Grandview Plaza and Cheshire Place.

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 December 2015 distribution will be paid to investors on 15 February 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,

A handwritten signature in blue ink, appearing to be 'Nicholas Gray', with a stylized flourish extending to the right.

Nicholas Gray
General Manager
MAB Funds Management Limited