

## Press Release

21 May 2008

### **Investors support three-year extension to Commonwealth Property Hotel Fund**

Unitholders today elected to extend the term of Colonial First State Global Asset Management's flagship direct hotel property fund, Commonwealth Property Hotel Fund (CPHF), by three years to May 2011. The new agreement also enhances CPHF's alignment and operating agreement with Marriott.

The decision to extend the closing date of the Fund, which owns four Marriott branded hotels in Sydney, Melbourne, Brisbane and the Gold Coast, is a vote of confidence from unitholders in the management of the Fund, which has returned 15.2% p.a., pre fees, since inception in May 2000 and generated recent strong returns of 38.6%, pre fees, in the 12 months to 30 April 2008.

The decision by unitholders to agree to the stapling of the Fund's assets is expected to have a positive effect on returns for the 12 months to 30 June 2008. The enhancement to the fund structure strengthens and further aligns the relationship between CPHF and Marriott, to the benefit of all fund investors.

John van der Wallen, Senior Fund Manager, CPHF said, "It's pleasing to receive the support of our unitholders to extend CPHF for a further three years. Today's vote provides Colonial First State Global Asset Management with greater control over the management of assets, which will help us extract maximum value for our investors. Looking ahead, we expect to realise considerable future savings from streamlining our operations as approved at the meeting."

Mr van der Wallen said the hotel sector continues to offer attractive returns to investors.

"While demand for domestic, leisure-based occupancy is expected to soften in the short term, this will most likely be offset by limitations in new supply.

“Domestic and international corporate demand continues to be strong and, overall, continued high occupancy rates are expected for the next three years across the portfolio. Average room rates are expected to continue to grow ahead of inflationary trends and consequently, operating profits are likely to rise,” he said.

As a consequence of the changes unitholders have made today, the Fund will be opened to new investment later this year.

**ENDS**

### **About Colonial First State Global Asset Management**

Colonial First State Global Asset Management is the consolidated asset management division of the Commonwealth Bank of Australia.

With more than 200\* investment professionals globally and more than \$156 billion\* in funds under management across domestic and global equities, hedge funds, property securities, fixed interest and cash, credit, direct property, private equity and infrastructure, Colonial First State Global Asset Management is Australia’s largest asset manager of Australian-sourced funds.

### **Property and Alternative Investments**

The Property and Alternative Investments division constitutes one of the largest and most innovative teams of real asset management professionals in Australasia. With more than \$21 billion\* in funds under management, the division offers an integrated investment solution for property, infrastructure and private equity investment.

\*As at 30 April 2008

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