Colonial First State
Global Asset Management

Wholesale Colliers International Property Securities Fund

Monthly update

December 2011

Performance summary (% before fees and expenses)

	1 mth	3 mths	6 mths	1 yr	3 yrs pa	5 yrs pa	Inception pa (May 04)
Fund performance (%)	2.36	10.35	-6.76	3.41	19.38	-5.73	9.29
Benchmark performance* (%)	2.15	8.31	-7.42	1.43	16.56	-6.36	7.07
Relative performance (%)	0.20	2.05	0.67	1.98	2.82	0.62	2.22

* The benchmark from inception was the S&P/Citigroup World Property Index (100% hedged), from 1 August 2005 the EPRA/NAREIT Global Property Index (100% hedged), from 1 September 2006 the UBS Global Real Estate Investors Index AUD hedged. **Past performance is not an indication of future performance.**

Market insights

- The UBS Global property investors' index (local currency) increased 2% in December. However global volatility continued in December with US REITS rallying 4.6% over the month, while the UK fell 5.1%. At the end of the calendar year, Canadian REITS outperfomed strongly followed by the US which rose 7.8%.

Fund activity

- In the US, we added CB Richard Ellis , the world's largest commercial real estate services firm, to the portfolio. The stock was down 25% in 2011 and is off 50% from April highs despite solid earnings. The company is a long term consolidator with a global franchise and seasoned, capable management team trading at a significant discount. The stock offers in excess of 40% return potential.
- The Fund sold out of Japanese developer, Mitsubishi Estate on concerns of ongoing market volatility, and in favour of the more defensive outlook for the J-REITS.
- The Fund made an initial investment into United Urban, a diversified J-REIT. The J-REIT has been an active manager of its portfolio following the merger with Nippon Commercial in late 2010. This has allowed it to improve the overall quality of the portfolio and reduce its gearing. It has improved its credit rating over this time and is yielding over 6.5%
- We added to Advance Residence REIT, the largest residential REIT in Japan, with the highest weighting amongst the J-REITs to the 7 central wards of Tokyo. It offers a stable dividend yield of 5.5%, with prospects to grow as it refinances relatively expensive debt. Like United Urban, it has a high credit rating making it eligible for BOJ asset purchase programme.

Market outlook

- Northern Europe is proving more resilient and attractive while the Southern and Eastern regions, where economies are vulnerable to a weak outlook and indebtedness, remain challenged. These economies, Portugal, Ireland, Greece and Spain are likely to suffer large contractions in growth as budgets are cut to fulfil obligations under fiscal austerity plans. The weakness in Southern Europe is, however, somewhat positive for Northern Europe because of the falling value of the euro. Recent updates from property companies highlight the resilience of high quality real estate against the headwinds associated with sovereign debt risks. We have used recent market weakness to add to the fund's investment in high quality & high yielding European REIT's.
- In Asia the Fund remains invested in commercial property companies and is not impacted by the policy changes relating to residential demand. We prefer commercial property in Hong Kong to Singapore, and within that we prefer retail over office.
- In Japan, we have moved to increase the Fund's allocation to the J-REITs as weaker share prices earlier in the quarter provided an attractive buying opportunity. We prefer the residential and logistics J-REITS who provide a more stable income and dividend outlook, and with solid credit ratings.
- Australian REITS remain very attractively priced, offering a dividend yield of 6.5%. In addition most of the sector continues to trade at a discount to NTA. This is despite evidence of a large number of transactions occurring that have been priced at significant premiums to book value. There is a clear disconnect between the prices of listed property assets and direct property assets. It appears the market is pricing in a discount for liquidity and market volatility. We see this as a distinct opportunity to invest in the listed REIT sector as investors can buy high quality assets with a secure rental income stream at discounts of around 15% to book value. Our strategy is to focus on the REITs which have the best quality assets and strong balance sheets.
- Within the Americas, we remain close to market weight for the US and Canada and have a small non-index weighting in Brazil. We remain overweight malls, coastal CBD office, industrial, and hotel sectors and underweight suburban office, shopping centers and storage sectors. We remain focused on attractive, high-quality companies with solid balance sheets. Larger-cap, lower-leveraged REITs are well positioned to grow same store NOI, increase market share, access cheap debt and take advantage of external growth opportunities.

COLLIERS INTERNATIONAL

The Colonial First State Wholesale Global Property Securities Fund has been re-named the Colonial First State Wholesale Colliers International Property Securities Fund

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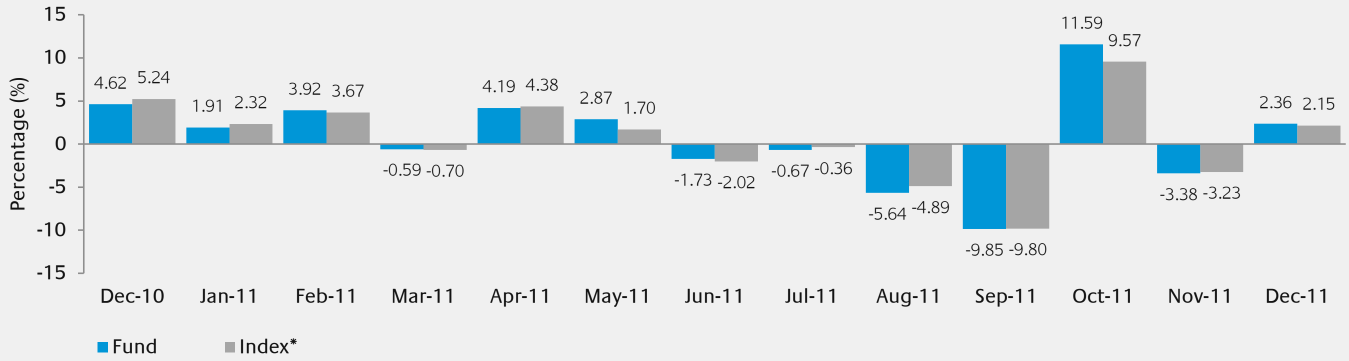
Monthly performance summary as at 31 December 2011



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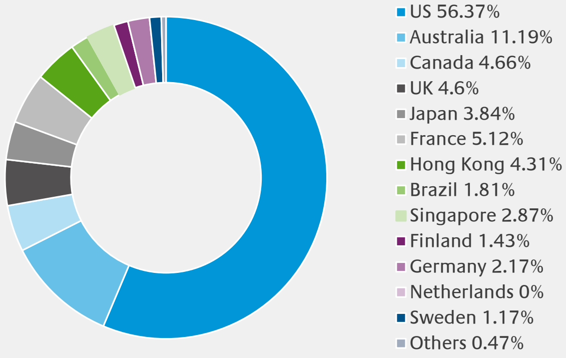
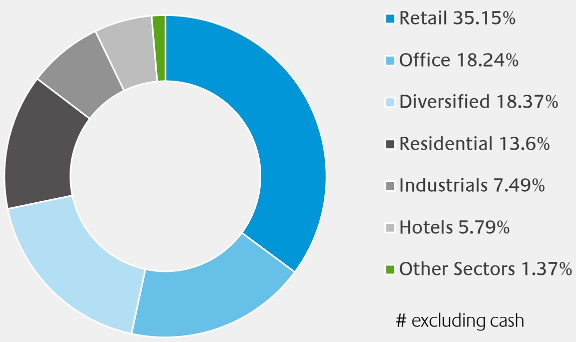
Fund country allocation



Fund sector allocation (% of total Fund)#



excluding cash

Index regional returns (local currency)

Region	1 mth	12 mths
Asia ex Japan	-0.84%	-15.51%
Australia/NZ	-2.61%	-1.20%
Europe ex UK	0.58%	-13.11%
Japan	-2.18%	-22.72%
North America	4.51%	8.78%
UK	-5.68%	-7.92%

Index is the UBS Global Real Estate Investors Index

Top 10 holdings	Portfolio weight (%)
Simon Property Group Inc	7.78%
Ventas Inc	3.54%
Prologis Inc	3.42%
Boston Properties Inc	3.37%
Westfield Group Stapled Securities	3.34%
Health Care Property Investors Inc	3.33%
Unibail Rodamco	3.11%
Macerich Company	2.96%
Avalonbay Communities Inc	2.73%
LINK Real Estate Investment Trust	2.49%

For further information

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This document is intended to provide general information only. You should assess whether the information is appropriate to you before making an investment decision. The performance figures used in this document are sourced from the Fund's relevant benchmark index and from actual performance figures achieved by the Fund before fees and expenses. Past performance is no indication of likely future performance.

There are fees and costs payable for managing investments in the Fund that are deducted from the Fund as a whole. The fees payable by investors in the Fund may be negotiated and can differ between investors. For this reason the performance figures used in this document are shown before fees and costs as at 31 December 2011. Investors should have regard to the Information Memorandum or their negotiated fee agreement for further information on the fees and costs applicable to their investment in the Fund.

Neither Commonwealth Bank of Australia nor any of its subsidiaries guarantees or stands behind the performance of the Fund or the repayment of capital by the Fund. Investments in the Fund are not deposits or other liabilities of the Commonwealth Bank of Australia or its subsidiaries; and investment type products are subject to investment risk including loss of income and capital invested.

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