

Wholesale 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 (Jul 94)
Fund (%)	-2.34	4.07	-5.96	-3.79	2.36	-17.90	5.11
Benchmark* (%)	-2.65	3.71	-4.60	-1.48	1.93	-14.90	5.34
Relative performance (%)	0.31	0.36	-1.36	-2.31	0.44	-3.00	-0.23

* S&P/ASX 200 Property Trusts Accumulation Index. Past performance is no indication of likely future performance.

Market insights

- AREITs reversed their November gains, down 2.6% for the month and underperforming the broader market which was down 1.3%. While AREITs were down for the month, they outperformed the broader market by 9.1% for the year. This was the best relative performance since 2006.

Fund activity

- We retained the fund's position in the newly restructured Centro Retail Australia. The REIT was created out of an amalgamation of the prior listed CNP, CER and several unlisted Centro Funds. CRF is a top 10 Australian REIT with a quality \$4.4bn portfolio of Australian malls and a \$2.5bn syndicate management business.
- We exited out of our investment in Commonwealth Property Office Fund on share price strength that has been supported by the share buyback strategy.
- We increased our exposure to Dexu on share price weakness. The stock continues to outperform since the change of CEO last month there is speculation this might bring a change in strategy in selling the US assets and simplifying the portfolio.
- We reduced our position in Mirvac. We remain positive on the outlook for Mirvac, who confirmed their guidance for the year in their quarterly update. The investment division remains on track to deliver 3% comparable Net operating income growth for the year. However the outlook for residential sales remains soft, and we reduced the holding into share price strength.

Market outlook

- We remain positive on outlook for Australia.
- Strong balance sheets makes the sector well placed to undertake share buybacks, because they recognise appeal of buying shares back at substantial discount to NTA.
- Availability of debt is not an issue for REITs, at the same time debt margins and swap rates continue to fall.
- Strategy to hold a more defensive portfolio- continuing to focus on strong balance sheets, portfolios with dominant asset positioning, minimal vacancies and long lease expiry profiles.

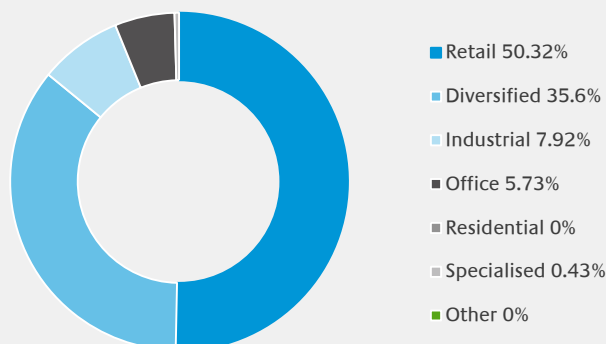
Fund facts

Inception date	Jul 1994
Fund size (A\$m)	763.30
Benchmark	S&P/ASX 200 Property Trusts Accumulation Index
Number of holdings	19
Applications/redemptions	Daily
Pricing	Daily
Buy/sell spread	0.20% / 0.20%

Top 10 holdings

	Portfolio weight
Westfield Group Stapled Securities	27.75%
Westfield Retail Trust	12.88%
Stockland	11.14%
GPT Group	8.21%
Goodman Group	7.75%
Mirvac Group	7.56%
Dexus Property Group	4.70%
Charter Hall Office REIT	3.52%
CFS Retail Property Trust	3.14%
Charter Hall Retail REIT	3.04%

Fund sector allocation



For further information

Regional Managing Director, Australia and New Zealand

Joanna Davison +61 2 9303 7007

Business Development

Harry Moore +61 3 8618 5532

Ali Karmali +61 2 9303 6070

Institutional Relationship Management

Peter Weldon +61 2 9303 6860

Dan Bristow +61 2 9303 6311

Helen Squadrito +61 2 9303 6142

Hugh O'Neill +61 2 9303 6116

Rose Lor-Kershaw +61 2 9303 2863

Mark Rose +61 2 9303 7431

Simon Good +61 3 8628 5681

Nadene Moore +61 3 8628 5615

Investments in the Colonial First State Wholesale Property Securities Fund (ARSN 087 570 429) are offered by Colonial First State Investments Limited ABN 98 002 348 352, AFSL 232 468 a wholly-owned subsidiary of Commonwealth Bank of Australia ABN 48 123 123 124.

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.

Colonial First State Investments Limited receives fees for the management of the fund which are explained in the Information Memorandum available by contacting the Institutional Business team on +61 2 9303 6116.

Colonial First State Global Asset Management is a registered business name of Colonial First State Asset Management (Australia) Limited ABN 89 114 194 311; further information is available on cmsgam.com.au.

Copyright © Colonial First State Group Limited 2012. All rights reserved.