



we know
responsible property investment

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CFSGAM PROPERTY IS A FULLY INTEGRATED
SPECIALIST REAL ESTATE INVESTMENT PROVIDER.

Our focus on **responsible property investment** is consistent with our vision of being the leading provider of property investment funds in the Asia Pacific region, offering above benchmark returns by focusing on the needs of our investors and employees.



Sustainability Environment **Social**



al Governance



We take responsible property investment seriously and we are recognised as global leaders in this field. Our commitment to integrate leading environmental, social and governance practices into everything we do delivers significant rewards. We manage our assets to be more efficient and have a lower environmental footprint. There are real cost benefits that we can measure, assisting us to deliver more sustainable returns for our investors.

We know from experience that responsible property investment makes good business sense, just as we know that having best practice standards of governance in place provides our investors with the security and confidence to invest with us.

Darren Steinberg, Managing Director, Property
Colonial First State Global Asset Management

Committed to making a difference

We know property

The right tools, the right people

Better efficiencies, better portfolios

Being accountable through strong governance

The right program for the right asset

Engaging our stakeholders

Active industry participation

Committed to making a difference

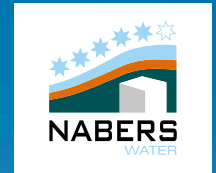
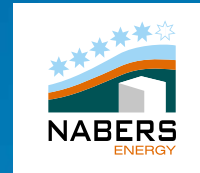
Since 2001, we have been committed to making a difference through responsible property investment.

Since then, our responsible property investment program has continued to grow. The assets within our funds are managed to optimise water, waste, energy and carbon outputs, with a bottom line focus of improving efficiency which translates into operational savings that we can pass on to our investors. At the same time, we're working hard to maintain the attractiveness of our assets, while also working to continually improve our relationships with all of the stakeholders of our business; from our contractors and suppliers, to our tenants, employees and, ultimately, our investors.

At a group level, Colonial First State Global Asset Management is a signatory to the United Nations Principles for Responsible Investment (PRI). This provides a global framework for our business to appropriately consider environmental, social and governance issues in our decision making processes, whilst benchmarking our activities against global peers. To view our latest annual PRI report, visit cfsgam.com.au.

In recent years, our funds have been recognised as global leaders in sustainability, most recently in the Global Real Estate Sustainability Benchmark, and we have seen real successes in our asset management activities to improve asset efficiencies and reduce our environmental footprint.

We are transparent in what we do and we are prepared to account for our actions. By way of example, our Australian Real Estate Investment Trusts (A-REITs) are benchmarked in a number of sustainability indices, including the Dow Jones Sustainability Indexes, the Australian SAM Sustainability Index and FTSE4Good. We also report publicly to the investor-led global initiatives Carbon Disclosure Project and Global Real Estate Sustainability Benchmark.

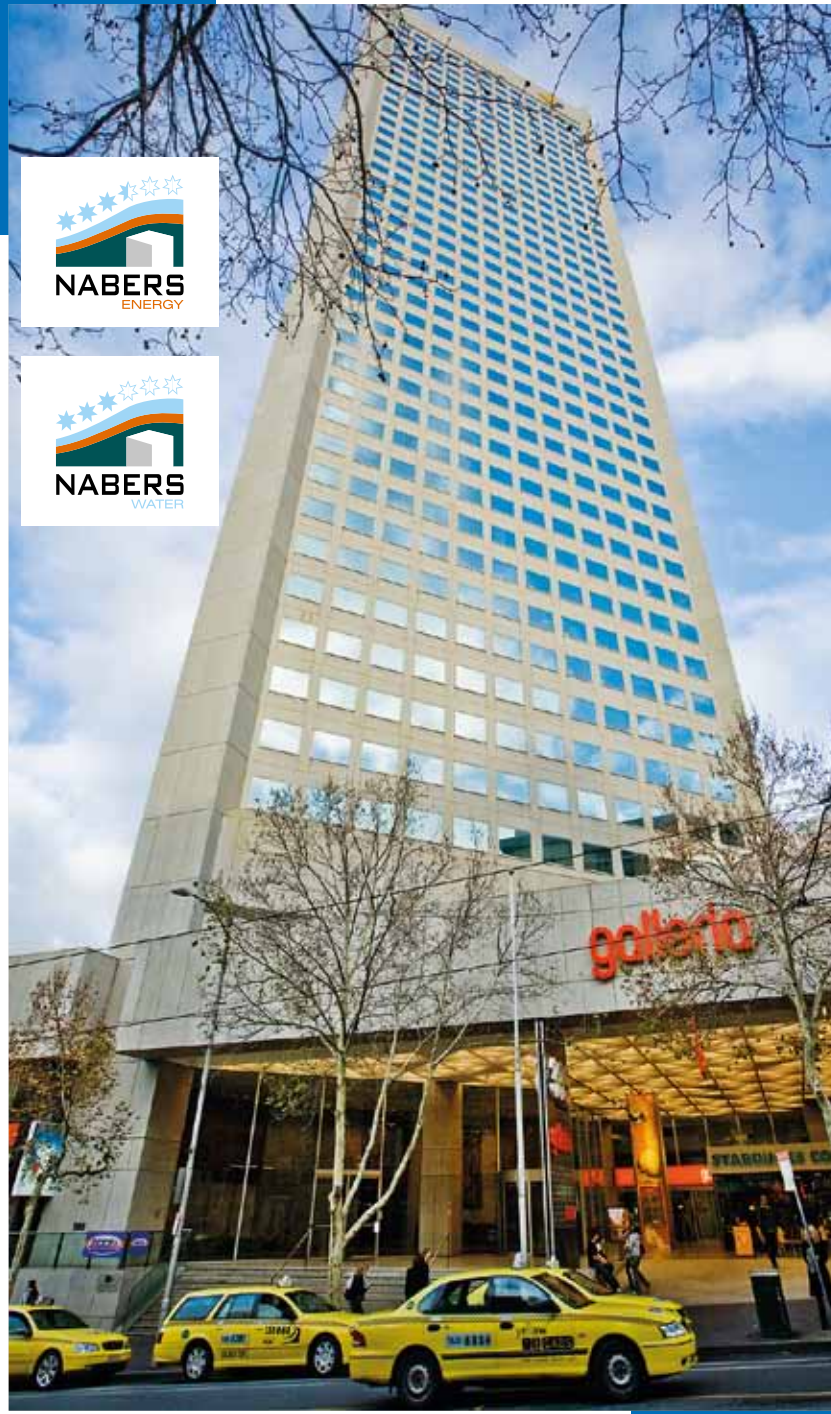


Picture: 2 and 4 Dawn Fraser Avenue, Sydney Olympic Park. Owned by: 50% Commonwealth Property Office Fund and 50% Direct Property Investment Fund.



CARBON DISCLOSURE PROJECT





Picture: 385 Bourke Street, Melbourne. Owned by: Commonwealth Property Office Fund.

+ 16 Years of property funds management

+ 26 Years of property asset management and development

We know property

With 26+ years of experience under our belt, we know a lot about Australian and New Zealand property. The property investment products we manage within CFSGAM Property are built to meet investor demand and draw on our extensive office, retail, hotel and industrial property expertise.

Listed property

- + **3** real estate investment trusts
- + **\$14** billion in funds under management
- + CFS Retail Property Trust is a top **50** Australian listed entity
- + Commonwealth Property Office Fund is a top **100** Australian listed entity
- + Kiwi Income Property Trust is a top **10** New Zealand listed entity
- + **72** combined assets
- + Each fund invests only in the country in which it is domiciled

Wholesale property

- + **7** wholesale property funds
- + **3** private investor funds
- + **2** specialist property investment mandates
- + **32** combined assets
- + **51** institutional investors
- + Long-term investment focus

Property asset management

- + **700** people
- + **44** retail assets under management
- + **48** office assets under management
- + Expertise in leasing, development management, marketing, analysis and tenant relationships

The **right** tools, the right people

Being well informed is paramount to our responsible property investment successes. With the right data, the right analysis and the right people, we are able to deliver sustainable initiatives in a manner consistent with our broader approach to management; that is, driving improvements to the bottom line. Good quality data allows us to benchmark our progress against ourselves, our peers and industry standards, while attracting and retaining the right people is key to our success.

This success, which is demonstrated through a wide range of industry awards, including being recognised as a leader in the Global Real Estate Sustainability Benchmark in 2011, is driven by the skills and dedication of our people, from those who manage our assets on site, to those in our head office who devise and deliver our responsible property investment programs.

While responsibility for sustainable investment rests with every one of our 850+ employees, we have a dedicated team of three responsible property investment professionals actively working with the fund and asset management teams to embed sustainability into existing business processes and to assist in developing sustainability strategies at the business, fund and asset level.

Employing high calibre people is a key focus of our business. We aim to attract people with the right skills and to improve the skills of our existing staff. To do this, we have extensive training, learning and development plans for all of our employees.



1 CFS Retail Property Trust was the first retail landlord to have NABERS energy and water ratings undertaken for an Australian shopping centre

4 Listed and wholesale property funds managed by CFSGAM Property were amongst the top Australian performers in the 2011 Global Real Estate Sustainability Benchmark survey



Better efficiencies, better portfolios

The proof of our success is in the numbers.

In recent years, our two A-REITs have made significant savings in energy, water and greenhouse gas emissions, leading to improved utility efficiency, reduced resource consumption and therefore lower operating costs.

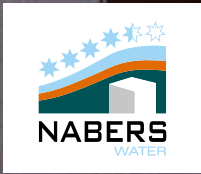
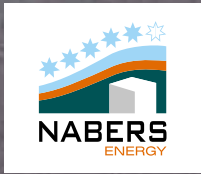
As an example:

Since 2006, Commonwealth Property Office Fund's portfolio of office buildings has:

- improved its energy efficiency by 29%
- improved its water efficiency by 26%, and
- reduced its greenhouse gas emissions intensity by 30%.

Since 2007, CFS Retail Property Trust's portfolio of shopping centres has:

- improved its energy efficiency by 8%
- improved its water efficiency by 20%, and
- reduced its greenhouse gas emissions intensity by 13%.



Picture: 11 Waymouth Street, Adelaide. Owned by: Commonwealth Property Office Fund.



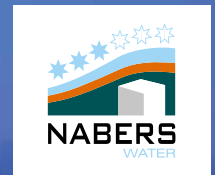
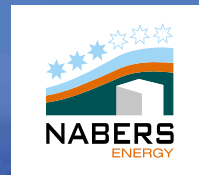
Being **accountable** through strong governance

We operate the funds management business of CFSGAM Property principally under Australian Financial Services Licences, and as a market participant on three stock exchanges.

- We manage our funds to the highest standards of corporate governance
- We are engaged with industry bodies in designing, testing and implementing standards of best practice, and
- All of our funds operate within a rigorous governance framework.

Our listed Australian funds comply with the ASX Corporate Governance Principles and Recommendations, while our Australian wholesale property funds are operated to the same standards.

To maintain good governance, we also have extensive risk management protocols, which are subject to regular internal and external auditing. All employees receive regular training on corruption, bribery, anti-money laundering and counter-terrorism financing. We also have policies capturing (but not limited to) related party transacting, insider trading and continuous disclosure.



Picture: Grand Plaza Shopping Centre, QLD. Owned by: 50% CFS Retail Property Trust and 50% CFSGAM Property Retail Partnership.

1 CFS Retail Property Trust was awarded the Asia Pacific Real Estate Association's inaugural best practices award in the mature markets (developed countries) category

1 Commonwealth Property Office Fund was the only real estate entity recognised as a Carbon Performance Leader for its 2011 Carbon Disclosure Project submission

1 Commonwealth Property Office Fund was recognised as the global and regional leader in the 2011 Global Real Estate Sustainability Benchmark survey

The **right** program for the right asset

Our approach is to deliver the right program for the right asset.

In addition to our own initiatives, our commitment to responsible property investment has garnered over \$5 million in government grants for 22 projects over a three-year period, assisting us to further our efforts to improve the efficiency of the assets we manage on behalf of our investors.



Picture: Artist's impression of 145 Ann Street, Brisbane. Owned by: Commonwealth Property Office Fund.

Engaging our stakeholders

We take a proactive approach to stakeholder engagement, from our customers, tenants and contractors, to the people we employ, our investors, regulatory bodies and our local communities.

Tenant engagement is paramount to maintaining high occupancy within the assets we manage. We strive to provide high quality accommodation and have regular interaction with our tenants, whilst also utilising tenant satisfaction surveys to provide guidance on our progress. By meeting more of our tenants' needs, we are able to minimise vacancies and enhance the earnings profiles of our funds.

The assets we manage form an integral part of the communities in which they are located, and we have the ability to interact with those communities. They are more than just a place to work or visit – they help create better communities.

Keeping our employees engaged is also a key focus of our business. Our business is operated on the basis of respect and inclusion, recognising the rights of our people to work in a safe environment free from discrimination.



Picture: Artist's impression of ASB North Wharf, Auckland. **Owned by:** Kiwi Income Property Trust.

ASB North Wharf, currently being constructed on Auckland's waterfront, will incorporate a rainwater harvesting system to supply approximately 70% of the building's water needs.

Active industry participation

Collaboration is an important part of responsible property investment. As a leading property fund manager we are an active player in the Australian and global property industry. We actively participate in the following:

UN Global Compact

UN Environment Program Finance Initiative (UNEP-FI)

UN Principles for Responsible Investment (PRI)

Investor Group on Climate Change

Property Council of Australia

Property Council of New Zealand

Shopping Centre Council of Australia

New Zealand Council of Shopping Centres

Green Building Council of Australia

UNEP-FI Property Working Group

Property Industry Foundation

Building Better Partnership

Melbourne 1,200 Buildings Partnership

Australasian Investor Relations Association

Asia Pacific Real Estate Association

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To learn more about CFSGAM Property:

cfsgam.com.au/property.aspx

To learn more about our listed
property trusts:

cfsgam.com.au/cfx

cfsgam.com.au/cpa

kipt.co.nz