

## Timely infrastructure investments aids outperformance

### Media release

July 2010

Colonial First State Global Asset Management (CFSGAM) has celebrated a key milestone with the three year anniversary of the Global Listed Infrastructure Fund (the Fund).

Launched in June 2007 in challenging market conditions, the Fund has outperformed its benchmark<sup>1</sup> by 9.4% over the three years to 30 June 2010, which places CFSGAM in the top quartile of Global Listed Infrastructure managers. Highlighting the defensive characteristics of infrastructure, the Fund also outperformed global equities<sup>2</sup> by 22.4% over this time.

CFSGAM's Head of Global Listed Infrastructure, Peter Meany said the Fund's strong performance reflected a focus on high quality companies through 2007/08 and a tactical move into oversold roads, airports and rail assets in early 2009.

"The last three years have been challenging, but gave us a unique opportunity to stress test our people and processes.

"The team has shown that they can deliver consistent outperformance in both up and down markets.

"Factors that contributed to the Fund's strong performance include the complementary skills and stability of our team, comprehensive research that uncovered unique stock ideas, and a rigorous process that limited our exposure to credit, sovereign and governance risks," Mr Meany said.

Mr Meany said the capability has received strong support from key asset consultants and the team recently won a significant mandate with Mercer Global Investors.

"Opportunities in listed infrastructure look particularly attractive for long-term investors following the recent market weakness and a push for reform in Europe spurred by the sovereign debt crisis.

"By assessing the relative value and quality of companies in the infrastructure sector, we have recently identified a number of areas with significant mispricing. For example, selected European toll road stocks have fallen to levels last seen at the depths of the global financial crisis, despite their long histories of solid growth," Mr Meany said.

The Fund aims to provide investors with a mix of strong capital growth and inflation-protected income by investing in a globally diversified portfolio of infrastructure securities. Assets which can deliver these outcomes include roads, airports, ports, rail, utilities, energy pipelines and storage, communication towers and satellites.

Each year the team has expanded with original portfolio managers Peter Meany and Andrew Greenup joined by analysts Rebecca Sherlock, Edmund Leung and recently appointed Jin Xu, based in Hong Kong.

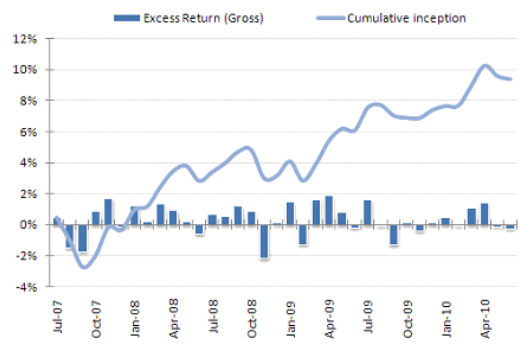
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<sup>1</sup> The benchmark from inception was the S&P Global Infrastructure Index (AUD Hedged), from 1 May 2008 the UBS Global Infrastructure & Utilities 50-50 TR Index (AUD hedged) Source: CFSGAM. Past performance is not an indication of future performance.

<sup>2</sup> Global equities is the MSCI World, AUD hedged

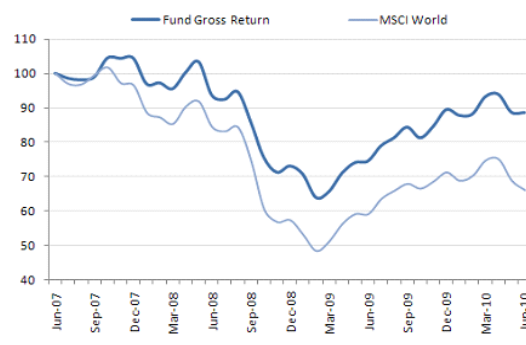
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**Fund Performance vs Benchmark**



Source: CFSGAM, UBS Global Infrastructure & Utilities 50-50 Index

**Fund Performance vs MSCI World**



Source: CFSGAM, Bloomberg. Both indices AUD hedged

**Notes to media:**

**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 Group, one of the largest financial institutions in Australia. Colonial First State Global Asset Management is Australia's largest manager of Australian sourced funds, employing more than 200 investment professionals.

At 31 March 2010, Colonial First State Global Asset Management managed more than A\$145 billion across a diverse range of asset classes including Australian and global shares, short term investments, fixed interest and credit, property securities, direct property, global resources, unlisted infrastructure and listed infrastructure securities.

Colonial First State Global Asset Management has been a signatory to the principles of the United Nations of Responsible Investment since March 2007.

The principles are an initiative developed by institutional investors in conjunction with the UN Environment Programme Finance Initiative and the UN Global Compact.

The UN PRI provide a framework for including environmental, social and governance (ESG) issues in investment decisions. Colonial First State Global Asset Management undertakes to utilise the framework provided by the UN PRI in aligning our investment processes with the objectives of our investors.

By embracing the Principles, Colonial First State Global Asset Management believes it can achieve better long term investment returns for our clients.

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