

CFSGAM strengthens Global Listed Infrastructure team

Institutional demand for asset class on the rise

Media release

18 March 2011

Colonial First State Global Asset Management (CFSGAM) has today announced the appointment of Ofer Karliner as a Senior Analyst within the Global Listed Infrastructure team. Mr Karliner commenced his role in Sydney last week and is focusing on toll roads and energy pipelines – his appointment coincides with increased institutional demand for the asset class.

The seven-strong Global Listed Infrastructure team has delivered top quartile performance since its inception in June 2007. The team's one and two year annualised returns currently stand at 17.55 and 20.17 percent respectively. This performance is reflected in recent wins for the team in both the institutional and retail space.

Ofer joins CFSGAM from CP2 where he was the Head of Transport Infrastructure. Prior to CP2, Ofer was a Senior Equity Analyst (infrastructure) at Macquarie Securities, the number one rated broker in the sector during this time. He has also worked as a Senior Analyst (infrastructure finance) for the Roads & Traffic Authority and spent five years as an investment consultant in London.

Mr Karliner holds a CFA charter, an MBA from the Australian Graduate School of Management and a Bachelor of Commerce from the University of Melbourne.

His appointment follows another recent addition to the team. Senior Analyst, Jin Xu who is based in Hong Kong commenced her role with CFSGAM in late 2010. Ms Xu joined the team from Deutsche Bank where she held an equity research role.

According to Peter Meany, CFSGAM's Head of Global Infrastructure Securities, these appointments add significant depth to CFSGAM's Global Listed Infrastructure team at a time when demand for the asset class is rising.

"We have appointed two experienced and well respected investment specialists in key markets for our global business," said Mr Meany.

"Since the fund's inception three and a half years ago we have been focussed on delivering strong results and continuing to build our team. Ofer and Jin both bring a wealth of experience which will allow us to further increase the depth and breadth of our coverage.

"In addition, these appointments demonstrate our commitment to developing and enhancing our investment strategies."

The new additions to the CFSGAM Global Listed Infrastructure team coincide with increased institutional demand for the asset class. This demand stems largely from expectations the asset class will deliver solid performances in 2011 despite an anticipated patchy recovery in global GDP growth, with strong pricing power, sustainable growth and predictable cash flows expected to underpin performance.

Current inflationary pressures, which are expected to remain throughout the year, could work to the advantage of investors by providing a natural hedge against inflation. Another positive for the sector is the continuing fast pace of economic development in emerging markets which requires a significant investment in infrastructure.

“There are a significant number of upside factors which are positively influencing the outlook for listed infrastructure assets,” said Mr Meany.

“These include high barriers to entry, strong pricing power, sustainable growth and predictable cash flows. In addition, the essential nature of services, combined with many years of government under-investment, demonstrates that strong underlying structural growth drivers exist – this will further support positive outcomes for the sector and will allow it to deliver solid performance regardless of the pace of economic recovery.”

The Colonial First State Global Asset Management Global Listed Infrastructure Securities team manages more than A499.6 million (as at 31 Jan 2011) across a range of investment offerings and geographies.

- Ends -

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 December 2010, Colonial First State Global Asset Management managed more than A\$153 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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