

Responsible Investment Policy Statement

February 2009

Introduction

Environmental, Social and Governance (ESG) issues are increasingly impacting on business value. Colonial First State Global Asset Management recognises this trend in business imperatives and is committed to enhancing its integration of ESG factors in investment decision-making. Such an approach is consistent with the company striving for excellence in all that it does and with being a responsible investor.

We define 'responsible investment' as the integration of ESG issues into institutional investment decision-making and ownership practices, such that medium to long term returns to beneficiaries are improved.

Our approach to Responsible Investment is consistent with and embedded in our Investment Philosophy which can be found at: www.cfsgam.com.au/InvestmentPhilosophy

Our goal

Our goal is to be a leading Australian-based global fund manager and part of the global leadership group on responsible investing. We recognise that this will be phased process and we will liaise closely with our clients and other stakeholders to ensure their interests are being addressed.

Our approach

Our focus is on enhancing the investment processes that have brought us success to date and making them even more robust by formally incorporating ESG considerations. This is distinct from what many call "social responsible investing" or "ethical investing" which often seeks to limit or negatively screen a universe of investments.

Consistent with our business plans, Colonial First State Global Asset Management has signed the United Nations Principles for Responsible Investment. In signing the Principles, we publicly commit to adopt and implement them, consistent with our fiduciary responsibilities. We will:

- Integrate ESG considerations into our investment, ownership and engagement policies and procedures;
- Engage with companies in which we invest, or are considering for investment, with regard to their ESG risk management strategies, performance, disclosure and management capabilities, as well as sharing with them our approach and implementation progress;
- Assess ESG risks at a company, sector and asset level, rather than excluding any specific sectors from consideration;

- Develop specific policies and procedures on how we approach prominent ESG issues, for example climate change and human rights;
- Encourage the entities in which we invest to improve and report on their ESG performance in keeping with emerging best practice;
- Encourage our investment service providers to incorporate ESG considerations into their services to us;
- Promote responsible investment by playing an active part in relevant debates, policy consultations and in the global network of investors who face similar ESG integration challenges; and
- Manage and report on our own ESG performance in keeping with emerging best practice. We will annually review our performance, with the setting of objectives and targets at the end of each calendar year, commencing in 2007. We will also submit annual reviews to the UN PRI on our progress.

Because our business covers a broad range of asset classes, investment styles and risk profiles, much of the work for this effort takes place at the investment team level. Each of these teams will maintain its own Responsible Investment implementation plan that is tailored to its own activities and circumstances.

Review

This is our second Responsible Investment Policy and we undertake to review this policy on an annual basis.

Mark Lazberger

Chief Executive Officer