



NEWS RELEASE

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LARGEST US REIT MANAGER TO ENTER AUSTRALIAN MARKET

The largest manager of Real Estate Investment Trusts (REITs) in the United States, Cohen & Steers, is to enter the Australian market.

Its initial focus is to be on providing global listed property investment mandates for institutions.

The Cohen & Steers products for Australian investors will be made available through a local representative group, Ambassador Funds Management Services.

Ambassador Partner, Mr Andrew Vrech said a point of difference for Australian investors of the Cohen & Steers global property REIT investment strategy was that it offered global management within the one firm by a team located in key market locations across the globe, in contrast to a UK or US manager using external sub-managers globally.

Among other Cohen & Steers strategies to be available to Australian institutional investors are various regional listed property securities, US utility securities, global utility securities, and US preferred securities.

The firm has US\$20 billion under management, was established in 1986, and was one of the first managers in the US of listed REITs.

Cohen & Steers has over 30 investment professionals located in their offices around the world, enabling them to take advantage of emerging opportunities in new property share markets that are adopting the REIT structure, notably the UK and Germany.

Cohen & Steers has expanded its international property market coverage through the acquisition of a 50% ownership interest in Houlihan Rovers S.A., in Brussels, in 2004. and by opening a Hong Kong office to conduct Asian research.

Final asset allocation decisions for the Cohen & Steers global REIT fund are managed from the New York office with teams in Europe, the US and Asia making regional stock selection decisions.

Listed property trusts have been common in Australia for a number of decades, as they have been in the US, but it is only in recent years that the REIT-like structure has become more widespread in other countries.

Since 2000, Japan, France, Singapore, Hong Kong and South Korea have enacted REIT legislation and in 2006, REIT-like structures are expected in the UK, Germany and Italy.

While REITs own and operate income producing property similarly to Australian listed property trusts, in the US they cover a wider range of commercial, industrial and larger scale residential property, and there are many more of them.

Ambassador partner, Mr Richard Darke, said that while some Australian listed property trusts had increased investment in the US, they were relatively under-exposed to European and Asian markets.

“Additionally, other sectors covered by REITs, such as residential, healthcare and hotels, are under-represented in Australia,” Mr Darke said.

“Another feature of global real estate stocks is that they have provided competitive total returns, with low correlations to Australian listed property trusts and broader Australian and international stock markets,” Mr Darke added.

Ambassador Funds Management Services was established in 2004 as a specialist in providing representation for overseas fund managers, and Cohen & Steers is the second US manager to adopt this route of bringing products to Australian wholesale investors.

Ambassador’s intention is to bring new asset classes to Australia and its other representation to date is for Highland Capital Management, the largest manager in the US of senior secured loan and collateralised loan portfolios with US\$15 billion under management.

Ambassador has been established by three experienced funds management industry executives, Messrs Richard Darke and Peter Tiffin in Sydney and Mr Andrew Vrech in Melbourne, with their backgrounds combining experience across Credit Suisse, Fidelity, HSBC and Mercers.

Cohen & Steers is a leading manager of high-income equity portfolios, specializing in US REITs, global real estate securities, preferred securities, utilities, value equity securities and other high-dividend paying common stocks.

Headquartered in New York City and with offices in Seattle, Brussels and Hong Kong, Cohen & Steers serves individual and wholesale investors through a wide range of funds and separate accounts.