

What is the Listed Property investment option?

AGEST allows all members to invest in one or any combination of 12 investment options. The Listed Property option is one of those options.

What are Listed Property investments?

Listed property investments in AGEST are property trusts (or Real Estate Investment Trusts, "REITs") that are listed on stock exchanges around the world (excluding Australia). A property trust enables funds from a number of investors to be pooled together in order to purchase properties for the trust.

The shares of the trust can be bought and sold at any time, making them a highly liquid investment. However this also means that they tend to rise and fall in value frequently, just like all other listed shares. Some property trusts hold only one property, but most will hold a range of properties, diversified by sector (mainly office, industrial, retail). The manager of the trust will also usually try to further diversify the portfolio of properties in relation to the unexpired period of each lease and the physical location of each property.

You should expect fluctuations in the returns in this investment option. Returns can be negative.

Investment Objective

To match the target return.

Target Return

UBS Global Real Estate Investors Index (ex Australia)(Hedged) over the investment timeframe (7 years +)

This index measures the performance of REITs (or Listed Property Trusts) on global stock exchanges, with each Trust's performance contributing to the index in proportion to its relative market size.

Strategic Asset Allocation (SAA)

The SAA percentages below indicate where investments in this option will usually be made.

However, market movements, new investment opportunities and irregular levels of cash flow mean that we cannot always strictly adhere to our SAA percentages. We have set 'ranges' within which this option will usually invest, however at times these ranges may be exceeded due to factors beyond the fund's control.



Investment sector	SAA %	Range %
Listed property	100	95-100
Cash	0	0-5
Total	100	
	SAA %	Range %
Foreign currency hedging	100	95-100

Overview of this investment option

Inception date	1 October 2003
Current assets	\$91.5 million
Unit prices at 31 March 2012	Pension accounts 0.734618 Non-pension accounts 0.775706
Number of investment manager products used in this option	1
Number of individual investments in this option	220
Investment costs	0.21%
Performance fees	0%
Total investment costs	0.21%

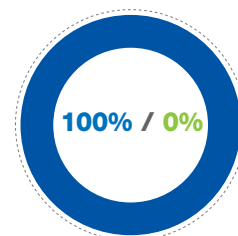
Investment Profile (SAA)

Investment Risk: High

Negative returns expected in 6 out of every 20 years.

Growth - assets upon which a capital gain is expected over the long term.

Defensive - assets which are expected to produce regular income and, in some cases, capital gain.

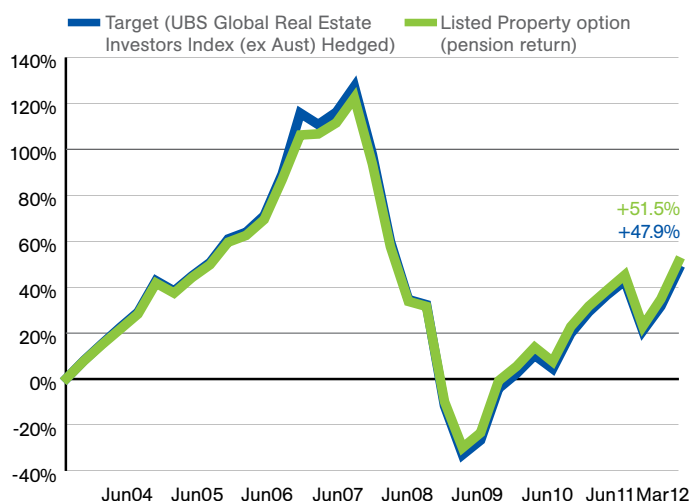


Investment performance *

	Pension accounts	Non-pension accounts
3 months	12.35%	10.85%
1 year	9.32% pa	7.98% pa
3 years	29.28% pa	24.80% pa
5 years	-6.03% pa	-4.95% pa
Since inception	5.01% pa	4.59% pa

* Figures above are the returns received by members, net of all investment related fees, based on relevant unit prices. Non pension account returns are also net of investment taxes. No investment tax applies to pension accounts.

Cumulative investment performance



How we invest the assets in this investment option

This option is a single-sector option, meaning that it is invested in only one investment sector.

We use Vanguard to manage our Listed Property investments for us. They do this on a 'passive' basis, which means that they aim to match the performance of the index (before fees) as closely as possible.

Vanguard is regularly monitored by the Trustee and the fund's investment consultant.

(Note that our property strategy for all other investment options in the fund is to invest only in unlisted property. Therefore the listed property we hold is only in respect of the Listed Property investment option).

Prior to 1 June 2009, the Listed Property option invested solely in Australian listed property trusts. We changed from Australian to global investments to better diversify this investment option.

How is the return in this option achieved?

Property trust returns are made up of a combination of income from rent and changes (up or down) in market value of the properties held. They offer investors access to the property market at relatively low transaction costs.

The returns for members in this option will be affected by:

- ▶ the current and projected profitability of the property trusts in which we invest;
- ▶ the current state of the global economy, particularly as it affects the office, industrial and retail rental environment.

Investment Managers used for this option

For full details of AGEST's investments with these managers please see the investments section of our website.

Investment Managers	% of option
Vanguard	100%
	100%

Top 10 Holdings

1. Simon Property Group (US)
2. Public Storage (US)
3. Equity Residential (US)
4. Unibail-Rodamco (France)
5. Prologis (US)
6. Ventas (US)
7. HCP (US)
8. Vornado Realty Trust (US)
9. Boston Properties (US)
10. Avalonbay Communities (US)

Foreign currency hedging

This option contains overseas assets and therefore has exposure to foreign currencies. However, all of this exposure is currently hedged back to Australian dollars.

Tax treatment

Investment earnings on non-pension accounts in a superannuation fund are taxed at 15%. However, for the Listed Property option, this tax is reduced by:

- ▶ foreign tax credits (or tax rebates) attached to dividends, and
- ▶ capital gains tax concessions, where a share is sold after being held for over 12 months.

This means that the effective rate of tax payable in this option is usually less than 15%, and is typically in the range 12% to 15%, depending on the transactions that have occurred during the relevant period.

This tax has already been deducted from the non-pension accounts investment performance and unit price shown on page 1 of this report.

Other important information

- ▶ This report has been prepared by AGEST Super Pty Ltd, the Trustee of AGEST. The Australian Securities & Investments Commission (ASIC) has granted an Australian Financial Services Licence (No. 233707) to AGEST Super Pty Ltd. This allows the Trustee to provide superannuation products to members and prospective members of the fund. The contents of this quarterly report are of a general nature and have been prepared without taking into account your particular financial needs, circumstances or objectives. You should assess your own financial situation and read AGEST's Combined Product Disclosure Statement and Financial Services Guide before making an investment decision.
- ▶ Past performance should not be taken as an indication of future performance.
- ▶ The past performance of an investment option is based on the asset allocation and investment management style used in each investment option in the past. The Trustee may change these features at any time in the future, within the ranges specified in the fund's Product Disclosure Statement (PDS), so past performance may be of little relevance to the future.

The investment objective, target return, investment profile and asset allocation shown in this report for this investment option are indicative only and are based on the investment expectations of each investment sector, using long term assumptions about capital markets as obtained by the Trustee from sources including investment management companies and professional investment advisers.

Based on these assumptions, the Trustee believes that the asset allocation set by the Trustee is suitable for this investment option, given its investment objective, and that the asset allocation is likely to enable the target return to be achieved over the period stated. However the future performance of this investment option cannot be guaranteed, as investments can move up and down, sometimes sharply and without warning, over both short and long periods of time.

The expected number of years of negative returns in every 20 years is based on the above mentioned long term assumptions. Actual performance may be different from these assumptions.

- ▶ Investment managers are paid for their investment management services to the fund. Most managers are only paid a fixed fee (usually calculated as a percentage of assets under management). However, some managers receive a fixed fee plus a variable performance based fee where the fixed fee is lower than would otherwise be the case. The calculation of the performance based fee varies between managers and investment sectors, however the calculation is typically a small percentage (eg.10%) of the manager's outperformance above a pre-determined benchmark plus an additional margin.

For example, if an Australian shares manager who is remunerated on a performance fee basis achieves a 15% return (after base fees) compared to the Australian ASX200 return of say 10%, and the margin above which a performance based fee is paid is 3%, then the manager will receive a performance based fee which is a small percentage of their 2% performance above the 13% (10% benchmark plus the 3% margin).

Listed Property investment option

31 March 2012 quarterly report

another straightforward, simple fact sheet

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Further queries can be directed to:

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