



Suncorp Property Growth Fund Quarterly Investment Report September 2011

Fund Summary

Investment Objective

The objective of this Fund is to provide capital growth over the long term by investing in listed property trusts and companies that invest in properties

Who Should Invest

The Fund is designed for investors who:

- Wish to achieve capital growth through a diversified portfolio of Australian listed property trusts and listed property companies
- Have an investment timeframe of 5 years or more
- Feel comfortable with considerable volatility in their investment
- Desire some tax effective income

Fees

	Contribution Fee Option	Nil Contribution Fee Option
Contribution Fee	3%	NIL
Ongoing Fee	1.95%	1.95%
Withdrawal Fee	NIL	4% (applicable for the first 3 years of each individual investment)

Key Features

Minimum Initial Investment	\$2,000
Minimum Additional Investment	\$1,000
Minimum Withdrawal	\$1,000
Monthly Saving Plan	Yes (minimum \$100) per month ^
Investment Time Frame	5 years plus
Income Distribution	Half yearly
Fund Establishment Date	23 February 1996

^ Only available under the Contribution Fee Option

Market review

The Australian dollar was high in comparison to most foreign currencies for the majority of the third quarter. This made the Australian property sector less attractive with less interest from overseas investors.

Listed property groups have divested AUD \$3 billion worth of commercial property assets in the year to September 2011. Real estate investment trusts sold about AUD \$700 million of commercial property in the September quarter, with about 60 per cent of transactions in New South Wales. Property groups are divesting "non-core assets" to reduce debt levels, with more sales predicted. Many sales of lower-grade commercial properties are distressed.

For the September quarter, the S&P/ASX 200 Australian Real Estate Investment Trusts (A-REITs) Accumulation Index was down 8.01%, and the 12-month return down 6.24%.

The best performing index stock for the quarter was GPT Group (+0.7%). GPT Group turned around earlier share price declines in the quarter after it was surprisingly upgraded by Credit Suisse after it issued a 7% earnings upgrade for 2011.

Among the worst performing index stocks for the third quarter 2011 was Charter Hall Group (-21.9%). Charter Hall Group's share price tumbled after analysts generally criticized their sale of its US assets for AUD \$1.6 billion.

Market outlook

With the global macro economic uncertainty, it is no surprise that credit markets have deteriorated in recent weeks in terms of availability, duration and credit spreads. With lower gearing, an improved debt maturity profile and more diversified debt sources, the Australian real estate sector is in much better shape today to weather adverse credit markets than it was in 2008-09. However, in the absence of an improvement of credit conditions, we may see cost of debt and funding creeping up, potentially impacting earnings per share (EPS) growth, future development returns, asset valuations and transaction markets.

Performance review

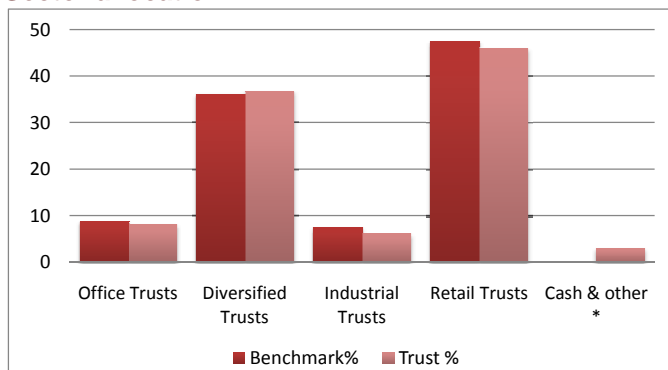
The Suncorp Property Growth Fund underperformed its benchmark in the quarter. The main positive contributors to the underperformance for the quarter were holdings in Goodman Group and Australand Property Group while the main detractors were Charter Hall Office REIT and Dexus Property Group.

Fund performance *

30 September 2011 Fund performance	1 month		3 month		6 month		1 year		3 year		5 year	
	CF	NCF	CF	NCF	CF	NCF	CF	NCF	CF	NCF	CF	NCF
Total return	-4.48	-4.48	-9.00	-9.03	-10.06	-10.09	-8.66	-8.67	-13.41	-13.41	-14.84	-14.84
Growth return	-4.48	-4.48	-9.00	-9.03	-10.06	-10.09	-8.66	-8.67	-14.33	-14.34	-18.52	-18.52
Distribution return	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.92	0.93	3.68	3.68
S&P/ASX 200 Australian Real Estate Investment Trusts (A-REITs) Accumulation	-4.50	-4.50	-8.01	-8.01	-8.48	-8.48	-6.24	-6.24	-11.83	-11.83	-13.29	-13.29

CF = Contribution Fee. NCF = Nil Contribution Fee

Sector allocation



Stock holdings

Top 10 stock holdings	Sector	Fund %
Westfield Group	Retail	27.06
Stockland	Diversified	11.91
Westfield Retail Trust	Retail	10.59
GPT Group	Diversified	9.93
Dexus Property Group	Diversified	7.12
CFS Retail Property Trust	Retail	6.84
Mirvac Group	Diversified	6.48
Goodman Group	Industrial	5.28
Commonwealth Property Office Fund	Office	3.39
Investa Office Fund	Other	2.77
Total % of top 10 stock holdings		91.37
% Cash and other		2.97
Total number of holdings		20

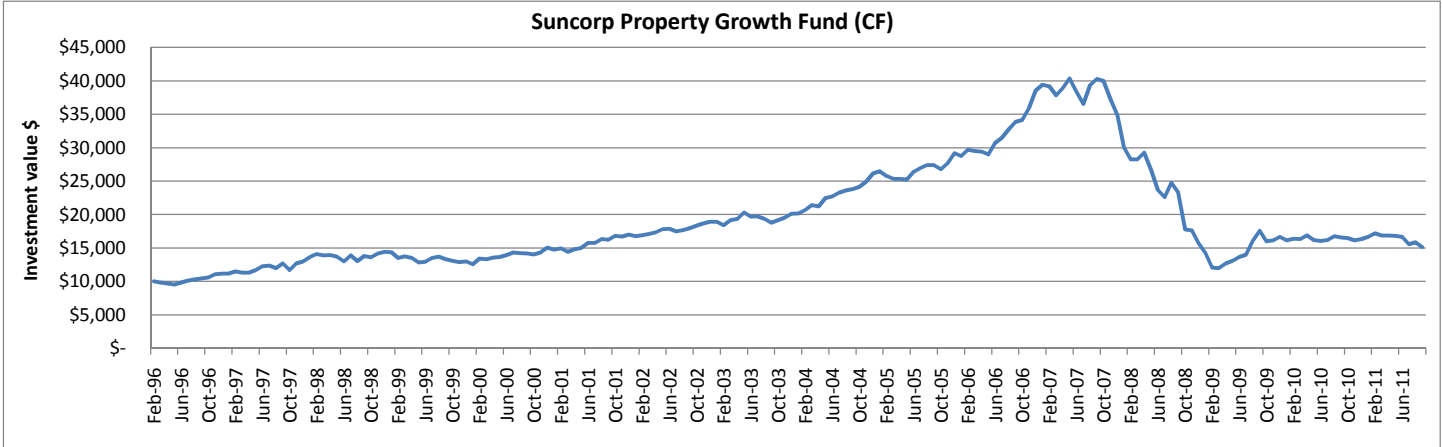
* The performance figures are calculated using soft close end of month exit prices are used. Performance figures do not include any contribution or withdrawal fees or any taxation consequences and are net of nominal transaction and banking costs at the SIM Trust level. The performance figures do allow for the historic ongoing fee. Income and distributions are also assumed to be reinvested back into the Fund. Past performance is not a reliable indicator of future performance. Future performance may vary widely from the returns shown here.



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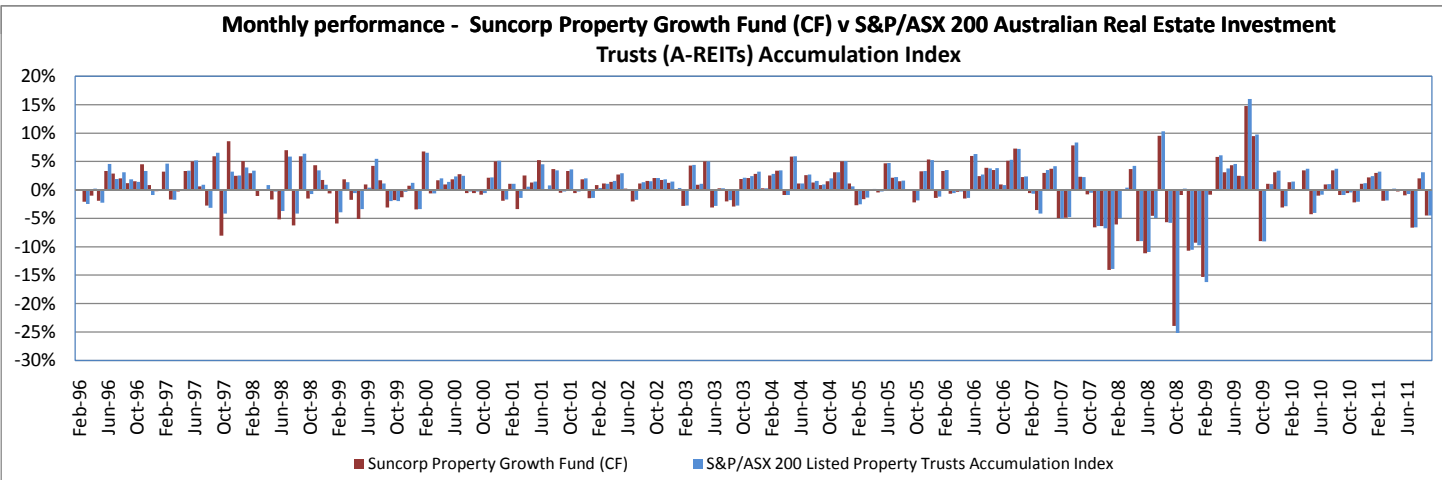
Performance graph

This graph shows the value of \$10,000 invested in the Suncorp Property Growth Fund (Contribution Fee Option) since inception



Monthly volatility graph

This graph shows the volatility in the monthly performance of the Suncorp Property Growth Fund (Contribution Fee Option) and the S&P/ASX 200 Australian Real Estate Investment Trusts (A-REITs) Accumulation Index since inception



Please refer to the Suncorp Investment Funds Product Disclosure Statement and its Supplementary ("SPDS") for full details of each Fund's benchmark.

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Any advice contained in this document has been prepared without taking into account your particular objectives, financial situation or needs. For that reason, before acting on the advice you should consider the appropriateness of the advice having regard to your own objectives, financial situation and needs.

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