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By Fax and e-mail

Investment Products Department
The Securities and Futures Commission
8/F., Chater House
8 Connaught Road Central
Hong Kong

Dear Sirs

A Consultation Paper on Investments in Real Estate Investment Trusts by Collective Investment Schemes Authorised under the Code on Unit Trusts and Mutual Funds

We refer to your above consultation paper and would like to provide the following comments for your consideration.

We welcome SFC's proposal to allow SFC-authorized schemes to invest in listed REITs. In particular, we believe that there should be no distinction between REITs listed in different stock exchanges. Hence, specific provisions on liquidity or stock exchanges are considered not necessary. Where an SFC authorised scheme invests in REITs which are considered less liquid or listed in a less sophisticated stock exchange, the fund manager should be required to make adequate disclosure of the risk factors involved in the offering document. This is in line with the current approach governing investment in securities with less liquidity or involving higher risks.

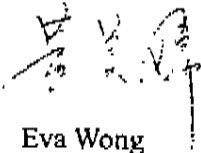
With this new guideline, we presume that it will be possible for the SFC to approve a scheme whose investment objective is to invest primarily in listed REITs. If so, we would urge the SFC to consider allowing such fund to have exposure to unlisted REITs as well. We trust that, as long as investments in unlisted REITs are limited to a certain percentage,

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for instance 10% or 15%, the ability of the fund to meet redemption requests should not be impaired.

Yours faithfully



Eva Wong
Secretary