

Investments

Wholesale Indexed Funds

Annual Financial Report 2008



Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2008 for the Colonial First State Wholesale Indexed Funds.

This statement is the final component of the reporting information for the 2007–2008 financial year.

If you have any questions about the Annual Financial Report, please call Investor Services on **13 13 36** Monday to Friday, 8am to 7pm, Sydney time.

Yours sincerely,

A handwritten signature in blue ink that reads "Brian Bissaker". The signature is written in a cursive, flowing style.

Brian Bissaker

Chief Executive Officer

COLONIAL FIRST STATE WHOLESALE FUNDS

Represented by:

ARSN

Colonial First State Wholesale Indexed Australian Bond Fund	091 476 185
Colonial First State Wholesale Indexed Global Bond Fund	091 477 806
Colonial First State Wholesale Indexed Australian Share Fund	091 476 014
Colonial First State Wholesale Indexed Global Share Fund	091 478 116
Colonial First State Wholesale Indexed Property Securities Fund	089 303 506

Financial Report for the

Year Ended 30 June 2008

Responsible Entity of the Funds:

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE WHOLESALE FUNDS

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COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Wholesale Funds ("the Funds"), present their report together with the financial report of the Funds for the financial year ended 30 June 2008.

Change of Auditors

Ernst & Young resigned as auditors and PricewaterhouseCoopers were appointed as auditors of the Funds on 30 November 2007.

Principal Activities

This financial report consists of five managed funds belonging to the family of funds known as the Colonial First State Wholesale Funds. The Funds in this financial report and their dates of Constitution and Registration with the Australian Securities & Investments Commission (ASIC) are as follows:

	Date of Constitution	Date of Registration
Colonial First State Wholesale Indexed Australian Bond Fund	15/06/1998	02/03/2000
Colonial First State Wholesale Indexed Global Bond Fund	14/04/1993	02/03/2000
Colonial First State Wholesale Indexed Australian Share Fund	15/06/1998	02/03/2000
Colonial First State Wholesale Indexed Global Share Fund	14/04/1993	02/03/2000
Colonial First State Wholesale Indexed Property Securities Fund	14/01/1997	16/09/1999

The investment policy of the Funds continues to be that detailed in the current information memorandum and in accordance with the Constitutions of the Funds.

Please refer to the current information memorandum for the Colonial First State Wholesale Funds for more information.

Review of Operations

The Colonial First State Wholesale Funds provide investors access to a broad range of investments including money market securities, fixed interest securities, listed property securities, Australian listed shares and international shares.

The results of the Funds were as follows:

Income

The income distributions per unit for each of the Funds for the years ended 30 June 2008 and 30 June 2007 are shown in Note 4 to the financial report.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Review of Operations (continued)

Exit Prices

The exit price is the price at which unitholders realise an entitlement in a Fund and is calculated by deducting a predetermined cost of selling (commonly known as the "sell spread"), if applicable, from the net asset value per unit ("NAV unit price") of a Fund. NAV unit price is calculated by taking the total fair value of all of a fund's assets on a particular day, adjusting for any liabilities and then dividing the net fund value by the total number of units held by unitholders on that day. Financial assets held for trading, for unit pricing purposes are valued on a "last sale" price basis.

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2008, together with comparative unit prices as at 30 June 2007:

	2008 \$	2007 \$
Colonial First State Wholesale Indexed Australian Bond Fund	0.9228	0.9377
Colonial First State Wholesale Indexed Global Bond Fund	1.1083	1.0881
Colonial First State Wholesale Indexed Australian Share Fund	1.5406	1.9134
Colonial First State Wholesale Indexed Global Share Fund	1.5266	1.9778
Colonial First State Wholesale Indexed Property Securities Fund	0.8199	1.4666

Management Costs and Indirect Cost Ratio (ICR)

The Indirect Cost Ratio is the ratio of the Fund's management costs over the Fund's average net assets attributable for the year, expressed as a percentage.

Management cost include management fees and other expenses or reimbursements deducted in relation to the Fund, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Funds.

The ICR of the Funds for the year ended 30 June 2008 and 30 June 2007 are shown in the following table:

	ICR 2008 %	ICR 2007 %
Colonial First State Wholesale Indexed Australian Bond Fund	0.30	0.30
Colonial First State Wholesale Indexed Global Bond Fund	0.35	0.34
Colonial First State Wholesale Indexed Australian Share Fund	0.40	0.40
Colonial First State Wholesale Indexed Global Share Fund	0.50	0.49
Colonial First State Wholesale Indexed Property Securities Fund	0.40	0.40

Performance

The performance figures below have been calculated on an annual compounding basis using exit prices and with no allowance has been made for the taxation of these returns. Distributions paid have been treated as being reinvested and have been recognised in the period of entitlement.

	Year ended June 2008 %	Year ended June 2007 %
Colonial First State Wholesale Indexed Australian Bond Fund	4.00	3.74
Colonial First State Wholesale Indexed Global Bond Fund	7.80	4.74
Colonial First State Wholesale Indexed Australian Share Fund	(13.59)	28.26
Colonial First State Wholesale Indexed Global Share Fund	(21.31)	7.53
Colonial First State Wholesale Indexed Property Securities Fund	(36.37)	25.06

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Responsible Entity and Directors

The Responsible Entity of the Funds is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (ABN 48 123 123 124).

The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

Scheme Information

The Funds are registered managed investment schemes domiciled in Australia and have their principal place of business at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

Significant Changes in the State of Affairs

There were no significant changes in the nature of the Funds' activities during the year.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2008 that have significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Funds in future financial years.

Likely Developments and Expected Results of Operations

The Funds are expected to continue to operate within the terms of their Constitutions, and will continue to invest in accordance with their investment objectives and guidelines.

At the time of preparing this report the Responsible Entity is not aware of any likely developments which would impact upon the future operations of the Funds.

Indemnification and Insurance Premiums for Officers and auditors

No insurance premiums are paid for out of the assets of the Fund in relation to insurance cover provided to Colonial First State Investments Limited or the auditors of the Fund. So long as the officers of Colonial First State Investments Limited act in accordance with the Constitution and the Corporations Act 2001, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are in no way indemnified out of the assets of the Fund.

The Commonwealth Bank of Australia has paid insurance premiums for the benefit of the officers of the Responsible Entity and the compliance committee members. Details of the nature of the liabilities covered or the amount of the premium paid has not been included as such disclosure is prohibited under the terms of the insurance contracts.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

Fees Paid To and Interest Held in the Funds by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Funds' assets during the year are disclosed in the Income Statements.

No fees were paid to the Directors of the Responsible Entity during the year out of the Funds' assets.

Interests in the Funds held by the Responsible Entity or its associates at the end of the financial year are disclosed in Note 8(e) to the financial statements.

Interests in the Funds

The units issued and redeemed in the Funds during the year and the number of units on issue at the end of the financial year are set out in Note 6(a) to the financial statements. The value of the Funds' assets at the end of the financial year are set out in the Balance Sheets.

Environmental Regulation

The Funds' operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Funds.

Rounding of amounts to the nearest thousand dollars

The Fund is a registered scheme of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and the Financial Report. Amounts in the Directors' Report and the Financial Report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Single Financial Report

The Funds are of the kind referred to in Class Order 06/0441 dated 29 June 2006 and in accordance with that Class Order, Funds with a common Responsible Entity can include the financial statements in adjacent columns in a single financial report.

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds included in this financial report.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 5.

Signed in accordance with a resolution of the Directors of Colonial First State Investments Limited.



Bradley Brian Massey
Director
Sydney
8 September 2008

Auditor's independence declaration

As lead auditor for the audit of Colonial First State Wholesale Funds for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Colonial First State Wholesale Funds during the year.



AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
8 September 2008

COLONIAL FIRST STATE WHOLESALE FUNDS

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Investment income							
Interest income	3	97,461	39,826	44,604	46,785	652	338
Dividend Income		-	-	-	-	43,844	40,509
Changes in fair value of financial instruments held for trading		(30,741)	(24,704)	(19,042)	(121,613)	(189,518)	218,830
Other income		223	24	-	-	4	-
Net foreign exchange gain		-	-	70,914	141,836	26	19
Total investment income/(loss)		66,943	15,146	96,476	67,008	(144,992)	259,696
Expenses							
Responsible Entity's management fees	8(c)	4,679	2,023	4,045	4,493	4,289	4,135
Other expenses		-	4	-	2	1	3
Brokerage costs		1	2	-	62	20	39
Total operating expenses		4,680	2,029	4,045	4,557	4,310	4,177
Operating profit/(loss) attributable to unitholders		62,263	13,117	92,431	62,451	(149,302)	255,519
Distributions to unitholders	4	(84,117)	(33,820)	(65,216)	(141,052)	(73,827)	(161,797)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	21,854	20,703	(27,215)	78,601	223,129	(93,722)
Profit/(Loss) for the year		-	-	-	-	-	-

The above Income Statements should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

**INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Investment income					
Interest income		1,786	1,387	263	161
Dividend Income		52,215	51,570	30,268	29,572
Changes in fair value of financial instruments held for trading		(594,294)	138,207	(238,627)	84,505
Other income		9	-	2	7
Net foreign exchange loss		(1,833)	(3,424)	-	-
Total investment (loss)/income		(542,117)	187,740	(208,094)	114,245
Expenses					
Responsible Entity's management fees	8(c)	11,473	12,157	1,944	2,117
Other expenses		8	18	8	2
Brokerage costs		209	143	25	70
Total operating expenses		11,690	12,318	1,977	2,189
Operating (loss)/profit attributable to unitholders		(553,807)	175,422	(210,071)	112,056
Distributions to unitholders	4	(42,220)	(44,558)	(51,030)	(93,660)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	596,027	(130,864)	261,101	(18,396)
Profit/(Loss) for the year		-	-	-	-

The above Income Statements should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2008**

	Notes	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Assets							
Cash and cash equivalents		25,252	38,035	13,345	27,637	5,303	11,354
Trade and other receivables:							
- outstanding sales settlement		-	-	-	651	-	55
- application monies		64	-	-	-	1,025	-
- dividends		-	-	-	-	8,083	7,134
- interests		464	1,084	199	205	31	25
- others		109	95	134	141	105	108
Financial assets held for trading	5	1,454,928	1,594,759	1,107,749	1,134,552	1,008,402	1,051,037
Total assets		1,480,817	1,633,973	1,121,427	1,163,186	1,022,949	1,069,713
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		-	-	-	1,582	416	4,253
- redemptions		2,000	50	2,000	-	1,038	-
Distribution payable		28	47	-	53	280	1,078
Fees due to Responsible Entity	8(c)	390	433	343	360	360	378
Financial liabilities held for trading:							
- derivatives	5	-	-	3,447	-	152	158
Total liabilities (excluding net assets attributable to unitholders)		2,418	530	5,790	1,995	2,246	5,867
Net assets attributable to unitholders - liability	6(a)	1,478,399	1,633,443	1,115,637	1,161,191	1,020,703	1,063,846
Represented by:							
Fair value of outstanding units based on redemption value		1,477,808	1,633,080	1,114,775	1,160,584	1,020,441	1,064,260
Adjustments arising from different unit pricing and AIFRS valuation principles		(982)	(1,287)	(667)	(466)	(1,839)	(2,421)
Buy and sell spread		1,479	1,635	1,116	1,162	2,045	2,133
Adjustments to year end accruals		94	15	413	(89)	56	(126)
Net assets attributable to unitholders		1,478,399	1,633,443	1,115,637	1,161,191	1,020,703	1,063,846

The above Balance Sheets should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

**BALANCE SHEETS
AS AT 30 JUNE 2008**

	Notes	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Assets					
Cash and cash equivalents		34,157	41,036	1,457	22,163
Trade and other receivables:					
- outstanding sales settlement		60	-	-	-
- application monies		118	-	200	-
- dividends		3,290	2,866	7,669	7,616
- interests		107	129	20	30
- others		361	419	153	57
Financial assets held for trading	5	2,059,845	2,495,250	381,087	531,143
Total assets		2,097,938	2,539,700	390,586	561,009
Liabilities					
Bank overdraft		55	-	569	-
Trade and other payables:					
- outstanding purchase settlements		26	1,475	-	20,030
- redemptions		126	500	-	668
Distribution payable		50	42	302	1,135
Fees due to Responsible Entity	8(c)	924	1,118	137	197
Financial liabilities held for trading:					
- derivatives	5	993	17	305	85
Total liabilities (excluding net assets attributable to unitholders)		2,174	3,152	1,313	22,115
Net assets attributable to unitholders - liability	6(a)	2,095,764	2,536,548	389,273	538,894
Represented by:					
Fair value of outstanding units based on redemption value		2,094,732	2,534,670	389,356	539,632
Adjustments arising from different unit pricing and AIFRS valuation principles		(2,828)	(3,001)	(894)	(1,776)
Buy and sell spread		4,198	5,079	780	1,081
Adjustments to year end accruals		(338)	(200)	31	(43)
Net assets attributable to unitholders		2,095,764	2,536,548	389,273	538,894

The above Balance Sheets should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Total equity at the beginning of the financial year	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity						
Total recognised income and expenses for the year	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial year	-	-	-	-	-	-

Under AIRFS, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above Statements of Changes in Equity should be read in conjunction with Note 6(a).

COLONIAL FIRST STATE WHOLESALE FUNDS

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Total equity at the beginning of the financial year	-	-	-	-
Profit or loss for the year	-	-	-	-
Net income/(expense) recognised directly in equity				
Total recognised income and expenses for the year	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Total equity at the end of the financial year	-	-	-	-

Under AIRFS, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the year.

The above Statements of Changes in Equity should be read in conjunction with Note 6(a).

COLONIAL FIRST STATE WHOLESALE FUNDS

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held for trading		710,537	227,788	576,591	664,509	74,973	251,842
Payments for purchase of financial instruments held for trading		(603,962)	(1,468,201)	(496,034)	(553,234)	(221,604)	(122,749)
Interest received		100,596	19,664	45,185	48,653	646	338
Dividends received		-	-	-	-	38,883	31,510
Other income received		222	23	-	-	4	-
Responsible Entity fee paid		(4,736)	(1,752)	(4,048)	(4,518)	(4,305)	(4,106)
Other expenses paid		-	(4)	(1)	(1)	-	(3)
Payment for brokerage costs		(1)	(2)	-	(62)	(20)	(39)
Net cash from/(used in) operating activities	7(a)	202,656	(1,222,484)	121,693	155,347	(111,423)	156,793
Cash flows from financing activities							
Receipts from issue of units		132,335	1,307,029	101,900	203,827	363,141	129,815
Payment for redemption of units		(347,649)	(50,367)	(237,845)	(350,078)	(256,207)	(276,783)
Distributions paid		(125)	(221)	(101)	(31)	(1,562)	(1,047)
Net cash (used in)/from financing activities		(215,439)	1,256,441	(136,046)	(146,282)	105,372	(148,015)
Net movement in cash and cash equivalents		(12,783)	33,957	(14,353)	9,065	(6,051)	8,778
Effects of exchange rate changes		-	-	61	9	-	-
Add opening cash and cash equivalents brought forward		38,035	4,078	27,637	18,563	11,354	2,576
Closing cash and cash equivalents carried forward		25,252	38,035	13,345	27,637	5,303	11,354

See Note 7(b) for non-cash financing activities.

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

**CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Cash flows from operating activities					
Proceeds from sale of financial instruments held for trading		119,638	156,750	100,432	136,911
Payments for purchase of financial instruments held for trading		(281,068)	(109,718)	(206,132)	(121,621)
Interest received		1,808	1,323	273	140
Dividends received		51,758	51,808	27,534	18,170
Other income received		8	(1)	2	7
Responsible Entity fee paid		(11,610)	(12,052)	(1,994)	(2,090)
Other expenses paid		(6)	(17)	(6)	(3)
Payment for brokerage costs		(209)	(143)	(25)	(70)
Net cash (used in)/from operating activities	7(a)	(119,681)	87,950	(79,916)	31,444
Cash flows from financing activities					
Receipts from issue of units		329,464	194,697	188,481	128,232
Payment for redemption of units		(216,858)	(264,973)	(128,558)	(137,670)
Distributions paid		(68)	(60)	(1,282)	(655)
Net cash from/(used in) financing activities		112,538	(70,336)	58,641	(10,093)
Net movement in cash and cash equivalents		(7,143)	17,614	(21,275)	21,351
Effects of exchange rate changes		209	(678)	-	-
Add opening cash and cash equivalents brought forward		41,036	24,100	22,163	812
Closing cash and cash equivalents carried forward		34,102	41,036	888	22,163

See Note 7(b) for non-cash financing activities.

The above Cash Flow Statements should be read in conjunction with the accompanying notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the Funds' Constitutions and the requirements of the Corporations Act 2001, which includes Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The Balance Sheets are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be settled within twelve months, except for financial assets held for trading, loans and net assets attributable to unitholders. The amounts expected to be recovered or settled after more than twelve months in relation to these balances cannot be reliably determined, except as otherwise stated.

The financial report was authorised for issue by the Directors of the Responsible Entity on 29 August 2008.

Both the functional and presentation currency of the Funds is Australian dollars.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(c) Investments in Financial Assets and Liabilities Held for Trading

Classification

The Funds' investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the income statement.

Recognition/Derecognition

The Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

The derecognition of a financial instrument takes place when the Funds no longer control the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

Measurement

After initial recognition, the financial assets held for trading are revalued to fair value at each reporting date.

For financial assets held for trading that are actively traded in organised financial markets, fair value is determined by reference to Exchange quoted market bid prices at the close of business on the balance date.

Share price index (SPI) futures contracts are marked to market according to the bid price on the relevant futures exchange.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments in Financial Assets and Liabilities Held for Trading (continued)

Measurement (continued)

Convertible notes have been recognised as fixed interest securities in the Balance Sheet. Upon expiry of the note, if it is converted to shares, the fair value is recognised as listed equity.

For financial liabilities from the short sales of financial instruments that are actively traded in organised financial markets, fair value is determined by reference to Exchange quoted market ask prices at the close of business on the Balance Sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantively the same or is calculated based on the expected cash flows of the underlying net asset base of the investment. The fair value of units in unlisted Managed Investment Schemes is determined by reference to published bid prices at the close of business on the Balance Sheet date being the redemption price as established by the underlying Fund's Responsible Entity.

Gains or losses on investments held for trading are recognised in the Income Statements. Investments of the Funds which are considered to be held for trading are equity securities and derivatives.

(d) Investment Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Funds and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

Dividend and Distribution income

Income is recognised when the right to receive the payment is established.

Interest income

Income is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank, deposits at call with futures clearing house and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statements, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and Other Receivables

Receivables are recognised and carried at the original invoice amount, less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified.

Amounts are generally received within 30 days of being recorded as receivables.

(g) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

Payables include outstanding settlements on the purchase of financial assets and liabilities held for trading and distributions payable. The carrying period is dictated by market conditions and is generally less than 30 days.

(h) Taxation

Under current legislation, the Funds are not subject to income tax provided the unitholders are presently entitled to the income of the Funds and the Funds fully distribute their taxable income.

(i) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each quarter or half-year. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of financial assets and liabilities held for trading. Unrealised gains and losses on financial assets and liabilities held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

(j) Foreign Currency

Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheets date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the profit or loss in the period in which they arise.

Foreign Currency Translations

Items included in the Fund's Financial Statements are measured using the currency of the primary economic environment in which it operates ("the functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds competes for funds and is regulated. The Australian dollar is also the Funds presentation currency.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Unit Prices

Unit prices are determined in accordance with the Funds' Constitutions and are calculated as the net assets attributable to unitholders, or unitholders' funds of the Fund, divided by the number of units on issue. Financial assets and liabilities held for trading for unit pricing purposes are valued on a "last sale" price basis.

(l) Terms and Conditions on Units

Each unit issued confers upon the unitholder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment of the Fund. Unitholders have various rights under the Constitution and the Corporations Act 2001, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Fund.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(m) Net Assets Attributable to Unitholders

Under AASB 132 "Financial Instruments: Disclosure and Presentation", contractual obligations are regarded as liabilities. As unitholders have the ability to redeem units from the Funds, all net assets attributable to unitholders have been recognised as liabilities of the Funds, rather than as equity. The classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Funds.

(n) Goods and Services Tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST.

Reduced input tax credits (RITC) recoverable by the Funds from the Australian Taxation Office are recognised as receivables in the Balance Sheets.

Cash flows are included in the Cash Flow Statements on a gross basis. The GST component of cash flows which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(o) Expense Recognition

Expenses are recognised in the Income Statements when the Funds have a present obligation (legal or constructive) as a result of a past event that can be reliably measured. Expenses are recognised in the Income Statements if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheets.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2008 reporting periods. The impact of these new standards and interpretations is set below:

- AASB 8 "*Operating Segments*" and AASB 2007-3 "*Amendments to Australian Accounting Standards*" arising from AASB 8.

AASB 8 and AASB 2007 - 3 are effective for annual reporting periods beginning on or after 1 January 2009. The Funds have not adopted these standards early. Application of these standards will not affect any of the amounts recognised in the financial statements but may affect the segment disclosures provided in Note 9.

- Revised AASB 101 "*Presentation of Financial Statements Revised*" and AASB 2007-8 "*Amendments to Australian Accounting Standards*" arising from AASB 101.

AASB 101 (Revised) is applicable to annual reporting beginning on or after 1 January 2009. The Fund has not adopted this standard early. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity will not affect any amounts recognised in the financial statements. If a Fund has made a prior period adjustment or has re-classified items in the financial statement, it will need to disclose a third Balance Sheet, this one being at the beginning of the comparative period.

- AASB 132 *Financial Instruments: Presentation* and AASB 2008-2 *Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidation* (Revised AASB 132).

Revised AASB 132 is applicable for reporting periods beginning on or after 1 January 2009. The Funds have not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements as the Funds are obligated to distribute all of its taxable income in accordance with the Fund's Constitution. Accordingly, there will be no change to classification of unitholders' funds as a liability and therefore no impact on profit or loss and net assets attributable to unitholders.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2. AUDITOR'S REMUNERATION

Auditors' remuneration in respect of auditing the financial reports is fully paid by the Responsible Entity.

Other services provided by the auditors are the audit of the compliance plan of the Funds and tax compliance services. The auditors' non-audit remuneration is not paid by the Funds.

3. INTEREST INCOME

The following tables show the average interest rates earned by the Funds that invest primarily in fixed interest and money market securities.

The average interest rate for cash and cash equivalents is calculated by dividing the total interest earned for the year by the average daily balances invested. The average interest rates for money market securities are calculated by dividing the total interest earned for the year by the average monthly balances invested.

	Colonial First State Wholesale Indexed Australian Bond Fund					
	2008			2007		
	Average Balance	Interest	Annualised Average Rate	Average Balance	Interest	Annualised Average Rate
	\$'000	\$'000	%	\$'000	\$'000	%
Cash and cash equivalents	21,703	1,465	6.75%	13,201	734	5.56%
Fixed interest securities	1,535,966	95,996	6.25%	675,780	39,092	5.78%
	<u>1,557,669</u>	<u>97,461</u>		<u>688,981</u>	<u>39,826</u>	

	Colonial First State Wholesale Indexed Global Bond Fund					
	2008			2007		
	Average Balance	Interest	Annualised Average Rate	Average Balance	Interest	Annualised Average Rate
	\$'000	\$'000	%	\$'000	\$'000	%
Cash and cash equivalents	17,764	842	4.74%	29,255	942	3.22%
Fixed interest securities	1,246,438	43,762	3.51%	1,347,219	45,843	3.40%
	<u>1,264,202</u>	<u>44,604</u>		<u>1,376,474</u>	<u>46,785</u>	

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

4. DISTRIBUTIONS

The Responsible Entity adopts the policy of distributing as a minimum the net income for tax purposes. The amounts shown as "Distribution payable" in the Balance Sheets represent the component of the final distribution for the year which had not been paid at balance date.

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) during the year were:

Quarter ended:	Colonial First State Wholesale Indexed Australian Bond Fund				Colonial First State Wholesale Indexed Global Bond Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.39	22,987	1.35	5,050	-	-	1.10	11,949
- 31 December	1.30	22,114	0.80	3,046	2.45	26,536	1.70	19,337
- 31 March	1.10	17,241	1.80	6,788	4.00	38,580	1.20	14,399
- 30 June	1.38	21,775	1.10	18,936	0.01	100	9.74	95,367
		84,117		33,820		65,216		141,052

Quarter ended:	Colonial First State Wholesale Indexed Australian Share Fund				Colonial First State Wholesale Indexed Global Share Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.79	9,916	1.85	10,148	0.38	4,797	0.60	7,651
- 31 December	3.25	18,130	4.60	24,392	0.65	8,464	0.55	6,828
- 31 March	2.75	17,061	7.00	35,965	-	-	0.50	6,338
- 30 June	4.46	28,720	17.93	91,292	2.14	28,959	1.87	23,741
		73,827		161,797		42,220		44,558

Half-Year ended:	Colonial First State Wholesale Indexed Property Securities Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000
- 31 December	2.60	9,913	6.30	19,313
- 30 June	9.67	41,117	23.37	74,347
		51,030		93,660

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Listed Equities						
- Australian stock exchange	-	-	-	-	985,845	1,030,088
- International stock exchanges	-	-	-	-	22,557	20,949
Total Listed Equities	-	-	-	-	1,008,402	1,051,037
Money Market Securities						
- Negotiable Certificate of Deposit	-	21,272	-	-	-	-
Total Money Market Securities	-	21,272	-	-	-	-
Domestic Fixed Interest						
- Government Bonds	287,863	238,713	-	-	-	-
- Semi-Govt Bonds	480,369	489,090	-	-	-	-
- Debentures	686,696	845,684	-	-	-	-
International Fixed Interest						
- Government Bonds	-	-	1,100,642	1,096,848	-	-
Total Fixed Interest	1,454,928	1,573,487	1,100,642	1,096,848	-	-
Derivatives						
- Futures	-	-	-	-	(152)	(158)
- Forward Currency Contracts	-	-	3,660	37,704	-	-
Total Derivatives	-	-	3,660	37,704	(152)	(158)
Total Investments in Financial Assets and Liabilities	1,454,928	1,594,759	1,104,302	1,134,552	1,008,250	1,050,879

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING (continued)

	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Listed Equities				
- Australian stock exchange	-	-	381,087	531,143
- International stock exchanges	2,059,845	2,495,250	-	-
Total Listed Equities	2,059,845	2,495,250	381,087	531,143
Derivatives				
- Futures	(993)	(17)	(305)	(85)
Total Derivatives	(993)	(17)	(305)	(85)
Total Investments in Financial Assets and Liabilities	2,058,852	2,495,233	380,782	531,058

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

6. MOVEMENT IN NUMBER OF UNITS ATTRIBUTABLE TO UNITHOLDERS

As stipulated within the Funds' Constitution, each unit represents a right to an individual share in the Funds and does not extend to a right to the underlying assets of the Funds. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Funds.

a) Movements in number of units and net assets attributable to unitholders during the year were as follows:

	Colonial First State Wholesale Indexed Australian Bond Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	1,741,580	1,633,443	381,794	363,932
Applications	141,009	132,399	1,377,097	1,307,029
Redemptions	(371,519)	(349,599)	(52,893)	(50,417)
Units issued upon reinvestment of distributions	90,369	84,010	35,582	33,602
Decrease in net assets attributable to unitholders from operations	-	(21,854)	-	(20,703)
Closing Balance	1,601,439	1,478,399	1,741,580	1,633,443

	Colonial First State Wholesale Indexed Global Bond Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	1,066,615	1,161,191	1,063,745	1,245,074
Applications	91,361	101,900	170,380	203,827
Redemptions	(210,167)	(239,837)	(293,123)	(350,078)
Units issued upon reinvestment of distributions	58,033	65,168	125,613	140,969
Increase/(Decrease) in net assets attributable to unitholders from operations	-	27,215	-	(78,601)
Closing Balance	1,005,842	1,115,637	1,066,615	1,161,191

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

- a) Movements in number of units and net assets attributable to unitholders during the year were as follows:
(continued)

	Colonial First State Wholesale Indexed Australian Share Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	556,214	1,063,846	547,327	957,092
Applications	205,013	364,167	66,911	129,816
Redemptions	(141,732)	(257,245)	(141,709)	(276,783)
Units issued upon reinvestment of distributions	42,871	73,064	83,685	159,999
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(223,129)	-	93,722
Closing Balance	662,366	1,020,703	556,214	1,063,846

	Colonial First State Wholesale Indexed Global Share Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	1,281,561	2,536,548	1,297,000	2,431,978
Applications	184,531	329,582	97,545	194,697
Redemptions	(119,709)	(216,482)	(135,530)	(265,474)
Units issued upon reinvestment of distributions	25,773	42,143	22,546	44,483
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(596,027)	-	130,864
Closing Balance	1,372,156	2,095,764	1,281,561	2,536,548

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

- a) Movements in number of units and net assets attributable to unitholders during the year were as follows:
(continued)

	Colonial First State Wholesale Indexed Property Securities Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	No.'000	\$'000	No.'000	\$'000
Opening balance	367,948	538,894	310,534	438,463
Applications	154,520	188,681	78,890	128,231
Redemptions	(104,160)	(127,783)	(83,258)	(138,338)
Units issued upon reinvestment of distributions	56,575	50,582	61,782	92,142
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(261,101)	-	18,396
Closing Balance	474,883	389,273	367,948	538,894

- b) Capital Risk Management

The Funds manage their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

The Funds monitor the level of daily applications and redemptions relative to the liquid assets in the Funds. Liquid assets include cash and cash equivalents and listed equities.

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of net profit attributable to unitholders to net cash from operating activities

	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund		Colonial First State Wholesale Indexed Australian Share Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net profit/(Net loss) attributable to unitholders	62,263	13,117	92,431	62,451	(149,302)	255,519
Proceeds from sale of financial instruments held for trading	710,537	227,788	575,940	665,160	74,917	251,894
Purchase of financial instruments held for trading	(603,962)	(1,468,201)	(494,452)	(554,816)	(217,767)	(127,002)
Changes in fair value of financial instruments held for trading	30,741	24,704	19,042	121,613	189,518	(218,830)
Distribution income reinvested	-	-	-	-	(4,012)	(9,233)
Net foreign exchange loss	-	-	(70,914)	(141,836)	(26)	(19)
Changes in assets and liabilities:						
Outstanding sales settlements	-	-	651	(651)	55	(52)
Dividends receivable	-	-	-	-	(949)	234
Interest receivable	3,134	(20,163)	580	1,869	(6)	-
Other receivables	(14)	(66)	12	-	2	(11)
Outstanding purchase settlements	-	-	(1,582)	1,582	(3,837)	4,253
Other payables	-	1	1	-	2	1
Responsible Entity fees	(43)	336	(16)	(25)	(18)	39
Net Cash From/(Used In) Operating Activities	202,656	(1,222,484)	121,693	155,347	(111,423)	156,793

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of net profit/(loss) attributable to unitholders to net cash from operating activities (continued)

	Colonial First State Wholesale Indexed Global Share Fund		Colonial First State Wholesale Indexed Property Securities Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(553,807)	175,422	(210,071)	112,056
Proceeds from sale of financial instruments held for trading	119,698	156,689	100,432	136,911
Purchase of financial instruments held for trading	(279,619)	(110,881)	(186,102)	(141,102)
Changes in fair value of financial instruments held for trading	594,294	(138,207)	238,627	(84,505)
Distribution income reinvested	(13)	(77)	(2,680)	(10,916)
Net foreign exchange (loss)/gain	1,833	3,424	-	-
Changes in assets and liabilities:				
Outstanding sales settlements	(60)	61	-	-
Dividends receivable	(443)	316	(53)	(486)
Interest receivable	22	(64)	10	(21)
Other receivables	57	61	11	(15)
Outstanding purchase settlements	(1,449)	1,164	(20,030)	19,481
Other payables	-	(2)	1	(1)
Responsible Entity fees	(194)	44	(61)	42
Net Cash (Used In)/From Operating Activities	(119,681)	87,950	(79,916)	31,444

(b) Non-cash financing activities carried out during the year on normal commercial terms and conditions included:

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 6(a) under "Units issued upon reinvestment of distributions".

(c) Terms and conditions on cash

Cash at bank and deposits at call with a futures clearing house earn interest at a floating rate as determined by the financial institutions.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Funds is Colonial First State Investments Limited. The ultimate holding company is the Commonwealth Bank of Australia (the Bank).

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

The Directors of Colonial First State Investments Limited are considered to be Key Management Personnel. The Directors of the Responsible Entity in office during the year and up to the date of the report are:

Grahame Petersen	
Michael John Venter	
Brian Vincent Bissaker	
Paul Rayson	
Peter Robert Winney	
John Robert Dempsey	Resigned 15 January 2008
Bradley Brian Massey	Appointed 21 February 2008

(ii) Compensation of key management personnel

No amounts are paid by the Funds directly to the Directors of the Responsible Entity of the Funds.

The Directors of the Responsible Entity receive compensation in their capacity as Directors of the Responsible Entity. Directors are employed as executives of the Commonwealth Bank of Australia, and in that capacity, part of their role is to act as a Director of the Responsible Entity. Consequently, no compensation as defined in AASB 124: Related Parties is paid by the Funds to the Directors as Key Management Personnel.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees

Under the terms of the Constitutions, the Responsible Entity is entitled to receive monthly management fees which are expressed as a percentage of the total assets of each Fund (i.e. excluding liabilities). Management fees are paid directly by the Funds. The table below shows the current fee rates charged.

Where monies are invested into other schemes managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying schemes. As a consequence, the amounts shown in the Income Statements reflect only the amount of fees charged directly to the respective Funds.

The management fee rates for the Funds are as follows:

Name of Funds	2008 Management Fees %	2007 Management Fees %
Colonial First State Wholesale Indexed Australian Bond Fund	0.30	0.30
Colonial First State Wholesale Indexed Global Bond Fund	0.35	0.35
Colonial First State Wholesale Indexed Australian Share Fund	0.40	0.40
Colonial First State Wholesale Indexed Global Share Fund	0.50	0.50
Colonial First State Wholesale Indexed Property Securities Fund	0.40	0.40

The actual management fee rate charged for global investing Funds are lower than those disclosed above. This is due to these Funds being entitled to claim 100% of Good and Services Tax ("GST") as compared to 75% for domestic investing Funds.

The Responsible Entity's management fees charged for the years ended 30 June 2008 and 30 June 2007 are as follows:

Name of Funds	Year Ended 2008 \$	Year Ended 2007 \$
Colonial First State Wholesale Indexed Australian Bond Fund	4,678,619	2,022,731
Colonial First State Wholesale Indexed Global Bond Fund	4,044,200	4,492,935
Colonial First State Wholesale Indexed Australian Share Fund	4,288,769	4,134,783
Colonial First State Wholesale Indexed Global Share Fund	11,472,937	12,156,630
Colonial First State Wholesale Indexed Property Securities Fund	1,944,366	2,117,229

Fees due to the Responsible Entity as at years ended 30 June 2008 and 30 June 2007 are as follows:

Name of Funds	2008 \$	2007 \$
Colonial First State Wholesale Indexed Australian Bond Fund	389,635	432,764
Colonial First State Wholesale Indexed Global Bond Fund	343,337	359,668
Colonial First State Wholesale Indexed Australian Share Fund	359,610	377,643
Colonial First State Wholesale Indexed Global Share Fund	923,957	1,118,434
Colonial First State Wholesale Indexed Property Securities Fund	136,835	197,343

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. RELATED PARTIES DISCLOSURES (continued)

(d) Bank and Deposit Accounts

The bank accounts for the Funds are held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis. Various short term money market, fixed interest securities and foreign currency transactions are from time to time transacted through the Commonwealth Bank of Australia which receives a fee which is negotiated on an arm's length basis.

(e) Related party investments of the Funds

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the Colonial First State Wholesale Funds. Such activity is undertaken in the ordinary course of business at entry and exit prices available to all investors at the time of the transaction.

The interests of Colonial First State Investments Limited and its associates in the Funds at the end of the reporting period are set out below:

	2008 Number of Units No.'000	2007 Number of Units No.'000
Colonial First State Wholesale Indexed Australian Bond Fund	1,596,475	1,734,304
Colonial First State Wholesale Indexed Global Bond Fund	1,005,159	1,039,764
Colonial First State Wholesale Indexed Australian Share Fund	606,903	527,923
Colonial First State Wholesale Indexed Global Share Fund	1,354,384	1,265,777
Colonial First State Wholesale Indexed Property Securities Fund	409,312	275,373

(f) Investing Activities

The following Funds held shares/units in the Bank and its related parties.

Securities name	Shares/ Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Shares/ Units acquired During Year No.('000)	Shares/ Units disposed of During Year No.('000)	Dividend/ Distribution received \$'000
-----------------	------------------------------------------------------	----------------------------------------------------	-------------------------------------------------------	-------------------------------------------------------------	----------------------------------------------------------------	-------------------------------------------------

Colonial First State Wholesale Indexed Australian Share Fund

Shares in Commonwealth Bank
of Australia

- 2008	1,290	51,798	0.10	210	18	2,983
- 2007	1,098	60,375	0.09	82	272	2,917

Units held in Commonwealth
Property Office Fund

- 2008	1,521	1,871	0.10	434	110	125
- 2007	1,197	1,999	0.08	6	191	125

Units held in CFS Retail
Property Trust

- 2008	1,783	3,299	0.09	658	13	181
- 2007	1,138	2,446	0.05	41	200	140

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

8. RELATED PARTIES DISCLOSURES (continued)

(f) Investing Activities (continued)

Securities name	Shares/ Units Held at Year End No.('000)	Value of Investment at Year End \$'000	Interest held in Investment at Year End %	Shares/ Units acquired During Year No.('000)	Shares/ Units disposed of During Year No.('000)	Dividend/ Distribution received \$'000
-----------------	----------------------------------------------------------	--------------------------------------------------------	-----------------------------------------------------------	-------------------------------------------------------------	----------------------------------------------------------------	-----------------------------------------------------

**Colonial First State Wholesale
Indexed Property Securities
Fund**

Units held in Commonwealth
Property Office Fund

- 2008	9,006	11,077	0.62	3,518	944	748
- 2007	6,432	10,741	0.44	1,297	1,327	643

Units held in CFS Retail
Property Trust

- 2008	10,273	19,005	0.49	5,067	907	1,055
- 2007	6,113	13,143	0.30	1,264	1,433	721

(i) Fixed interest securities

The following Funds held fixed interest securities with the Bank and it's related parties:

Counterparty	Market Value \$'000
--------------	-------------------------------

**Colonial First State
Wholesale Indexed Aust
Bond Fund**

Commonwealth Bank of Australia

- 2008	18,130
- 2007	37,159

Commonwealth Property
Office Fund

- 2008	4,875
- 2007	5086

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8. RELATED PARTIES DISCLOSURES (continued)

(g) Related Party Transactions

Related parties

Transactions between the Funds and the Responsible Entity and its associates during the year are outlined in Note 8(e) above.

Transactions between the Funds and other registered Funds also managed by the Responsible Entity consisted of the sale of units in the Funds to related Managed Investment Schemes.

The amounts outstanding payable or receivable at 30 June 2008 represent the value of the units (financial liability of the Schemes) issued or held and any amount of interest expense payable or receivable.

Terms and conditions of transactions with related parties

All related party transactions are made in arms length transactions on normal commercial terms and conditions. Outstanding balances at year end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

9. SEGMENT INFORMATION

The Funds operate in one business segment, being investment management. The Funds operate from one geographic location being Australia, from where their investing activities are managed. Revenue is derived from dividends, distributions, interest, gains on the sale of investments, and unrealised changes in the value of investments.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. FINANCIAL RISK MANAGEMENT

The Funds' activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Funds are exposed. Certain Funds use derivative financial instruments to alter certain risk exposures. Financial risk management is carried out by the respective investment management departments (Investment Managers) and regularly monitored by the Compliance Department of the Responsible Entity.

The Funds use different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

(a) Market Risk

(i) Price risk

The Funds' financial assets are either directly or indirectly exposed to price risk. This arises from investments held by the Funds for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph 10 (a)(ii) below sets out how this component of price risk is measured and managed.

The Investment Managers mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits and guidelines in accordance with the Information Memorandum or Constitutions and are regularly monitored by the Compliance Department of the Responsible Entity.

The table in Note 10(b) summarises the impact of an increase/decrease of the Australian and global Indexes on the Funds' net assets attributable to unitholders at 30 June 2008. The analysis is based on the assumptions that the indexes increased by 30% or decreased by 15% (2007 - 30%/(15%)) with all other variables held constant and that the fair value of the Funds' which have direct or indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. The impact mainly arises from the reasonable possible change in the fair value of listed equities and equity derivatives.

(ii) Foreign exchange risk

Certain Funds hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The risk is measured using sensitivity analysis.

Certain Funds manage this risk by entering into foreign exchange forward contracts to hedge the risks. The terms and conditions of these contracts rarely exceed twelve months and are contracted in accordance with the investment guidelines. However, for accounting purposes, these Funds do not designate any derivatives as hedges in a hedging relationship, and hence these derivative financial instruments are classified as held for trading.

The Compliance Department of the Responsible Entity regularly monitors these hedging activities.

The table below summarises the Funds' which have exposure to foreign exchange risk.

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

		Colonial First State Wholesale Indexed Global Bond Fund				
30/06/2008		Euro	Japanese Yen	United States Dollar	Pound Sterling	Others
		AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	1,271	1,892	1,404	1,916	2,458	
Financial assets held for trading	453,291	318,995	209,431	60,670	58,253	
	454,562	320,887	210,835	62,586	60,711	
Net increase/decrease in exposure from foreign currency forward contracts - foreign currency contract	(451,228)	(327,641)	(209,675)	(63,243)	(62,337)	
	3,334	(6,754)	1,160	(657)	(1,626)	

		Colonial First State Wholesale Indexed Global Bond Fund				
30/06/2007		Swedish Krona	United States Dollar	Euro	Swiss Franc	Others
		AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	396	1,088	1,438	356	4,805	
Receivables	-	-	651	-	171	
Financial assets held for trading	9,270	229,869	451,695	7,749	397,954	
Payables	-	-	(1,582)	-	-	
	9,666	230,957	452,202	8,105	402,930	
Net increase/decrease in exposure from foreign currency forward contracts - foreign currency contract	(8,092)	(237,482)	(467,179)	(8,327)	(4,805)	
	1,574	(6,525)	(14,977)	(222)	398,125	

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

	Colonial First State Wholesale Indexed Global Share Fund				
	United States Dollar	Euro	Pound Sterling	Japanese Yen	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2008					
Cash and cash equivalents	10,152	4,650	1,602	2,838	4,233
Receivables	1,392	404	1,361	219	32
Financial assets held for trading	1,001,787	360,265	222,753	218,437	256,603
Derivatives	(549)	(189)	(96)	(121)	(38)
Payables	-	-	(26)	-	(55)
	1,012,782	365,130	225,594	221,373	260,775

	Colonial First State Wholesale Indexed Global Share Fund				
	United States Dollar	Euro	Pound Sterling	Japanese Yen	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
30/06/2007					
Cash and cash equivalents	5,663	3,358	1,050	2,372	3,491
Financial assets held for trading	1,229,595	439,765	290,683	262,822	272,384
Derivatives	(40)	17	-	-	6
Payables	-	(1,475)	-	-	-
	1,235,218	441,665	291,733	265,194	275,881

The table in Note 10 (b) summarises the sensitivities of the Funds' assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar weakened/strengthened by 10.10% (2007 – 10.10%) against each of the other currencies to which the Funds' are exposed.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk

The Funds which have investments in interest bearing financial assets are exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

Certain Funds may also enter into derivatives financial instruments to mitigate the risk of future interest rate changes in accordance with the risk policies and guidelines of the Investment Managers. These transactions are regularly monitored by the Compliance Department of the Responsible Entity.

The table below summarises the Funds' exposure to interest rate risks. It includes the Funds' assets and liabilities at fair values.

	Colonial First State Wholesale Indexed Australian Bond Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2008	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	25,252	-	-	25,252
Receivables	-	-	637	637
Financial assets held for trading	-	1,454,928	-	1,454,928
Financial liabilities				
Payables	-	-	(2,418)	(2,418)
	25,252	1,454,928	(1,781)	1,478,399
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	25,252	1,454,928	(1,781)	1,478,399

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Indexed Australian Bond Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2007	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	38,035	-	-	38,035
Receivables	-	-	1,179	1,179
Financial assets held for trading	-	1,594,759	-	1,594,759
Financial liabilities				
Payables	-	-	(530)	(530)
	38,035	1,594,759	649	1,633,443
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	38,035	1,594,759	649	1,633,443

	Colonial First State Wholesale Indexed Global Bond Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2008	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	13,345	-	-	13,345
Receivables	-	-	333	333
Financial assets held for trading	-	1,100,641	7,108	1,107,749
Financial liabilities				
Payables	-	-	(2,343)	(2,343)
Financial liabilities held for trading	-	-	(3,447)	(3,447)
	13,345	1,100,641	1,651	1,115,637
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	13,345	1,100,641	1,651	1,115,637

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Indexed Global Bond Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	27,637	-	-	27,637
Receivables	-	-	997	997
Financial assets held for trading	-	1,096,848	37,704	1,134,552
Financial liabilities				
Payables	-	-	(1,995)	(1,995)
Financial liabilities held for trading	-	-	-	-
	27,637	1,096,848	36,706	1,161,191
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	27,637	1,096,848	36,706	1,161,191

	Colonial First State Wholesale Indexed Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2008				
Financial assets				
Cash and cash equivalents	5,303	-	-	5,303
Receivables	-	-	9,245	9,245
Financial assets held for trading	-	-	1,008,401	1,008,401
Financial liabilities				
Payables	-	-	(2,094)	(2,094)
Financial liabilities held for trading	-	-	(152)	(152)
	5,303	-	1,015,400	1,020,703
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	5,303	-	1,015,400	1,020,703

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Indexed Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2007	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	11,354	-	-	11,354
Receivables	-	-	7,322	7,322
Financial assets held for trading	-	-	1,051,037	1,051,037
Financial liabilities				
Payables	-	-	(5,709)	(5,709)
Financial liabilities held for trading	-	-	(158)	(158)
	11,354	-	1,052,492	1,063,846
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	11,354	-	1,052,492	1,063,846

	Colonial First State Wholesale Indexed Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2008	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	34,157	-	-	34,157
Receivables	-	-	3,936	3,936
Financial assets held for trading	-	-	2,059,845	2,059,845
Financial liabilities				
Bank overdrafts	(55)	-	-	(55)
Payables	-	-	(1,126)	(1,126)
Financial liabilities held for trading	-	-	(993)	(993)
	34,102	-	2,061,662	2,095,764
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	34,102	-	2,061,662	2,095,764

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Indexed Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	41,036	-	-	41,036
Receivables	-	-	3,414	3,414
Financial assets held for trading	-	-	2,495,250	2,495,250
Financial liabilities				
Payables	-	-	(3,135)	(3,135)
Financial liabilities held for trading	-	-	(17)	(17)
	41,036	-	2,495,512	2,536,548
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	41,036	-	2,495,512	2,536,548

	Colonial First State Wholesale Indexed Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2008				
Financial assets				
Cash and cash equivalents	1,457	-	-	1,457
Receivables	-	-	8,042	8,042
Financial assets held for trading	-	-	381,087	381,087
Financial liabilities				
Bank overdraft	(569)	-	-	(569)
Payables	-	-	(439)	(439)
Financial liabilities held for trading	-	-	(305)	(305)
	888	-	388,385	389,273
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	888	-	388,385	389,273

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Indexed Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2007				
Financial assets				
Cash and cash equivalents	22,163	-	-	22,163
Receivables	-	-	7,703	7,703
Financial assets held for trading	-	-	531,143	531,143
Financial liabilities				
Payables	-	-	(22,030)	(22,030)
Financial liabilities held for trading	-	-	(85)	(85)
	22,163	-	516,731	538,894
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	22,163	-	516,731	538,894

An analysis of financial liabilities by maturities is provided in paragraph (d) below.

The table in Note 10 (b) summarises the impact of an increase/decrease of interest rates on the Fund's operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 75 basis points (2007 - +/- 75 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Funds' operating profit or loss and net assets attributable to unitholders to interest rate risk, foreign exchange risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Funds' investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Colonial First State Wholesale Indexed Australian Bond Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	17,707	(19,598)	-	-	-	-
30/06/2007	18,909	(20,954)	-	-	-	-

	Colonial First State Wholesale Indexed Global Bond Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	13,438	(14,869)	(903)	903	-	-
30/06/2007	13,284	(14,710)	(740)	740	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised sensitivity analysis (continued)

	Colonial First State Wholesale Indexed Australian Share Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(40)	40	-	-	(151,237)	302,475
30/06/2007	(85)	85	-	-	(157,632)	315,264

	Colonial First State Wholesale Indexed Global Share Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(256)	256	(2,707)	2,707	(308,828)	617,656
30/06/2007	(308)	308	(1,460)	1,460	(374,285)	748,570

	Colonial First State Wholesale Indexed Property Securities Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(7)	7	-	-	(57,117)	114,235
30/06/2007	(166)	166	-	-	(79,659)	159,317

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk primarily arises from investments in debt securities and derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

Some Funds transact in derivatives in the over the counter (OTC) markets. OTC derivatives are entered into directly with the counterparty as there is no Clearing House arrangement. Such transactions are only dealt through suitably credit-worthy counterparties, whom have a minimum long term credit rating of BBB as rated by Standard and Poor's or an equivalent agency. The maximum exposure to credit risk for these OTC derivatives is the contract/notional amount, as shown in Note 11.

Certain Funds invest in debt securities which have an investment grade as rated by the Standard & Poor's rating agency. For unrated assets a rating is assigned by the Investment Manager using an approach that is consistent with the approach used by rating agencies.

The Compliance Department of the Responsible Entity regularly monitors the credit risks that arise from holding these securities.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets and the contract/notional amount of the OTC derivatives. An analysis of debt securities by rating is set out in the table below for the Funds which have such securities.

	Colonial First State Wholesale Indexed Australian Bond Fund		Colonial First State Wholesale Indexed Global Bond Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
Total debt securities	1,454,928	1,594,759	1,100,642	1,096,848
Rating				
AAA	1,079,411	1,159,549	808,641	888,118
AA+	53,541	45,132	35,331	29,505
AA	75,220	68,734	88,932	38,499
AA-	94,861	134,598	72,092	10,091
A+	32,154	28,546	26,746	100,691
A	37,537	45,291	27,957	29,944
A-	39,865	51,830	3,522	-
Others	42,339	61,079	-	-
NR			37,421	-
Total	1,454,928	1,594,759	1,100,642	1,096,848

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. It therefore primarily holds investments that are traded in an active market and can be readily disposed. Only a limited proportion of its assets are held in investments not actively traded on a stock exchange.

The Funds' listed securities are considered readily realisable, as they are listed on either the Australian Stock Exchange or other recognised International Stock Exchanges.

Certain Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, these Funds may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. No such investments were held at year end.

The table below analyses the Funds' financial liabilities excluding gross settled derivative financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts in the table are the contractual undiscounted cash flows.

(i) Financial liabilities

30/06/2008	Colonial First State Wholesale Indexed Australian Bond					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Payables	2,418	-	-	-	-	-
Net assets attributable to unitholders	1,478,399	-	-	-	-	-
Total financial liabilities	1,480,817	-	-	-	-	-

30/06/2007	Colonial First State Wholesale Indexed Australian Bond					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Payables	530	-	-	-	-	-
Net assets attributable to unitholders	1,633,443	-	-	-	-	-
Total financial liabilities	1,633,973	-	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

(i) Financial liabilities (continued)

30/06/2008	Colonial First State Wholesale Indexed Global Bond Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Payables	2,343	-	-	-	-	-
Net assets attributable to unitholders	1,115,637	-	-	-	-	-
Total financial liabilities	1,117,980	-	-	-	-	-

30/06/2007	Colonial First State Wholesale Indexed Global Bond Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Payables	1,995	-	-	-	-	-
Net assets attributable to unitholders	1,161,191	-	-	-	-	-
Total financial liabilities	1,163,186	-	-	-	-	-

30/06/2008	Colonial First State Wholesale Indexed Australian Share					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Financial liabilities held for trading						
Net settled derivatives	-	152	-	-	-	-
Payables	2,094	-	-	-	-	-
Net assets attributable to unitholders	1,020,703	-	-	-	-	-
Total financial liabilities	1,022,797	152	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

(i) Financial liabilities (continued)

	Colonial First State Wholesale Indexed Australian Share					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
30/06/2007						
Financial liabilities held for trading						
Net settled derivatives	-	158	-	-	-	-
Payables	5,709	-	-	-	-	-
Net assets attributable to unitholders	1,063,846	-	-	-	-	-
Total financial liabilities	1,069,555	158	-	-	-	-

	Colonial First State Wholesale Indexed Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
30/06/2008						
Financial liabilities held for trading						
Net settled derivatives	68	925	-	-	-	-
Bank overdraft	55	-	-	-	-	-
Payables	1,126	-	-	-	-	-
Net assets attributable to unitholders	2,095,764	-	-	-	-	-
Total financial liabilities	2,097,013	925	-	-	-	-

	Colonial First State Wholesale Indexed Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
30/06/2007						
Financial liabilities held for trading						
Net settled derivatives	1	40	-	-	-	-
Payables	3,135	-	-	-	-	-
Net assets attributable to unitholders	2,536,548	-	-	-	-	-
Total financial liabilities	2,539,684	40	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

(i) Financial liabilities (continued)

30/06/2008	Colonial First State Wholesale Indexed Property Securities Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Financial liabilities held for trading						
Net settled derivatives	-	305	-	-	-	-
Bank overdraft	569	-	-	-	-	-
Payables	439	-	-	-	-	-
Net assets attributable to unitholders	389,273	-	-	-	-	-
Total financial liabilities	390,281	305	-	-	-	-

30/06/2007	Colonial First State Wholesale Indexed Property Securities Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
Financial liabilities held for trading						
Net settled derivatives	-	85	-	-	-	-
Payables	22,030	-	-	-	-	-
Net assets attributable to unitholders	538,894	-	-	-	-	-
Total financial liabilities	560,924	85	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

The table below analyses the Funds' derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period to the contractual maturity date at the year end date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(ii) Derivatives settled on a gross basis

30/06/2008	Colonial First State Wholesale Indexed Global Bond Fund						
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Foreign currency forward contracts							
Inflows	1,178,733	96,736	-	-	-	-	1,275,469
(Outflows)	(1,172,339)	(99,470)	-	-	-	-	(1,271,809)

30/06/2007	Colonial First State Wholesale Indexed Global Bond Fund						
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000	Total \$'000
Foreign currency forward contracts							
Inflows	1,157,762	-	-	-	-	-	1,157,762
(Outflows)	(1,120,058)	-	-	-	-	-	(1,120,058)

(e) Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the balance sheet date approximate their fair values.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Fund is the last bid price. The quoted market price used for equity securities sold short by certain Funds is the last asking price. Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

Investments in unlisted managed investment schemes are recorded at the redemption value per unit as reported by the Responsible Entity of such funds.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives and investments in unlisted securities) is determined using valuation techniques. These Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

11. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business certain Funds enters into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of these Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of these Funds against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of these Funds.

Certain Funds hold the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised market.

(b) Forward currency contracts

Forward currency contracts are primarily used by certain Funds to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. These Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the reporting date. The Funds recognise a gain or loss equal to the change in fair value at the reporting date.

The Funds' derivative financial instruments at year-end are detailed below:

	Colonial First State Wholesale Indexed Global Bond Fund					
	Contract/ Notional	Fair Values 30/06/2008		Contract/ Notional	Fair Values 30/06/2007	
		Assets \$'000	Liabilities \$'000		Assets \$'000	Liabilities \$'000
- Foreign currency forward contracts	3,373,899	7,108	(3,447)	1,166,278	37,704	-
	3,373,899	7,108	(3,447)	1,166,278	37,704	-

COLONIAL FIRST STATE WHOLESALE FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Colonial First State Wholesale Indexed Australian Share Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values		
		Assets	Liabilities		Assets	Liabilities	
		30/06/2008			30/06/2007		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	7,530	-	(152)	10,671	-	(158)	
	7,530	-	(152)	10,671	-	(158)	

	Colonial First State Wholesale Indexed Global Share Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values		
		Assets	Liabilities		Assets	Liabilities	
		30/06/2008			30/06/2007		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- International share price index futures	18,374	-	(993)	10,697	-	(17)	
	18,374	-	(993)	10,697	-	(17)	

	Colonial First State Wholesale Indexed Property Securities Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values		
		Assets	Liabilities		Assets	Liabilities	
		30/06/2008			30/06/2007		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
- Australian share price index futures	3,996	-	(305)	6,099	-	(85)	
	3,996	-	(305)	6,099	-	(85)	

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2008 the Funds have no contingent liabilities and commitments (2007 - none).

13. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2007 - none).

**COLONIAL FIRST STATE WHOLESALE FUNDS
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2008**

In the opinion of the Directors of Colonial First State Investments Limited:

- a) the financial statements and notes to the financial statements of the Colonial First State Wholesale Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performances for the year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;

This declaration is made in accordance with a resolution of the directors.



Bradley Brian Massey
Director
Sydney
8 September 2008

Independent auditor's report to the unitholders of Colonial First State Wholesale Funds

Report on the financial report

We have audited the accompanying financial report of Colonial First State Wholesale Funds (the Funds), which comprises the balance sheets as at 30 June 2008, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Colonial First State Wholesale Funds.

Directors' responsibility for the financial report

The directors of Colonial First State Investments Limited (the responsible entity) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditor's report to the unitholders of
Colonial First State Wholesale Funds (continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of Colonial First State Wholesale Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Colonial First State Wholesale Funds (the Funds) for the year ended 30 June 2008 included on Colonial First State Investments Limited's (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.



PricewaterhouseCoopers



AJ Wilson
Partner

Sydney
8 September 2008

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Enquiries

Investor Services: **13 13 36**

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The Colonial First State Wholesale Indexed Australian Bond Fund, Colonial First State Wholesale Indexed Global Bond Fund, Colonial First State Wholesale Indexed Australian Share Fund, Colonial First State Wholesale Indexed Global Share Fund and Colonial First State Wholesale Indexed Property Securities Fund Information Memorandum was issued on 30 April 2007.

We want what you want

Colonial
First State