

Investments

Wholesale Investments

Annual Financial Report 2010

Colonial First State Investments Ltd
ABN 98 002 348 352 | AFS Licence 232468

We want what you want





Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2010 for Colonial First State Wholesale Australian Share Fund, Colonial First State Wholesale Industrial Share Fund¹, Colonial First State Wholesale Global Health & Biotechnology Fund, Colonial First State Wholesale Global Technology & Communications Fund and Colonial First State Wholesale Guaranteed Mortgage Fund¹.

This statement is the final component of the reporting information for the 2009–2010 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 fluid and cursive.

Brian Bissaker

Chief Executive Officer

¹ Closed to new investors.

COLONIAL FIRST STATE WHOLESALE FUNDS

Represented by:

ARSN

Colonial First State Wholesale Australian Share Fund	087 570 214
Colonial First State Wholesale Industrial Share Fund	087 564 118
Colonial First State Wholesale Global Health & Biotechnology Fund	092 203 506
Colonial First State Wholesale Global Technology & Communications Fund	089 743 395

Financial Report for the

Reporting Period Ended 30 June 2010

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 REPORTING PERIOD ENDED 30 JUNE 2010

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 reporting period ended 30 June 2010.

Reporting Period

The current reporting period for the financial report is from 1 July 2009 to 30 June 2010. The comparative reporting period is from 1 July 2008 to 30 June 2009.

Principal Activities

This financial report consists of four managed funds belonging to the family of funds known as the Colonial First State Wholesale Funds. The Funds in this financial report and their Date of Constitution and Date of Registration are presented as follows:

	Date of Constitution	Date of Registration
Colonial First State Wholesale Australian Share Fund	11/05/1999	9/06/1999
Colonial First State Wholesale Industrial Share Fund	11/05/1999	9/06/1999
Colonial First State Wholesale Global Health & Biotechnology Fund	22/03/2000	3/04/2000
Colonial First State Wholesale Global Technology & Communications Fund	27/09/1999	7/10/1999

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

The Responsible Entity has appointed Wellington Management Company, LLP to undertake the investment management for the Colonial First State Wholesale Global Technology & Communications Fund and the Colonial First State Wholesale Global Health & Biotechnology Fund. Colonial First State Investments Limited continues to be the Responsible Entity of these Funds. The investment objective and the ongoing management fee for these Funds remain the same.

Review of Operations

The Colonial First State Wholesale Funds provide investors access to a broad range of investments including managed investment schemes, Australian and international listed shares.

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

The results of the Funds were as follows:

Income

The income distributions per unit for each of the Funds for the periods ended 30 June 2010 and 30 June 2009 are shown in Note 4 to the financial statements.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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.

The following unit prices, represent the ex-distribution exit unit prices as at 30 June 2010, together with comparative unit prices as at 30 June 2009.

	2010 \$	2009 \$
Colonial First State Wholesale Australian Share Fund	1.5900	1.4301
Colonial First State Wholesale Industrial Share Fund	1.0735	0.9648
Colonial First State Wholesale Global Health & Biotechnology Fund	0.7488	0.6963
Colonial First State Wholesale Global Technology & Communications Fund	0.5175	0.4705

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 period, 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 Fund.

The ICR of the Funds are shown in the following table:

	ICR 2010 %	ICR 2009 %
Colonial First State Wholesale Australian Share Fund	0.96	0.96
Colonial First State Wholesale Industrial Share Fund	0.95	0.95
Colonial First State Wholesale Global Health & Biotechnology Fund	1.17	1.16
Colonial First State Wholesale Global Technology & Communications Fund	1.17	1.17

Performance

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

	2010 %	2009 %
Colonial First State Wholesale Australian Share Fund	14.39	(14.30)
Colonial First State Wholesale Industrial Share Fund	15.13	(5.84)
Colonial First State Wholesale Global Health & Biotechnology Fund	7.54	(2.12)
Colonial First State Wholesale Global Technology & Communications Fund	10.73	(17.04)

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Responsible Entity and Directors

The Responsible Entity of the Fund 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 period and up to the date of the report are:

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	Appointed 11/11/2009
Brian Vincent Bissaker	
Gregg Johnston	Appointed 04/08/2009
Peter Robert Winney	
Bradley Brian Massey	
Paul Alexander Rayson	Resigned 28/07/2009
Michael John Venter	Resigned 16/09/2009

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.

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.30% in the unit price before correcting the unit price.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed we will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases we may compensate where the unit pricing error is less than the tolerance levels.

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since 30 June 2010 that have significantly affected, or may significantly affect:

- the operations of the Funds in future financial periods, or
- the results of those operations in future financial periods, or
- the state of affairs of the Funds in future financial periods.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Likely Developments and Expected Results of Operations

The Funds will continue to pursue their current investment policy in accordance with the objectives as set out in the product disclosure statements and the Funds' Constitutions.

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 Funds in relation to insurance cover provided to Colonial First State Investments Limited or the auditors of the Funds. 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 Funds against losses incurred while acting on behalf of the Funds. The auditors of the Funds are in no way indemnified out of the assets of the Funds.

The Commonwealth Bank of Australia (ABN 48 123 123 124) 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.

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 period are disclosed in the Statements of Comprehensive Income.

No fees were paid to the directors of the Responsible Entity during the period out of the Funds' assets.

The interests in the Funds held by the Responsible Entity or its associates at the end of the financial period are disclosed in Note 10(e) to the financial statements.

Interests in the Funds

The units issued and redeemed in the Funds during the period and the number of units on issue at the end of the financial period are set out in Note 8(a) to the financial statements. The value of the Funds' assets at the end of the financial period are set out in the Balance Sheets.

Environmental Regulation

The operations of the Funds are not subject to any particular environmental regulations under Commonwealth, 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 Funds are registered schemes 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.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

Single Financial Report

The Funds are of the kind referred to in Class Order 06/0441 dated 29 June 2006 issued by Australian Securities & Investments Commission 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 6.

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



Bradley Brian Massey
Director
Sydney
6 September 2010

PricewaterhouseCoopers
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SYDNEY NSW 1171
DX 77 Sydney
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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Funds for the year ended 30 June 2010, 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 period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Note	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income							
Interest income	3	667	3,958	487	668	18	43
Dividend Income		52,915	61,767	25,255	39,743	281	311
Distribution income		732	-	-	-	-	-
Changes in fair value of financial instruments held for trading		157,173	(300,478)	72,077	(76,405)	1,851	(422)
Other income		851	771	-	57	-	1
Net foreign exchange (loss)/gain		-	-	-	-	(12)	157
Total investment income/(loss)		212,338	(233,982)	97,819	(35,937)	2,138	90
Expenses							
Responsible Entity's management fees	10(c)	14,451	12,748	5,847	6,106	274	333
Custody fees		75	-	27	-	7	-
Brokerage costs		1,652	1,831	345	653	12	24
Other expenses		1	9	-	-	2	4
Total operating expenses		16,179	14,588	6,219	6,759	295	361
Operating profit/(loss) attributable to unitholders		196,159	(248,570)	91,600	(42,696)	1,843	(271)
Distributions to unitholders	4	(42,887)	(32,787)	(20,819)	(37,607)	-	-
Change in net assets attributable to unitholders from operations	8(a)	(153,272)	281,357	(70,781)	80,303	(1,843)	271
Profit/(Loss) for the reporting period		-	-	-	-	-	-
Other comprehensive income for the reporting period		-	-	-	-	-	-
Total comprehensive income for the reporting period		-	-	-	-	-	-

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

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Note	Colonial First State Wholesale Global Technology & Communications Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Investment income			
Interest income	3	17	36
Dividend Income		323	596
Changes in fair value of financial instruments held for trading		2,192	(4,949)
Other income		1	1
Net foreign exchange (loss)/gain		(3)	145
Total investment income/(loss)		2,530	(4,171)
Expenses			
Responsible Entity's management fees	10(c)	244	277
Custody fees		6	-
Brokerage costs		26	49
Other expenses		5	5
Total operating expenses		281	331
Operating profit/(loss) attributable to unitholders		2,249	(4,502)
Distributions to unitholders	4	(136)	(187)
Change in net assets attributable to unitholders from operations	8(a)	(2,113)	4,689
Profit/(Loss) for the reporting period		-	-
Other comprehensive income for the reporting period		-	-
Total comprehensive income for the reporting period		-	-

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

COLONIAL FIRST STATE WHOLESALE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2010

		Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
Note		30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Assets							
Cash and cash equivalents		24,206	29,129	5,342	11,990	659	934
Trade and other receivables:							
- outstanding sales settlement		6,259	2,983	9,185	-	-	93
- application monies		594	966	-	-	2	20
- dividends		7,761	8,537	4,926	5,603	18	14
- interests		62	73	56	28	2	2
- others		442	243	164	151	9	10
Financial assets held for trading	5,7	1,359,117	1,275,180	561,584	577,422	22,200	24,111
Total assets		1,398,441	1,317,111	581,257	595,194	22,890	25,184
Liabilities							
Bank overdraft		-	95	-	-	-	-
Trade and other payables:							
- outstanding purchase settlements		11,375	9,967	4,884	15	42	-
- redemptions		74	216	-	-	14	4
- others		20	2	8	-	5	1
Distribution payable		882	1,387	5	5	-	-
Fees due to Responsible Entity	10(c)	1,201	1,031	500	501	23	26
Financial liabilities held for trading	6,7	1,120	1,141	-	-	33	-
Total liabilities (excluding net assets attributable to unitholders)		14,672	13,839	5,397	521	117	31
Net assets attributable to unitholders - liability		1,383,769	1,303,272	575,860	594,673	22,773	25,153
Represented by:							
Fair value of outstanding units based on redemption value		1,381,671	1,304,377	574,920	595,324	22,734	25,108
Adjustments arising from different unit pricing and AIFRS valuation principles		(574)	(3,756)	(215)	(1,844)	(22)	(18)
Buy and sell spread		2,672	2,614	1,152	1,193	57	63
Adjustment to reporting period end accruals		-	37	3	-	4	-
Net assets attributable to unitholders		1,383,769	1,303,272	575,860	594,673	22,773	25,153

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

COLONIAL FIRST STATE WHOLESALE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2010

		Colonial First State Wholesale Global Technology & Communications Fund	
		30/06/2010 \$'000	30/06/2009 \$'000
	Note		
Assets			
Cash and cash equivalents		861	460
Trade and other receivables:			
- outstanding sales settlement		160	420
- application monies		36	1
- dividends		11	78
- interests		2	1
- others		8	9
Financial assets held for trading	5,7	19,342	20,627
Total assets		20,420	21,596
Liabilities			
Trade and other payables:			
- outstanding purchase settlements		152	438
- redemptions		13	-
- others		4	-
Distribution payable		10	16
Fees due to Responsible Entity	10(c)	21	22
Total liabilities (excluding net assets attributable to unitholders)		200	476
Net assets attributable to unitholders - liability		20,220	21,120
Represented by:			
Fair value of outstanding units based on redemption value		20,188	21,077
Adjustments arising from different unit pricing and AIFRS valuation principles		(12)	(6)
Buy and sell spread		51	53
Adjustment to reporting period end accruals		(7)	(4)
Net assets attributable to unitholders		20,220	21,120

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 REPORTING PERIOD ENDED 30 JUNE 2010

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial reporting period	-	-	-	-	-	-
Total comprehensive income for the financial reporting period	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial reporting period	-	-	-	-	-	-

Under AIFRS, 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 reporting period.

The above Statements of Changes in Equity should be read in conjunction with Note 8(a).

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Total equity at the beginning of the financial reporting period	-	-
Total comprehensive income for the financial reporting period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial reporting period	-	-

Under AIFRS, 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 reporting period.

The above Statements of Changes in Equity should be read in conjunction with Note 8(a).

COLONIAL FIRST STATE WHOLESALE FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

	Colonial First State Wholesale Australian Share Fund	Colonial First State Wholesale Industrial Share Fund	Colonial First State Wholesale Global Health & Biotechnology Fund
Note	01/07/2009 - 01/07/2008 - 30/06/2010 30/06/2009 \$'000 \$'000	01/07/2009 - 01/07/2008 - 30/06/2010 30/06/2009 \$'000 \$'000	01/07/2009 - 01/07/2008 - 30/06/2010 30/06/2009 \$'000 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading	917,023	996,293	232,133 543,420
Payments for purchase of financial instruments held for trading	(823,660)	(930,722)	(137,671) (313,862)
Interest received	678	4,232	460 793
Dividends received	32,406	40,930	15,070 22,089
Other income received	850	771	- 57
Responsible Entity fee paid	(14,477)	(12,815)	(5,862) (6,239)
Other expenses paid	(56)	(9)	(20) (1)
Payment for brokerage costs	(1,652)	(1,831)	(345) (653)
Net cash from operating activities	9(a) 111,112	96,849	103,765 245,604
Cash flows from financing activities			
Receipts from issue of units	66,705	95,448	56,530 34,090
Payment for redemption of units	(177,843)	(241,819)	(166,917) (299,925)
Distributions paid	(4,801)	(6,336)	(26) (80)
Net cash used in financing activities	(115,939)	(152,707)	(110,413) (265,915)
Net movement in cash and cash equivalents	(4,827)	(55,858)	(6,648) (20,311)
Add opening cash and cash equivalents brought forward	29,033	84,892	11,990 32,301
Closing cash and cash equivalents carried forward	24,206	29,034	5,342 11,990

See Note 9(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 REPORTING PERIOD ENDED 30 JUNE 2010

	Note	Colonial First State Wholesale Global Technology & Communications Fund	
		01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		27,426	46,129
Payments for purchase of financial instruments held for trading		(23,974)	(43,142)
Interest received		16	40
Dividends received		385	545
Other income received		1	-
Responsible Entity fee paid		(245)	(282)
Other expenses paid		(6)	(4)
Payment for brokerage costs		(26)	(49)
Net cash from operating activities	9(a)	3,577	3,237
Cash flows from financing activities			
Receipts from issue of units		820	3,170
Payment for redemption of units		(3,980)	(7,160)
Distributions paid		(16)	(30)
Net cash used in financing activities		(3,176)	(4,020)
Net movement in cash and cash equivalents		401	(783)
Add opening cash and cash equivalents brought forward		460	1,243
Closing cash and cash equivalents carried forward		861	460

See Note 9(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 REPORTING PERIOD ENDED 30 JUNE 2010

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 27 August 2010.

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

The current reporting period for the financial report is from 1 July 2009 (or date of registration of the Fund) to 30 June 2010. The comparative reporting period is from 1 July 2008 (or date of registration of the Fund) to 30 June 2009.

(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 Statements of Comprehensive Income.

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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement (continued)

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

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 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 Statements of Comprehensive Income. Investments of the Funds which are considered to be held for trading are equity securities, derivatives and investments in Managed Investment Schemes.

(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:

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.

Changes in fair value of financial assets held for trading

Gains or losses on investments held for trading are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses.

(e) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank, deposits at call in a futures and/or options cash account 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 REPORTING PERIOD ENDED 30 JUNE 2010

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, whether or not billed to the Funds.

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) Net Assets Attributable to Unitholders

Under the terms of the Funds' constitutions, unitholders have a present entitlement to the distributable income of the Funds and therefore 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.

(k) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, 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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) 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.

(n) Expense Recognition

Expenses are recognised in the Statements of Comprehensive Incomes 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 Statements of Comprehensive Incomes if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheets.

(o) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial reporting period. 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. Pricing models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Pricing 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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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 reporting period in which they arise.

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.

The Funds does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit and loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit and loss.

(r) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The impact of these new standards and interpretations is set below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9, the standard is not applicable until 1 January 2013. The Funds have not yet decided when to adopt this standard. The standard only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded - available-for-sale debt investments. Application of this standard will not have a significant impact on the Fund's financial statements as the Funds does not hold any available-for-sale investments.

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]

The Funds will apply the revised Standards from 1 July 2010. The Funds does not expect that any adjustments will be necessary as a result of applying the revised rules.

- Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards

AASB 124 (Revised) is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The Funds will apply the amended standard from 1 July 2011. The Funds already disclosing all transactions between its subsidiaries and its associates. The revised standard will not have significant effect on the Funds' financial statements.

(s) Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current period.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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 interest income of the Funds are summarised as follows:

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	667	3,958	487	668	18	43
Total Interest Income	667	3,958	487	668	18	43

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Cash and cash equivalents	17	36
Total Interest Income	17	36

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

4. DISTRIBUTIONS TO UNITHOLDERS

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 represents the component of the final distribution for the period which has not been paid at balance date.

Quarterly and half-yearly distributing Funds:

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

Period ended:	Colonial First State Wholesale Australian Share Fund				Colonial First State Wholesale Industrial Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.40	12,591	1.50	14,355	1.20	6,503	1.60	10,946
- 31 December	1.70	15,128	0.50	4,700	1.80	9,092	2.70	17,875
- 31 March	0.70	6,184	-	-	0.20	1,023	0.60	4,073
- 30 June	1.04	8,984	1.52	13,732	0.79	4,201	0.77	4,713
Distributions to unitholders		42,887		32,787		20,819		37,607

Period ended:	Colonial First State Wholesale Global Health & Biotechnology Fund				Colonial First State Wholesale Global Technology & Communications Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009		01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-	-	-	-	-
- 30 June	-	-	-	-	0.35	136	0.42	187
Distributions to unitholders		-		-		136		187

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

5. FINANCIAL ASSETS HELD FOR TRADING

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Listed Equities				
- Australian stock exchange	1,184,421	1,243,716	518,530	567,128
- International stock exchanges	55,298	31,432	23,901	10,294
Listed Property Trust				
- Australian stock exchange	36,336	-	19,153	-
Managed Investment Schemes				
- Related Managed Investment Schemes	48,591	-	-	-
Australian Derivatives				
- Futures	-	32	-	-
- Warrants	34,471	-	-	-
Total Financial Assets Held for Trading	1,359,117	1,275,180	561,584	577,422

	Colonial First State Wholesale Global Health & Biotechnology Fund		Colonial First State Wholesale Global Technology & Communications Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Listed Equities				
- International stock exchanges	22,179	24,111	19,342	20,627
International Derivatives				
- Currency Contracts	21	-	-	-
Total Financial Assets Held for Trading	22,200	24,111	19,342	20,627

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

6. FINANCIAL LIABILITIES HELD FOR TRADING

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
Australian Derivatives				
- Futures	1,120	-	-	-
- Options	-	1,141	-	-
Total Financial Liabilities Held for Trading	1,120	1,141	-	-

	Colonial First State Wholesale Global Health & Biotechnology Fund		Colonial First State Wholesale Global Technology & Communications Fund	
	30/06/2010 \$'000	30/06/2009 \$'000	30/06/2010 \$'000	30/06/2009 \$'000
International Derivatives				
- Currency Contracts	33	-	-	-
Total Financial Liabilities Held for Trading	33	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

7. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The fair value of financial instruments traded in active markets (such as shares in listed companies and publicly traded derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Fund is the last sale price. These instruments are included in Level 1. Investments in unlisted managed investment schemes which have daily liquidity are also classified as Level 1.

The fair value of financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices or alternative pricing sources supported by observable inputs (such as over-the-counter derivatives) are classified within Level 2.

Investments classified within Level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include shares in unlisted companies, certain unlisted unit trusts and certain corporate bonds. As observable inputs are not available for these instruments, valuation techniques such as discounted cash flows are used to derive fair value.

The various methods adopted in determining the fair value of the Fund's financial instruments are further explained in Note 1.

The table below presents the Funds' financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices (Level 1), those involving valuation techniques where all the model inputs are observable in the market (Level 2) and those where the valuation technique involves the use of non-market observable inputs (Level 3).

	Colonial First State Wholesale Australian Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial Assets Held for Trading:				
Listed Equities				
- Australian stock exchange	1,184,421	-	-	1,184,421
- International stock exchanges	55,298	-	-	55,298
Listed Property Trust				
- Australian stock exchange	36,336	-	-	36,336
Managed Investment Schemes				
- Related Managed Investment Schemes	48,591	-	-	48,591
Australian Derivatives				
- Warrants	-	34,471	-	34,471
Total Assets Held for Trading	1,324,646	34,471	-	1,359,117

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

7. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES (continued)

Financial Liabilities Held for Trading:	Colonial First State Wholesale Australian Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Australian Derivatives				
- Futures	1,120	-	-	1,120
Total Liabilities Assets Held for Trading	1,120	-	-	1,120

Financial Assets Held for Trading:	Colonial First State Wholesale Industrial Share Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- Australian stock exchange	518,530	-	-	518,530
- International stock exchanges	23,901	-	-	23,901
Listed Property Trust				
- Australian stock exchange	19,153	-	-	19,153
Total Assets Held for Trading	561,584	-	-	561,584

Financial Assets Held for Trading:	Colonial First State Wholesale Global Health & Biotechnology Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities				
- International stock exchanges	22,067	112	-	22,179
International Derivatives				
- Currency Contracts	-	21	-	21
Total Assets Held for Trading	22,067	133	-	22,200

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

7. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES (continued)

Financial Liabilities Held for Trading:	Colonial First State Wholesale Global Health & Biotechnology Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
International Derivatives - Currency Contracts	-	33	-	33
Total Liabilities Assets Held for Trading	-	33	-	33

Financial Assets Held for Trading:	Colonial First State Wholesale Global Technology & Communications Fund			
	30/06/2010			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Listed Equities - International stock exchanges	19,342	-	-	19,342
Total Assets Held for Trading	19,342	-	-	19,342

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

8. CHANGES IN NET ASSETS 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 periods were as follows:

	Colonial First State Wholesale Australian Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	912,090	1,303,272	995,535	1,701,371
Applications	39,664	66,333	65,009	95,562
Redemptions	(105,516)	(177,700)	(168,453)	(241,791)
Units issued upon reinvestment of distributions	22,744	38,592	19,999	29,487
Change in net assets attributable to unitholders from operations		153,272		(281,357)
Closing Balance	868,982	1,383,769	912,090	1,303,272

	Colonial First State Wholesale Industrial Share Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	617,044	594,673	828,658	903,236
Applications	48,053	56,530	33,713	34,090
Redemptions	(147,419)	(166,917)	(286,051)	(299,915)
Units issued upon reinvestment of distributions	17,878	20,793	40,724	37,565
Change in net assets attributable to unitholders from operations		70,781		(80,303)
Closing Balance	535,556	575,860	617,044	594,673

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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

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

	Colonial First State Wholesale Global Health & Biotechnology Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	36,060	25,153	40,582	28,912
Applications	1,384	1,038	1,743	1,352
Redemptions	(7,084)	(5,261)	(6,265)	(4,840)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		1,843		(271)
Closing Balance	30,360	22,773	36,060	25,153

	Colonial First State Wholesale Global Technology & Communications Fund			
	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.'000	\$'000	No.'000	\$'000
Opening balance	44,798	21,120	51,681	29,612
Applications	1,648	855	5,772	3,158
Redemptions	(7,674)	(3,994)	(13,017)	(7,132)
Units issued upon reinvestment of distributions	242	126	362	171
Change in net assets attributable to unitholders from operations		2,113		(4,689)
Closing Balance	39,014	20,220	44,798	21,120

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 REPORTING PERIOD ENDED 30 JUNE 2010

9. CASH AND CASH EQUIVALENTS

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

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	196,159	(248,570)	91,600	(42,696)	1,843	(271)
Proceeds from sale of financial instruments held for trading	917,023	993,571	232,133	543,420	13,718	26,736
Payments for purchase of financial instruments held for trading	(823,660)	(933,401)	(137,671)	(308,482)	(9,800)	(23,014)
Changes in fair value of financial instruments held for trading	(157,173)	300,478	(72,077)	76,405	(1,851)	422
Distribution income reinvested	(22,018)	(22,179)	(10,863)	(19,667)	-	-
Net foreign exchange gain/(loss)	-	-	-	-	12	(157)
Changes in assets and liabilities:						
Outstanding sales settlements	-	2,721	-	-	-	(93)
Dividends receivable	777	1,343	678	2,013	(4)	(11)
Interest receivable	11	274	(27)	125	-	5
Other receivables	(196)	338	(15)	127	1	2
Outstanding purchase settlements	-	2,679	-	(5,380)	-	-
Responsible Entity fees	170	(405)	(1)	(261)	(2)	(4)
Loan interest payables	-	-	-	-	-	-
Other payables	19	-	8	-	3	-
Net Cash From Operating Activities	111,112	96,849	103,765	245,604	3,920	3,615

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

9. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2009 - 30/06/2010 \$'000	01/07/2008 - 30/06/2009 \$'000
Net profit/(Net loss) attributable to unitholders	2,249	(4,502)
Proceeds from sale of financial instruments held for trading	27,426	46,060
Payments for purchase of financial instruments held for trading	(23,974)	(43,242)
Changes in fair value of financial instruments held for trading	(2,192)	4,949
Distribution income reinvested	(4)	-
Net foreign exchange gain/(loss)	3	(145)
Changes in assets and liabilities:		
Outstanding sales settlements	-	69
Dividends receivable	67	(51)
Interest receivable	-	5
Other receivables	-	4
Outstanding purchase settlements	-	101
Responsible Entity fees	(1)	(8)
Other payables	3	(3)
Net Cash From Operating Activities	3,577	3,237

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

9. CASH AND CASH EQUIVALENTS (continued)

(b) Non-cash financing activities carried out during the period 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 8(a) under "Units issued upon reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 9(a) under "Dividend income reinvested".

(c) Terms and conditions on cash

Cash at bank and in hand, cash held in collateral and deposits at call in a futures and/or options cash account, earn interest at floating rate as determined by the financial institutions.

(d) Derivative cash accounts

Included in the cash and cash equivalents are derivative cash accounts which comprise of cash held as collateral for derivative transactions.

The balance of the derivative cash accounts at the end of the reporting periods are as follows:

	2010 \$'000	2009 \$'000
Colonial First State Wholesale Australian Share Fund	2,370	137
Colonial First State Wholesale Industrial Share Fund	-	-
Colonial First State Wholesale Global Health & Biotechnology Fund	-	-
Colonial First State Wholesale Global Technology & Communications Fund	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

10. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

The Responsible Entity of the Funds are 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 reporting period and up to the date of the report are:

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	Appointed 11/11/2009
Brian Vincent Bissaker	
Gregg Johnston	Appointed 04/08/2009
Peter Robert Winney	
Bradley Brian Massey	
Paul Alexander Rayson	Resigned 28/07/2009
Michael John Venter	Resigned 16/09/2009

(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.

(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 funds managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying funds. As a consequence, the amounts shown in the Income Statements reflect only the amount of fees charged directly to the respective Funds.

The management fees rate charged for the reporting period are as follows:

	2010 Management Fees %	2009 Management Fees %
Colonial First State Wholesale Australian Share Fund	0.95	0.95
Colonial First State Wholesale Industrial Share Fund	0.95	0.95
Colonial First State Wholesale Global Health & Biotechnology Fund	1.15	1.15
Colonial First State Wholesale Global Technology & Communications Fund	1.15	1.15

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

10. RELATED PARTIES DISCLOSURES (continued)

(c) Responsible Entity's Management Fees (continued)

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 the Good and Services Tax ("GST") as compared to 75% for domestic investing Funds.

The Responsible Entity's management fees charged for the reporting period ended 30 June 2010 and 30 June 2009 are as follows:

	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Colonial First State Wholesale Australian Share Fund	14,451,094	12,748,346
Colonial First State Wholesale Industrial Share Fund	5,846,763	6,105,682
Colonial First State Wholesale Global Health & Biotechnology Fund	274,270	332,767
Colonial First State Wholesale Global Technology & Communications Fund	244,183	277,187

Fees due to the Responsible Entity as at 30 June 2010 and 30 June 2009 are as follows:

	2010 \$	2009 \$
Colonial First State Wholesale Australian Share Fund	1,201,160	1,030,723
Colonial First State Wholesale Industrial Share Fund	499,628	500,501
Colonial First State Wholesale Global Health & Biotechnology Fund	23,178	25,549
Colonial First State Wholesale Global Technology & Communications Fund	20,634	21,904

(d) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Funds may be 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:

	2010 Number of Units No.'000	2009 Number of Units No.'000
Colonial First State Wholesale Australian Share Fund	658,407	692,312
Colonial First State Wholesale Industrial Share Fund	533,765	615,254
Colonial First State Wholesale Global Health & Biotechnology Fund	25,684	29,740
Colonial First State Wholesale Global Technology & Communications Fund	33,212	36,911

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

10. RELATED PARTIES DISCLOSURES (continued)

(f) Related Party Transactions

Related parties

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, purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

The amounts outstanding payable or receivable at year end 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.

(g) Investing Activities

(i) Managed investment schemes

The following Funds held investments in the following schemes which were managed by Colonial First State Investments Limited. Distributions received are immediately reinvested into additional units

Investment Name	Units Held at Period End	Value of Investment at Period End	Interest held in Investment at Period End	Units Acquired During Period	Units Disposed of During Period	Distribution Received
	No.'000	\$'000	%	No.'000	No.'000	\$'000

Colonial First

State Wholesale Australian Share Fund

Units held in Colonial

First State

Global Asset Management Equity Trust 5

- 2010	50,369	48,591	22.30	50,369	-	3,895
- 2009	-	-	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

10. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(ii) Listed Securities

The following Funds had listed securities with the Bank and its related parties as follows:

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

Colonial First State Wholesale Australian Share Fund

Commonwealth Bank of Australia

- 2010	1,906	92,703	0.12	261	523	4,903
- 2009	2,168	84,391	0.17	1,524	1,372	5,051

CFS Retail Property Trust

- 2010	-	-	0.00	833	833	38
- 2009	-	-	0.00	3,526	3,526	111

Colonial First State Wholesale Industrial Share Fund

Commonwealth Bank of Australia

- 2010	1,113	54,137	0.07	143	331	2,786
- 2009	1,301	50,636	0.10	1,057	1,602	3,988

11. 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 REPORTING PERIOD ENDED 30 JUNE 2010

12. 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 Product Disclosure Statement/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. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

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 (ii) below sets out how this component of price risk is managed and measured.

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

The table in Note 12 (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 2010 and 30 June 2009. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled in Note 12 (b) with all other variables held constant and that the fair value of the Funds' which have indirect exposures to equity securities and derivatives moved according to the historical correlation with the indexes. Funds that invest in various asset classes, such as multi-sector Funds, will have a weighted average movement calculated based on the proportion of their investments in the those classes.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(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 at fair value through profit or loss.

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

The table below summarises the Funds' assets and liabilities that are denominated in a currency other than the Australian dollar.

30/06/2010	Colonial First State Wholesale Global Health & Biotechnology Fund				
	United States Dollar	Japanese Yen	European Euro	Swiss Franc	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	127	-	-	-	12
Receivables	17	-	-	-	-
Financial assets held for trading	19,997	1,410	531	178	62
Payables	(28)	-	-	-	(14)
	20,113	1,410	531	178	60

30/06/2009	Colonial First State Wholesale Global Health & Biotechnology Fund				
	United States Dollar	Japanese Yen	European Euro	Swiss Franc	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	255	-	-	-	-
Receivables	106	-	-	-	-
Financial assets held for trading	21,396	1,699	538	478	-
	21,757	1,699	538	478	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2010	Colonial First State Wholesale Global Technology & Communications Fund				
	United States Dollar	European Euro	Hong Kong Dollar	Taiwan Dollar	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	277	-	-	5	1
Receivables	169	2	-	-	-
Financial assets held for trading	16,349	738	658	555	1,042
Payables	(88)	-	(63)	-	(1)
	16,707	740	595	560	1,042

30/06/2009	Colonial First State Wholesale Global Technology & Communications Fund				
	United States Dollar	European Euro	Uk Pound Sterling	South African Rand	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	271	-	-	-	-
Receivables	443	-	5	-	50
Financial assets held for trading	17,561	1,226	446	339	1,055
Payables	(407)	-	-	-	(30)
	17,868	1,226	451	339	1,075

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. 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 Funds are exposed to cash flow interest rate risk on financial instruments at variable rates. Financial instruments at fixed rates expose the Funds to fair value interest rate risk. 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.

30/06/2010	Colonial First State Wholesale Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	24,206	-	-	24,206
Receivables	-	-	15,118	15,118
Financial assets held for trading	-	-	1,324,646	1,324,646
Derivatives	-	-	34,471	34,471
Financial liabilities				
Payables	-	-	(13,552)	(13,552)
Financial liabilities held for trading - Derivatives	-	-	(1,120)	(1,120)
Net exposure	24,206	-	1,359,563	1,383,769

30/06/2009	Colonial First State Wholesale Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	29,129	-	-	29,129
Receivables	-	-	12,802	12,802
Financial assets held for trading	-	-	1,275,148	1,275,148
Derivatives	-	-	32	32
Financial liabilities				
Payables	-	-	(12,603)	(12,603)
Bank overdraft	(95)	-	-	(95)
Financial liabilities held for trading - Derivatives	-	-	(1,141)	(1,141)
Net exposure	29,034	-	1,274,238	1,303,272

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Wholesale Industrial Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	5,342	-	-	5,342
Receivables	-	-	14,331	14,331
Financial assets held for trading	-	-	561,584	561,584
Financial liabilities				
Payables	-	-	(5,397)	(5,397)
Net exposure	5,342	-	570,518	575,860

30/06/2009	Colonial First State Wholesale Industrial Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	11,990	-	-	11,990
Receivables	-	-	5,782	5,782
Financial assets held for trading	-	-	577,422	577,422
Financial liabilities				
Payables	-	-	(521)	(521)
Net exposure	11,990	-	582,683	594,673

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

	Colonial First State Wholesale Global Health & Biotechnology Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2010				
Financial assets				
Cash and cash equivalents	659	-	-	659
Receivables	-	-	31	31
Financial assets held for trading	-	-	22,178	22,178
Derivatives	-	-	22	22
Financial liabilities				
Payables	-	-	(84)	(84)
Financial liabilities held for trading - Derivatives	-	-	(33)	(33)
Net exposure	659	-	22,114	22,773

	Colonial First State Wholesale Global Health & Biotechnology Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
30/06/2009				
Financial assets				
Cash and cash equivalents	934	-	-	934
Receivables	-	-	139	139
Financial assets held for trading	-	-	24,111	24,111
Financial liabilities				
Payables	-	-	(31)	(31)
Net exposure	934	-	24,219	25,153

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2010	Colonial First State Wholesale Global Technology & Communications Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	861	-	-	861
Receivables	-	-	217	217
Financial assets held for trading	-	-	19,342	19,342
Financial liabilities				
Payables	-	-	(200)	(200)
Net exposure	861	-	19,359	20,220

30/06/2009	Colonial First State Wholesale Global Technology & Communications Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	460	-	-	460
Receivables	-	-	509	509
Financial assets held for trading	-	-	20,627	20,627
Financial liabilities				
Payables	-	-	(476)	(476)
Net exposure	460	-	20,660	21,120

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

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

The table in Note 12 (b) summarises the impact of an increase/decrease of interest rates on the Funds' 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 +/- 60 basis points (2009: +/- 50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities.

(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 and/or correlation between the performance of the economies, markets and securities in which the Funds invest. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

30/06/2010	Colonial First State Wholesale Australian Share Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-27.31% \$'000	27.31% \$'000
	(145)	145	-	-	(361,424)	361,424
	-50 basis points \$'000	+50 basis points \$'000	-9.20% \$'000	9.20% \$'000	-32.02% \$'000	32.02% \$'000
30/06/2009	(146)	146	-	-	(407,961)	407,961

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2010	Colonial First State Wholesale Industrial Share Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.35% \$'000	28.35% \$'000
	(32)	32	-	-	(159,227)	159,227
	-50 basis points \$'000	+50 basis points \$'000	-9.20% \$'000	9.20% \$'000	-32.04% \$'000	32.04% \$'000
30/06/2009	(60)	60	-	-	(185,023)	185,023

30/06/2010	Colonial First State Wholesale Global Health & Biotechnology Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000
	(4)	4	(12)	12	(5,056)	5,056
	-50 basis points \$'000	+50 basis points \$'000	-9.20% \$'000	9.20% \$'000	-28.90% \$'000	28.90% \$'000
30/06/2009	(5)	5	(33)	33	(6,968)	6,968

30/06/2010	Colonial First State Wholesale Global Technology & Communications Fund					
	Interest rate risk		Foreign exchange risk		Price risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders					
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000
	(5)	5	(32)	32	(4,410)	4,410
	-50 basis points \$'000	+50 basis points \$'000	-9.20% \$'000	9.20% \$'000	-28.90% \$'000	28.90% \$'000
30/06/2009	(2)	2	(111)	111	(5,961)	5,961

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard and Poor's or equivalent agency). The Funds' investment in managed investment shares are subject to credit risk as the point in time it renders its investment. However, as the Responsible Entity of the Fund are the same as the underlying investment, the credit risk are deemed to be insignificant.

(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 period end.

The Funds' financial liabilities, excluding derivative financial liabilities, comprise trade and other payables and are contractually due within 30 days.

The table below analyses the Funds' derivative financial instruments into relevant maturity groupings based on the remaining period to the contractual maturity date at the period end date. The amounts disclosed in the table are the contractual undiscounted gross cash flows expected to be paid or received, determined by reference to the conditions existing at the period end date. The contractual amounts can be settled on a gross or net basis.

30/06/2010	Colonial First State Wholesale Australian 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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	- (1,120)	- -	- -	- -	- -	- (1,120)

30/06/2009	Colonial First State Wholesale Australian 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	Total \$'000
Australian share price index futures Inflows (Outflows)	- -	32 -	- -	- -	- -	- -	32 -

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2010	Colonial First State Wholesale Global Health & Biotechnology 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	-	-	768	-	-	-	768
(Outflows)	-	-	(776)	-	-	-	(776)

30/06/2009	Colonial First State Wholesale Global Health & Biotechnology 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	-	-	-	-	-	-	-
(Outflows)	-	-	-	-	-	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

12. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

The Funds value their investments in accordance with the accounting policies set out in Note 1. 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 Funds is the last bid price. The quoted market price used for equity securities sold short by certain Funds is the current 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 (such as 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 interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

As a result of the developments in global markets, generally known as the global financial crisis, liquidity in some investment markets has decreased significantly. As a result, the volume of trading in some of the investments held by the Funds has decreased significantly, and accordingly the valuation of those investments is subject to a greater uncertainty and requires greater judgement than would be the case in normal investment market conditions.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

13. DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business certain Funds enter into transactions in various derivative financial instruments which have 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 many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and 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) Options

An option is a contractual agreement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or buy a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held by certain Funds are exchange-traded. These Funds are exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

(c) 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.

(d) Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. These Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

13. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Funds' derivative financial instruments at reporting period end are detailed below:

	Colonial First State Wholesale Australian Share Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2010			30/06/2009	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	18,646	-	(1,120)	2,926	32	-
- Exchange traded options	-	-	-	(1,141)	-	(1,141)
- Warrants	-	34,471	-	-	-	-
	18,646	34,471	(1,120)	1,785	32	(1,141)

	Colonial First State Wholesale Global Health & Biotechnology Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2010			30/06/2009	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Foreign currency forward contracts	768	21	(33)	-	-	-
	768	21	(33)	-	-	-

14. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2010 the Funds have no contingent liabilities and commitments (2009 - none).

15. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2009 - none).

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2010

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 2010 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;

Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Bradley Brian Massey
Director
Sydney
6 September 2010

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 2010, and the statements of comprehensive income, 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 the 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 the financial statements comply 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.

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

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

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

Independence

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

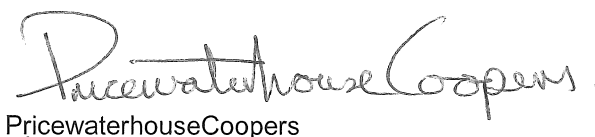
Auditor's opinion


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 2010 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 2010 included on Colonial First State Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited 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 the financial report. 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


A J Wilson
Partner

Sydney
06 September 2010

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

**ARSN 088 902 425
ABN 79 263 933 668**

**FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2010**

Responsible Entity of the Fund:

**COLONIAL FIRST STATE
INVESTMENTS LIMITED**

ABN 98 002 348 352

Level 29, 52 Martin Place
SYDNEY NSW 2000

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

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COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Wholesale Guaranteed Mortgage Fund ("the Fund"), present their report together with the financial report for the period ended 30 June 2010.

Termination of the Fund

On 12 February 2010, the Board of Directors of the Responsible Entity approved the termination of the Fund in accordance with the provisions of the Constitution. The effective date of the termination was 1 March 2010.

The Responsible Entity is currently in the process of realising the assets of the Fund. The Responsible Entity is expecting to make periodic payments to unitholders every three months depending on the amount of cash available in the Fund. The first cash payment to unitholders was made on 15 March 2010 and it is anticipated that all the assets will be distributed to unitholders within at least four periods from the termination date.

Principal Activities

Prior to the Fund's termination, the principal activities of the Fund were to invest in accordance with the investment objectives and guidelines as set out in the Information Memorandum and in accordance with the provisions of the Fund's Constitution.

Date of Constitution and Registration of Fund

The dates of the Constitution and registration of the Fund with the Australian Securities & Investments Commission (ASIC) were 10 August 1999 and 13 August 1999 respectively.

Review Of Operations

The investment policy of the Fund is to provide investors with a consistent monthly income from a portfolio consisting of registered first mortgages, mortgage-backed securities, money market securities and cash. The Fund also provides investors with the added security of a guarantee that protects the value of their investment. See Note 13 for details of the Guarantor and guarantee.

Mortgage investments comprise loans with the principal security being registered first mortgages over properties. The Responsible Entity's current policy is to lend up to 70% of the market value.

Income

The income distributions per unit for the Fund for the periods ended 30 June 2010 and 30 June 2009 are disclosed in Note 4 to the financial statement.

Unit price

The 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.

The unit price representing the ex-distribution unit price as at 30 June 2010 was \$1.0066 (2009: \$0.9880).

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010

Review Of Operations (continued)

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 period, 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 Fund.

The ICR of the Fund for the period ended 30 June 2010 is 1.15% (2009: 1.15%).

Performance

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

	2010	2009
	%	%
Total performance	4.65	4.76

Responsible Entity and Directors

The Responsible Entity of the Fund 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 period and up to the date of the report are:

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	Appointed 11/11/2009
Brian Vincent Bissaker	
Gregg Johnston	Appointed 04/08/2009
Peter Robert Winney	
Bradley Brian Massey	
Paul Alexander Rayson	Resigned 28/07/2009
Michael John Venter	Resigned 16/09/2009

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 Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Level 29, 52 Martin Place, Sydney, New South Wales, 2000.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010

Unit Pricing Adjustments Policy

There are a number of factors used to calculate unit prices. The key factors include asset valuations, liabilities, debtors, the number of units on issue and where relevant transaction costs. When the factors used to calculate the unit price are incorrect an adjustment to the unit price may be required. The Responsible Entity uses a variance of 0.30% in the unit price before correcting the unit price.

If a unit pricing error is greater than these tolerance levels the Responsible Entity will:

- compensate unitholders' accounts balance if they have transacted on the incorrect unit price or make other adjustments as the Responsible Entity may consider appropriate, or
- where unitholders' accounts are closed we will send them a payment if the amount of the adjustment is more than \$20.

These tolerance levels are consistent with regulatory practice guidelines and industry standards. In some cases we may compensate where the unit pricing error is less than the tolerance levels.

Significant Changes in the State of Affairs

Following the Fund's termination, the Fund's assets are in the process of being realised. All asset except mortgages have been sold during the period. There have been no other significant changes in the nature of the Fund's activities during the period.

Matters Subsequent to the End of the Financial Period

With the exception of the termination of the Fund, there were no other significant changes in the nature of the Fund's activities during the period.

Likely Developments and Expected Results of Operations

As the Fund is in the process of termination, the remaining mortgage assets are in wind down. No new loans or refinancing have been undertaken after the termination of the Fund. With the exception of the termination of the Fund, there were no other significant changes in the nature of the Fund's activities during the period.

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 have not been included as such disclosure is prohibited under the terms of the insurance contracts.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010

Fees Paid to and Interest Held in the Fund by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Fund's assets during the period are disclosed in the Income Statement.

No fees were paid to the Directors of the Responsible Entity during the period out of the Fund's assets.

No interests in the Fund were held by the Responsible Entity or its associates at the end of the financial period.

Interests in the Fund

The units issued and redeemed in the Fund during the period and the number of units on issue at the end of the financial period are set out in Note 6(a) to the financial statements. The value of the Fund's investments at the end of the financial period is set out in the Balance Sheet.

Environmental Regulation

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

Applications, Withdrawals and Switches Suspension

Effective from 3.00pm Friday 24th October 2008, the Fund was declared illiquid and the application, withdrawal and switch processes were suspended, with the exception of distributions reinvested. The application of units through the reinvestment of distributions would continue to be processed in accordance with the Product Disclosure Statement.

The suspension was to ensure withdrawal requests could be responded to in a measured and orderly way in the best interests of unitholders.

From October 2008 to January 2010, the Responsible Entity processed withdrawal and switch requests on a quarterly basis (or such other intervals determined from time to time), depending on the level of cash available within the Fund to meet those requests at that time. Payments were also made from time to time from the Fund where the Financial Hardship criteria was met (refer to Note 15). The cash available in the Fund was dependant on asset sales and the repayment of maturing mortgages. Any payment made in respect of a withdrawal or switch request was calculated at a unit price determined at the time the payment was made.

Applications into the Fund may have been accepted by the Responsible Entity and processed in the same manner as withdrawals discussed above.

Due to the termination of the Fund, no further applications, switches or withdrawal offers will be made by/to unitholders. Please refer to Note 15 for details on the quarterly withdrawal offers made during the period. The last withdrawal offer payment occurred in January 2010.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2010

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 6.

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

A handwritten signature in black ink, appearing to read 'Bradley Massey', with a stylized, cursive script.

Bradley Brian Massey
Director
Sydney
6 September 2010

PricewaterhouseCoopers
ABN 52 780 433 757

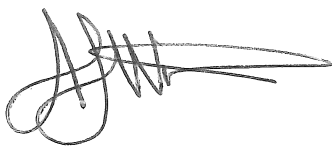
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Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Guaranteed Mortgage Fund for the year ended 30 June 2010, 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 Guaranteed Mortgage Fund during the period.



A J Wilson
Partner
PricewaterhouseCoopers

Sydney
06 September 2010

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2010**

	Note	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Investment income			
Interest income	3(a)	513,622	1,103,439
Changes in fair value of financial instruments held for trading		(1)	1
Other income		3	5,000
Total investment income		513,624	1,108,440
Expenses			
Responsible Entity's management fees	8(c)	126,389	193,803
Other expenses	3(b)	21,031	27,649
Total operating expenses		147,420	221,452
Operating profit attributable to unitholders		366,204	886,988
Distributions to unitholders	4	(285,938)	(961,306)
Change in net assets attributable to unitholders from operations	6(a)	(80,266)	74,318
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

BALANCE SHEETS AS AT 30 JUNE 2010

	Note	30/06/2010 \$	30/06/2009 \$
Assets			
Cash and cash equivalents		2,323,792	1,743,137
Trade and other receivables:			
- interests		8,292	6,017
- others		2,653	6,896
Financial assets held for trading	5	-	3,495,174
Mortgages		4,100,847	8,773,411
Total assets		6,435,584	14,024,635
Liabilities			
Trade and other payables:			
- others		1,149	129
Distribution payable		8,870	20,234
Fees due to Responsible Entity	8(c)	26,798	43,532
Total liabilities (excluding net assets attributable to unitholders)		36,817	63,895
Net assets attributable to unitholders - liability	6(a)	6,398,767	13,960,740
Represented by:			
Fair value of outstanding units based on redemption value		6,398,464	13,729,735
Adjustment to the period end accruals		303	231,005
Net assets attributable to unitholders		6,398,767	13,960,740

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2010

	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Total equity at the beginning of the financial period	-	-
Total comprehensive income for the financial period	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

Under the terms of the Fund's constitutions, unitholders have a present entitlement to the distributable income of the Fund and therefore all net assets attributable to unitholders have been recognised as liabilities of the Fund, rather than as equity. As a result there was no equity at the start or end of the period.

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

	Note	01/07/2009 - 30/06/2010	01/07/2008 - 30/06/2009
		\$	\$
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		42,372,015	40,034,958
Payments for purchase of financial instruments held for trading		(38,880,694)	(35,341,661)
Net repayment or (payment) of mortgage assets		4,658,537	2,045,062
Interest received		529,226	1,219,136
Other income received		3	5,000
Responsible Entity fee paid		(138,880)	(168,134)
Other expenses paid		(20,011)	(27,520)
Net cash from operating activities	7(a)	8,520,196	7,766,841
Cash flows from financing activities			
Receipts from issue of units		10,533	676,862
Payment for redemption of units		(1,276,336)	(7,422,503)
Repayment of capital		(6,381,627)	-
Distributions paid		(292,111)	(1,046,114)
Net cash used in financing activities		(7,939,541)	(7,791,755)
Net movement in cash and cash equivalents		580,655	(24,914)
Add opening cash and cash equivalents brought forward		1,743,137	1,768,051
Closing cash and cash equivalents carried forward		2,323,792	1,743,137

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 GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

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 Fund's Constitution and the requirements of the Corporations Act 2001, which includes Accounting Standards. Other mandatory professional reporting requirements have also been complied with.

The financial statements for the period ended 30 June 2010, have not been prepared on a going concern basis, but instead prepared on a liquidation basis.

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

The Balance Sheet is 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, mortgages 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 6 September 2010.

Both the functional and presentation currency of the Fund 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').

Certain prior period comparative disclosures have been updated to conform to current period presentation.

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

Classification

The Fund's investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the Statement of Comprehensive Income.

Recognition/Derecognition

The Fund recognises 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 Fund no longer controls 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Measurement

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

Gains or losses on investments held for trading are recognised in the Statement of Comprehensive Income. Investments of the Fund which are considered to be held for trading are money market securities.

(d) Mortgages

All mortgages are classified as loan and receivables and are initially recognised at cost, being the fair value of the consideration issued.

After initial recognition, mortgages are subsequently measured at amortised cost less impairment, using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Impairment charges are recognised when the carrying value exceeds the estimated recoverable amount. The impairment charge is included in other expenses.

Gains and losses are recognised in the Statement of Comprehensive Income when the assets are derecognised, amortised or impaired.

(e) Investment Income

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

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.

(f) Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheets comprise cash at bank, deposits at call in a futures and/or options cash account 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.

(g) 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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, whether or not billed to the Fund.

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.

(i) Taxation

Under current legislation, the Fund is not subject to income tax provided the unitholders are presently entitled to the income of the Fund and the Fund fully distributes its taxable income.

(j) Distributions

In accordance with the Fund's Constitution, the Fund fully distributes its distributable income to unitholders. Distributions are payable monthly. Such distributions are determined by reference to the taxable income of the Fund. Distributable income includes capital gains arising from the disposal of financial assets held for trading. Unrealised gains and losses on financial assets 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.

(k) Unit Prices

Unit prices are determined in accordance with the Fund's Constitution and are calculated as the net assets attributable to unitholders, 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

Upon the termination of the Fund, the issue, switching and redemption of units ceased.

Each unit issued confers upon the unitholders 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.

Following termination, under the Constitution of the Fund, the Responsible Entity will realise all assets of the Fund and distribute the net proceeds among unitholders pro rata to the number of units held on the termination date. The Responsible Entity may make partial distributions of the Fund proceeds during the winding up period. Each unitholder will also continue to be entitled to their proportionate share of distributable income during this period.

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

(m) Net Assets Attributable to Unitholders

Under the terms of the Fund's constitution, unitholders have a present entitlement to the distributable income of the Fund and therefore all net assets attributable to unitholders have been recognised as liabilities of the Fund, 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 Fund.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Fund from the Australian Taxation Authority are recognised as a receivable in the Balance Sheet.

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

(o) Use of estimates

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial period. 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.

The Fund's financial instruments held during the prior period were 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. Pricing models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Pricing 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.

All mortgages are initially recognised at cost, being the fair value of the consideration issued. After initial recognition, mortgages are subsequently measured at amortised cost less impairment, using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Impairment charges are recognised when the carrying value exceeds the estimated recoverable amount. The estimated recoverable amount is based upon information received on specific loans which would indicate a potential loss may be incurred on that loan where the position of the specific loan mortgage or borrower has deteriorated.

(p) Expense Recognition

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The impact of these new standards and interpretations is set below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9

AASB 9, the standard is not applicable until 1 January 2013. The Funds have not yet decided when to adopt this standard. The standard only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded - available-for-sale debt investments. Application of this standard will not have a significant impact on the Fund's financial statements as the Funds does not hold any available-for-sale investments.

- AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 and 139]

The Funds will apply the revised Standards from 1 July 2010. The Funds does not expect that any adjustments will be necessary as a result of applying the revised rules.

- Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards

AASB 124 (Revised) is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The Funds will apply the amended standard from 1 July 2011. The Funds already disclosing all transactions between its subsidiaries and its associates. The revised standard will not have significant effect on the Funds' financial statements.

(r) Comparatives

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures and presentation in the current period.

2. AUDITORS' REMUNERATION

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

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

3. INTEREST INCOME AND OTHER EXPENSES

(a) Interest Income

The interest income of the Fund is summarised as follows:

	01/07/2009 - 30/06/2010 \$	01/07/2008 - 30/06/2009 \$
Cash and cash equivalents	77,197	108,832
Money market securities	114,673	367,099
Mortgage loans	321,752	627,508
Total Interest Income	513,622	1,103,439

(b) Other Expenses

	2010 \$	2009 \$
Mortgage originator fees	16,726	23,180
Other expenses	4,305	4,469
	21,031	27,649

4. DISTRIBUTIONS

The amounts distributed and the income rate distributed during the period were:

Month ended	2010		2009	
	cpu	\$	cpu	\$
- 31 July	0.20	27,793	0.50	101,238
- 31 August	0.20	27,795	0.65	131,052
- 30 September	0.20	26,533	0.50	95,264
- 31 October	0.25	33,168	0.55	102,558
- 30 November	0.25	33,362	0.65	121,300
- 31 December	0.20	26,691	0.55	102,665
- 31 January	0.20	25,423	0.70	100,730
- 28 February	0.15	19,068	0.35	50,383
- 31 March	0.15	9,534	0.30	43,193
- 30 April	0.25	15,891	0.35	50,396
- 31 May	0.50	31,781	0.30	41,684
- 30 June	0.14	8,899	0.15	20,843
		285,938		961,306

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

5. FINANCIAL ASSETS HELD FOR TRADING

	30/06/2010 \$	30/06/2009 \$
Money Market Securities		
- Bank Accepted Bills	-	2,297,780
- Negotiable Certificate of Deposit	-	1,197,394
Total Money Market Securities	-	3,495,174
Total Financial Assets Held for Trading	-	3,495,174

6. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The terms and conditions attached to units in the Fund can be found in Note 1(l).

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

	01/07/2009 - 30/06/2010		01/07/2008 - 30/06/2009	
	No.	\$	No.	\$
Opening balance	13,896,493	13,960,740	20,558,360	20,677,258
Applications	9,538	10,533	675,492	675,516
Adjustments *	77,625	-	-	-
Redemptions	(1,276,452)	(1,276,336)	(7,421,435)	(7,401,434)
Units issued upon reinvestment of distributions	5,200	5,191	84,076	83,718
Change in net assets attributable to unitholders from operations	-	80,266	-	(74,318)
Repayment of capital	-	(6,381,627)	-	-
Closing Balance	12,712,404	6,398,767	13,896,493	13,960,740

* Adjustments relate to corrections made to unitholders' account balances following the identification of a unit pricing error. Those unitholders' adversely effected by the error were compensated with additional units in the Fund.

(b) Capital Risk Management

The Fund manages its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability.

The Fund is currently in the process of being terminated. The proceeds of the assets of the Fund will proportionately be distributed to unitholders as the assets are realised.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

7. CASH AND CASH EQUIVALENTS

(a) Reconciliation of Net Profit Attributable to Unitholders to Net Cash from Operating Activities

	2010 \$	2009 \$
Net profit attributable to unitholders	366,204	886,988
Proceeds from sale of financial instruments held for trading and mortgages	42,372,015	40,034,958
Purchase of financial instruments held for trading and mortgages	(38,880,694)	(35,341,661)
Net repayment or (payment) of mortgage assets	4,658,537	2,045,062
Changes in assets and liabilities:		
Other receivables	4,244	3,136
Interest receivables	15,604	115,697
Other payables	1,020	129
Responsible Entity fees	(16,734)	22,532
Net Cash From Operating Activities	8,520,196	7,766,841

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

Reinvestment of unitholders distributions as disclosed in Statement 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 in hand, cash held in collateral and deposits at call in a futures and/or options cash account, earn interest at floating rate as determined by the financial institutions.

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

Grahame Anthony Petersen	
Lynette Elizabeth Cobley	Appointed 11/11/2009
Brian Vincent Bissaker	
Gregg Johnston	Appointed 04/08/2009
Peter Robert Winney	
Bradley Brian Massey	
Paul Alexander Rayson	Resigned 28/07/2009
Michael John Venter	Resigned 16/09/2009

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

8. RELATED PARTIES DISCLOSURES (continued)

(b) Details of Key Management Personnel (continued)

(ii) Compensation of key management personnel

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

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 Fund to the Directors as Key Management Personnel.

(c) Responsible Entity's Management Fees

Under the terms of the Constitution, the Responsible Entity is entitled to receive a monthly management fee which is expressed as a percentage of the total assets of the Fund (i.e excluding liabilities). Management fees are paid directly by the Fund. Management fees are calculated at 1.15% per annum (2009 - 1.15% per annum). All related party transactions are conducted on normal commercial terms and conditions.

The Responsible Entity's fees for the periods ended 30 June 2010 and 30 June 2009 are \$126,389 and \$193,803 respectively. As at 30 June 2010 and 30 June 2009, the total amount owed to the Responsible Entity in relation to management fees are \$26,798 and \$43,532 respectively.

(d) Bank and Deposit Accounts

The bank account for the Fund is held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis. Various short term money market securities 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 Fund

Colonial First State Investments Limited, its affiliates and other Funds managed by Colonial First State Investments Limited as well as the Directors of Colonial First State Investments Limited do not hold any units in the Fund.

(f) Capital Guarantee

Colonial First State Group Limited (the Guarantor) has guaranteed to reimburse the Fund any capital shortfall in order to provide for the payment to unitholders in the Fund of the base repurchase price less any exit fee payable. The Guarantor also covenants to pay to investors a minimum rate of return of the Fund which is set at the beginning of each month.

9. SEGMENT INFORMATION

The Fund operates in one business segment, being investment management. The Fund also operates from one geographic location being Australia, from where its investing activities are managed. Revenue is derived mainly from interest.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

10. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement/Information Memorandum and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by the investment management department (Investment Manager) and regularly monitored by the Compliance Department of the Responsible Entity.

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

(a) Market Risk

(i) Interest rate risk

The Fund's 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 Fund is exposed to cash flow interest rate risk on financial instruments at variable rates. Financial instruments at fixed rates expose the Fund to fair value interest rate risk. The risk is measured using sensitivity analysis.

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

	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2010	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,323,792	-	-	2,323,792
Receivables	-	-	10,945	10,945
Financial assets held for trading	-	-	-	-
Mortgages	4,100,847	-	-	4,100,847
Financial liabilities				
Payables	-	-	(36,817)	(36,817)
Net exposure	6,424,639	-	(25,872)	6,398,767

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest rate risk (continued)

30/06/2009	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	1,743,137	-	-	1,743,137
Receivables	-	-	12,913	12,913
Financial assets held for trading	-	3,495,174	-	3,495,174
Mortgages	8,773,411	-	-	8,773,411
Financial liabilities				
Payables	-	-	(63,895)	(63,895)
Net exposure	10,516,548	3,495,174	(50,982)	13,960,740

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 +/- 60 basis points (2009: +/- 50 basis points) from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities and mortgage assets.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis

The following table summarises the sensitivity of the Fund's operating profit or loss and net assets attributable to unitholders to interest rate 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. 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 and/or correlation between the performance of the economies and markets in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Interest rate risk	
	Impact on operating profit/(loss) and net assets attributable to unitholders	
	-50 basis points \$	+60 basis points \$
30/06/2010	(38,548)	38,548
	-50 basis points \$	+50 basis points \$
30/06/2009	(70,059)	70,059

(c) Credit risk

Credit risk primarily arises from investments in debt securities and mortgage assets at amortised cost. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

(i) Money market securities

The Fund invested into money market 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 exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA or higher (as determined by the Standard and Poor's or equivalent agency).

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. An analysis of money market securities by rating is set out in the table below.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(i) Money market securities (continued)

	30/06/2010 \$	30/06/2009 \$
Rating		
AA+	-	-
AA	-	3,495,174
A+	-	-
A	-	-
Others	-	-
Total	-	3,495,174

(ii) Mortgage Assets

The Fund invests into mortgage assets through the provision of commercial mortgages in Australia.

Upon origination of each mortgage the credit risk of the mortgagee is analysed using the following measures:

- interest cover ratio,
- mortgage loan to value ratio,
- credit checks on mortgagee,
- suitability of security property,
- asset position of mortgagee and
- overall interest cover position of the mortgagee.

The Fund is exposed to the underlying credit quality of the mortgagee and the assets that are held as securites. The Investment Manager manages these credit risks by performing;

- mortgages are reviewed periodically to reassess the above factors,
- mortgages in arrears are reported to risk and credit committee on a monthly basis, and
- review of mortgage portfolio undertaken as necessary in light of changed market conditions.

At balance date, the Investment Manager has reviewed the recoverability of the mortgage portfolio based on the above. The Investment Manager does not believe any of the mortgages are demonstrating characteristics which would suggest impairment.

(d) Liquidity risk

Prior to the Fund's suspension, the Fund was exposed to daily cash redemptions of redeemable units. The Fund primarily invested in mortgages and money market securities. Money market securities are short to medium term and could have maturity dates of between one week and six months. Mortgage assets are not readily realisable.

The Fund's financial liabilities primarily consist of payables such as the accruals of management fees and distributions payable at period end. All financial liabilities of the Funds are contractually due within 30 days. Prior to the Fund's termination, the Fund had been declared illiquid and the redemptions requested were processed on a quarterly basis (or such other intervals determined from time to time), depending on the level of cash available within the Fund to meet those requests at that time, while still retaining the asset allocation of the Fund. Details of the redemptions requested during the period are disclosed in Note 15. However, as the Fund has been terminated it is currently in the process of winding down its assets and will repay capital back to the Fund's unitholders when the cash becomes available to distribute while still maintaining sufficient cash in the Fund to meet it's liabilities.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

The Fund's financial assets and liabilities included in the Balance Sheet are carried at their fair values or at amounts that approximate their fair values, except for mortgage assets as disclosed below:

	30/06/2010		30/06/2009	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
Mortgage assets at amortised cost	4,100,853	4,100,847	8,585,456	8,773,411

The fair value of mortgages is determined using a valuation model which discount the borrower's remaining contractual repayments (including principal) at the current market rate.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

11. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2010 the Fund has no contingent liabilities and commitments (2009 - none).

12. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2009 - none).

13. GUARANTOR OF THE GUARANTEED MORTGAGE FUND

The Guarantor of the Fund is the Colonial First State Group Limited (formerly known as Colonial First State Investments Group Limited), a wholly-owned subsidiary of the Commonwealth Bank of Australia. The deed evidencing the guarantee is dated 10 August 1999.

The guarantee has two key elements:

- a guarantee designed to ensure that the amount an investor invests (excluding entry fees, if applicable) and income generated by the investments in the Fund will be returned to the investor when due, and
- a guarantee that all principal and interest due under any mortgage will be paid to the Fund.

Other features of the guarantee include:

- the Guarantor has imposed certain restrictions as to the type of mortgages that may be accepted into the Fund, the liquidity to be maintained in the Fund, and the manner in which the liquidity is invested;
- the Guarantor may, at any time, limit the amount of future investments into the Fund. If this occurs the Responsible Entity would close the Fund to new investments once the size of the Fund reached that point;
- the Guarantor can cease to provide the guarantee providing it first gives a minimum of twelve months notice to the Responsible Entity;
- the guarantee will immediately cease to have effect if the Responsible Entity retires, is removed or is replaced; and
- the Guarantor receives a fee for provision of the guarantee which is met by the Responsible Entity.

14. ADDITIONAL DISCLOSURES FOR MORTGAGES

(a) Summary of Mortgage assets

The Mortgage assets for the Fund are summarised as follows:

	30/06/2010		30/06/2009	
	Number	\$	Number	\$
Current mortgages	10	4,100,847	20	8,773,411
	10	4,100,847	20	8,773,411

(b) Geographic Profile of Mortgages

	30/06/2010		30/06/2009	
	\$	%	\$	%
Australian Capital Territory	-	0.00%	-	0.00%
New South Wales	1,118,824	27.28%	5,306,920	60.49%
Queensland	2,281,878	55.65%	2,314,341	26.38%
South Australia	-	0.00%	-	0.00%
Tasmania	-	0.00%	-	0.00%
Victoria	700,145	17.07%	1,152,150	13.13%
	4,100,847	100.00%	8,773,411	100.00%

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

14. ADDITIONAL DISCLOSURES FOR MORTGAGES (continued)

(c) Property Type Securing Mortgages

	30/06/2010		30/06/2009	
	\$	%	\$	%
Improved Industrial	1,060,018	25.85%	1,571,844	17.92%
Improved Office	1,413,357	34.47%	2,142,146	24.42%
Improved Residential	478,491	11.67%	477,929	5.45%
Improved Retail	1,148,981	28.01%	4,581,492	52.21%
	4,100,847	100.00%	8,773,411	100.00%

(d) Maturity Profile of Mortgages

	30/06/2010		30/06/2009	
	\$	%	\$	%
Less than 1 year	-	0.00%	196,794	2.24%
1 to 2 years	-	0.00%	3,476,532	39.63%
2 to 3 years	1,101,735	26.87%	1,487,002	16.95%
3 - 4 years	1,526,949	37.23%	1,525,156	17.38%
4 - 5 years	1,472,163	35.90%	2,087,927	23.80%
Greater than 5 years	-	0.00%	-	0.00%
	4,100,847	100.00%	8,773,411	100.00%

(e) Material Mortgages

The number of borrowers with mortgage balance greater than 5% of the total mortgage assets of the Fund are as follows:

	30/06/2010		30/06/2009	
	Number	\$	Number	\$
5% to 5.99% of the mortgage assets	1	228,690	3	1,455,876
6% to 6.99% of the mortgage assets	1	246,282	-	-
7% to 7.99% of the mortgage assets	2	625,255	-	-
8% to 8.99% of the mortgage assets	-	-	1	777,137
9% to 9.99% of the mortgage assets	2	764,982	-	-
Greater than 10% of the mortgage assets	4	2,235,638	2	2,811,347
	10	4,100,847	6	5,044,360

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

14. ADDITIONAL DISCLOSURES FOR MORTGAGES (continued)

(f) Interest Rate Profile of Mortgages

	30/06/2010		30/06/2009	
	\$	%	\$	%
Variable Mortgages:				
Less than 4.5%	-	0.00%	-	0.00%
4.5% to 4.99%	-	0.00%	7,508,807	85.59%
5% to 5.49%	-	0.00%	962,384	10.97%
5.5% to 5.99%	-	0.00%	105,426	1.20%
6 % to 6.49%	3,393,666	82.76%	-	0.00%
6.5 to 6.99%	707,181	17.24%	-	0.00%
7% to 7.49%	-	0.00%	-	0.00%
7.5% to 7.99%	-	0.00%	-	0.00%
8% to 8.49%	-	0.00%	-	0.00%
8.5% to 8.99%	-	0.00%	196,794	2.24%
9% to 9.49%	-	0.00%	-	0.00%
9.5% to 9.99%	-	0.00%	-	0.00%
Greater than 10%	-	0.00%	-	0.00%
	4,100,847	100.00%	8,773,411	100.00%

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2010

15. REDEMPTIONS

Prior to the termination of the Fund, unitholders could request redemptions from the Fund in accordance with the terms of any withdrawal offer made by the Responsible Entity or under Financial Hardship withdrawal criteria (pursuant to relief from the Australian Securities and Investments Commission (ASIC) dated 11 November 2008), subject to the Fund having available cash.

Financial Hardship Payments

A unitholder could request a Financial Hardship withdrawal which meets at least one of the criteria below. The amount of withdrawal payments is subject to limits set out in the ASIC relief.

- (i) severe financial hardship (e.g. where the unitholder is unable to meet reasonable and immediate living expenses);
- (ii) on compassionate grounds (e.g. medical costs for serious illness, funeral expenses, to prevent foreclosure, binding pre-existing financial obligation); and
- (iii) in the case of permanent incapacity.

Withdrawal Offers

The withdrawal offers were made and processed in accordance with Section 601KB of the Corporations Act 2001 to all unitholders in the Fund:

- (i) where there was sufficient cash available to meet all withdrawal requests made by unitholders under the offer, all requests were met in full; or
- (ii) where there was not sufficient cash available to meet all withdrawal requests made by unitholders under the offer, requests were processed on a proportional basis. The Responsible Entity may have set a minimum payment for a withdrawal offer.

The total redemptions requested and paid in the withdrawal offer that was open to unitholders during the period were as follows:

Redemption offer period	Total redemptions requested \$	Total redemptions paid \$	Payment date
15 July 2009 to 18 August 2009	3,762,355	596,261	September 2009
18 November 2009 to 22 December 2009	4,713,859	600,491	January 2010

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND
DIRECTORS' DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2010

In accordance with a resolution of the Directors of Colonial First State Investments Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State Wholesale Guaranteed Mortgage Fund ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Fund's financial position as at 30 June 2010 and of its performance for the period 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 Fund will be able to pay its debts as and when they become due and payable.

On behalf of the Board of Directors of
Colonial First State Investments Limited



Bradley Brian Massey
Director
Sydney
6 September 2010

Independent auditor's report to the unitholders of Colonial First State Wholesale Guaranteed Mortgage Fund

Report on the financial report

We have audited the accompanying financial report of Colonial First State Wholesale Guaranteed Mortgage Fund (the Fund), which comprises the balance sheet as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement 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 Guaranteed Mortgage Fund.

Directors' responsibility for the financial report

The directors of the 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 the financial statements comply 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

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

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

Independent auditor's report to the unitholders of Colonial First State Wholesale Guaranteed Mortgage Fund (continued)

Independence

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

Auditor's opinion

In our opinion:

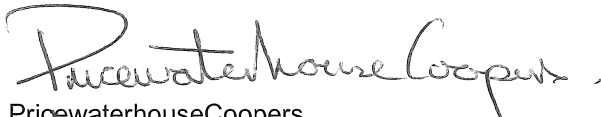
- (a) the financial report of Colonial First State Wholesale Guaranteed Mortgage Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the fund's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) 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.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the Director's Report (page 1 of the financial report) and to Note 1 of the financial report which states that the Fund was terminated on 01 March 2010 in accordance with the provisions of the Fund's constitution.

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 Guaranteed Mortgage Fund (the Fund) for the year ended 30 June 2010 included on Colonial First State Investments Limited (the responsible entity) web site. The responsible entity's directors are responsible for the integrity of the Colonial First State Investments Limited 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 the financial report. 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



A J Wilson
Partner

Sydney
06 September 2010

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Enquiries

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We want what you want

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