

Wholesale Investments

2011 Annual Financial Report

Investments

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



Dear Investor

Your Annual Financial Report

I am pleased to present the reports for the financial year ended 30 June 2011 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 2010–2011 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.



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 2011

Responsible Entity of the Funds:

COLONIAL FIRST STATE INVESTMENTS LIMITED

ABN 98 002 348 352

Ground Floor Tower 1, Sussex Street
SYDNEY NSW 2000

COLONIAL FIRST STATE WHOLESALE FUNDS

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COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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 reports of the Funds for the reporting period ended 30 June 2011.

Reporting Period

The current reporting period for the financial report is from 1 July 2010 to 30 June 2011. The comparative reporting period is from 1 July 2009 to 30 June 2010.

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.

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 2011 and 30 June 2010 are shown in Note 4 to the financial statements.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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 2011, together with comparative unit prices as at 30 June 2010.

	2011 \$	2010 \$
Colonial First State Wholesale Australian Share Fund	1.6995	1.5900
Colonial First State Wholesale Industrial Share Fund	1.1014	1.0735
Colonial First State Wholesale Global Health & Biotechnology Fund	0.7897	0.7488
Colonial First State Wholesale Global Technology & Communications Fund	0.5509	0.5175

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 2011 %	ICR 2010 %
Colonial First State Wholesale Australian Share Fund	0.97	0.96
Colonial First State Wholesale Industrial Share Fund	0.97	0.95
Colonial First State Wholesale Global Health & Biotechnology Fund	1.17	1.17
Colonial First State Wholesale Global Technology & Communications Fund	1.18	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.

	2011 %	2010 %
Colonial First State Wholesale Australian Share Fund	9.86	14.39
Colonial First State Wholesale Industrial Share Fund	6.59	15.13
Colonial First State Wholesale Global Health & Biotechnology Fund	5.46	7.54
Colonial First State Wholesale Global Technology & Communications Fund	6.82	10.73

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Ground Floor Tower 1, 201 Sussex Street, 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.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Matters Subsequent to the End of the Reporting Period

Since the balance date Australian and international share markets have experienced a period of significant falls, impacting on the valuation of the Funds' investment portfolio.

Certain Funds hold investment positions, including derivatives, that expose it to Australian and international listed equities. As the investments are measured at their 30 June 2011 fair values in the financial report, these subsequent falls in value are not reflected in the Statement of Comprehensive Income and the Balance Sheet. As the Fund allocates all of its investment income to unitholders, the fall in value of investments have been reflected in the current unit price, resulting in a corresponding reduction in net assets attributable to unitholders. See Note 13 for the unit prices for these Funds as at 25 August 2011.

No other matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect:

No matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect:

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

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 8(e) to the financial statements.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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 6(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.

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 the following page.

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



Bradley Brian Massey
Director
Sydney
30 August 2011

Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Funds for the period ended 30 June 2011, 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
30 August 2011

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COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

		Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	Note	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income							
Interest income	3	745	667	369	487	18	18
Dividend Income		52,030	52,915	26,975	25,255	280	281
Distribution income		6,178	732	-	-	-	-
Changes in fair value of financial instruments held for trading		92,270	157,173	16,674	72,077	1,118	1,851
Other income		217	851	26	-	-	-
Net foreign exchange loss		-	-	-	-	(127)	(12)
Total investment income		151,440	212,338	44,044	97,819	1,289	2,138
Expenses							
Responsible Entity's management fees	8(c)	13,771	14,451	5,509	5,847	234	274
Custody fees		196	75	82	27	4	7
Brokerage costs		1,939	1,652	796	345	11	12
Other expenses		1	1	-	-	-	2
Total operating expenses		15,907	16,179	6,387	6,219	249	295
Operating profit attributable to unitholders		135,533	196,159	37,657	91,600	1,040	1,843
Distributions to unitholders	4	(39,457)	(42,887)	(21,811)	(20,819)	-	-
Change in net assets attributable to unitholders from operations	6(a)	(96,076)	(153,272)	(15,846)	(70,781)	(1,040)	(1,843)
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 FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

	Note	Colonial First State Wholesale Global Technology & Communications Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Investment income			
Interest income	3	23	17
Dividend Income		310	323
Changes in fair value of financial instruments held for trading		1,351	2,192
Other income		2	1
Net foreign exchange loss		(56)	(3)
Total investment income		1,630	2,530
Expenses			
Responsible Entity's management fees	8(c)	232	244
Custody fees		4	6
Brokerage costs		24	26
Other expenses		1	5
Total operating expenses		261	281
Operating profit attributable to unitholders		1,369	2,249
Distributions to unitholders	4	(68)	(136)
Change in net assets attributable to unitholders from operations	6(a)	(1,301)	(2,113)
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 FUNDS

BALANCE SHEETS AS AT 30 JUNE 2011

		Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	Note	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000	30/06/2011 \$'000	30/06/2010 \$'000
Assets							
Cash and cash equivalents		3,886	24,206	5,039	5,342	745	659
Trade and other receivables:							
- outstanding sales settlement		15,952	6,259	-	9,185	-	-
- application monies		431	594	-	-	7	2
- dividends		8,491	7,761	5,091	4,926	19	18
- interests		11	62	21	56	2	2
- others		434	442	163	164	8	9
Financial assets held for trading	5	1,332,948	1,359,117	501,978	561,584	20,073	22,200
Total assets		1,362,153	1,398,441	512,292	581,257	20,854	22,890
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		6,282	11,375	-	4,884	-	42
- redemptions		360	74	-	-	-	14
- others		-	20	-	8	1	5
Distribution payable		687	882	3	5	-	-
Fees due to Responsible Entity	8(c)	1,171	1,201	441	500	21	23
Financial liabilities held for trading	5	-	1,120	-	-	43	33
Total liabilities (excluding net assets attributable to unitholders)		8,500	14,672	444	5,397	65	117
Net assets attributable to unitholders - liability		1,353,653	1,383,769	511,848	575,860	20,789	22,773
Represented by:							
Fair value of outstanding units based on redemption value		1,352,355	1,381,671	511,422	574,920	20,747	22,734
Adjustments arising from different unit pricing and AIFRS valuation principles		(1,280)	(574)	(603)	(215)	(9)	(22)
Buy and sell spread		2,574	2,672	1,025	1,152	52	57
Adjustment to period end accruals		4	-	4	3	(1)	4
Net assets attributable to unitholders		1,353,653	1,383,769	511,848	575,860	20,789	22,773

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

COLONIAL FIRST STATE WHOLESALE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2011

		Colonial First State Wholesale Global Technology & Communications Fund	
		30/06/2011 \$'000	30/06/2010 \$'000
	Note		
Assets			
Cash and cash equivalents		696	861
Trade and other receivables:			
- outstanding sales settlement		127	160
- application monies		3	36
- dividends		19	11
- interests		1	2
- others		8	8
Financial assets held for trading	5	19,081	19,342
Total assets		19,935	20,420
Liabilities			
Trade and other payables:			
- outstanding purchase settlements		110	152
- redemptions		-	13
- others		1	4
Distribution payable		4	10
Fees due to Responsible Entity	8(c)	20	21
Total liabilities (excluding net assets attributable to unitholders)		135	200
Net assets attributable to unitholders - liability		19,800	20,220
Represented by:			
Fair value of outstanding units based on redemption value		19,759	20,188
Adjustments arising from different unit pricing and AIFRS valuation principles		(9)	(12)
Buy and sell spread		50	51
Adjustment to period end accruals		-	(7)
Net assets attributable to unitholders		19,800	20,220

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 PERIOD ENDED 30 JUNE 2011

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Total equity at the beginning of the financial period	-	-	-	-	-	-
Profit/(loss) for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Total equity at the end of the financial period	-	-	-	-	-	-

Under Australian Accounting Standards, 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 period.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Total equity at the beginning of the financial period	-	-
Profit/(loss) for the period	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

Under Australian Accounting Standards, 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 period.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

	Colonial First State Wholesale Australian Share Fund	Colonial First State Wholesale Industrial Share Fund	Colonial First State Wholesale Global Health & Biotechnology Fund
Note	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000	01/07/2010 - 01/07/2009 - 30/06/2011 30/06/2010 \$'000 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading	999,939	917,023	450,801 232,133
Payments for purchase of financial instruments held for trading	(877,842)	(823,660)	(362,733) (137,671)
Interest received	796	678	404 460
Dividends received	37,915	32,406	19,322 15,070
Other income received	217	850	26 -
Responsible Entity fee paid	(13,777)	(14,477)	(5,566) (5,862)
Other expenses paid	(218)	(56)	(90) (20)
Payment for brokerage costs	(1,939)	(1,652)	(796) (345)
Net cash from operating activities	7(a) 145,091	111,112	101,368 103,765
Cash flows from financing activities			
Receipts from issue of units	34,493	66,705	5,030 56,530
Payment for redemption of units	(195,763)	(177,843)	(106,677) (166,917)
Distributions paid	(4,141)	(4,801)	(24) (26)
Net cash used in financing activities	(165,411)	(115,939)	(101,671) (110,413)
Net movement in cash and cash equivalents	(20,320)	(4,827)	(303) (6,648)
Add opening cash and cash equivalents brought forward	24,206	29,033	5,342 11,990
Closing cash and cash equivalents carried forward	3,886	24,206	5,039 5,342

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

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

COLONIAL FIRST STATE WHOLESALE FUNDS

CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

	Note	Colonial First State Wholesale Global Technology & Communications Fund	
		01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		23,292	27,426
Payments for purchase of financial instruments held for trading		(21,743)	(23,974)
Interest received		23	16
Dividends received		300	385
Other income received		2	1
Responsible Entity fee paid		(232)	(245)
Other expenses paid		(8)	(6)
Payment for brokerage costs		(24)	(26)
Net cash from operating activities	7(a)	1,610	3,577
Cash flows from financing activities			
Receipts from issue of units		1,448	820
Payment for redemption of units		(3,213)	(3,980)
Distributions paid		(10)	(16)
Net cash used in financing activities		(1,775)	(3,176)
Net movement in cash and cash equivalents		(165)	401
Add opening cash and cash equivalents brought forward		861	460
Closing cash and cash equivalents carried forward		696	861

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

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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 26 August 2011.

The current reporting period for the financial report is from 1 July 2010 to 30 June 2011. The comparative reporting period is from 1 July 2009 to 30 June 2010.

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

(b) Statement of Compliance

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

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

Classification

The Funds' investments are classified as held for trading and initially recognised at fair value not including transaction costs, which are expensed in the 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 PERIOD ENDED 30 JUNE 2011

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.

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

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

Gains or losses on investments held for trading are recognised in the Statements of Comprehensive Income. Investments of the Funds which are considered to be held for trading are equity securities, fixed interest and money market securities, listed property trusts, 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 and Dividend 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 year 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 with futures clearing house and short-term deposits with an original maturity of three months or less.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

Units are redeemable at the unitholders' option and are classified as financial liabilities as the funds are required to distribute their taxable income. The units can be put back to the Funds at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in 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.

(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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Income 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 Income 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 year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

(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 period in which they arise.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Foreign Currency (continued)

Foreign Currency Transactions (continued)

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 do not isolate that portion of gains or losses on securities and derivative financial instruments (excluding Forward Currency Contracts) 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.

(q) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The impact of these new standards and interpretations is set out below:

- AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded such as available-for-sale investments. The Funds will adopt AASB 9 from 1 January 2013. Management does not expect this will have a significant impact on the Funds' financial statements as the Funds do not hold any available-for-sale investments.

- Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009, the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Funds will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Funds' financial statements.

- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Funds' disclosures. The Funds intend to apply the amendment from 1 July 2011.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) New Application of Accounting Standards (continued)

- Amendments to AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. Management does not expect that any adjustments will be necessary as a result of applying the revised rules.

(r) Comparatives

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	745	667	369	487	18	18
Total Interest Income	745	667	369	487	18	18

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Cash and cash equivalents	23	17
Total Interest Income	23	17

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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 year which had 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 period were:

Period ended:	Colonial First State Wholesale Australian Share Fund				Colonial First State Wholesale Industrial Share Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.20	10,150	1.40	12,591	1.40	7,378	1.20	6,503
- 31 December	2.00	16,568	1.70	15,128	1.50	7,552	1.80	9,092
- 31 March	0.70	5,690	0.70	6,184	0.70	3,560	0.20	1,023
- 30 June	0.89	7,049	1.04	8,984	0.72	3,321	0.79	4,201
Distributions to unitholders		39,457		42,887		21,811		20,819

Period ended:	Colonial First State Wholesale Global Health & Biotechnology Fund				Colonial First State Wholesale Global Technology & Communications Fund			
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010		01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-	-	-	-	-
- 30 June	-	-	-	-	0.19	68	0.35	136
Distributions to unitholders		-		-		68		136

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

5. FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities held for trading of the Funds are tabled below. These are further classified using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements of fair value of these 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 according to the fair value hierarchy.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

Financial Assets Held for Trading:	Colonial First State Wholesale Australian Share Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	1,181,383	1,181,383	-	-
- International stock exchanges	71,797	71,797	-	-
Managed Investment Schemes				
- Related Managed Investment Schemes	67,757	67,757	-	-
Australian Derivatives				
- Futures	75	75	-	-
- Warrants	11,936	-	11,936	-
Total Assets Held for Trading	1,332,948	1,321,012	11,936	-

Financial Assets Held for Trading:	Colonial First State Wholesale Australian Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
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	1,359,117	1,324,646	34,471	-

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

Financial Assets Held for Trading:	Colonial First State Wholesale Industrial Share Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	470,210	470,210	-	-
- International stock exchanges	23,926	23,926	-	-
Listed Property Trust				
- Australian stock exchange	7,842	7,842	-	-
Total Assets Held for Trading	501,978	501,978	-	-

Financial Assets Held for Trading:	Colonial First State Wholesale Industrial Share Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- Australian stock exchange	518,531	518,531	-	-
- International stock exchanges	23,900	23,900	-	-
Listed Property Trust				
- Australian stock exchange	19,153	19,153	-	-
Total Assets Held for Trading	561,584	561,584	-	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

Financial Assets Held for Trading:	Colonial First State Wholesale Global Health & Biotechnology Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- International stock exchanges	20,035	20,035	-	-
International Derivatives				
- Currency Contracts	38	-	38	-
Total Assets Held for Trading	20,073	20,035	38	-

Financial Liabilities Held for Trading:	Colonial First State Wholesale Global Health & Biotechnology Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
International Derivatives				
- Currency Contracts	43	-	43	-
Total Liabilities Held for Trading	43	-	43	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

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

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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

Financial Assets Held for Trading:	Colonial First State Wholesale Global Technology & Communications Fund			
	30/06/2011			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Listed Equities				
- International stock exchanges	19,081	19,044	37	-
Total Assets Held for Trading	19,081	19,044	37	-

Financial Assets Held for Trading:	Colonial First State Wholesale Global Technology & Communications Fund			
	30/06/2010			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'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 PERIOD ENDED 30 JUNE 2011

6. 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 period were as follows:

Colonial First State Wholesale Australian Share Fund				
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	868,980	1,383,769	912,088	1,303,272
Applications	19,756	34,330	39,664	66,333
Redemptions	(113,409)	(196,049)	(105,516)	(177,700)
Units issued upon reinvestment of distributions	20,429	35,527	22,744	38,592
Change in net assets attributable to unitholders from operations		96,076		153,272
Closing Balance	795,756	1,353,653	868,980	1,383,769

Colonial First State Wholesale Industrial Share Fund				
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	535,556	575,860	617,044	594,673
Applications	4,460	5,030	48,053	56,530
Redemptions	(95,045)	(106,677)	(147,419)	(166,917)
Units issued upon reinvestment of distributions	19,363	21,789	17,878	20,793
Change in net assets attributable to unitholders from operations		15,846		70,781
Closing Balance	464,334	511,848	535,556	575,860

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

6. 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				
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	30,360	22,773	36,060	25,153
Applications	681	506	1,384	1,038
Redemptions	(4,770)	(3,530)	(7,084)	(5,261)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		1,040		1,843
Closing Balance	26,271	20,789	30,360	22,773

Colonial First State Wholesale Global Technology & Communications Fund				
	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.'000	\$'000	No.'000	\$'000
Opening balance	39,014	20,220	44,798	21,120
Applications	2,608	1,415	1,648	855
Redemptions	(5,876)	(3,200)	(7,674)	(3,994)
Units issued upon reinvestment of distributions	115	64	242	126
Change in net assets attributable to unitholders from operations		1,301		2,113
Closing Balance	35,861	19,800	39,014	20,220

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 financial assets classified as level 1 in the fair value hierarchy notes.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. 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	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	135,533	196,159	37,657	91,600	1,040	1,843
Proceeds from sale of financial instruments held for trading	999,939	917,023	450,801	232,133	10,960	13,718
Payments for purchase of financial instruments held for trading	(877,842)	(823,660)	(362,733)	(137,671)	(7,875)	(9,800)
Changes in fair value of financial instruments held for trading	(92,270)	(157,173)	(16,674)	(72,077)	(1,118)	(1,851)
Distribution income reinvested	(19,563)	(22,018)	(7,488)	(10,863)	-	-
Net foreign exchange gain	-	-	-	-	127	12
Changes in assets and liabilities:						
Dividends receivable	(730)	777	(165)	678	(2)	(4)
Interest receivable	50	11	35	(27)	-	-
Other receivables	23	(196)	1	(15)	1	1
Responsible Entity fees	(30)	170	(59)	(1)	(2)	(2)
Other payables	(19)	19	(7)	8	(2)	3
Net Cash From Operating Activities	145,091	111,112	101,368	103,765	3,129	3,920

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. CASH AND CASH EQUIVALENTS (continued)

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

	Colonial First State Wholesale Global Technology & Communications Fund	
	01/07/2010 - 30/06/2011 \$'000	01/07/2009 - 30/06/2010 \$'000
Net profit attributable to unitholders	1,369	2,249
Proceeds from sale of financial instruments held for trading	23,292	27,426
Payments for purchase of financial instruments held for trading	(21,743)	(23,974)
Changes in fair value of financial instruments held for trading	(1,351)	(2,192)
Distribution income reinvested	(2)	(4)
Net foreign exchange gain	56	3
Changes in assets and liabilities:		
Dividends receivable	(8)	67
Responsible Entity fees	-	(1)
Other payables	(3)	3
Net Cash From Operating Activities	1,610	3,577

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. CASH AND CASH EQUIVALENTS (continued)

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

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 6(a) under "Units issued upon reinvestment of distributions".
- Participation in dividend reinvestment plans as disclosed in Note 7(a) under "Distribution income reinvested".

(c) Terms and conditions on cash

Cash at bank and in hand, cash held in collateral and deposits at call with a futures clearing house, 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 were as follows:

	2011 \$'000	2010 \$'000
Colonial First State Wholesale Australian Share Fund	269	2,370
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 PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES

(a) Responsible Entity

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

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

(b) Details of Key Management Personnel

(i) Key Management Personnel

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

Grahame Anthony Petersen

Lynette Elizabeth Cobley

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

(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 Statements of Comprehensive Income reflect only the amount of fees charged directly to the respective Funds.

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

	2011 Management Fees %	2010 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 PERIOD ENDED 30 JUNE 2011

8. 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 period ended 30 June 2011 and 30 June 2010 are as follows:

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Colonial First State Wholesale Australian Share Fund	13,770,895	14,451,094
Colonial First State Wholesale Industrial Share Fund	5,508,524	5,846,763
Colonial First State Wholesale Global Health & Biotechnology Fund	233,904	274,270
Colonial First State Wholesale Global Technology & Communications Fund	232,053	244,183

Fees due to the Responsible Entity as at period ended 30 June 2011 and 30 June 2010 are as follows:

	2011 \$	2010 \$
Colonial First State Wholesale Australian Share Fund	1,171,321	1,201,160
Colonial First State Wholesale Industrial Share Fund	440,704	499,628
Colonial First State Wholesale Global Health & Biotechnology Fund	21,113	23,178
Colonial First State Wholesale Global Technology & Communications Fund	20,141	20,634

(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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

(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:

	2011 Number of Units No.'000	2010 Number of Units No.'000
Colonial First State Wholesale Australian Share Fund	605,293	658,407
Colonial First State Wholesale Industrial Share Fund	462,765	533,765
Colonial First State Wholesale Global Health & Biotechnology Fund	22,385	25,684
Colonial First State Wholesale Global Technology & Communications Fund	29,520	33,212

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

8. 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 period 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 period 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 No.'000	Value of Investment at Period End \$'000	Interest held in Investment at Period End %	Units Acquired During Period No.'000	Units Disposed During Period No.'000	Distribution Received \$'000
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Colonial First State Wholesale Australian Share Fund

Units held in

Colonial First State Global Asset Management Equity Trust 5

- 2011	68,310	67,757	22.34	17,941	-	6,178
- 2010	50,369	48,591	22.30	50,369	-	3,895

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

8. RELATED PARTIES DISCLOSURES (continued)

(g) Investing Activities (continued)

(ii) Listed Securities

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

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

Colonial First State Wholesale Australian Share Fund

Commonwealth Bank of Australia

- 2011	1,241	64,784	0.08	194	859	4,679
- 2010	1,906	92,703	0.12	261	523	4,903

CFS Retail Property Trust

- 2011	-	-	-	-	-	-
- 2010	-	-	-	833	833	38

Colonial First State Wholesale Industrial Share Fund

Commonwealth Bank of Australia

- 2011	804	41,943	0.05	-	309	3,072
- 2010	1,113	54,137	0.07	143	331	2,786

(h) Custody fees

The Responsible Entity is responsible for paying the custody fees on behalf of the Funds. The amount paid is based on the overall arrangement in place with the custodian. The Responsible Entity recharges the custody fees to the Funds.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

9. SEGMENT INFORMATION

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

10. FINANCIAL RISK MANAGEMENT

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

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's Information Memorandum and Funds Constitution 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.

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 10 (b) summarises the impact of an increase/decrease of the Australian and global indexes on the Funds' net assets attributable to unitholders at 30 June 2011 and 30 June 2010. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled in Note 10 (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 PERIOD ENDED 30 JUNE 2011

10. 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 not foreign exchange 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, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

30/06/2011	Colonial First State Wholesale Global Health & Biotechnology Fund				
	United States Dollar	Japanese Yen	European Euro	Hong Kong Dollar	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	392	-	-	-	-
Receivables	18	1	-	-	1
Financial assets held for trading	18,444	1,102	353	95	41
	18,854	1,103	353	95	42
Net increase/decrease in exposure from:					
- foreign currency contract	515	(520)	-	-	-
	19,369	583	353	95	42

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
Net increase/decrease in exposure from:					
- foreign currency contract	788	(799)	-	-	-
	20,901	611	531	178	60

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

30/06/2011	Colonial First State Wholesale Global Technology & Communications Fund				
	United States Dollar	Japanese Yen	Hong Kong Dollar	European Euro	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	306	-	-	-	4
Receivables	144	-	-	2	-
Financial assets held for trading	15,315	671	609	519	1,967
Payables	(86)	-	-	(24)	(1)
	15,679	671	609	497	1,970

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

The table in Note 10 (b) summarises the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk. The analysis is based on the assumption that the Australian dollar strengthened/weakened by 10.1% (2010: 10.6%) against each of the other currencies to which the Funds' are exposed.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk

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

Certain Funds may also enter into derivative 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.

30/06/2011	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	3,886	-	-	3,886
Receivables	-	-	25,319	25,319
Financial assets held for trading	-	-	1,320,937	1,320,937
Derivatives	-	-	12,011	12,011
Financial liabilities				
Payables	-	-	(8,500)	(8,500)
Net exposure	3,886	-	1,349,767	1,353,653

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	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	5,039	-	-	5,039
Receivables	-	-	5,275	5,275
Financial assets held for trading	-	-	501,978	501,978
Financial liabilities				
Payables	-	-	(444)	(444)
Net exposure	5,039	-	506,809	511,848

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. 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
30/06/2011				
Financial assets				
Cash and cash equivalents	745	-	-	745
Receivables	-	-	36	36
Financial assets held for trading	-	-	20,035	20,035
Derivatives	-	-	38	38
Financial liabilities				
Payables	-	-	(22)	(22)
Financial liabilities held for trading - Derivatives	-	-	(43)	(43)
Net exposure	745	-	20,044	20,789

	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 FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2011	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	696	-	-	696
Receivables	-	-	158	158
Financial assets held for trading	-	-	19,081	19,081
Financial liabilities				
Payables	-	-	(135)	(135)
Net exposure	696	-	19,104	19,800

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. 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 10 (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 (2010: +/- 60 basis points) from the year 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 or less 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.

30/06/2011	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	-10.10% \$'000	10.10% \$'000	-24.52% \$'000	24.52% \$'000
	(23)	23	-	-	(323,869)	323,869
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-27.31% \$'000	27.31% \$'000
	30/06/2010	(145)	145	-	-	(361,424)

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2011	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	-10.10% \$'000	10.10% \$'000	-25.89% \$'000	25.89% \$'000
	(30)	30	-	-	(129,940)	129,940
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-28.35% \$'000	28.35% \$'000
30/06/2010	(32)	32	-	-	(159,227)	159,227

30/06/2011	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	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000
	(4)	4	(42)	42	(4,328)	4,328
	-60 basis points \$'000	+60 basis points \$'000	-10.60% \$'000	10.60% \$'000	-22.80% \$'000	22.80% \$'000
30/06/2010	(4)	4	(12)	12	(5,056)	5,056

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

30/06/2011	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	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000
	(4)	4	(57)	57	(4,121)	4,121
	-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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. 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 schemes are subject to credit risk at the point in time it owns 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. These investments at have been disclosed in Note 5 (Level 3).

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 year 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 year end date. The contractual amounts can be settled on a gross or net basis.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

30/06/2011	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	-	75	-	-	-	-	75
(Outflows)	-	-	-	-	-	-	-

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)

30/06/2011	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	-	513	-	-	-	-	513
(Outflows)	-	(518)	-	-	-	-	(518)

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)

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

10. 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 PERIOD ENDED 30 JUNE 2011

11. 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) 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.

(c) 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.

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
	30/06/2011			30/06/2010		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Australian share price index futures	15,413	75	-	18,646	-	(1,120)
- Warrants		11,936	-		34,471	-
	15,413	12,011	-	18,646	34,471	(1,120)

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	Colonial First State Wholesale Global Health & Biotechnology Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2011 \$'000	\$'000	\$'000	30/06/2010 \$'000	\$'000
- Foreign currency forward contracts	513	38	(43)	768	21	(33)
	513	38	(43)	768	21	(33)

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2011 the Funds have no contingent liabilities and commitments (2010 - none).

13. EVENTS AFTER BALANCE SHEET DATE

Since the balance date Australian and international share markets have experienced a period of significant falls, impacting on the valuation of the Funds' investment portfolio.

Certain Funds hold investment positions, including derivatives, that expose it to Australian and international listed equities. As the investments are measured at their 30 June 2011 fair values in the financial report, these subsequent falls in value are not reflected in the Statement of Comprehensive Income and the Balance Sheet. As the Fund allocates all of its investment income to unitholders, the fall in value of investments have been reflected in the current unit price, resulting in a corresponding reduction in net assets attributable to unitholders. The impact of the falls are as follows:

	Unit prices as at 30/06/2011 \$	Unit prices as at 25/08/2011 \$	Movement %
Colonial First State Wholesale Australian Share Fund	1.6995	1.5468	(8.98)
Colonial First State Wholesale Industrial Share Fund	1.1014	1.0113	(8.18)
Colonial First State Wholesale Global Health & Biotechnology Fund	0.7897	0.6986	(11.54)
Colonial First State Wholesale Global Technology & Communications Fund	0.5509	0.4833	(12.27)

No other matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect the Funds (2010 - None).

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' DECLARATION FOR THE PERIOD ENDED 30 JUNE 2011

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 2011 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;
- c) Note 1(b) confirms that the financial statements 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
30 August 2011

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 2011, and the statements of comprehensive income, statements of changes in equity and cash flow statements for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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.

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

PricewaterhouseCoopers, ABN 52 780 433 757

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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*.

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Colonial First State Investments Limited on 30 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

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 2011 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Funds' 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 for the period ended 30 June 2011 included on the Colonial First State Investments Limited 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
02 September 2011

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

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

**FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2011**

Responsible Entity of the Fund:

**COLONIAL FIRST STATE
INVESTMENTS LIMITED**

ABN 98 002 348 352

Ground Floor Tower 1, Sussex Street
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 2011

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 2011.

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 following is a breakdown of the total repayment of capital made to the date of this report:

Net Asset Value (NAV) as at Date of Termination: \$ 12,748,559

Repayment Date	Amount Repaid \$	Proportion of NAV at termination date Repaid %
15 March 2010	6,381,627	50.06%
15 September 2010	3,222,594	25.28%
15 March 2011	958,675	7.52%
Total Repayment of capital:	10,562,896	82.86%

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. Following the Fund's termination, the Responsible Entity is in the process of realising the assets in the Fund and returning to unitholders the net proceeds to reduce the remaining capital.

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

Prior to the Fund's termination, the investment policy of the Fund was 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 12 for details of the Guarantor and guarantee.

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

Following the Fund's termination, the Fund no longer originates new mortgages.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

Review Of Operations (continued)

Income

The income distributions per unit for the Fund for the periods ended 30 June 2011 and 30 June 2010 are disclosed in Note 4 to the financial statement.

Unit price

As the Fund has been terminated, no unit prices are being issued.

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 2011 is 1.16% (2010: 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.

	2011	2010
	%	%
Total performance	5.48	4.65

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
Brian Vincent Bissaker
Michael John Venter
Peter Robert Winney
Bradley Brian Massey
Gregg Johnston

Appointed on 4 July 2011.

Resigned on 4 July 2011.

The Responsible Entity is incorporated and domiciled in Australia and has its registered office at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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.

Significant Changes in the State of Affairs

There was no significant change in the nature of the Fund's activities during the reporting period.

Matters Subsequent to the End of the Financial Period

No matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect the termination process of the Fund.

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 have been originated since the termination of the Fund. With the exception of the termination of the Fund, the Responsible Entity is not aware of any other likely developments which would impact upon the future operations of the Fund.

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.

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 Statement of Comprehensive Income.

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 5(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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2011

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 14). 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.

Due to the termination of the Fund, no further applications, switches or withdrawal offers will be made by/to unitholders. Please refer to Note 14 for details on the quarterly withdrawal offers made during the period. The last withdrawal offer payment occurred in January 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 the following page.

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



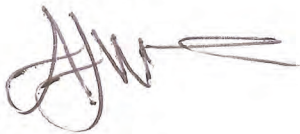
Bradley Brian Massey
Director
Sydney
30 August 2011

Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Guaranteed Mortgage Fund for the period ended 30 June 2011, 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 handwritten signature in dark ink, appearing to read 'A J Wilson', with a long horizontal stroke extending to the right.

A J Wilson
Partner
PricewaterhouseCoopers

Sydney
30 August 2011

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COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2011**

	Note	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Investment income			
Interest income	3(a)	229,556	513,622
Changes in fair value of financial instruments held for trading		-	(1)
Other income		56	3
Total investment income		229,612	513,624
Expenses			
Responsible Entity's management fees	7(c)	39,594	126,389
Other expenses	3(b)	6,462	21,031
Total operating expenses		46,056	147,420
Operating profit attributable to unitholders		183,556	366,204
Distributions to unitholders	4	(184,489)	(285,938)
Change in net assets attributable to unitholders from operations	5(a)	933	(80,266)
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

BALANCE SHEET AS AT 30 JUNE 2011

	Note	30/06/2011 \$	30/06/2010 \$
Assets			
Cash and cash equivalents		809,512	2,323,792
Trade and other receivables:			
- interest		2,832	8,292
- others		933	2,653
Mortgages	9(e)	1,426,911	4,100,847
Total assets		2,240,188	6,435,584
Liabilities			
Trade and other payables:			
- others		864	1,149
Distribution payable		13,333	8,870
Fees due to Responsible Entity	7(c)	9,426	26,798
Total liabilities (excluding net assets attributable to unitholders)		23,623	36,817
Net assets attributable to unitholders - liability	5(a)	2,216,565	6,398,767
Represented by:			
Fair value of outstanding units based on redemption value		2,216,565	6,398,767
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-
Buy and sell spread		-	-
Adjustment to period end accruals		-	-
Net assets attributable to unitholders		2,216,565	6,398,767

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Total equity at the beginning of the financial period	-	-
Profit/(Loss) for the period	-	-
Other comprehensive income	-	-
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 Australian Accounting Standards, 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 period.

The above Statement of Change in Equity should be read in conjunction with Note 5(a).

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2011

	Note	01/07/2010 - 30/06/2011	01/07/2009 - 30/06/2010
		\$	\$
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		-	42,372,015
Payments for purchase of financial instruments held for trading		-	(38,880,694)
Repayment of mortgage assets		2,662,000	4,658,537
Interest received		246,952	529,226
Other income received		56	3
Responsible Entity fee paid		(55,246)	(138,880)
Other expenses paid		(6,747)	(20,011)
Net cash from operating activities	6(a)	2,847,015	8,520,196
Cash flows from financing activities			
Receipts from issue of units		-	10,533
Payment for redemption of units		-	(1,276,336)
Repayment of capital		(4,181,269)	(6,381,627)
Distributions paid		(180,026)	(292,111)
Net cash used in financing activities		(4,361,295)	(7,939,541)
Net movement in cash and cash equivalents		(1,514,280)	580,655
Add opening cash and cash equivalents brought forward		2,323,792	1,743,137
Closing cash and cash equivalents carried forward		809,512	2,323,792

See Note 6(b) for non-cash financing activities.

The above Cash Flow Statement 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 2011

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 2011, 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 26 August 2011.

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) 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.

(d) 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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 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.

(h) 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.

(i) 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.

(j) 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. The Fund has been terminated and no unit price is being issued.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(l) Net Assets Attributable to Unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities as the fund is required to distribute its taxable income. The units can be put back to the Fund at any time for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

(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 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.

(n) 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.

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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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.

(p) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The impact of these new standards and interpretations is set out below:

- AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded such as available-for-sale investments. The Fund will adopt AASB 9 from 1 January 2013. Management does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

- Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009, the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Fund's financial statements.

- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Funds' disclosures. The Fund intends to apply the amendment from 1 July 2011.

- Amendments to AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. Management does not expect that any adjustments will be necessary as a result of applying the revised rules.

(q) 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 GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

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.

3. INTEREST INCOME AND OTHER EXPENSES

(a) Interest Income

The interest income of the Fund is summarised as follows:

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Cash and cash equivalents	61,342	77,197
Money market securities	-	114,673
Mortgage loans	168,214	321,752
Total Interest Income	229,556	513,622

(b) Other Expenses

	2011 \$	2010 \$
Mortgage trailing commission	5,610	16,726
Other expenses	852	4,305
	6,462	21,031

4. DISTRIBUTIONS

The amounts distributed during the period were:

Month ended	2011 \$	2010 \$
- 31 July	6,356	27,793
- 31 August	6,356	27,795
- 30 September	11,123	26,533
- 31 October	19,069	33,168
- 30 November	19,069	33,362
- 31 December	19,069	26,691
- 31 January	22,247	25,423
- 28 February	22,247	19,068
- 31 March	15,573	9,534
- 30 April	22,247	15,891
- 31 May	7,786	31,781
- 30 June	13,347	8,899
	184,489	285,938

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

5. 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:

	01/07/2010 - 30/06/2011		01/07/2009 - 30/06/2010	
	No.	\$	No.	\$
Opening balance	12,712,404	6,398,767	13,896,493	13,960,740
Applications	-	-	9,538	10,533
Adjustments *	-	-	77,625	-
Redemptions	-	-	(1,276,452)	(1,276,336)
Units issued upon reinvestment of distributions	-	-	5,200	5,191
Change in net assets attributable to unitholders from operations		(933)		80,266
Repayment of capital	-	(4,181,269)	-	(6,381,627)
Closing Balance	12,712,404	2,216,565	12,712,404	6,398,767

* 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 2011

6. CASH AND CASH EQUIVALENTS

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

	01/07/2010 - 30/06/2011 \$	01/07/2009 - 30/06/2010 \$
Net profit attributable to unitholders	183,556	366,204
Proceeds from sale of financial instruments held for trading	-	42,372,015
Payments for purchase of financial instruments held for trading	-	(38,880,694)
Repayment of mortgage assets	2,662,000	4,658,537
Changes in assets and liabilities:		
Interest receivable	17,396	15,604
Other receivables	1,720	4,244
Responsible Entity fees	(17,372)	(16,734)
Other payables	(285)	1,020
Net Cash From Operating Activities	2,847,015	8,520,196

(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 5(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.

7. 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 Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

7. RELATED PARTIES DISCLOSURES (continued)

(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

Brian Vincent Bissaker

Michael John Venter

Appointed on 4 July 2011.

Peter Robert Winney

Bradley Brian Massey

Gregg Johnston

Resigned on 4 July 2011.

(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 (2010 - 1.15% per annum). All related party transactions are conducted on normal commercial terms and conditions.

The Responsible Entity's management fees charged for the Fund for the period ended 30 June 2011 and 30 June 2010 are \$39,594 and \$126,389 respectively.

Fees due to the Responsible Entity for the Fund as at period ended 30 June 2011 and 30 June 2010 are \$9,426 and \$26,798 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

8. 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.

9. 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 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
30/06/2011	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	809,512	-	-	809,512
Receivables	-	-	3,765	3,765
Mortgages	1,426,911	-	-	1,426,911
Financial liabilities				
Payables	-	-	(23,623)	(23,623)
Net exposure	2,236,423	-	(19,858)	2,216,565

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(i) Interest rate risk (continued)

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

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

The table in Note 9(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 (2010: +/- 60 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 2011

9. 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	
	-60 basis points \$	+60 basis points \$
30/06/2011	(4,857)	4,857
	-60 basis points \$	+60 basis points \$
30/06/2010	(38,548)	38,548

(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 had 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 monitored the credit risks that arose from holding these securities.

The maximum exposure to credit risk is the carrying amount of the financial assets. The Fund is no longer subject to credit risk on debt securities as it no longer holds any.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(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 securities. 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 14. 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 its liabilities.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

9. 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:

	30/6/2011		30/6/2010	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
Mortgage assets at amortised cost	1,426,977	1,426,911	4,100,853	4,100,847

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 2011

10. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2011 the Fund has no contingent liabilities and commitments (2010 - none).

11. EVENTS AFTER BALANCE SHEET DATE

Since the reporting date no significant events have occurred that required reporting (2010 - none).

12. 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.

13. ADDITIONAL DISCLOSURES FOR MORTGAGES

(a) Summary of Mortgage assets

The Mortgage assets for the Fund are summarised as follows:

	30/6/2011		30/6/2010	
	Number	\$	Number	\$
Current mortgages	4	1,426,911	10	4,100,847
	4	1,426,911	10	4,100,847

(b) Geographic Profile of Mortgages

	30/6/2011		30/6/2010	
	\$	%	\$	%
Australian Capital Territory	-	0.00%	-	0.00%
New South Wales	720,805	50.52%	1,118,824	27.28%
Queensland	-	0.00%	2,281,878	55.65%
South Australia	-	0.00%	-	0.00%
Tasmania	-	0.00%	-	0.00%
Victoria	706,106	49.48%	700,145	17.07%
	1,426,911	100.00%	4,100,847	100.00%

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

13. ADDITIONAL DISCLOSURES FOR MORTGAGES (continued)

(c) Property Type Securing Mortgages

	30/6/2011		30/6/2010	
	\$	%	\$	%
Improved Industrial	230,637	16.16%	1,060,018	25.85%
Improved Office	713,709	50.02%	1,413,357	34.47%
Improved Residential	482,565	33.82%	478,491	11.67%
Improved Retail	-	0.00%	1,148,981	28.01%
	1,426,911	100.00%	4,100,847	100.00%

(d) Maturity Profile of Mortgages

	30/6/2011		30/6/2010	
	\$	%	\$	%
Less than 1 year	713,709	50.02%	-	0.00%
1 to 2 years	713,202	49.98%	-	0.00%
2 to 3 years	-	0.00%	1,101,735	26.87%
3 - 4 years	-	0.00%	1,526,949	37.23%
4 - 5 years	-	0.00%	1,472,163	35.90%
Greater than 5 years	-	0.00%	-	0.00%
	1,426,911	100.00%	4,100,847	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:

	30/6/2011		30/6/2010	
	Number	\$	Number	\$
5% to 5.99% of the mortgage assets	-	-	1	228,690
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	-	-	-	-
9% to 9.99% of the mortgage assets	-	-	2	764,982
Greater than 10% of the mortgage assets	4	1,426,911	4	2,235,638
	4	1,426,911	10	4,100,847

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

13. ADDITIONAL DISCLOSURES FOR MORTGAGES (continued)

(f) Interest Rate Profile of Mortgages

	30/6/2011		30/6/2010	
	\$	%	\$	%
Variable Mortgages:				
Less than 4.5%	-	0.00%	-	0.00%
4.5% to 4.99%	-	0.00%	-	0.00%
5% to 5.49%	-	0.00%	-	0.00%
5.5% to 5.99%	-	0.00%	-	0.00%
6 % to 6.49%	-	0.00%	3,393,666	82.76%
6.5 to 6.99%	-	0.00%	707,181	17.24%
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%	-	0.00%
9% to 9.49%	-	0.00%	-	0.00%
9.5% to 9.99%	-	0.00%	-	0.00%
Greater than 10%	1,426,911	100.00%	-	0.00%
	1,426,911	100.00%	4,100,847	100.00%

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

14. 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 prior 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

Since the termination of the Fund no further withdrawal offers have been made and the fund is in the process of repaying capital to unitholders.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND
DIRECTORS' DECLARATION
FOR THE PERIOD ENDED 30 JUNE 2011

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 2011 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;
- 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, and
- c) Note 1(b) confirms that the financial statements 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
30 August 2011



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 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Colonial First State Investments Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. 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.

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

PricewaterhouseCoopers, ABN 52 780 433 757

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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*.

We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Colonial First State Investments Limited on 30 August 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

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 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the Fund's 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 1 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 for the period ended 30 June 2011 included on the Colonial First State Investments Limited 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
02 September 2011

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Enquiries

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