

Wholesale Investments

2012 Annual Financial Report

Investments

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



Dear Investor

Annual Financial Report



I am pleased to present the reports for the financial year ended 30 June 2012 for Colonial First State Wholesale Australian Share Fund, Colonial First State Wholesale Industrial Share Fund,¹ 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 2011–2012 financial year.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Elkins', with a long horizontal flourish extending to the right.

Linda Elkins
General Executive Officer

1 Closed to new investors.

COLONIAL FIRST STATE WHOLESALE FUNDS

FINANCIAL REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 FUNDS

Represented by:

ARSN

Colonial First State Wholesale Australian Share Fund	87 570 214
Colonial First State Wholesale Industrial Share Fund	87 564 118
Colonial First State Wholesale Global Health & Biotechnology Fund	92 203 506
Colonial First State Wholesale Global Technology & Communications Fund	89 743 395

COLONIAL FIRST STATE WHOLESALE FUNDS

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COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

The Directors of Colonial First State Investments Limited, the Responsible Entity of the Colonial First State Wholesale Funds ("the Funds"), present their report together with the financial report of the Funds for the reporting period as stated below.

Reporting Period

The current reporting period for the financial report is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 30 June 2011.

Principal Activities

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

Name of Fund	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 continues to be that detailed in the current information memorandum and in accordance with the Constitution of the Funds.

Review of Operations

The Funds provide investors access to a broad range of investments including Australian listed shares and international shares.

The results of the Funds were as follows:

Income

The distributions per unit for each of the Funds for the reporting periods ended 30 June 2012 and 30 June 2011 are disclosed in the "Distributions to Unitholders" note to the financial statements.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Review of Operations (continued)

Exit Prices

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

The following unit prices represent the ex-distribution exit unit prices as at 30 June 2012, together with comparative unit prices as at 30 June 2011:

	2012 \$	2011 \$
Colonial First State Wholesale Australian Share Fund	1.5067	1.6995
Colonial First State Wholesale Industrial Share Fund	1.0326	1.1014
Colonial First State Wholesale Global Health & Biotechnology Fund	0.8831	0.7897
Colonial First State Wholesale Global Technology & Communications Fund	0.5776	0.5509

Performance

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

	2012 Annualised %	2011 Annualised %
Colonial First State Wholesale Australian Share Fund	(8.49)	9.86
Colonial First State Wholesale Industrial Share Fund	(2.02)	6.59
Colonial First State Wholesale Global Health & Biotechnology Fund	11.83	5.46
Colonial First State Wholesale Global Technology & Communications Fund	4.85	6.82

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Responsible Entity and Directors

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

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

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
Brian Vincent Bissaker	Resigned on 8 May 2012.

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 Ground Floor Tower 1, 201 Sussex Street, 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 REPORTING PERIOD ENDED 30 JUNE 2012

Matters Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since 30 June 2012 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.

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 the officers of 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 Constitutions 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 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.

Likely Developments and Expected Results of Operations

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

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

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 the "Related Parties Disclosure" note to the financial statements.

Interests in the Funds

The units issued and redeemed in the Funds during the period and the number of units on issue at the end of the financial period are set out in "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Funds' assets at the end of the financial period are set out in the Balance Sheets and derived using the

Environmental Regulation

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

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 the 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 a resolution of the Directors of Colonial First State Investments Limited.



Bradley Brian Massey
Director
Sydney
31 August 2012



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Funds for the period ended 30 June 2012, 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 handwritten signature in black ink, appearing to be 'A.J. Wilson', written over a horizontal line.

A.J. Wilson
Partner
PricewaterhouseCoopers

31 August 2012

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF COMPREHENSIVE INCOME FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

		Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	Note	1/07/2011 - 30/06/2012	1/07/2010 - 30/06/2011	1/07/2011 - 30/06/2012	1/07/2010 - 30/06/2011	1/07/2011 - 30/06/2012	1/07/2010 - 30/06/2011
Investment income		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	3	803	745	151	369	17	18
Dividend income		47,319	52,030	21,074	26,975	231	280
Distribution income		4,374	6,178	-	-	-	-
Changes in fair value of financial instruments held for trading		(155,932)	92,270	(30,329)	16,674	2,107	1,118
Other income		9	217	-	26	46	-
Net foreign exchange gain/(loss)		-	-	-	-	3	(127)
Total investment (loss)/income		(103,427)	151,440	(9,104)	44,044	2,404	1,289
Expenses							
Responsible Entity's management fees	8(c)	11,143	13,771	3,963	5,509	220	234
Custody fees	8(d)	212	196	73	82	6	4
Brokerage costs		1,326	1,939	502	796	7	11
Other expenses		-	1	1	-	2	-
Total operating expenses		12,681	15,907	4,539	6,387	235	249
Operating (loss)/profit attributable to unitholders		(116,108)	135,533	(13,643)	37,657	2,169	1,040
Distributions to unitholders	4	(35,559)	(39,457)	(17,529)	(21,811)	-	-
Change in net assets attributable to unitholders from operations	6(a)	151,667	(96,076)	31,172	(15,846)	(2,169)	(1,040)
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 REPORTING PERIOD ENDED 30 JUNE 2012

		Colonial First State Wholesale Global Technology & Communications Fund	
	Note	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Investment income			
Interest income	3	17	23
Dividend income		217	310
Changes in fair value of financial instruments held for trading		849	1,351
Other income		10	2
Net foreign exchange gain/(loss)		26	(56)
Total investment income		1,119	1,630
Expenses			
Responsible Entity's management fees	8(c)	212	232
Custody fees	8(d)	5	4
Brokerage costs		24	24
Other expenses		27	1
Total operating expenses		268	261
Operating profit attributable to unitholders		851	1,369
Distributions to unitholders	4	-	(68)
Change in net assets attributable to unitholders from operations	6(a)	(851)	(1,301)
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 2012

		Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
	Note	30/06/2012	30/6/2011	30/06/2012	30/6/2011	30/06/2012	30/6/2011
Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	7	26,898	3,886	3,638	5,039	726	745
Trade and other receivables:							
- outstanding sales settlement		23,529	15,952	1,962	-	89	-
- application monies		-	431	-	-	-	7
- dividends		8,780	8,491	4,577	5,091	15	19
- interests		61	11	8	21	1	2
- others		476	434	191	163	9	8
Financial assets held for trading	5	999,996	1,332,948	373,467	501,978	20,478	20,073
Total assets		1,059,740	1,362,153	383,843	512,292	21,318	20,854
Liabilities							
Trade and other payables:							
- outstanding purchase settlements		1,243	6,282	2,414	-	128	-
- redemptions		-	360	-	-	-	-
- others		-	-	-	-	-	1
Distribution payable		507	687	2	3	-	-
Fees due to Responsible Entity	8(c)	912	1,171	331	441	22	21
Financial liabilities held for trading	5	238	-	-	-	-	43
Total liabilities (excluding net assets attributable to unitholders)		2,900	8,500	2,747	444	150	65
Net assets attributable to unitholders - liability	6(a)	1,056,840	1,353,653	381,096	511,848	21,168	20,789
Represented by:							
Fair value of outstanding units based on redemption value		1,060,072	1,352,355	382,755	511,422	21,120	20,747
Adjustments arising from different unit pricing and AIFRS valuation principles		(5,254)	(1,280)	(2,425)	(603)	(6)	(9)
Buy and sell spread		2,023	2,574	767	1,025	53	52
Adjustment to period end accruals		(1)	4	(1)	4	1	(1)
Net assets attributable to unitholders		1,056,840	1,353,653	381,096	511,848	21,168	20,789

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

COLONIAL FIRST STATE WHOLESALE FUNDS

BALANCE SHEETS AS AT 30 JUNE 2012

		Colonial First State Wholesale Global Technology & Communications Fund	
	Note	30/06/2012	30/6/2011
Assets		\$'000	\$'000
Cash and cash equivalents	7	918	696
Trade and other receivables:			
- outstanding sales settlement		100	127
- application monies		-	3
- dividends		11	19
- interests		1	1
- others		9	8
Financial assets held for trading	5	18,105	19,081
Total assets		19,144	19,935
Liabilities			
Trade and other payables:			
- outstanding purchase settlements		116	110
- others		-	1
Distribution payable		-	4
Fees due to Responsible Entity	8(c)	19	20
Total liabilities (excluding net assets attributable to unitholders)		135	135
Net assets attributable to unitholders - liability	6(a)	19,009	19,800
Represented by:			
Fair value of outstanding units based on redemption value		18,971	19,759
Adjustments arising from different unit pricing and AIFRS valuation principles		(7)	(9)
Buy and sell spread		48	50
Adjustment to period end accruals		(3)	-
Net assets attributable to unitholders		19,009	19,800

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

COLONIAL FIRST STATE WHOLESALE FUNDS

STATEMENTS OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Funds have no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE WHOLESALE FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

	Colonial First State Wholesale Australian Share Fund		Colonial First State Wholesale Industrial Share Fund		Colonial First State Wholesale Global Health & Biotechnology Fund	
Note	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held for trading	677,262	999,939	312,411	450,801	7,914	10,960
Payments for purchase of financial instruments held for trading	(493,992)	(877,842)	(208,379)	(362,733)	(6,207)	(7,875)
Interest received	753	796	163	404	18	18
Dividends received	32,776	37,915	16,190	19,322	235	278
Other income received	9	217	-	26	45	-
Responsible Entity fee paid	(11,448)	(13,777)	(4,101)	(5,566)	(220)	(235)
Other expenses paid	(212)	(218)	(74)	(90)	(7)	(6)
Payment for brokerage costs	(1,326)	(1,939)	(502)	(796)	(7)	(11)
Net cash from operating activities 7(a)	203,822	145,091	115,708	101,368	1,771	3,129
Cash flows from financing activities						
Receipts from issue of units	52,450	34,493	3	5,030	809	501
Payment for redemption of units	(229,724)	(195,763)	(117,095)	(106,677)	(2,593)	(3,544)
Distributions paid	(3,536)	(4,141)	(17)	(24)	-	-
Net cash used in financing activities	(180,810)	(165,411)	(117,109)	(101,671)	(1,784)	(3,043)
Net movement in cash and cash equivalents	23,012	(20,320)	(1,401)	(303)	(13)	86
Effects of exchange rate changes	-	-	-	-	(6)	-
Add opening cash and cash equivalents brought forward	3,886	24,206	5,039	5,342	745	659
Closing cash and cash equivalents carried forward	26,898	3,886	3,638	5,039	726	745

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

CASH FLOW STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

		Colonial First State Wholesale Global Technology & Communications Fund	
	Note	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments held for trading		30,381	23,292
Payments for purchase of financial instruments held for trading		(28,490)	(21,743)
Interest received		18	23
Dividends received		224	300
Other income received		8	2
Responsible Entity fee paid		(213)	(232)
Other expenses paid		(32)	(8)
Payment for brokerage costs		(24)	(24)
Net cash from operating activities	7(a)	1,872	1,610
Cash flows from financing activities			
Receipts from issue of units		789	1,448
Payment for redemption of units		(2,428)	(3,213)
Distributions paid		(4)	(10)
Net cash used in financing activities		(1,643)	(1,775)
Net movement in cash and cash equivalents		229	(165)
Effects of exchange rate changes		(7)	-
Add opening cash and cash equivalents brought forward		696	861
Closing cash and cash equivalents carried forward		918	696

Non-cash financing activities are disclosed in part (b) under "Cash and Cash Equivalent" note the the financial statements.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 Funds' are for-profit unit trusts for the purpose of preparing the financial statements.

The financial report was authorised for issue by the Directors of the Responsible Entity on 24 August 2012. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The current reporting period is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 30 June 2011.

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

(b) 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 sheet date.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) 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, derivatives and investments in Managed Investment Schemes.

(c) 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 or 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 and liabilities 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.

(d) 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 bank deposits with an original maturity of three months or less.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) 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.

(f) 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.

(g) 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.

(h) Distributions to unitholders

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each month, 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.

(i) 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 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 Funds.

(j) 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 REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) 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.

(l) 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.

(m) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The impact of these new standards and interpretations (to the extent relevant to the Funds) are set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (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 2015. 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.

- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Funds do not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

* In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9.

(n) Comparatives

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Unit Prices

Unit prices are determined in accordance with the Funds' Constitutions 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.

(q) Foreign Currency

Foreign Currency Transactions

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

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

Foreign Currency Translations

Items included in the Funds' 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 compete for funds and are 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 that are measured at fair value through profit and loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit and loss.

(r) 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').

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) 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.

(t) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of units redeemed.

2. AUDITOR'S REMUNERATION

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

The Responsible Entity may recharge a portion of the Auditors' remuneration to the Funds. See the note under "Management Expenses Recharged" in the "Related Parties Disclosures" note to the Financial Statements.

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

Interest income of the Funds is derived mainly from interest earned on bank accounts.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 reporting period which had not been paid at balance sheet 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:

	Colonial First State Wholesale Australian Share Fund				Colonial First State Wholesale Industrial Share Fund			
Period ended:	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011		1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.60	12,217	1.20	10,150	1.30	5,202	1.40	7,378
- 31 December	1.80	13,461	2.00	16,568	1.50	5,901	1.50	7,552
- 31 March	0.60	4,348	0.70	5,690	1.00	3,885	0.70	3,560
- 30 June	0.79	5,533	0.89	7,049	0.69	2,541	0.72	3,321
Distributions to unitholders		35,559		39,457		17,529		21,811

	Colonial First State Wholesale Global Health & Biotechnology Fund				Colonial First State Wholesale Global Technology & Communications Fund			
Period ended:	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011		1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 December	-	-	-	-	-	-	-	-
- 30 June	-	-	-	-	-	-	0.19	68
Distributions to unitholders		-		-		-		68

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 measuring 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 Funds is the bid 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 Funds' financial instruments are further explained in the "Summary of Significant Accounting Policies" note to the financial statements.

30/06/2012	Colonial First State Wholesale Australian Share Fund			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	928,730	928,730	-	-
Managed Investment Schemes	50,695	50,695	-	-
Derivatives	20,571	-	20,571	-
Total Assets Held for Trading	999,996	979,425	20,571	-
Financial Liabilities Held for Trading:				
Derivatives	(238)	(238)	-	-
Total Liabilities Held for Trading	(238)	(238)	-	-
30/6/2011	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	1,253,180	1,253,180	-	-
Managed Investment Schemes	67,757	67,757	-	-
Derivatives	12,011	75	11,936	-
Total Assets Held for Trading	1,332,948	1,321,012	11,936	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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

30/06/2012	Colonial First State Wholesale Industrial Share Fund			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	373,467	373,467	-	-
Total Assets Held for Trading	373,467	373,467	-	-
30/6/2011	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	494,136	494,136	-	-
Listed Property Trust	7,842	7,842	-	-
Total Assets Held for Trading	501,978	501,978	-	-

30/06/2012	Colonial First State Wholesale Global Health & Biotechnology Fund			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	20,455	20,314	141	-
Derivatives	23	-	23	-
Total Assets Held for Trading	20,478	20,314	164	-
30/6/2011	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	20,035	20,035	-	-
Derivatives	38	-	38	-
Total Assets Held for Trading	20,073	20,035	38	-
Financial Liabilities Held for Trading:				
Derivatives	(43)	-	(43)	-
Total Liabilities Held for Trading	(43)	-	(43)	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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

30/06/2012	Colonial First State Wholesale Global Technology & Communications Fund			
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	18,105	18,105	-	-
Total Assets Held for Trading	18,105	18,105	-	-
30/6/2011	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial Assets Held for Trading:				
Listed Equities	19,081	19,044	37	-
Total Assets Held for Trading	19,081	19,044	37	-

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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:

	Colonial First State Wholesale Australian Share Fund			
	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.'000	\$'000	No.'000	\$'000
Opening balance	795,756	1,353,653	868,980	1,383,769
Applications	32,874	52,019	19,756	34,330
Redemptions	(146,497)	(229,365)	(113,409)	(196,049)
Units issued upon reinvestment of distributions	21,437	32,200	20,429	35,527
Change in net assets attributable to unitholders from operations		(151,667)		96,076
Closing Balance	703,570	1,056,840	795,756	1,353,653

	Colonial First State Wholesale Industrial Share Fund			
	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.'000	\$'000	No.'000	\$'000
Opening balance	464,334	511,848	535,556	575,860
Applications	2	3	4,460	5,030
Redemptions	(110,961)	(117,096)	(95,045)	(106,677)
Units issued upon reinvestment of distributions	17,296	17,513	19,363	21,789
Change in net assets attributable to unitholders from operations		(31,172)		15,846
Closing Balance	370,671	381,096	464,334	511,848

	Colonial First State Wholesale Global Health & Biotechnology Fund			
	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.'000	\$'000	No.'000	\$'000
Opening balance	26,271	20,789	30,360	22,773
Applications	988	803	681	506
Redemptions	(3,344)	(2,593)	(4,770)	(3,530)
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		2,169		1,040
Closing Balance	23,915	21,168	26,271	20,789

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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

	Colonial First State Wholesale Global Technology & Communications Fund			
	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.'000	\$'000	No.'000	\$'000
Opening balance	35,861	19,800	39,014	20,220
Applications	1,441	787	2,608	1,415
Redemptions	(4,457)	(2,429)	(5,876)	(3,200)
Units issued upon reinvestment of distributions	-	-	115	64
Change in net assets attributable to unitholders from operations		851		1,301
Closing Balance	32,845	19,009	35,861	19,800

(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 of Financial Assets and Liabilities" note to the financial statements.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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	
	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Net (loss)/profit attributable to unitholders	(116,108)	135,533	(13,643)	37,657	2,169	1,040
Proceeds from sale of financial instruments held for trading	677,262	999,939	312,411	450,801	7,914	10,960
Payments for purchase of financial instruments held for trading	(493,992)	(877,842)	(208,379)	(362,733)	(6,207)	(7,875)
Changes in fair value of financial instruments held for trading	155,932	(92,270)	30,329	(16,674)	(2,107)	(1,118)
Distribution or Dividend income reinvested	(18,628)	(19,563)	(5,398)	(7,488)	-	-
Net foreign exchange (loss)/gain	-	-	-	-	(3)	127
Changes in assets and liabilities:						
Receivables and other assets	(385)	(657)	499	(129)	4	(1)
Payables and other liabilities	(259)	(49)	(111)	(66)	1	(4)
Net Cash From Operating Activities	203,822	145,091	115,708	101,368	1,771	3,129

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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	
	1/07/2011 - 30/06/2012 \$'000	1/07/2010 - 30/06/2011 \$'000
Net profit attributable to unitholders	851	1,369
Proceeds from sale of financial instruments held for trading	30,381	23,292
Payments for purchase of financial instruments held for trading	(28,490)	(21,743)
Changes in fair value of financial instruments held for trading	(849)	(1,351)
Distribution or Dividend income reinvested	-	(2)
Net foreign exchange (loss)/gain	(26)	56
Changes in assets and liabilities:		
Receivables and other assets	7	(8)
Payables and other liabilities	(2)	(3)
Net Cash From Operating Activities	1,872	1,610

(b) Non-cash Financing Activities Carried Out During the Reporting Period on Normal Commercial Terms and Conditions include:

- Reinvestment of unitholders distributions as disclosed under "Units issued upon reinvestment of distributions" in part (a) of the "Changes in Net Asset Attributable to Unitholders" note to the financial statements.
- Participation in dividend reinvestment plans as disclosed under "Distribution or Dividend Income Reinvested" in part (a) of the "Cash and Cash Equivalents" note to the financial statements.

(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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

7. CASH AND CASH EQUIVALENTS (continued)

(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 are as follows:

	2012	2011
	\$'000	\$'000
Colonial First State Wholesale Australian Share Fund	2,625	269

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 period and up to the date of the report are:

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
Brian Vincent Bissaker	Resigned on 8 May 2012.

(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 current and comparative reporting periods are as follows:

	2012 Management Fees %	June 2011 Management Fees %
Colonial First State Wholesale Australian Share Fund	0.95	0.95
Colonial First State Wholesale Industrial Share Fund	0.95	0.95
Colonial First State Wholesale Global Health & Biotechnology Fund	1.15	1.15
Colonial First State Wholesale Global Technology & Communications Fund	1.15	1.15

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. RELATED PARTIES DISCLOSURES (continued)

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

The Responsible Entity's management fees charged for the reporting periods ended 30 June 2012 and 30 June 2011 are as follows:

	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
Colonial First State Wholesale Australian Share Fund	11,142,682	13,770,895
Colonial First State Wholesale Industrial Share Fund	3,962,791	5,508,524
Colonial First State Wholesale Global Health & Biotechnology Fund	220,271	233,904
Colonial First State Wholesale Global Technology & Communications Fund	212,280	232,053

Fees due to the Responsible Entity as at the reporting period ended 30 June 2012 and 30 June 2011 are as follows:

	2012 \$	2011 \$
Colonial First State Wholesale Australian Share Fund	912,473	1,171,321
Colonial First State Wholesale Industrial Share Fund	330,993	440,704
Colonial First State Wholesale Global Health & Biotechnology Fund	21,567	21,113
Colonial First State Wholesale Global Technology & Communications Fund	19,372	20,141

(d) Management Expenses Recharged

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. The amount recharged is disclosed as "Custody Fees" in the "Statements of Comprehensive Income".

The Responsible Entity is also responsible for paying certain expenses (such as audit fees, printing and postage etc) for the Funds. The amount recharged is based on the lower of the expenses paid or .02% of the net assets of the Funds, however no such expenses were recharged in the current or prior reporting periods.

(e) 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 REPORTING PERIOD ENDED 30 JUNE 2012

8. RELATED PARTIES DISCLOSURES (continued)

(f) Units Held by Related Parties

Other Funds managed by the Responsible Entity or its affiliates may from time to time purchase or redeem units in the 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 current and comparative reporting periods are tabled below.

	2012 Number of Units No.'000	2011 Number of Units No.'000
Colonial First State Wholesale Australian Share Fund	541,196	605,293
Colonial First State Wholesale Industrial Share Fund	369,419	462,765
Colonial First State Wholesale Global Health & Biotechnology Fund	20,281	22,385
Colonial First State Wholesale Global Technology & Communications Fund	26,686	29,520

(g) Related Party Transactions

Transactions between the Funds and other registered Funds, which are 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.

Guarantees

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. RELATED PARTIES DISCLOSURES (continued)

(h) Investing Activities

(i) Managed Investment Schemes

The following Funds held investments in the following Funds 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

- 2012	58,600	50,695	20.14	4,851	14,561	4,374
- 2011	68,310	67,757	22.34	17,941	-	6,178

(ii) Listed Securities

The following Funds invests in listed securities of the Bank and its related parties as follows:

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	Dividend Received \$'000
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Colonial First State Wholesale Australian Share Fund

Commonwealth Bank of Australia

- 2012	981	52,065	0.06	-	260	3,499
- 2011	1,241	64,784	0.08	194	859	4,679

Colonial First State Wholesale Industrial Share Fund

Commonwealth Bank of Australia

2012	562	29,820	0.03	9	251	2,225
2011	804	41,943	0.05	-	310	3,072

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Market Risk

(i) Price risk

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

Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates. Paragraph (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 Information Memorandum or Constitutions and are regularly monitored by the Compliance Department of the Responsible Entity.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, summarises the impact of an increase/decrease of the Australian and global indexes on the Funds' net assets attributable to unitholders at 30 June 2012 and 30 June 2011. The analysis is based on the assumptions that the relevant indexes increased or decreased as tabled 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 those classes.

(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.

These 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.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

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

30/06/2012	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	216	-	-	-	1
Receivables	104	-	-	-	-
Financial assets held for trading	18,896	1,010	373	96	80
Payables	(128)	-	-	-	-
	19,088	1,010	373	96	81
Net increase/decrease in exposure from:					
- foreign currency contract	513	(489)	-	-	-
	19,601	521	373	96	81
30/06/2011	United States Dollar	Japanese Yen	European Euro	Hong Kong Dollar	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	392	-	-	-	-
Receivables	18	1	-	-	-
Financial assets held for trading	18,444	1,102	353	95	41
	18,854	1,103	353	95	41
Net increase/decrease in exposure from:					
- foreign currency contract	515	(520)	-	-	-
	19,369	583	353	95	41

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(ii) Foreign exchange risk (continued)

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

30/06/2012	Colonial First State Wholesale Global Technology & Communications Fund				
	United States Dollar	Norwegian Kroner	UK Pound Sterling	Indian Rupee	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
Cash and cash equivalents	502	-	-	-	-
Receivables	111	-	-	-	-
Financial assets held for trading	15,917	514	257	246	1,171
Payables	(116)	-	-	-	-
	16,414	514	257	246	1,171
30/06/2011	United States Dollar	Norwegian Kroner	UK Pound Sterling	Indian Rupee	Others
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	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)	-
	15,679	671	609	497	1,971

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 9.3% (2011: 10.1%) against each of the other currencies to which the Funds' are exposed.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. 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.

30/06/2012	Colonial First State Wholesale Australian Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	26,898	-	-	26,898
Receivables	-	-	32,846	32,846
Financial assets held for trading	-	-	979,425	979,425
Derivatives	-	-	20,571	20,571
Financial liabilities				
Payables	-	-	(2,662)	(2,662)
Financial liabilities held for trading - Derivatives	-	-	(238)	(238)
Net exposure	26,898	-	1,029,942	1,056,840
30/06/2011				
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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2012	Colonial First State Wholesale Industrial Share Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	3,638	-	-	3,638
Receivables	-	-	6,738	6,738
Financial assets held for trading	-	-	373,467	373,467
Financial liabilities				
Payables	-	-	(2,747)	(2,747)
Net exposure	3,638	-	377,458	381,096
30/06/2011				
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

30/06/2012	Colonial First State Wholesale Global Health & Biotechnology Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	726	-	-	726
Receivables	-	-	114	114
Financial assets held for trading	-	-	20,455	20,455
Derivatives	-	-	23	23
Financial liabilities				
Payables	-	-	(150)	(150)
Net exposure	726	-	20,442	21,168
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 FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

30/06/2012	Colonial First State Wholesale Global Technology & Communications Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash and cash equivalents	918	-	-	918
Receivables	-	-	121	121
Financial assets held for trading	-	-	18,105	18,105
Financial liabilities				
Payables	-	-	(135)	(135)
Net exposure	918	-	18,091	19,009
30/06/2011				
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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

(iii) Interest rate risk (continued)

An analysis of financial liabilities by maturities is provided under "Liquidity Risk" of the "Financial Risk Management" note to the financial Statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, 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 (2011: +/- 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.

	Colonial First State Wholesale Australian Share Fund					
30/06/2012	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	-9.30% \$'000	9.30% \$'000	-24.06% \$'000	24.06% \$'000
	(161)	161	-	-	(235,555)	235,555
	-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
30/06/2011						

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Summarised Sensitivity Analysis (continued)

	Colonial First State Wholesale Industrial Share Fund					
30/06/2012	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	-9.30% \$'000	9.30% \$'000	-25.45% \$'000	25.45% \$'000
	(22)	22	-	-	(95,057)	95,057
	-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
30/06/2011						

	Colonial First State Wholesale Global Health & Biotechnology Fund					
30/06/2012	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	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	(4)	4	(18)	18	(4,418)	4,418
	-60 basis points \$'000	+60 basis points \$'000	-10.10% \$'000	10.10% \$'000	-21.60% \$'000	21.60% \$'000
30/06/2011	(4)	4	(42)	42	(4,328)	4,328

	Colonial First State Wholesale Global Technology & Communications Fund					
30/06/2012	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	-9.30% \$'000	9.30% \$'000	-21.60% \$'000	21.60% \$'000
	(6)	6	(46)	46	(3,911)	3,911
	-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
30/06/2011						

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a high credit rating. 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 their 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. Investments with a higher liquidity risk have been disclosed under "Level 3" in the "Fair Value Hierarchy of Financial Assets and Liabilities" note to the financial statements.

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 reporting period 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 REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	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
30/06/2012							
Derivatives:							
Inflows	-	-	-	-	-	-	-
(Outflows)	-	(238)	-	-	-	-	(238)
30/06/2011							
Derivatives:							
Inflows	-	75	-	-	-	-	75
(Outflows)	-	-	-	-	-	-	-

	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
30/06/2012							
Derivatives:							
Inflows	-	511	-	-	-	-	511
(Outflows)	-	(488)	-	-	-	-	(488)
30/06/2011							
Derivatives:							
Inflows	-	513	-	-	-	-	513
(Outflows)	-	(518)	-	-	-	-	(518)

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

9. 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 under "Summary of Significant Accounting Policies" note to the financial statements. 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 sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

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

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

10. 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.

Where the Funds invest into derivative financial instruments and/or securities sold short, securities may be held by the broker as collateral in order to meet margin calls.

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

10. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

	Colonial First State Wholesale Australian Share Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2012			30/06/2011	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Share price index futures	53,147	-	(238)	15,413	75	-
- Warrants	-	20,571	-	-	11,936	-
	53,147	20,571	(238)	15,413	12,011	-

	Colonial First State Wholesale Global Health & Biotechnology Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
		30/06/2012			30/06/2011	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
- Foreign currency forward contracts	511	23	-	513	38	(43)
	511	23	-	513	38	(43)

COLONIAL FIRST STATE WHOLESALE FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

11. SEGMENT INFORMATION

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

12. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2012, the Funds did not have any contingent liabilities or commitments (30 June 2011 - None).

13. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial positions of the Funds disclosed in the Balance Sheets as at 30 June 2012 or on the results and cash flows of the Funds for the reporting period ended on that date.

COLONIAL FIRST STATE WHOLESALE FUNDS

DIRECTORS' DECLARATION FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Funds' financial positions as at 30 June 2012 and of their performance for the reporting period ended on that date, 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, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Bradley Brian Massey
Director
Sydney
31 August 2012



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 2012, 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 opinion.

PricewaterhouseCoopers, ABN 52 780 433 757

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia

T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Wholesale Funds is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Funds' financial positions as at 30 June 2012 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 financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read 'A J Wilson'.

A J Wilson
Partner

31 August 2012

**COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE
FUND**

ARSN : 88 902 425

**FINANCIAL REPORT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2012**

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 REPORTING PERIOD ENDED 30 JUNE 2012

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 of the Fund for the period from 1 July 2011 to 30 June 2012.

Reporting Period

The current reporting period for the financial report is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 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%
14 September 2011	778,147	6.10%
13 June 2012	649,675	5.10%
Total Repayment of capital:	11,990,718	94.06%

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 as follows:

Date of Constitution	10/08/1999
Date of Registration	13/08/1999

Review of Operations

Income

The distributions per unit of the Fund for the reporting periods ended 30 June 2012 and 30 June 2011 are disclosed in the "Distributions to Unitholders" note to the financial statements.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

Exit Price

There is no exit price as the Fund has been terminated.

Performance

As the Fund has been terminated, performance returns are not disclosed.

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 since incorporation and up to the date of the report are:

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Michael John Venter	Appointed on 4 July 2011.
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
Brian Vincent Bissaker	Resigned on 8 May 2012.

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 Fund is a registered managed investment scheme domiciled in Australia and has its principal place of business at Ground Floor Tower 1, 201 Sussex Street, Sydney, New South Wales, 2000.

Significant Changes in the State of Affairs

There were no significant changes 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 2012 that have significantly affected, or may significantly affect the termination process of the Fund.

Likely Developments and Expected Results of Operations

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 the officers of the 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 or payable to the Responsible Entity and its associates out of the Fund's assets during the period are disclosed in the Statement of Comprehensive Income and Balance Sheet.

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

The interests in the Fund held by the Responsible Entity or its associates at the end of the financial period are disclosed in the "Related Parties Disclosure" note to the financial statements.

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 "Changes in Net Assets Attributable to Unitholders" note to the financial statements. The value of the Fund's assets at the end of the financial period are set out in the Balance Sheet and derived using the basis set out in "Summary of Significant Accounting Policies".

Environmental Regulation

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

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. 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. The last withdrawal offer payment occurred in January 2010.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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
31 August 2012



Auditor's Independence Declaration

As lead auditor for the audit of Colonial First State Wholesale Guaranteed Mortgage Fund for the year ended 30 June 2012, 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 year.

A handwritten signature in black ink, appearing to read 'A J Wilson', with a long horizontal stroke extending to the right.

A J Wilson
Partner
PricewaterhouseCoopers

31 August 2012

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE REPORTING PERIOD ENDED 30 JUNE 2012**

	Note	1/07/2011 - 30/06/2012	1/07/2010 - 30/06/2011
Investment income		\$	\$
Interest income	3	114,028	229,556
Other income		1	56
Total investment (loss)/income		114,029	229,612
Expenses			
Responsible Entity's management fees	7(c)	17,624	39,594
Other expenses	3(b)	2,680	6,462
Total operating expenses		20,304	46,056
Operating (loss)/profit attributable to unitholders		93,725	183,556
Distributions to unitholders	4	(91,647)	(184,489)
Change in net assets attributable to unitholders from operations	5(a)	(2,078)	933
Profit/(Loss) for the period		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		-	-

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

BALANCE SHEET AS AT 30 JUNE 2012

	Note	30/06/2012 \$	30/6/2011 \$
Assets			
Cash and cash equivalents	6	535,917	809,512
Trade and other receivables:			
- interests		1,224	2,832
- others		1,013	933
Mortgages	12	260,280	1,426,911
Total assets		798,434	2,240,188
Liabilities			
Trade and other payables:			
- others		901	864
Distribution payable		5,885	13,333
Fees due to Responsible Entity	7(c)	827	9,426
Total liabilities (excluding net assets attributable to unitholders)		7,613	23,623
Net assets attributable to unitholders - liability	5(a)	790,821	2,216,565

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

STATEMENT OF CHANGES IN EQUITY FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 Financial Instruments Presentation. As such the Fund has no equity, and no items of changes in equity have been presented for the current and comparative reporting periods.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

**CASH FLOW STATEMENT
FOR THE REPORTING PERIOD ENDED 30 JUNE 2012**

	Note	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
Cash flows from operating activities			
Net repayment or (payment) of mortgage assets		1,159,703	2,662,000
Interest received		122,564	246,952
Other income received		2	56
Responsible Entity fee paid		(26,303)	(55,246)
Interest paid			
Other expenses paid		(2,644)	(6,747)
Net cash from operating activities	6(b)	1,253,322	2,847,015
Cash flows from financing activities			
Receipts from issue of units		-	-
Payment for redemption of units		-	-
Repayment of capital		(1,427,822)	(4,181,269)
Distributions paid		(99,095)	(180,026)
Net cash used in financing activities		(1,526,917)	(4,361,295)
Net movement in cash and cash equivalents		(273,595)	(1,514,280)
Add opening cash and cash equivalents brought forward		809,512	2,323,792
Closing cash and cash equivalents carried forward		535,917	809,512

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

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Non-going concern 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 board of Directors of the Responsible Entity approved the termination of the Fund on 12 February 2010 in accordance with the provisions of the Constitution. The effective date of the termination was 1 March 2010.

The Responsible Entity is in the process of:

- (i) realising all the assets of the Fund;
- (ii) finalising a set of accounts and calculating the distributable income of the Fund;
- (iii) distributing to the unitholders the net income of the Fund; and
- (iv) redeeming the units held by the unitholders in accordance with the provisions of the Constitution.

As at 30 June 2012 the termination process is in progress pending the finalisation of the disposal of the securities.

The current reporting period for the financial report is from 1 July 2011 to 30 June 2012. The comparative reporting period is from 1 July 2010 to 30 June 2011.

The financial information presented in this financial report for the reporting period has been prepared on the basis that the Fund is not a going concern for financial reporting purposes.

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 and net assets attributable to unitholders which may take longer to realise. The Funds' are for-profit unit trust for the purpose of preparing the financial statements. The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

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

The financial report was authorised for issue by the Directors of the Responsible Entity on 24 August 2012. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investment Income

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.

(c) Cash and cash equivalents

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

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

(d) 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.

(e) 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.

(f) 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 distribute their taxable income.

(g) Distributions to unitholders

In accordance with the Fund's Constitution, the Fund fully distribute its distributable income to unitholders. Distributions are payable at the end of each month and are determined by reference to the taxable income of the Fund. 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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.

(j) 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 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 is classified as operating cash flows.

(k) 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 Statements of Comprehensive Income if expenditure does not produce future economic benefits that qualify for recognition in the Balance Sheet.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) New Application of Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The impact of these new standards and interpretations (to the extent relevant to the Fund) are set out below:

- AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (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 2015. 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.

- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Fund does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

* In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015. The AASB is expected to make an equivalent amendment to AASB 9.

(m) Comparatives

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

(n) Use of estimates

The Fund makes 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.

Mortgage assets are assessed for impairment at each reporting date. The provision for impairment is estimated as the difference between the carrying value of the mortgage and the estimated recoverable amount.

(o) Unit Prices

Unit prices are determined in accordance with the Funds' Constitutions 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 REPORTING PERIOD ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) 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').

(q) 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.

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

(r) Applications and redemptions

Prior to the Fund's termination, applications received for units in the Fund were recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund were recorded gross of any exit fees payable after the cancellation of units redeemed.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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 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

	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
Cash and cash equivalents	22,270	61,342
Mortgage loans	91,758	168,214
Total Interest Income	114,028	229,556

(b) Other Expenses

	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
Mortgage trailing commission	1,006	5,610
Other expenses	1,674	852
Total Interest Income	2,680	6,462

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 Sheet represents the component of the final distribution for the reporting period which had not been paid at balance sheet date.

The amounts distributed or proposed to be distributed to unitholders during the period were:

Period ended:	1/07/2011 - 30/06/2012 \$	1/07/2010 - 30/06/2011 \$
- 31 July	7,787	6,356
- 31 August	10,011	6,356
- 30 September	5,784	11,123
- 31 October	10,122	19,069
- 30 November	7,230	19,069
- 31 December	5,784	19,069
- 31 January	3,615	22,247
- 28 February	9,399	22,247
- 31 March	9,399	15,573
- 30 April	9,399	22,247
- 31 May	7,230	7,786
- 30 June	5,887	13,347
Distributions to unitholders	91,647	184,489

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

5. CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

(a) Movements in number of units and net assets attributable to unitholders:

	1/07/2011 - 30/06/2012		1/07/2010 - 30/06/2011	
	No.	\$	No.	\$
Opening balance	12,712,404	2,216,565	12,712,404	6,398,767
Applications	-	-	-	-
Redemptions	-	-	-	-
Units issued upon reinvestment of distributions	-	-	-	-
Change in net assets attributable to unitholders from operations		2,078		(933)
Repayment of capital		(1,427,822)		(4,181,269)
Closing Balance	12,712,404	790,821	12,712,404	2,216,565

(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 amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

As at 30 June 2012, the Fund is in the process of being terminated. Upon realisation of all the remaining assets in the Fund, a final redemption will be made.

6. CASH AND CASH EQUIVALENTS

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

	1/07/2011 - 30/06/2012	1/07/2010 - 30/06/2011
	\$	\$
Net profit attributable to unitholders	93,725	183,556
Repayment of mortgage assets	1,159,703	2,662,000
Changes in assets and liabilities:		
Receivables and other assets	8,457	19,116
Payables and other liabilities	(8,563)	(17,657)
Net Cash (Used In)/From Operating Activities	1,253,322	2,847,015

(b) 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

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.

(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 period and up to the date of the report are:

Annabel Fitzgerald Spring	Appointed on 14 October 2011.
Lynette Elizabeth Cobley	
Brian Vincent Bissaker	Appointed on 4 July 2011.
Michael John Venter	
Peter Robert Winney	
Bradley Brian Massey	
Peter John Taylor (Alternate to Annabel Fitzgerald Spring)	Appointed 7 November 2011.
Gregg Johnston	Resigned on 4 July 2011.
Grahame Anthony Petersen	Resigned on 14 October 2011.
	Resigned on 8 May 2012.

(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 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 Fund. 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 Statement of Comprehensive Income reflect only the amount of fees charged directly to the respective Fund.

The management fees rate charged for the current and comparative reporting periods are as follows:

	2012 Management Fees %	June 2011 Management Fees %
Management fees rate for the reporting period	1.15	1.15

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

7. RELATED PARTIES DISCLOSURES (continued)

(d) Bank and Deposit Accounts

The bank accounts and 11am deposit accounts for the Fund may be held with the Commonwealth Bank of Australia. Fees and expenses are 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 REPORTING PERIOD ENDED 30 JUNE 2012

8. 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

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.

30/06/2012	Floating interest rate \$	Fixed interest rate \$	Non-interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	535,917	-	-	535,917
Receivables	-	-	2,237	2,237
Mortgages	260,280	-	-	260,280
Financial liabilities				
Payables	-	-	(7,613)	(7,613)
Net exposure	796,197	-	(5,376)	790,821
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 REPORTING PERIOD ENDED 30 JUNE 2012

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market Risk (continued)

Interest rate risk (continued)

An analysis of financial liabilities by maturities is provided under "Maturity Profile of Mortgages" of the "Mortgages" note to the financial Statements.

The table in part (b) under "Summarised Sensitivity Analysis" of the "Financial Risk Management" note to the financial statements, 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 (2011: +/- 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 Fund's operating profit or loss and net assets attributable to unitholders to interest rate 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 Fund's 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 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 \$
30/06/2012	(4,763)	4,763
	-60 basis points \$	+60 basis points \$
30/06/2011	(13,362)	13,362

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

8. FINANCIAL RISK MANAGEMENT (continued)

(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) 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 sheet 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 13. 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 REPORTING PERIOD ENDED 30 JUNE 2012

8. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair Value Estimation

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

	30/06/2012		30/06/2011	
	Fair Value	Carrying Amount	Fair Value	Carrying Amount
	\$	\$	\$	\$
Mortgage assets at amortised cost	260,292	260,280	1,426,977	1,426,977

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.

9. CONTINGENT LIABILITIES AND COMMITMENTS

As at 30 June 2012, the Fund did not have any contingent liabilities or commitments (30 June 2011 - None).

10. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred since balance sheet date which would impact on the financial position of the Fund disclosed in the Balance Sheet as at 30 June 2012 or on the results and cash flows of the Fund for the period ended on that date.

11. 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.

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

12. ADDITIONAL DISCLOSURES FOR MORTGAGES

(a) Summary of Mortgage assets

The Mortgage assets for the Fund are summarised as follows:

	30/06/2012		30/06/2011	
	Number	\$	Number	\$
Current mortgages	1	260,280	4	1,426,911
	1	260,280	4	1,426,911

(b) Geographic Profile of Mortgages

	30/06/2012		30/06/2011	
	\$	%	\$	%
New South Wales	-	0.00%	720,805	50.52%
Victoria	260,280	100.00%	706,106	49.48%
	260,280	100.00%	1,426,911	100.00%

(c) Property Type Securing Mortgages

	30/06/2012		30/06/2011	
	\$	%	\$	%
Improved Industrial	260,280	100.00%	230,637	16.16%
Improved Office	-	0.00%	713,709	50.02%
Improved Residential	-	0.00%	482,565	33.82%
	260,280	100.00%	1,426,911	100.00%

(d) Maturity Profile of Mortgages

	30/06/2012		30/06/2011	
	\$	%	\$	%
Less than 1 year	260,280	100.00%	713,709	50.02%
1 to 2 years	-	0.00%	713,202	49.98%
	260,280	100.00%	1,426,911	100.00%

(e) Material Mortgages

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

	30/06/2012		30/06/2011	
	Number	\$	Number	\$
Greater than 10% of the mortgage assets	1	260,280	4	1,426,911
	1	260,280	4	1,426,911

COLONIAL FIRST STATE WHOLESALE GUARANTEED MORTGAGE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE REPORTING PERIOD ENDED 30 JUNE 2012

12. ADDITIONAL DISCLOSURES FOR MORTGAGES (continued)

(f) Interest Rate Profile of Mortgages

	30/06/2012		30/06/2011	
	\$	%	\$	%
Variable Mortgages: Greater than 10%	260,280	100.00%	1,426,911	100.00%
	260,280	100.00%	1,426,911	100.00%

13. 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 REPORTING PERIOD ENDED 30 JUNE 2012

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 Guaranteed Mortgage Fund ("the Fund") are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Fund's financial position as at 30 June 2012 and of its performance for the reporting period ended on that date, and
- b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and
- c) the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1.

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



Bradley Brian Massey
Director
Sydney
31 August 2012

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 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

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 opinion.



Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report of Colonial First State Wholesale Guaranteed Mortgage Fund is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Fund's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to the following matter. As indicated in Note 1 of the financial statements the Fund was terminated on 01 March 2010 in accordance with the provisions of the Fund's constitution. As a result, the financial statements have been prepared on a liquidation basis and not on a going concern basis.

A handwritten signature in dark ink that reads "PricewaterhouseCoopers".

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to be "A J Wilson".

A J Wilson
Partner

31 August 2012

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Enquiries

Investor Services: **13 13 36**

Website: colonialfirststate.com.au

Email: contactus@colonialfirststate.com.au

