

Investments

# Managed Investment Funds & Premier CMT

**Annual Financial Report 2008**



Dear Investor

**Annual Financial Report**

I am pleased to present the reports for the financial year ended 30 June 2008 for Colonial First State Managed Investment Funds & Premier CMT.

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

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

Yours sincerely,

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

**Brian Bissaker**

Chief Executive Officer

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## Represented by:

	<b>ARSN</b>
Colonial First State Conservative Fund	087 553 517
Colonial First State Balanced Fund	087 553 839
Colonial First State Diversified Fund	087 554 069
Colonial First State High Growth Fund	087 554 256
Colonial First State Australian Share Fund	087 554 372
Colonial First State Imputation Fund	087 554 443
Colonial First State Future Leaders Fund	087 554 578
Colonial First State Developing Companies Fund	087 554 676
Colonial First State Geared Share Fund	087 562 641
Colonial First State Global Share Fund	087 554 827
Colonial First State Global Resources Fund	087 554 872
Colonial First State Geared Global Share Fund	096 391 927
Colonial First State Property Securities Fund	087 554 292
Colonial First State Cash Fund	087 553 384
Colonial First State Premier CMT	087 562 481
Colonial First State Conservative Fund - Nil Entry Fee Option	098 596 662
Colonial First State Balanced Fund - Nil Entry Fee Option	098 594 873
Colonial First State Diversified Fund - Nil Entry Fee Option	098 594 855
Colonial First State Imputation Fund - Nil Entry Fee Option	098 597 025
Colonial First State Geared Share Fund - Nil Entry Fee Option	098 589 470
Colonial First State Property Securities Fund - Nil Entry Fee Option	098 596 877
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	096 011 988
Colonial First State Mortgage Income Fund - Entry Fee Option	088 902 783

**Financial Report for the  
Year Ended 30 June 2008  
Responsible Entity of the Funds:**

**COLONIAL FIRST STATE INVESTMENTS LIMITED  
ABN 98 002 348 352**

Level 29, 52 Martin Place  
SYDNEY NSW 2000

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

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

### Change of Auditors

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

### Principal Activities

This financial report consists of twenty three managed investment schemes belonging to the family of Funds known as the Colonial First State Managed Investment Funds. The Funds in this financial report and the dates of their Constitution and registration with the Australian Securities & Investment Commission are presented as follows:

	Date of Constitution	Date of Registration
Colonial First State Conservative Fund	11/05/1999	09/06/1999
Colonial First State Balanced Fund	11/05/1999	09/06/1999
Colonial First State Diversified Fund	11/05/1999	09/06/1999
Colonial First State High Growth Fund	11/05/1999	09/06/1999
Colonial First State Australian Share Fund	11/05/1999	09/06/1999
Colonial First State Imputation Fund	11/05/1999	09/06/1999
Colonial First State Future Leaders Fund*	11/05/1999	09/06/1999
Colonial First State Developing Companies Fund*	11/05/1999	09/06/1999
Colonial First State Geared Share Fund	11/05/1999	09/06/1999
Colonial First State Global Share Fund	11/05/1999	09/06/1999
Colonial First State Global Resources Fund	11/05/1999	09/06/1999
Colonial First State Geared Global Share Fund	27/03/2001	06/04/2001
Colonial First State Property Securities Fund	11/05/1999	09/06/1999
Colonial First State Cash Fund	11/05/1999	09/06/1999
Colonial First State Premier CMT	11/05/1999	09/06/1999
Colonial First State Conservative Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Balanced Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Diversified Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Imputation Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Geared Share Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Property Securities Fund - Nil Entry Fee Option*	24/10/2001	12/11/2001
Colonial First State Mortgage Income Fund - Nil Entry Fee Option*	16/02/2001	27/02/2001
Colonial First State Mortgage Income Fund - Entry Fee Option	10/08/1998	13/08/1999

\* The Fund is closed to new investors.

The principal activities of the Funds are to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Funds' Constitutions.

With the exception of the Colonial First State Australian Share Fund, the Colonial First State Imputation Fund, the Colonial First State Future Leaders Fund, the Colonial First State Developing Companies Fund and the Colonial First State Premier CMT which are exposed directly to the investment markets, the remaining Funds achieve their exposure to the investment markets through investments in registered schemes managed by the Responsible Entity.

The Colonial First State Managed Investment Funds provide access to a range of unlisted managed investment funds which include diversified multi-sector funds and single sector funds including Australian share funds, global share funds, listed property securities funds and income funds.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Review of Operations

The investment policy of the Funds continues to be that detailed in the current Product Disclosure Statement and in accordance with the Constitutions of the Funds.

The results of the Funds for the year were as follows:

#### Income

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

#### 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 "last sale" price basis. Please refer to the current Product Disclosure Statements for the Colonial First State Managed Investment Funds and the Colonial First State Premier CMT for details of the current selling spreads for the Funds.

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

	2008 \$	2007 \$
Colonial First State Conservative Fund	1.1165	1.2153
Colonial First State Balanced Fund	1.2490	1.4420
Colonial First State Diversified Fund	1.5356	2.0145
Colonial First State High Growth Fund	1.0464	1.5561
Colonial First State Australian Share Fund	1.8724	2.3698
Colonial First State Imputation Fund	3.1422	4.0167
Colonial First State Future Leaders Fund	3.1094	4.2528
Colonial First State Developing Companies Fund	1.9185	2.9860
Colonial First State Geared Share Fund	2.2505	5.3267
Colonial First State Global Share Fund	1.0857	1.3219
Colonial First State Global Resources Fund	2.1120	2.1013
Colonial First State Geared Global Share Fund	0.5700	0.8056
Colonial First State Property Securities Fund	0.8534	1.9522
Colonial First State Cash Fund	1.0066	1.0092
Colonial First State Premier CMT	1.0000	1.0000
Colonial First State Conservative Fund - Nil Entry Fee Option	0.9049	0.9893
Colonial First State Balanced Fund - Nil Entry Fee Option	0.8537	0.9928
Colonial First State Diversified Fund - Nil Entry Fee Option	0.8642	1.1541
Colonial First State Imputation Fund - Nil Entry Fee Option	0.8006	1.0582
Colonial First State Geared Share Fund - Nil Entry Fee Option	0.7134	1.7082
Colonial First State Property Securities Fund - Nil Entry Fee Option	0.5315	1.2145
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	1.0000	1.0000
Colonial First State Mortgage Income Fund - Entry Fee Option	1.0000	1.0000

Units in the Colonial First State Premier CMT, the Colonial First State Mortgage Income Fund - Nil Entry Fee Option, the Colonial First State Mortgage Income Fund - Entry Fee Option are recorded at \$1.00 and interest is calculated and accrued daily.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Management Costs and Indirect Cost Ratio (ICR)

Management costs include investment expenses, custody fees and management fees paid or payable as provided under the Constitution for a Fund. These costs are not paid directly by the unitholders of a Fund and do not include transactions costs and additional service fees.

The ICR of a Fund is expressed as a percentage of a Fund's management costs over the Fund's average net assets.

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

	ICR 2008 %	ICR 2007 %
Colonial First State Conservative Fund	1.40	1.39
Colonial First State Balanced Fund	1.50	1.50
Colonial First State Diversified Fund	1.75	1.70
Colonial First State High Growth Fund	2.11	2.09
Colonial First State Australian Share Fund	1.76	1.76
Colonial First State Imputation Fund	1.76	1.76
Colonial First State Future Leaders Fund	2.02	2.04
Colonial First State Developing Companies Fund	2.27	2.26
Colonial First State Geared Share Fund	3.00	3.05
Colonial First State Global Share Fund	2.05	2.02
Colonial First State Global Resources Fund	2.25	2.26
Colonial First State Geared Global Share Fund	2.71	2.65
Colonial First State Property Securities Fund	1.50	1.47
Colonial First State Cash Fund	0.95	0.95
Colonial First State Premier CMT	0.65	0.65
Colonial First State Conservative Fund - Nil Entry Fee Option	1.80	1.80
Colonial First State Balanced Fund - Nil Entry Fee Option	1.90	1.90
Colonial First State Diversified Fund - Nil Entry Fee Option	2.15	2.14
Colonial First State Imputation Fund - Nil Entry Fee Option	2.16	2.16
Colonial First State Geared Share Fund - Nil Entry Fee Option	3.40	3.47
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.90	1.90
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	1.55	1.55
Colonial First State Mortgage Income Fund - Entry Fee Option	1.15	1.15

### Performance

The performance figures below (with the exception of the Colonial First State Premier CMT) have been calculated using exit prices and treating distributions of income (which may include net realised capital gains from the sale of financial assets held for trading) as reinvested and with no allowance made for the taxation of the distributions of income. The performance of the Colonial First State Premier CMT is calculated based on income accrued daily and credited quarterly.

	Year ended Total Return June 2008 %	Year ended Total Return June 2007 %
Colonial First State Conservative Fund	(3.02)	8.59
Colonial First State Balanced Fund	(8.66)	9.45
Colonial First State Diversified Fund	(15.64)	13.62
Colonial First State High Growth Fund	(20.40)	18.30
Colonial First State Australian Share Fund	(15.87)	20.85
Colonial First State Imputation Fund	(16.15)	20.97
Colonial First State Future Leaders Fund	(19.13)	32.64
Colonial First State Developing Companies Fund	(28.22)	51.08

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Review of Operations (continued)

#### Performance (continued)

	Year ended Total Return June 2008 %	Year ended Total Return June 2007 %
Colonial First State Geared Share Fund	(34.65)	41.94
Colonial First State Global Share Fund	(17.87)	8.76
Colonial First State Global Resources Fund	19.60	23.34
Colonial First State Geared Global Share Fund	(29.25)	10.02
Colonial First State Property Securities Fund	(44.15)	22.69
Colonial First State Cash Fund	6.22	5.50
Colonial First State Premier CMT	6.75	5.85
Colonial First State Conservative Fund - Nil Entry Fee Option	(3.40)	8.15
Colonial First State Balanced Fund - Nil Entry Fee Option	(8.99)	9.03
Colonial First State Diversified Fund - Nil Entry Fee Option	(15.94)	13.11
Colonial First State Imputation Fund - Nil Entry Fee Option	(16.49)	20.54
Colonial First State Geared Share Fund - Nil Entry Fee Option	(36.77)	40.83
Colonial First State Property Securities Fund - Nil Entry Fee Option	(44.35)	22.16
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	5.56	5.49
Colonial First State Mortgage Income Fund - Entry Fee Option	5.93	5.88

### Responsible Entity and Directors

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

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

Grahame Petersen  
Michael John Venter  
Brian Vincent Bissaker  
Paul Rayson  
Peter Robert Winney  
John Robert Dempsey  
Bradley Brian Massey

Resigned 15 January 2008  
Appointed 21 February 2008

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

### Scheme Information

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

### Matters Subsequent to the End of the Financial Year

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### 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.

### Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the Funds during the year.

### Indemnification and Insurance Premiums for Officers and auditors

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

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

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

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

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

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

### Interests in the Funds

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

### Environmental Regulation

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

### Rounding of amounts to the nearest thousand dollars

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Single Financial Report

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

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds included in this financial report with the exception of Funds which are closed to new investors. Funds closed to new investors are listed above.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 7.

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



Bradley Brian Massey  
Director  
Sydney  
8 September 2008

## Auditor's independence declaration

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

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

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



AJ Wilson  
Partner  
PricewaterhouseCoopers

Sydney  
8 September 2008

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		31	36	32	40	96	116
Distribution income		12,293	20,819	14,172	25,165	42,956	55,656
Changes in fair value of financial instruments held for trading		(16,188)	(2,733)	(32,553)	755	(119,859)	25,053
<b>Total investment income/(loss)</b>		<b>(3,864)</b>	<b>18,122</b>	<b>(18,349)</b>	<b>25,960</b>	<b>(76,807)</b>	<b>80,825</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	1,133	1,319	1,508	1,736	4,069	4,553
Other expenses		1	1	-	1	-	1
<b>Total operating expenses</b>		<b>1,134</b>	<b>1,320</b>	<b>1,508</b>	<b>1,737</b>	<b>4,069</b>	<b>4,554</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(4,998)</b>	<b>16,802</b>	<b>(19,857)</b>	<b>24,223</b>	<b>(80,876)</b>	<b>76,271</b>
Distributions to unitholders	4	(9,263)	(20,643)	(11,557)	(24,704)	(45,626)	(53,378)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	14,261	3,841	31,414	481	126,502	(22,893)
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		17	18	415	80	3,874	833
Distribution income		11,530	13,557	-	-	-	-
Dividend Income		-	-	6,885	7,056	104,526	108,292
Changes in fair value of financial instruments held for trading		(28,928)	2,934	(36,030)	38,856	(538,629)	586,403
Other income		-	-	22	5	673	91
Net foreign exchange gain/(loss)		-	-	5	10	(1)	72
<b>Total investment income/(loss)</b>		<b>(17,381)</b>	<b>16,509</b>	<b>(28,703)</b>	<b>46,007</b>	<b>(429,557)</b>	<b>695,691</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	817	888	3,586	3,929	52,436	58,729
Other expenses		6	-	4	-	2	17
Brokerage costs		-	-	233	314	3,265	4,750
<b>Total operating expenses</b>		<b>823</b>	<b>888</b>	<b>3,823</b>	<b>4,243</b>	<b>55,703</b>	<b>63,496</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(18,204)</b>	<b>15,621</b>	<b>(32,526)</b>	<b>41,764</b>	<b>(485,260)</b>	<b>632,195</b>
Distributions to unitholders	4	(12,254)	(12,258)	(11,683)	(44,554)	(194,348)	(662,460)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	30,458	(3,363)	44,209	2,790	679,608	30,265
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		7,231	4,172	3,104	1,779	122	130
Distribution income		20	-	-	-	147,017	18,481
Dividend Income		32,664	32,232	13,212	12,991	-	-
Changes in fair value of financial instruments held for trading		(210,063)	275,659	(127,349)	164,893	(370,523)	200,326
Other income		129	193	78	70	20	-
Net foreign exchange (loss)/gain		(34)	(9)	43	33	-	-
<b>Total investment income/(loss)</b>		<b>(170,053)</b>	<b>312,247</b>	<b>(110,912)</b>	<b>179,766</b>	<b>(223,364)</b>	<b>218,937</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	19,221	20,775	8,644	9,469	5,325	5,645
Other expenses		2	1	1	1	1	20
Brokerage costs		1,781	2,537	269	440	-	-
<b>Total operating expenses</b>		<b>21,004</b>	<b>23,313</b>	<b>8,914</b>	<b>9,910</b>	<b>5,326</b>	<b>5,665</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(191,057)</b>	<b>288,934</b>	<b>(119,826)</b>	<b>169,856</b>	<b>(228,690)</b>	<b>213,272</b>
Distributions to unitholders	4	(89,617)	(322,557)	(37,210)	(91,549)	(202,916)	(46,166)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	280,674	33,623	157,036	(78,307)	431,606	(167,106)
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		10	11	71	54	7	8
Distribution income		59	294	40,419	22,532	-	-
Changes in fair value of financial instruments held for trading		(14,933)	9,428	11,334	29,775	(19,489)	8,656
<b>Total investment income/(loss)</b>		<b>(14,864)</b>	<b>9,733</b>	<b>51,824</b>	<b>52,361</b>	<b>(19,482)</b>	<b>8,664</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	735	933	3,214	2,538	554	748
Other expenses		-	-	4	1	7	2
<b>Total operating expenses</b>		<b>735</b>	<b>933</b>	<b>3,218</b>	<b>2,539</b>	<b>561</b>	<b>750</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(15,599)</b>	<b>8,800</b>	<b>48,606</b>	<b>49,822</b>	<b>(20,043)</b>	<b>7,914</b>
Distributions to unitholders	4	-	-	(49,104)	(29,322)	-	(48)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	15,599	(8,800)	498	(20,500)	20,043	(7,866)
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		46	83	30	23	14,148	11,843
Distribution income		25,272	36,948	2,575	2,225	-	-
Changes in fair value of financial instruments held for trading		(160,632)	34,386	(65)	83	-	-
Other income		1	-	-	-	-	-
<b>Total investment income/(loss)</b>		<b>(135,313)</b>	<b>71,417</b>	<b>2,540</b>	<b>2,331</b>	<b>14,148</b>	<b>11,843</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	1,845	2,449	216	218	1,267	1,224
Other expenses		-	-	1	-	12	9
<b>Total operating expenses</b>		<b>1,845</b>	<b>2,449</b>	<b>217</b>	<b>218</b>	<b>1,279</b>	<b>1,233</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(137,158)</b>	<b>68,968</b>	<b>2,323</b>	<b>2,113</b>	<b>12,869</b>	<b>10,610</b>
Distributions to unitholders	4	(41,754)	(46,151)	(2,437)	(2,035)	(12,713)	(10,728)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	178,912	(22,817)	114	(78)	(156)	118
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>							
Interest income		10	13	6	7	5	5
Distribution income		3,807	6,744	1,926	3,574	2,126	2,756
Changes in fair value of financial instruments held for trading		(5,025)	(804)	(4,439)	160	(5,984)	1,226
Other income		-	-	-	1	-	1
<b>Total investment income/(loss)</b>		<b>(1,208)</b>	<b>5,953</b>	<b>(2,507)</b>	<b>3,742</b>	<b>(3,853)</b>	<b>3,988</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	570	699	334	403	304	354
Other expenses		1	-	-	-	-	-
<b>Total operating expenses</b>		<b>571</b>	<b>699</b>	<b>334</b>	<b>403</b>	<b>304</b>	<b>354</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(1,779)</b>	<b>5,254</b>	<b>(2,841)</b>	<b>3,339</b>	<b>(4,157)</b>	<b>3,634</b>
Distributions to unitholders	4	(2,891)	(6,610)	(1,661)	(3,603)	(2,528)	(2,593)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	4,670	1,356	4,502	264	6,685	(1,041)
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
<b>Investment income</b>							
Interest income		11	12	4	5	2,801	5,283
Distribution income		4,191	10,268	5,222	693	1,579,129	2,437,939
Changes in fair value of financial instruments held for trading		(11,665)	127	(13,857)	7,336	(10,034,535)	2,474,303
<b>Total investment income/(loss)</b>		<b>(7,463)</b>	<b>10,407</b>	<b>(8,631)</b>	<b>8,034</b>	<b>(8,452,605)</b>	<b>4,917,525</b>
<b>Expenses</b>							
Responsible Entity's management fees	8(c)	575	622	281	293	182,193	265,389
Other expenses		2	-	-	1	111	113
<b>Total operating expenses</b>		<b>577</b>	<b>622</b>	<b>281</b>	<b>294</b>	<b>182,304</b>	<b>265,502</b>
<b>Operating (loss)/profit attributable to unitholders</b>		<b>(8,040)</b>	<b>9,785</b>	<b>(8,912)</b>	<b>7,740</b>	<b>(8,634,909)</b>	<b>4,652,023</b>
Distributions to unitholders	4	(4,225)	(10,723)	(7,171)	(5,324)	(2,612,335)	(3,713,561)
Decrease/(Increase) in net assets attributable to unitholders from operations	6(a)	12,265	938	16,083	(2,416)	11,247,244	(938,462)
<b>Profit/(Loss) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Notes	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Investment income</b>					
Interest income		33	44	229	243
Distribution income		12,689	15,195	76,086	93,442
Changes in fair value of financial instruments held for trading		286	91	1,864	884
<b>Total investment income</b>		13,008	15,330	78,179	94,569
<b>Expenses</b>					
Responsible Entity's management fees	8(c)	2,764	3,376	12,217	15,439
Other expenses			1		
<b>Total operating expenses</b>		2,764	3,377	12,217	15,439
<b>Operating profit attributable to unitholders</b>		10,244	11,953	65,962	79,130
Distributions to unitholders	4	(9,742)	(11,726)	(62,344)	(77,306)
Increase in net assets attributable to unitholders from operations	6(a)	(502)	(227)	(3,618)	(1,824)
<b>Profit/(Loss) for the year</b>		-	-	-	-

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		824	2,210	1,621	2,277	5,237	7,555
Trade and other receivables:							
- outstanding sales settlement		69	-	297	-	544	-
- application monies		13	103	3	35	19	72
- interests		3	3	5	3	9	10
- others		25	48	34	44	92	171
Financial assets held for trading	5	150,277	193,583	196,676	256,958	408,569	578,322
<b>Total assets</b>		<b>151,211</b>	<b>195,947</b>	<b>198,636</b>	<b>259,317</b>	<b>414,470</b>	<b>586,130</b>
<b>Liabilities</b>							
Trade and other payables:							
- redemptions		82	42	300	40	559	361
Distribution payable		343	3,343	874	2,768	3,939	8,160
Fees due to Responsible Entity	8(c)	87	108	115	144	297	394
Financial liabilities held for trading: - others	5	-	-	-	1	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>512</b>	<b>3,493</b>	<b>1,289</b>	<b>2,953</b>	<b>4,795</b>	<b>8,915</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>150,699</b>	<b>192,454</b>	<b>197,347</b>	<b>256,364</b>	<b>409,675</b>	<b>577,215</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		150,709	192,450	197,334	256,354	409,681	577,211
Adjustments to year end accruals		(10)	4	13	10	(6)	4
<b>Net assets attributable to unitholders</b>		<b>150,699</b>	<b>192,454</b>	<b>197,347</b>	<b>256,364</b>	<b>409,675</b>	<b>577,215</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		647	649	8,935	6,251	63,220	89,405
Trade and other receivables:							
- outstanding sales settlement		-	-	568	2,893	8,192	42,813
- application monies		5	42	10	58	148	351
- dividends		-	-	977	1,211	15,524	18,900
- interests		1	2	62	26	368	382
- others		26	24	164	113	1,232	1,651
Financial assets held for trading	5	67,794	96,639	160,287	223,284	2,387,527	3,298,140
<b>Total assets</b>		<b>68,473</b>	<b>97,356</b>	<b>171,003</b>	<b>233,836</b>	<b>2,476,211</b>	<b>3,451,642</b>
<b>Liabilities</b>							
Trade and other payables:							
- outstanding purchase settlements		-	-	722	1,150	10,548	18,709
- redemptions		25	27	99	145	2,099	1,023
- others		-	-	80	-	-	-
Distribution payable		419	724	891	4,773	11,689	70,667
Fees due to Responsible Entity	8(c)	68	73	263	362	3,811	5,345
Financial liabilities held for trading: - derivatives	5	-	-	446	27	4,412	552
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>512</b>	<b>824</b>	<b>2,501</b>	<b>6,457</b>	<b>32,559</b>	<b>96,296</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>67,961</b>	<b>96,532</b>	<b>168,502</b>	<b>227,379</b>	<b>2,443,652</b>	<b>3,355,346</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		67,958	96,523	168,503	227,946	2,443,664	3,359,347
Adjustments arising from different unit pricing and AIFRS valuation principles		-	-	(347)	(1,029)	(4,993)	(10,354)
Buy and sell spread		-	-	338	457	4,897	6,732
Adjustments to year end accruals		3	9	8	5	84	(379)
<b>Net assets attributable to unitholders</b>		<b>67,961</b>	<b>96,532</b>	<b>168,502</b>	<b>227,379</b>	<b>2,443,652</b>	<b>3,355,346</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		141,393	114,186	50,153	50,631	13,579	2,556
Trade and other receivables:							
- outstanding sales settlement		15,840	25,263	2,084	8,526	180	-
- application monies		229	36	-	39	199	338
- dividends		3,760	3,249	200	274	-	-
- interests		780	426	277	197	9	12
- others		470	654	185	272	114	188
Financial assets held for trading	5	627,452	1,004,531	236,541	414,779	405,186	708,488
<b>Total assets</b>		<b>789,924</b>	<b>1,148,345</b>	<b>289,440</b>	<b>474,718</b>	<b>419,267</b>	<b>711,582</b>
<b>Liabilities</b>							
Trade and other payables:							
- outstanding purchase settlements		9,929	21,528	1,015	4,787	-	-
- redemptions		706	210	358	81	380	2,682
- others		-	-	-	2	1	-
Distribution payable		5,545	42,358	2,308	12,133	13,010	4,138
Fees due to Responsible Entity	8(c)	1,387	2,030	576	939	450	801
Financial liabilities held for trading: - derivatives	5	4,134	755	1,403	378	-	-
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>21,701</b>	<b>66,881</b>	<b>5,660</b>	<b>18,320</b>	<b>13,841</b>	<b>7,621</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>768,223</b>	<b>1,081,464</b>	<b>283,780</b>	<b>456,398</b>	<b>405,426</b>	<b>703,961</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		770,183	1,084,266	286,325	458,779	405,591	704,161
Adjustments arising from different unit pricing and AIFRS valuation principles		(3,601)	(4,832)	(3,113)	(3,255)	-	-
Buy and sell spread		1,543	2,173	574	919	-	-
Adjustments to year end accruals		98	(143)	(6)	(45)	(165)	(200)
<b>Net assets attributable to unitholders</b>		<b>768,223</b>	<b>1,081,464</b>	<b>283,780</b>	<b>456,398</b>	<b>405,426</b>	<b>703,961</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		153	204	13,281	6,794	85	77
Trade and other receivables:							
- outstanding sales settlement		106	-	-	-	20	-
- application monies		-	57	392	306	1	-
- interests		1	1	8	7	1	1
- others		17	23	99	71	4	18
Financial assets held for trading	5	66,915	99,375	288,381	254,239	45,948	78,221
<b>Total assets</b>		<b>67,192</b>	<b>99,660</b>	<b>302,161</b>	<b>261,417</b>	<b>46,059</b>	<b>78,317</b>
<b>Liabilities</b>							
Trade and other payables:							
- redemptions		106	177	177	67	31	87
Distribution payable		-	-	12,881	7,469	-	6
Fees due to Responsible Entity	8(c)	53	78	318	242	37	62
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>159</b>	<b>255</b>	<b>13,376</b>	<b>7,778</b>	<b>68</b>	<b>155</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>67,033</b>	<b>99,405</b>	<b>288,785</b>	<b>253,639</b>	<b>45,991</b>	<b>78,162</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		67,037	99,410	288,831	253,638	45,991	78,154
Adjustments to year end accruals		(4)	(5)	(46)	1	-	8
<b>Net assets attributable to unitholders</b>		<b>67,033</b>	<b>99,405</b>	<b>288,785</b>	<b>253,639</b>	<b>45,991</b>	<b>78,162</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		9,719	8,526	544	233	5,811	12,140
Trade and other receivables:							
- outstanding sales settlement		146	-	-	-	-	-
- application monies		46	112	52	10	-	-
- interests		3	7	3	2	4	3
- others		103	151	7	12	45	30
Financial assets held for trading	5	144,583	349,831	38,409	35,658	177,665	186,501
<b>Total assets</b>		<b>154,600</b>	<b>358,627</b>	<b>39,015</b>	<b>35,915</b>	<b>183,525</b>	<b>198,674</b>
<b>Liabilities</b>							
Trade and other payables:							
- outstanding purchase settlements		-	-	43	-	-	-
- redemptions		192	73	80	71	5	2,643
- others		1	-	-	-	-	-
Distribution payable		9,019	11,165	57	38	1,078	143
Fees due to Responsible Entity	8(c)	220	209	19	18	319	113
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>9,432</b>	<b>11,447</b>	<b>199</b>	<b>127</b>	<b>1,402</b>	<b>2,899</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>145,168</b>	<b>347,180</b>	<b>38,816</b>	<b>35,788</b>	<b>182,123</b>	<b>195,775</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		145,203	347,186	38,815	35,789	181,812	195,621
Adjustments to year end accruals		(35)	(6)	1	(1)	311	154
<b>Net assets attributable to unitholders</b>		<b>145,168</b>	<b>347,180</b>	<b>38,816</b>	<b>35,788</b>	<b>182,123</b>	<b>195,775</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>							
Cash and cash equivalents		333	832	184	270	221	296
Trade and other receivables:							
- outstanding sales settlement		8	-	20	-	10	-
- application monies		2	14	1	-	-	-
- interests		1	1	-	1	-	1
- others		13	16	11	10	7	10
Financial assets held for trading	5	45,133	62,117	25,825	36,170	20,106	28,725
<b>Total assets</b>		<b>45,490</b>	<b>62,980</b>	<b>26,041</b>	<b>36,451</b>	<b>20,344</b>	<b>29,032</b>
<b>Liabilities</b>							
Trade and other payables:							
- redemptions		11	110	21	45	10	-
- others		-	1	-	1	-	-
Distribution payable		111	860	98	284	164	285
Fees due to Responsible Entity	8(c)	88	56	24	33	22	30
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>210</b>	<b>1,027</b>	<b>143</b>	<b>363</b>	<b>196</b>	<b>315</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>45,280</b>	<b>61,953</b>	<b>25,898</b>	<b>36,088</b>	<b>20,148</b>	<b>28,717</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		45,281	61,951	25,899	36,086	20,148	28,715
Adjustments to year end accruals		(1)	2	(1)	2	-	2
<b>Net assets attributable to unitholders</b>		<b>45,280</b>	<b>61,953</b>	<b>25,898</b>	<b>36,088</b>	<b>20,148</b>	<b>28,717</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$	30/06/2007 \$
<b>Assets</b>							
Cash and cash equivalents		397	954	168	158	351,785	485,189
Trade and other receivables:							
- outstanding sales settlement		19	-	-	-	3,000	-
- application monies		-	17	-	15	-	52,500
- interests		1	1	-	-	199	478
- others		12	21	6	10	3,055	6,495
Financial assets held for trading	5	38,828	53,167	13,220	26,020	9,018,207	22,863,883
<b>Total assets</b>		<b>39,257</b>	<b>54,160</b>	<b>13,394</b>	<b>26,203</b>	<b>9,376,246</b>	<b>23,408,545</b>
<b>Liabilities</b>							
Trade and other payables:							
- redemptions		19	-	1	80	3,529	1,500
- others		-	1	-	-	-	-
Distribution payable		261	992	139	214	306,230	597,984
Fees due to Responsible Entity	8(c)	42	53	16	32	20,445	21,783
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>322</b>	<b>1,046</b>	<b>156</b>	<b>326</b>	<b>330,204</b>	<b>621,267</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>38,935</b>	<b>53,114</b>	<b>13,238</b>	<b>25,877</b>	<b>9,046,042</b>	<b>22,787,278</b>
<b>Represented by:</b>							
Fair value of outstanding units based on redemption value		38,934	53,109	13,239	25,878	9,047,545	22,787,690
Adjustments to year end accruals		1	5	(1)	(1)	(1,503)	(412)
<b>Net assets attributable to unitholders</b>		<b>38,935</b>	<b>53,114</b>	<b>13,238</b>	<b>25,877</b>	<b>9,046,042</b>	<b>22,787,278</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEETS  
AS AT 30 JUNE 2008**

	Notes	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
		30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Assets</b>					
Cash and cash equivalents		1,262	756	5,088	4,714
Trade and other receivables:					
- outstanding sales settlement		-	-	5,000	-
- application monies		-	25	297	233
- interests		3	4	18	12
- others		64	100	336	500
Financial assets held for trading	5	158,944	196,644	945,739	1,183,535
<b>Total assets</b>		<b>160,273</b>	<b>197,529</b>	<b>956,478</b>	<b>1,188,994</b>
<b>Liabilities</b>					
Trade and other payables:					
- outstanding purchase					
- redemptions		22	86	685	1,700
- others		1	-	1	-
Distribution payable		438	484	2,413	2,606
Fees due to Responsible Entity	8(c)	460	275	2,032	1,246
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>921</b>	<b>845</b>	<b>5,131</b>	<b>5,552</b>
<b>Net assets attributable to unitholders - liability</b>	6(a)	<b>159,352</b>	<b>196,684</b>	<b>951,347</b>	<b>1,183,442</b>
<b>Represented by:</b>					
Fair value of outstanding units based on redemption value		159,949	197,783	953,963	1,189,679
Adjustments to year end accruals		(597)	(1,099)	(2,616)	(6,237)
<b>Net assets attributable to unitholders</b>		<b>159,352</b>	<b>196,684</b>	<b>951,347</b>	<b>1,183,442</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-	-	-
<b>Total recognised income and expenses for the year</b>	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-	-	-

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

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

## COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

## COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

	Colonial First State Future Leaders Fund -		Colonial First State Developing Companies Fund -		Colonial First State Geared Share Fund -	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-	-	-
<b>Total recognised income and expenses for the year</b>	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-	-	-

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

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

## COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

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

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-	-	-
<b>Total recognised income and expenses for the year</b>	-	-	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-	-	-

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-
Profit or loss for the year	-	-	-	-
Net income/(expense) recognised directly in equity	-	-	-	-
<b>Total recognised income and expenses for the year</b>	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		41,567	34,153	43,484	43,739	95,217	105,208
Payments for purchase of financial instruments held for trading		(2,225)	(6,057)	(1,881)	(4,190)	(2,909)	(4,240)
Interest received		32	37	30	43	97	114
Dividends received		-	4,017	-	6,183	-	95,441
Responsible Entity fee paid		(1,133)	(1,345)	(1,525)	(1,748)	(4,086)	(4,570)
Other expenses paid		-	(1)	-	(3)	-	-
<b>Net cash from operating activities</b>	7(a)	38,241	30,804	40,108	44,024	88,319	191,953
<b>Cash flows from financing activities</b>							
Receipts from issue of units		11,655	15,815	11,863	15,294	17,179	38,586
Payment for redemption of units		(45,678)	(41,965)	(48,117)	(48,238)	(94,125)	(109,977)
Distributions paid		(5,604)	(4,910)	(4,510)	(5,812)	(13,691)	(19,816)
<b>Net cash used in financing activities</b>		(39,627)	(31,060)	(40,764)	(38,756)	(90,637)	(91,207)
<b>Net movement in cash and cash equivalents</b>		(1,386)	(256)	(656)	5,268	(2,318)	100,746
Add opening cash and cash equivalents brought forward		2,210	2,466	2,277	3,192	7,555	2,250
<b>Closing cash and cash equivalents carried forward</b>		824	2,210	1,621	8,460	5,237	102,996

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		13,945	11,363	125,000	133,560	1,708,652	2,018,854
Payments for purchase of financial instruments held for trading		(2,499)	(2,660)	(94,368)	(104,701)	(1,285,708)	(1,508,276)
Interest received		18	17	379	59	3,888	500
Dividends received		-	-	5,777	6,183	87,260	95,441
Other income received		-	-	22	5	673	89
Responsible Entity fee paid		(833)	(890)	(3,736)	(3,987)	(53,549)	(59,674)
Other expenses (paid)/refund		(6)	-	75	(1)	(2)	(14)
Payment for brokerage costs		-	-	(233)	(314)	(3,265)	(4,750)
<b>Net cash from operating activities</b>	7(a)	10,625	7,830	32,916	30,804	457,949	542,170
<b>Cash flows from financing activities</b>							
Receipts from issue of units		6,937	8,418	11,927	16,087	82,941	102,349
Payment for redemption of units		(16,354)	(15,533)	(36,130)	(36,827)	(466,729)	(471,777)
Distributions paid		(1,210)	(298)	(6,029)	(7,350)	(100,345)	(131,196)
<b>Net cash used in financing activities</b>		(10,627)	(7,413)	(30,232)	(28,090)	(484,133)	(500,624)
<b>Net movement in cash and cash equivalents</b>		(2)	417	2,684	2,714	(26,184)	41,546
Add opening cash and cash equivalents brought forward		649	232	6,251	3,537	89,404	47,859
<b>Closing cash and cash equivalents carried forward</b>		647	649	8,935	6,251	63,220	89,405

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		814,647	1,049,369	142,358	215,594	98,977	48,520
Payments for purchase of financial instruments held for trading		(644,882)	(865,381)	(87,099)	(123,257)	(19,360)	(16,446)
Interest received		6,877	3,990	3,024	1,687	125	129
Dividends received		30,604	28,524	12,652	12,998	-	-
Other income received		129	193	78	69	20	-
Responsible Entity fee paid		(19,677)	(20,580)	(8,919)	(9,315)	(5,601)	(5,446)
Other expenses (paid)/refund		(2)	-	-	1	-	(18)
Payment for brokerage costs		(1,781)	(2,537)	(269)	(440)	-	-
<b>Net cash from operating activities</b>	7(a)	185,915	193,578	61,825	97,337	74,161	26,739
<b>Cash flows from financing activities</b>							
Receipts from issue of units		59,574	69,840	16,658	15,011	90,918	92,711
Payment for redemption of units		(168,261)	(154,262)	(63,547)	(68,271)	(135,316)	(115,235)
Distributions paid		(50,008)	(48,252)	(15,415)	(9,052)	(18,740)	(12,680)
Loan repayment		-	-	-	-	-	-
<b>Net cash used in financing activities</b>		(158,695)	(132,674)	(62,304)	(62,312)	(63,138)	(35,204)
<b>Net movement in cash and cash equivalents</b>		27,220	60,904	(479)	35,025	11,023	(8,465)
Effects of exchange rate changes		(12)	12	-	(3)	-	-
Add opening cash and cash equivalents brought forward		114,185	53,269	50,632	15,610	2,556	11,021
<b>Closing cash and cash equivalents carried forward</b>		141,393	114,185	50,153	50,632	13,579	2,556

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		19,634	23,020	31,610	29,668	14,793	19,280
Payments for purchase of financial instruments held for trading		(2,154)	(2,870)	(14,000)	(10,640)	(2,028)	(2,460)
Interest received		10	11	70	52	7	8
Responsible Entity fee paid		(753)	(940)	(3,177)	(2,520)	(566)	(753)
Other expenses (paid)/refund		-	-	(2)	-	(7)	1
<b>Net cash from operating activities</b>	7(a)	16,737	19,221	14,501	16,560	12,199	16,076
<b>Cash flows from financing activities</b>							
Receipts from issue of units		5,676	7,371	49,684	39,117	3,983	6,747
Payment for redemption of units		(22,464)	(26,516)	(48,373)	(46,401)	(16,168)	(22,948)
Distributions paid		-	-	(9,325)	(6,473)	(6)	-
<b>Net cash used in financing activities</b>		(16,788)	(19,145)	(8,014)	(13,757)	(12,191)	(16,201)
<b>Net movement in cash and cash equivalents</b>		(51)	76	6,487	2,803	8	(125)
Add opening cash and cash equivalents brought forward		204	128	6,794	3,991	77	202
<b>Closing cash and cash equivalents carried forward</b>		153	204	13,281	6,794	85	77

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		70,315	32,270	20,225	21,390	1,498,247	1,810,152
Payments for purchase of financial instruments held for trading		(574)	(6,500)	(20,423)	(10,410)	(1,488,821)	(1,816,722)
Interest received		50	83	29	24	13,559	11,208
Other income received		1	-	-	-	-	-
Responsible Entity fee paid		(1,785)	(2,422)	(210)	(229)	(1,076)	(1,199)
Other expenses refund/(paid)		1	-	(1)	-	(14)	(9)
<b>Net cash from/(used in) operating activities</b>	7(a)	68,008	23,431	(380)	10,775	21,895	3,430
<b>Cash flows from financing activities</b>							
Receipts from issue of units		13,728	42,559	38,094	19,469	270,916	280,212
Payment for redemption of units		(62,632)	(52,739)	(37,107)	(32,547)	(297,575)	(276,476)
Distributions paid		(17,911)	(13,531)	(296)	(282)	(1,565)	(3,016)
<b>Net cash (used in)/from financing activities</b>		(66,815)	(23,711)	691	(13,360)	(28,224)	720
<b>Net movement in cash and cash equivalents</b>		1,193	(280)	311	(2,585)	(6,329)	4,150
Add opening cash and cash equivalents brought forward		8,526	8,806	233	2,818	12,140	7,990
<b>Closing cash and cash equivalents carried forward</b>		9,719	8,526	544	233	5,811	12,140

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		15,800	14,449	8,287	7,971	5,111	5,450
Payments for purchase of financial instruments held for trading		(42)	(290)	(476)	(760)	(361)	(350)
Interest received		10	13	6	7	5	6
Responsible Entity fee paid		(535)	(708)	(343)	(406)	(308)	(356)
<b>Net cash from operating activities</b>	7(a)	15,233	13,464	7,474	6,812	4,447	4,750
<b>Cash flows from financing activities</b>							
Receipts from issue of units		1,471	2,224	1,217	1,660	1,049	1,342
Payment for redemption of units		(15,754)	(14,528)	(8,326)	(8,079)	(5,094)	(5,731)
Distributions paid		(1,449)	(1,348)	(451)	(558)	(477)	(140)
<b>Net cash used in financing activities</b>		(15,732)	(13,652)	(7,560)	(6,977)	(4,522)	(4,529)
<b>Net movement in cash and cash equivalents</b>		(499)	(188)	(86)	(165)	(75)	221
Add opening cash and cash equivalents brought forward		832	1,020	270	435	296	75
<b>Closing cash and cash equivalents carried forward</b>		333	832	184	270	221	296

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments held for trading		7,812	8,738	21,863	8,271	5,515,270	4,306,000
Payments for purchase of financial instruments held for trading		(967)	(1,200)	(17,697)	(4,700)	(128,000)	(970,000)
Interest received		11	12	4	5	3,080	5,287
Responsible Entity fee paid		(578)	(630)	(293)	(295)	(180,091)	(265,800)
Other expenses paid		-	-	(1)	(2)	(111)	(113)
<b>Net cash from operating activities</b>	7(a)	6,278	6,920	3,876	3,279	5,210,148	3,075,374
<b>Cash flows from financing activities</b>							
Receipts from issue of units		1,945	2,843	17,967	6,188	606,781	2,089,394
Payment for redemption of units		(7,381)	(8,051)	(21,249)	(9,322)	(4,981,297)	(4,429,942)
Distributions paid		(1,399)	(1,934)	(584)	(388)	(969,036)	(769,670)
<b>Net cash used in financing activities</b>		(6,835)	(7,142)	(3,866)	(3,522)	(5,343,552)	(3,110,218)
<b>Net movement in cash and cash equivalents</b>		(557)	(222)	10	(243)	(133,404)	(34,844)
Add opening cash and cash equivalents brought forward		954	1,176	158	401	485,189	520,033
<b>Closing cash and cash equivalents carried forward</b>		397	954	168	158	351,785	485,189

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Note	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
		1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments held for trading		164,350	154,985	974,045	918,800
Payments for purchase of financial instruments held for trading		(113,675)	(90,470)	(663,300)	(489,400)
Interest received		35	43	224	251
Responsible Entity fee paid		(2,544)	(3,441)	(11,293)	(15,761)
Other expenses refund/(paid)		1	-	2	(2)
<b>Net cash from operating activities</b>	7(a)	48,167	61,117	299,678	413,888
<b>Cash flows from financing activities</b>					
Receipts from issue of units		3,859	6,604	72,723	114,283
Payment for redemption of units		(46,516)	(62,354)	(344,225)	(496,185)
Distributions paid		(5,004)	(5,882)	(27,802)	(33,259)
<b>Net cash used in financing activities</b>		(47,661)	(61,632)	(299,304)	(415,161)
<b>Net movement in cash and cash equivalents</b>		506	(515)	374	(1,273)
Add opening cash and cash equivalents brought forward		756	1,271	4,714	5,987
<b>Closing cash and cash equivalents carried forward</b>		1,262	756	5,088	4,714

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

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

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

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

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

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

#### (b) Statement of Compliance

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

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

##### *Classification*

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

##### *Recognition/Derecognition*

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

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

##### *Measurement*

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

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

The fair value of investments in managed investment scheme is determined by multiplying ex-exit price by number of units held in the underlying scheme.

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

The fair value of investments in managed investment scheme is determined by multiplying ex-exit price by number of units held in the underlying scheme.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

##### *Measurement (continued)*

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

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

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

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

#### (d) Investment Income

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

##### *Dividend and Distribution income*

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

##### *Interest income*

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

#### (e) Cash and cash equivalents

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Trade and Other Receivables

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

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

#### (g) Trade and Other Payables

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

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

#### (h) Taxation

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

#### (i) Distributions

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

#### (j) Foreign Currency

##### Foreign Currency Transactions

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

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

##### Foreign Currency Translations

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Unit Prices

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

#### (l) Terms and Conditions on Units

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

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

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

#### (m) Net Assets Attributable to Unitholders

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

#### (n) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

#### (o) Expense Recognition

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (p) Use of estimates

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

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

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

#### (q) New Application of Accounting Standards

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

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

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

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

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

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 2. AUDITOR'S REMUNERATION

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

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

### 3. INTEREST INCOME

The following table shows the average interest rates earned by the Funds that invest primarily in fixed interest and money market securities. The average interest rate for cash and cash equivalents is calculated by dividing the total interest earned for the year by the average daily balances invested. The average interest rates for money market securities are calculated by dividing the total interest earned for the year by the average monthly balances invested.

	Colonial First State Premier CMT					
	2008			2007		
	Average Balance \$'000	Interest \$'000	Average Rate %	Average Balance \$'000	Interest \$'000	Average Rate %
Cash and cash equivalents	9,797	499	5.09%	9,912	505	5.09%
Money market securities	179,995	13,649	7.58%	179,995	11,338	6.30%
	189,792	14,148		189,907	11,843	

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 4. DISTRIBUTIONS

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

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

Quarter ended:	Colonial First State Conservative Fund				Colonial First State Balanced Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.18	1,794	1.10	1,798	0.94	1,612	1.00	1,818
- 31 December	2.45	3,639	1.65	2,635	1.85	3,091	2.15	3,836
- 31 March	1.85	2,623	3.00	4,702	1.90	3,041	3.90	6,857
- 30 June	0.90	1,207	7.59	11,508	2.45	3,813	7.12	12,193
		9,263		20,643		11,557		24,704

Quarter ended:	Colonial First State Diversified Fund				Colonial First State High Growth Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.14	3,136	0.80	2,381	0.23	139	0.15	87
- 31 December	3.56	9,516	1.45	4,181	4.30	2,528	0.80	458
- 31 March	5.35	13,957	3.15	8,852	6.85	4,006	4.00	2,276
- 30 June	7.40	19,017	13.97	37,964	9.30	5,581	16.72	9,437
		45,626		53,378		12,254		12,258

Quarter ended:	Colonial First State Australian Share Fund				Colonial First State Imputation Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.84	1,710	1.10	966	4.26	34,200	3.70	28,888
- 31 December	2.55	2,332	10.70	9,260	6.60	52,009	17.95	137,651
- 31 March	3.20	2,850	11.00	9,639	7.00	54,332	22.00	170,471
- 30 June	5.45	4,791	28.12	24,689	7.04	53,807	42.10	325,450
		11,683		44,554		194,348		662,460

Quarter ended:	Colonial First State Future Leaders Fund				Colonial First State Developing Companies Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	1.60	3,983	-	-	1.19	1,784	-	-
- 31 December	18.40	44,704	37.00	75,140	9.45	13,788	11.00	15,057
- 31 March	1.50	3,663	-	-	4.50	6,564	-	-
- 30 June	15.69	37,267	119.62	247,417	10.57	15,074	57.89	76,492
		89,617		322,557		37,210		91,549

## COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

#### 4. DISTRIBUTIONS (continued)

Quarter ended:	Colonial First State Geared Share Fund				Colonial First State Global Share Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	10.70	13,868	-	-	-	-	-	-
- 31 December	54.10	70,347	5.80	7,429	-	-	-	-
- 31 March	15.40	21,286	8.00	10,211	-	-	-	-
- 30 June	68.18	97,415	22.35	28,526	-	-	-	-
		202,916		46,166		-		-

Quarter ended:	Colonial First State Global Resources Fund				Colonial First State Geared Global Share Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	-	-	-	-	-	-	-	-
- 31 December	5.50	6,654	2.70	3,102	-	-	-	-
- 31 March	-	-	-	-	-	-	-	-
- 30 June	34.57	42,450	23.45	26,220	-	-	0.05	48
		49,104		29,322		-		48

Quarter/ Month ended:	Colonial First State Property Securities Fund				Colonial First State Cash Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 31 July	n/a	n/a	n/a	n/a	0.40	138	0.40	171
- 31 August	n/a	n/a	n/a	n/a	0.35	131	0.35	144
- 30 September	0.94	1,611	1.25	2,092	0.40	147	0.40	163
- 31 October	n/a	n/a	n/a	n/a	0.45	164	0.50	199
- 30 November	n/a	n/a	n/a	n/a	0.50	183	0.40	159
- 31 December	3.60	6,029	3.60	6,071	0.55	194	0.45	174
- 31 January	n/a	n/a	n/a	n/a	0.55	228	0.40	151
- 28 February	n/a	n/a	n/a	n/a	0.45	187	0.40	149
- 31 March	6.50	10,235	5.00	8,565	0.55	230	0.45	172
- 30 April	n/a	n/a	n/a	n/a	0.50	199	0.50	185
- 31 May	n/a	n/a	n/a	n/a	0.55	207	0.40	145
- 30 June	15.63	23,879	17.46	29,423	1.12	429	0.63	223
		41,754		46,151		2,437		2,035

Quarter ended:	Colonial First State Premier CMT				Colonial First State Conservative Fund - Nil Entry Fee Option			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	Income rate %	\$'000	Income rate %	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	5.95	3,077	5.60	2,729	0.86	505	0.80	537
- 31 December	6.29	3,026	5.76	2,703	2.00	1,150	1.30	837
- 31 March	7.41	3,214	5.82	2,601	1.50	808	2.60	1,605
- 30 June	7.47	3,396	5.86	2,695	0.86	428	6.07	3,631
		12,713		10,728		2,891		6,610

The Colonial First State Premier CMT calculates and accrues income on a daily basis on account balances. Income is distributed at the end of each quarter.

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**4. DISTRIBUTIONS (continued)**

Quarter ended:	Colonial First State Balanced Fund - Nil Entry Fee Option				Colonial First State Diversified Fund - Nil Entry Fee Option			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	0.55	190	0.60	231	0.54	130	0.35	90
- 31 December	1.30	441	1.45	536	2.01	474	0.65	161
- 31 March	1.40	446	2.75	993	3.30	737	1.65	399
- 30 June	1.96	584	5.30	1,843	5.36	1,187	8.29	1,943
		1,661		3,603		2,528		2,593

Quarter ended:	Colonial First State Imputation Fund - Nil Entry Fee Option				Colonial First State Geared Share Fund - Nil Entry Fee Option			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 September	0.60	291	0.70	320	6.25	975	-	-
- 31 December	2.15	1,029	2.95	1,322	18.95	2,799	8.80	1,228
- 31 March	2.65	1,250	6.75	3,060	9.50	1,400	10.00	1,312
- 30 June	3.53	1,655	13.25	6,021	12.51	1,997	20.40	2,784
		4,225		10,723		7,171		5,324

Quarter/ Month ended:	Colonial First State Property Securities Fund - Nil Entry Fee Option				Colonial First State Mortgage Income Fund - Nil Entry Fee Option			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$	cpu	\$	cpu	\$'000	cpu	\$'000
- 31 July	n/a	n/a	n/a	n/a	5.65	936	4.65	962
- 31 August	n/a	n/a	n/a	n/a	5.65	923	4.83	1,000
- 30 September	0.47	84,114	0.65	118,161	5.65	878	5.00	958
- 31 October	n/a	n/a	n/a	n/a	5.20	859	5.10	1,000
- 30 November	n/a	n/a	n/a	n/a	5.20	788	5.28	983
- 31 December	2.40	412,225	2.90	508,797	5.20	805	5.40	1,013
- 31 January	n/a	n/a	n/a	n/a	5.20	796	5.55	1,014
- 28 February	n/a	n/a	n/a	n/a	5.20	729	5.65	923
- 31 March	5.85	908,014	4.65	818,812	5.20	765	5.65	1,008
- 30 April	n/a	n/a	n/a	n/a	5.20	718	5.65	962
- 31 May	n/a	n/a	n/a	n/a	5.46	725	5.65	977
- 30 June	7.88	1,207,982	13.04	2,267,791	6.60	820	5.65	926
		2,612,335		3,713,561		9,742		11,726

The Colonial First State Mortgage Income Fund - Nil Entry Fee Option calculates and accrue income on a daily basis on account balances. Income is distributed at the end of each month.

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**4. DISTRIBUTIONS (continued)**

Quarter/ Month ended:	Colonial First State Mortgage Income Fund - Entry Fee Option			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
	cpu	\$'000	cpu	\$'000
- 31 July	6.00	6,004	5.05	6,488
- 31 August	6.00	5,905	5.40	6,749
- 30 September	6.00	5,615	5.40	6,446
- 31 October	5.55	5,510	5.60	6,721
- 30 November	5.55	5,049	5.70	6,449
- 31 December	5.55	5,134	5.80	6,641
- 31 January	5.55	5,074	5.90	6,662
- 28 February	5.55	4,665	6.00	6,044
- 31 March	5.55	4,864	6.00	6,559
- 30 April	5.55	4,610	6.00	6,242
- 31 May	5.86	4,688	6.00	6,335
- 30 June	7.00	5,226	6.00	5,970
		62,344		77,306

The Colonial First State Mortgage Income Fund - Entry Fee Option calculates and accrue income on a daily basis on account balances. Income is distributed at the end of each month.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 5. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Managed Investment Schemes</b>						
- Related Managed Investment Schemes	150,277	193,583	196,676	256,958	408,569	578,322
Total Managed Investment Schemes	150,277	193,583	196,676	256,958	408,569	578,322
<b>Total Investments in Financial Assets and Liabilities</b>	150,277	193,583	196,676	256,958	408,569	578,322

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Listed Equities</b>						
- Australian stock exchange	-	-	155,672	204,384	2,320,086	3,131,489
- International stock exchanges	-	-	4,615	18,900	67,441	166,651
Total Listed Equities	-	-	160,287	223,284	2,387,527	3,298,140
<b>Managed Investment Schemes</b>						
- Related Managed Investment Schemes	67,794	96,639	-	-	-	-
Total Managed Investment Schemes	67,794	96,639	-	-	-	-
<b>Derivatives</b>						
- Interest Rate Swap	-	-	-	-	-	-
- Futures	-	-	(157)	(27)	(291)	(552)
- Options	-	-	(289)	-	(4,121)	-
- Forward Currency Contracts	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total Derivatives	-	-	(446)	(27)	(4,412)	(552)
<b>Total Investments in Financial Assets and Liabilities</b>	67,794	96,639	159,841	223,257	2,383,115	3,297,588

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Listed Equities</b>						
- Australian stock exchange	574,762	887,258	222,870	402,524	-	-
- International stock exchanges	52,690	117,273	13,671	12,255	-	-
<b>Total Listed Equities</b>	<b>627,452</b>	<b>1,004,531</b>	<b>236,541</b>	<b>414,779</b>	<b>-</b>	<b>-</b>
<b>Managed Investment Schemes</b>						
- Related Managed Investment Schemes	-	-	-	-	405,186	708,488
<b>Total Managed Investment Schemes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405,186</b>	<b>708,488</b>
<b>Derivatives</b>						
- Interest Rate Swap	-	-	-	-	-	-
- Futures	(4,134)	(755)	(1,403)	(378)	-	-
- Options	-	-	-	-	-	-
- Forward Currency Contracts	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Total Derivatives</b>	<b>(4,134)</b>	<b>(755)</b>	<b>(1,403)</b>	<b>(378)</b>	<b>-</b>	<b>-</b>
<b>Total Investments in Financial Assets and Liabilities</b>	<b>623,318</b>	<b>1,003,776</b>	<b>235,138</b>	<b>414,401</b>	<b>405,186</b>	<b>708,488</b>

	Colonial First State Global Share Fund 0		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Managed Investment Schemes</b>						
- Related Managed Investment Schemes	66,915	99,375	288,381	254,239	45,948	78,221
<b>Total Managed Investment Schemes</b>	<b>66,915</b>	<b>99,375</b>	<b>288,381</b>	<b>254,239</b>	<b>45,948</b>	<b>78,221</b>
<b>Total Investments in Financial Assets and Liabilities</b>	<b>66,915</b>	<b>99,375</b>	<b>288,381</b>	<b>254,239</b>	<b>45,948</b>	<b>78,221</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Managed Investment Schemes</b> - Related Managed Investment Schemes	144,583	349,831	38,409	35,658	-	-
<b>Total Managed Investment Schemes</b>	144,583	349,831	38,409	35,658	-	-
<b>Money Market Securities</b> - Bank Accepted Bills - Promissory Notes - Negotiable Certificate of Deposit - Floating Rate Notes - Others	- - - - -	- - - - -	- - - - -	- - - - -	29,654 84,264 62,375 - 1,372	22,936 84,938 77,259 - 1,368
<b>Total Money Market Securities</b>	-	-	-	-	177,665	186,501
<b>Total Investments in Financial Assets and Liabilities</b>	144,583	349,831	38,409	35,658	177,665	186,501

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Managed Investment Schemes</b> - Related Managed Investment Schemes	45,133	62,117	25,825	36,170	20,106	28,725
<b>Total Managed Investment Schemes</b>	45,133	62,117	25,825	36,170	20,106	28,725
<b>Total Investments in Financial Assets and Liabilities</b>	45,133	62,117	25,825	36,170	20,106	28,725

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	\$'000	\$'000	\$'000	\$'000	\$	\$
<b>Managed Investment Schemes</b> - Related Managed Investment Schemes	38,828	53,167	13,220	26,020	9,018,207	22,863,883
Total Managed Investment Schemes	38,828	53,167	13,220	26,020	9,018,207	22,863,883
<b>Total Investments in Financial Assets and Liabilities</b>	38,828	53,167	13,220	26,020	9,018,207	22,863,883

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	\$'000	\$'000	\$'000	\$'000
<b>Managed Investment Schemes</b> - Related Managed Investment Schemes	158,944	196,644	945,739	1,183,535
Total Managed Investment Schemes	158,944	196,644	945,739	1,183,535
<b>Total Investments in Financial Assets and Liabilities</b>	158,944	196,644	945,739	1,183,535

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 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 Fund.

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

	<b>Colonial First State Conservative Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	158,356	192,454	166,936	207,668
Applications	9,692	11,565	12,473	15,834
Redemptions	(38,750)	(45,718)	(32,933)	(41,887)
Units issued upon reinvestment of distributions	5,686	6,659	11,880	14,680
Decrease in net assets attributable to unitholders from operations	-	(14,261)	-	(3,841)
<b>Closing Balance</b>	<b>134,984</b>	<b>150,699</b>	<b>158,356</b>	<b>192,454</b>

	<b>Colonial First State Balanced Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	177,777	256,364	186,785	270,642
Applications	8,438	11,833	10,263	15,290
Redemptions	(34,911)	(48,376)	(32,312)	(48,190)
Units issued upon reinvestment of distributions	6,690	8,940	13,041	19,103
Decrease in net assets attributable to unitholders from operations	-	(31,414)	-	(481)
<b>Closing Balance</b>	<b>157,994</b>	<b>197,347</b>	<b>177,777</b>	<b>256,364</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Diversified Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	286,527	577,215	307,927	599,033
Applications	9,039	17,128	11,293	23,453
Redemptions	(50,097)	(94,322)	(53,277)	(110,099)
Units issued upon reinvestment of distributions	21,321	36,156	20,584	41,935
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(126,502)	-	22,893
<b>Closing Balance</b>	<b>266,790</b>	<b>409,675</b>	<b>286,527</b>	<b>577,215</b>

	<b>Colonial First State High Growth Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	62,029	96,532	59,270	88,911
Applications	4,842	6,890	5,184	8,451
Redemptions	(11,502)	(16,352)	(9,579)	(15,501)
Units issued upon reinvestment of distributions	9,576	11,349	7,154	11,308
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(30,458)	-	3,363
<b>Closing Balance</b>	<b>64,945</b>	<b>67,961</b>	<b>62,029</b>	<b>96,532</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Australian Share Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	96,188	227,379	89,688	215,017
Applications	5,234	11,880	6,360	16,107
Redemptions	(16,049)	(36,084)	(14,624)	(36,834)
Units issued upon reinvestment of distributions	4,620	9,536	14,764	35,879
Decrease in net assets attributable to unitholders from operations	-	(44,209)	-	(2,790)
<b>Closing Balance</b>	<b>89,993</b>	<b>168,502</b>	<b>96,188</b>	<b>227,379</b>

	<b>Colonial First State Imputation Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	836,345	3,355,346	797,445	3,237,313
Applications	21,768	82,739	24,153	102,309
Redemptions	(123,342)	(467,806)	(111,177)	(471,898)
Units issued upon reinvestment of distributions	42,920	152,981	125,924	517,887
Decrease in net assets attributable to unitholders from operations	-	(679,608)	-	(30,265)
<b>Closing Balance</b>	<b>777,691</b>	<b>2,443,652</b>	<b>836,345</b>	<b>3,355,346</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Future Leaders Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	254,953	1,081,464	211,147	932,628
Applications	15,144	59,769	14,276	69,813
Redemptions	(43,526)	(168,757)	(31,792)	(154,310)
Units issued upon reinvestment of distributions	21,123	76,421	61,322	266,956
Decrease in net assets attributable to unitholders from operations	-	(280,674)	-	(33,623)
<b>Closing Balance</b>	<b>247,694</b>	<b>768,223</b>	<b>254,953</b>	<b>1,081,464</b>

	<b>Colonial First State Developing Companies Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	153,643	456,398	145,665	354,082
Applications	6,374	16,622	4,963	15,020
Redemptions	(24,642)	(63,824)	(22,911)	(68,174)
Units issued upon reinvestment of distributions	13,869	31,620	25,926	77,163
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(157,036)	-	78,307
<b>Closing Balance</b>	<b>149,244</b>	<b>283,780</b>	<b>153,643</b>	<b>456,398</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Geared Share Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	132,195	703,961	129,881	522,287
Applications	20,571	90,781	19,802	92,556
Redemptions	(30,372)	(133,014)	(25,212)	(117,654)
Units issued upon reinvestment of distributions	57,827	175,304	7,724	39,666
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(431,606)	-	167,106
<b>Closing Balance</b>	<b>180,221</b>	<b>405,426</b>	<b>132,195</b>	<b>703,961</b>

	<b>Colonial First State Global Share Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	75,202	99,405	90,347	109,812
Applications	4,524	5,620	5,859	7,427
Redemptions	(17,980)	(22,393)	(21,004)	(26,634)
Units issued upon reinvestment of distributions	-	-	-	-
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(15,599)	-	8,800
<b>Closing Balance</b>	<b>61,746</b>	<b>67,033</b>	<b>75,202</b>	<b>99,405</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Global Resources Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	120,705	253,639	114,248	219,258
Applications	21,034	49,760	19,856	39,311
Redemptions	(20,948)	(48,483)	(23,446)	(46,450)
Units issued upon reinvestment of distributions	15,966	34,367	10,047	21,020
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(498)	-	20,500
<b>Closing Balance</b>	<b>136,757</b>	<b>288,785</b>	<b>120,705</b>	<b>253,639</b>

	<b>Colonial First State Geared Global Share Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	97,013	78,162	118,047	86,494
Applications	5,577	3,983	8,753	6,742
Redemptions	(21,906)	(16,111)	(29,839)	(22,983)
Units issued upon reinvestment of distributions	-	-	52	43
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(20,043)	-	7,866
<b>Closing Balance</b>	<b>80,684</b>	<b>45,991</b>	<b>97,013</b>	<b>78,162</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Property Securities Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	177,843	347,180	168,371	305,720
Applications	7,864	13,663	20,234	42,627
Redemptions	(40,801)	(62,752)	(25,007)	(52,602)
Units issued upon reinvestment of distributions	25,241	25,989	14,245	28,618
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(178,912)	-	22,817
<b>Closing Balance</b>	<b>170,147</b>	<b>145,168</b>	<b>177,843</b>	<b>347,180</b>

	<b>Colonial First State Cash Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	35,462	35,788	46,358	46,725
Applications	37,634	38,136	19,252	19,467
Redemptions	(36,640)	(37,117)	(31,886)	(32,236)
Units issued upon reinvestment of distributions	2,102	2,123	1,738	1,754
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(114)	-	78
<b>Closing Balance</b>	<b>38,558</b>	<b>38,816</b>	<b>35,462</b>	<b>35,788</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Premier CMT</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	195,622	195,775	185,420	185,692
Applications	270,915	270,915	280,212	280,212
Redemptions	(294,936)	(294,936)	(278,168)	(278,169)
Units issued upon reinvestment of distributions	10,213	10,213	8,158	8,158
Increase/(Decrease) in net assets attributable to unitholders from operations	-	156	-	(118)
<b>Closing Balance</b>	<b>181,814</b>	<b>182,123</b>	<b>195,622</b>	<b>195,775</b>

	<b>Colonial First State Conservative Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	62,622	61,953	69,555	70,649
Applications	1,507	1,461	2,162	2,237
Redemptions	(16,394)	(15,655)	(14,094)	(14,610)
Units issued upon reinvestment of distributions	2,304	2,191	4,999	5,033
Decrease in net assets attributable to unitholders from operations	-	(4,670)	-	(1,356)
<b>Closing Balance</b>	<b>50,039</b>	<b>45,280</b>	<b>62,622</b>	<b>61,953</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Balanced Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	36,347	36,088	39,594	39,765
Applications	1,258	1,218	1,606	1,660
Redemptions	(8,797)	(8,302)	(7,863)	(8,116)
Units issued upon reinvestment of distributions	1,528	1,396	3,010	3,043
Decrease in net assets attributable to unitholders from operations	-	(4,502)	-	(264)
<b>Closing Balance</b>	<b>30,336</b>	<b>25,898</b>	<b>36,347</b>	<b>36,088</b>

	<b>Colonial First State Diversified Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	24,882	28,717	26,688	29,830
Applications	963	1,049	1,118	1,343
Redemptions	(4,815)	(5,104)	(4,820)	(5,709)
Units issued upon reinvestment of distributions	2,284	2,171	1,896	2,212
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(6,685)	-	1,041
<b>Closing Balance</b>	<b>23,314</b>	<b>20,148</b>	<b>24,882</b>	<b>28,717</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Imputation Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	50,188	53,114	46,540	50,284
Applications	1,931	1,928	2,520	2,855
Redemptions	(7,485)	(7,400)	(7,076)	(8,035)
Units issued upon reinvestment of distributions	3,996	3,558	8,204	8,948
Decrease in net assets attributable to unitholders from operations	-	(12,265)	-	(938)
<b>Closing Balance</b>	<b>48,630</b>	<b>38,935</b>	<b>50,188</b>	<b>53,114</b>

	<b>Colonial First State Geared Share Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	15,149	25,877	15,458	23,387
Applications	14,096	17,952	2,725	4,497
Redemptions	(16,966)	(21,170)	(5,960)	(9,402)
Units issued upon reinvestment of distributions	6,279	6,662	2,926	4,979
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(16,083)	-	2,416
<b>Closing Balance</b>	<b>18,558</b>	<b>13,238</b>	<b>15,149</b>	<b>25,877</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Property Securities Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Opening balance	18,763,022	22,787,278	18,317,378	21,406,492
Applications	510,817	554,281	1,609,875	2,141,894
Redemptions	(5,180,899)	(4,983,326)	(3,323,183)	(4,430,942)
Units issued upon reinvestment of distributions	2,929,723	1,935,053	2,158,952	2,731,372
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(11,247,244)	-	938,462
<b>Closing Balance</b>	<b>17,022,662</b>	<b>9,046,042</b>	<b>18,763,022</b>	<b>22,787,278</b>

	<b>Colonial First State Mortgage Income Fund - Nil Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	197,784	196,684	247,110	245,783
Applications	3,833	3,835	6,538	6,538
Redemptions	(46,452)	(46,452)	(61,716)	(61,717)
Units issued upon reinvestment of distributions	4,783	4,783	5,852	5,853
Increase in net assets attributable to unitholders from operations	-	502	-	227
<b>Closing Balance</b>	<b>159,948</b>	<b>159,352</b>	<b>197,784</b>	<b>196,684</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

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

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

	<b>Colonial First State Mortgage Income Fund - Entry Fee Option</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	1,189,679	1,183,442	1,527,618	1,519,557
Applications	72,760	72,761	113,567	113,567
Redemptions	(343,211)	(343,210)	(495,606)	(495,606)
Units issued upon reinvestment of distributions	34,735	34,736	44,100	44,100
(Decrease)/Increase in net assets attributable to unitholders from operations	-	3,618	-	1,824
<b>Closing Balance</b>	<b>953,963</b>	<b>951,347</b>	<b>1,189,679</b>	<b>1,183,442</b>

- b) Capital Risk Management

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS**

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

	Colonial First State Conservative Fund		Colonial First State Balanced Fund		Colonial First State Diversified Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(4,998)	16,802	(19,857)	24,223	(80,876)	76,271
Proceeds from sale of financial instruments held for trading	41,636	34,153	43,781	43,739	95,761	105,208
Purchase of financial instruments held for trading	(2,225)	(2,040)	(1,881)	(4,190)	(2,909)	(4,240)
Changes in fair value of financial instruments held for trading	16,188	2,733	32,553	(755)	119,859	(25,053)
Distribution income reinvested	(12,294)	(20,819)	(14,171)	(25,165)	(42,957)	(55,656)
Changes in assets and liabilities:						
Outstanding sales settlements	(69)	-	(297)	-	(544)	-
Interest receivable	1	1	(2)	2	1	(2)
Other receivables	21	(11)	10	6	79	(46)
Outstanding purchase						
Other payables	1	-	(1)	(1)	1	1
Responsible Entity fees	(20)	(15)	(27)	(18)	(96)	29
<b>Net Cash From Operating Activities</b>	<b>38,241</b>	<b>30,804</b>	<b>40,108</b>	<b>37,841</b>	<b>88,319</b>	<b>96,512</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State High Growth Fund		Colonial First State Australian Share Fund		Colonial First State Imputation Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(18,204)	15,621	(32,526)	41,764	(485,260)	632,195
Proceeds from sale of financial instruments held for trading	13,945	11,363	122,675	132,415	1,674,031	2,003,573
Purchase of financial instruments held for trading	(2,499)	(2,660)	(93,941)	(102,503)	(1,277,547)	(1,488,099)
Changes in fair value of financial instruments held for trading	28,928	(2,934)	36,030	(38,856)	538,629	(586,403)
Distribution income reinvested	(11,530)	(13,557)	(1,342)	(985)	(20,641)	(14,715)
Net foreign exchange (loss)/gain	-	-	(5)	(10)	1	(72)
Changes in assets and liabilities:						
Outstanding sales settlements	-	-	2,326	1,145	34,620	15,281
Dividends receivable	-	-	234	111	3,376	1,863
Interest receivable	-	-	(36)	(21)	14	(333)
Other receivables	(1)	(1)	(50)	(100)	420	(1,475)
Outstanding purchase settlements	-	-	(428)	(2,198)	(8,161)	(20,177)
Other payables	1	-	78	-	(1)	2
Responsible Entity fees	(15)	(2)	(99)	42	(1,532)	530
<b>Net Cash From Operating Activities</b>	<b>10,625</b>	<b>7,830</b>	<b>32,916</b>	<b>30,804</b>	<b>457,949</b>	<b>542,170</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Future Leaders Fund		Colonial First State Developing Companies Fund		Colonial First State Geared Share Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(191,057)	288,934	(119,826)	169,856	(228,690)	213,272
Proceeds from sale of financial instruments held for trading	805,224	1,055,422	135,917	217,032	99,157	48,520
Purchase of financial instruments held for trading	(633,283)	(886,413)	(83,327)	(123,044)	(19,360)	(16,446)
Changes in fair value of financial instruments held for trading	210,063	(275,659)	127,349	(164,893)	370,523	(200,326)
Distribution income reinvested	(1,569)	(3,175)	(634)	-	(147,017)	(18,481)
Net foreign exchange gain/(loss)	33	9	(43)	(33)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	9,423	(6,053)	6,441	(1,439)	(180)	-
Dividends receivable	(511)	(532)	74	7	-	-
Interest receivable	(355)	(182)	(80)	(91)	3	-
Other receivables	187	(117)	87	(50)	74	(46)
Outstanding purchase settlements	(11,599)	21,032	(3,772)	(212)	-	-
Other payables	2	-	1	-	-	1
Responsible Entity fees	(643)	312	(362)	204	(349)	245
<b>Net Cash From Operating Activities</b>	<b>185,915</b>	<b>193,578</b>	<b>61,825</b>	<b>97,337</b>	<b>74,161</b>	<b>26,739</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Global Share Fund		Colonial First State Global Resources Fund		Colonial First State Geared Global Share Fund	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(15,599)	8,800	48,606	49,822	(20,043)	7,914
Proceeds from sale of financial instruments held for trading	19,740	23,020	31,610	29,668	14,813	19,280
Purchase of financial instruments held for trading	(2,154)	(2,870)	(14,000)	(10,640)	(2,028)	(2,459)
Changes in fair value of financial instruments held for trading	14,933	(9,428)	(11,334)	(29,775)	19,489	(8,656)
Distribution income reinvested	(59)	(294)	(40,419)	(22,532)	-	-
Changes in assets and liabilities:						
Outstanding sales settlements	(106)	-	-	-	(20)	-
Interest receivable	-	-	(1)	(2)	-	-
Other receivables	7	3	(29)	-	14	4
Other payables	-	-	2	1	-	-
Responsible Entity fees	(25)	(10)	66	18	(26)	(7)
<b>Net Cash From Operating Activities</b>	<b>16,737</b>	<b>19,221</b>	<b>14,501</b>	<b>16,560</b>	<b>12,199</b>	<b>16,076</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Property Securities Fund		Colonial First State Cash Fund		Colonial First State Premier CMT	
	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007	1/7/2007 - 30/06/2008	1/7/2006 - 30/06/2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net (loss)/profit attributable to unitholders	(137,158)	68,968	2,323	2,113	12,869	10,610
Proceeds from sale of financial instruments held for trading	70,461	32,270	20,225	21,390	1,498,247	1,810,152
Purchase of financial instruments held for trading	(574)	(6,500)	(20,466)	(10,410)	(1,488,821)	(1,816,722)
Changes in fair value of financial instruments held for trading	160,632	(34,386)	65	(83)	-	-
Distribution income reinvested	(25,272)	(36,948)	(2,575)	(2,225)	-	-
Outstanding sales settlements	(146)	-	-	-	-	-
Interest receivable	4	-	(1)	1	(590)	(635)
Other receivables settlements	48	(11)	5	(5)	(15)	21
Other payables	1	-	-	-	(1)	-
Responsible Entity fees	12	38	1	(6)	206	4
<b>Net Cash From/(Used In) Operating Activities</b>	<b>68,008</b>	<b>23,431</b>	<b>(380)</b>	<b>10,775</b>	<b>21,895</b>	<b>3,430</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Conservative Fund - Nil Entry Fee Option		Colonial First State Balanced Fund - Nil Entry Fee Option		Colonial First State Diversified Fund - Nil Entry Fee Option	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	(1,779)	5,254	(2,841)	3,339	(4,157)	3,634
Proceeds from sale of financial instruments held for trading	15,808	14,449	8,307	7,971	5,121	5,450
Purchase of financial instruments held for trading	(42)	(290)	(476)	(760)	(361)	(350)
Changes in fair value of financial instruments held for trading	5,025	804	4,439	(160)	5,984	(1,226)
Distribution income reinvested	(3,807)	(6,744)	(1,926)	(3,574)	(2,126)	(2,756)
Changes in assets and liabilities:						
Outstanding sales settlements	(8)	-	(20)	-	(10)	-
Interest receivable	-	-	-	-	1	-
Other receivables	4	2	(1)	1	3	-
Other payables	1	(1)	-	-	-	-
Responsible Entity fees	31	(10)	(8)	(5)	(8)	(2)
<b>Net Cash From Operating Activities</b>	<b>15,233</b>	<b>13,464</b>	<b>7,474</b>	<b>6,812</b>	<b>4,447</b>	<b>4,750</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Imputation Fund - Nil Entry Fee Option		Colonial First State Geared Share Fund - Nil Entry Fee Option		Colonial First State Property Securities Fund - Nil Entry Fee Option	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$	1/7/2006 - 30/06/2007 \$
Net (loss)/profit attributable to unitholders	(8,040)	9,785	(8,912)	7,740	(8,634,909)	4,652,023
Proceeds from sale of financial instruments held for trading	7,831	8,738	21,863	8,271	5,518,270	4,306,000
Purchase of financial instruments held for trading	(967)	(1,200)	(17,697)	(4,700)	(128,000)	(970,000)
Changes in fair value of financial instruments held for trading	11,665	(127)	13,857	(7,336)	10,034,535	(2,474,303)
Distribution income reinvested	(4,191)	(10,268)	(5,222)	(693)	(1,579,129)	(2,437,939)
Changes in assets and liabilities:						
Outstanding sales settlements	(19)	-	-	-	(3,000)	-
Interest receivable	-	-	-	-	279	4
Other receivables	9	(5)	3	-	3,440	(738)
Other payables	1	(1)	-	(2)	-	-
Responsible Entity fees	(11)	(2)	(16)	(1)	(1,338)	327
<b>Net Cash From Operating Activities</b>	<b>6,278</b>	<b>6,920</b>	<b>3,876</b>	<b>3,279</b>	<b>5,210,148</b>	<b>3,075,374</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**7. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option		Colonial First State Mortgage Income Fund - Entry Fee Option	
	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000	1/7/2007 - 30/06/2008 \$'000	1/7/2006 - 30/06/2007 \$'000
Net (loss)/profit attributable to unitholders	10,244	11,953	65,962	79,130
Proceeds from sale of financial instruments held for trading	164,350	154,985	979,045	918,800
Purchase of financial instruments held for trading	(113,675)	(90,470)	(663,300)	(489,400)
Changes in fair value of financial instruments held for trading	(286)	(91)	(1,864)	(884)
Distribution income reinvested	(12,689)	(15,195)	(76,085)	(93,442)
Changes in assets and liabilities:				
Outstanding sales settlements	-	-	(5,000)	-
Interest receivable	2	(2)	(5)	8
Other receivables	35	(1)	138	(24)
Other payables	1	-	1	-
Responsible Entity fees	185	(62)	786	(300)
<b>Net Cash (Used In)/From Operating Activities</b>	<b>48,167</b>	<b>61,117</b>	<b>299,678</b>	<b>413,888</b>

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

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

**(c) Terms and conditions on cash**

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 8. RELATED PARTIES DISCLOSURES

#### (a) Responsible Entity

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

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

#### (b) Details of Key Management Personnel

##### (i) Key Management Personnel

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

Grahame Petersen

Michael John Venter

Brian Vincent Bissaker

Paul Rayson

Peter Robert Winney

John Robert Dempsey

Bradley Brian Massey

Resigned 15 January 2008

Appointed 21 February 2008

##### (ii) Compensation of key management personnel

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 8. RELATED PARTIES DISCLOSURES (continued)

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

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

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

The management fee rates for the Funds are as follows:

	2008 Management Fees %	2007 Management Fees %
Colonial First State Conservative Fund	1.400	1.400
Colonial First State Balanced Fund	1.500	1.500
Colonial First State Diversified Fund	1.750	1.750
Colonial First State High Growth Fund	2.100	2.100
Colonial First State Australian Share Fund	1.750	1.750
Colonial First State Imputation Fund	1.750	1.750
Colonial First State Future Leaders Fund	2.000	2.000
Colonial First State Developing Companies Fund	2.250	2.250
Colonial First State Geared Share Fund	1.950	1.950
Colonial First State Global Share Fund	2.050	2.050
Colonial First State Global Resources Fund	2.250	2.250
Colonial First State Geared Global Share Fund	2.050	2.050
Colonial First State Property Securities Fund	1.500	1.500
Colonial First State Cash Fund	0.950	0.950
Colonial First State Premier CMT	0.650	0.650
Colonial First State Conservative Fund - Nil Entry Fee Option	1.800	1.800
Colonial First State Balanced Fund - Nil Entry Fee Option	1.900	1.900
Colonial First State Diversified Fund - Nil Entry Fee Option	2.150	2.150
Colonial First State Imputation Fund - Nil Entry Fee Option	2.150	2.150
Colonial First State Geared Share Fund - Nil Entry Fee Option	2.350	2.350
Colonial First State Property Securities Fund - Nil Entry Fee Option	1.900	1.900
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	1.550	1.550
Colonial First State Mortgage Income Fund - Entry Fee Option	1.150	1.150

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

Name of Funds	Year Ended 2008 \$	Year Ended 2007 \$
Colonial First State Conservative Fund	1,133,898	1,319,306
Colonial First State Balanced Fund	1,507,655	1,736,214
Colonial First State Diversified Fund	4,069,459	4,552,729
Colonial First State High Growth Fund	816,808	887,753
Colonial First State Australian Share Fund	3,585,725	3,929,118
Colonial First State Imputation Fund	52,436,384	58,728,654
Colonial First State Future Leaders Fund	19,220,518	20,774,392
Colonial First State Developing Companies Fund	8,644,320	9,468,804
Colonial First State Geared Share Fund	5,325,330	5,645,090

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**8. RELATED PARTIES DISCLOSURES (continued)**

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

<b>Name of Funds</b>	<b>Year Ended 2008 \$</b>	<b>Year Ended 2007 \$</b>
Colonial First State Global Share Fund	734,542	933,036
Colonial First State Global Resources Fund	3,214,213	2,537,948
Colonial First State Geared Global Share Fund	553,952	748,414
Colonial First State Property Securities Fund	1,844,785	2,448,932
Colonial First State Cash Fund	216,374	218,360
Colonial First State Premier CMT	1,267,273	1,224,299
Colonial First State Conservative Fund - Nil Entry Fee Option	570,471	699,480
Colonial First State Balanced Fund - Nil Entry Fee Option	333,504	402,608
Colonial First State Diversified Fund - Nil Entry Fee Option	303,582	354,431
Colonial First State Imputation Fund - Nil Entry Fee Option	575,321	622,007
Colonial First State Geared Share Fund - Nil Entry Fee Option	281,181	293,332
Colonial First State Property Securities Fund - Nil Entry Fee Option	182,193	265,389
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	2,764,073	3,376,471
Colonial First State Mortgage Income Fund - Entry Fee Option	12,216,616	15,439,254

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

<b>Name of Funds</b>	<b>2008 \$</b>	<b>2007 \$</b>
Colonial First State Conservative Fund	87,276	107,550
Colonial First State Balanced Fund	115,385	143,776
Colonial First State Diversified Fund	296,744	393,996
Colonial First State High Growth Fund	67,946	73,709
Colonial First State Australian Share Fund	262,777	362,652
Colonial First State Imputation Fund	3,811,132	5,344,926
Colonial First State Future Leaders Fund	1,386,621	2,029,970
Colonial First State Developing Companies Fund	576,373	939,257
Colonial First State Geared Share Fund	450,447	801,009
Colonial First State Global Share Fund	52,704	78,116
Colonial First State Global Resources Fund	317,754	241,789
Colonial First State Geared Global Share Fund	36,697	62,393
Colonial First State Property Securities Fund	219,354	209,729
Colonial First State Cash Fund	19,065	17,703
Colonial First State Premier CMT	318,558	112,830
Colonial First State Conservative Fund - Nil Entry Fee Option	87,566	56,451
Colonial First State Balanced Fund - Nil Entry Fee Option	24,219	32,683
Colonial First State Diversified Fund - Nil Entry Fee Option	21,704	29,640
Colonial First State Imputation Fund - Nil Entry Fee Option	41,667	53,001
Colonial First State Geared Share Fund - Nil Entry Fee Option	16,169	31,720
Colonial First State Property Securities Fund - Nil Entry Fee Option	20,445	21,783
Colonial First State Mortgage Income Fund - Nil Entry Fee Option	459,773	274,807
Colonial First State Mortgage Income Fund - Entry Fee Option	2,032,312	1,245,842

**(d) Bank and Deposit Accounts**

The bank accounts and 11am deposit accounts for the Funds are held with the Commonwealth Bank of Australia. Fees and expenses are negotiated on an arm's length basis. Various short term money market, fixed interest securities and foreign currency transactions are from time to time transacted through the Commonwealth Bank of Australia which receives a fee which is negotiated on an arm's length basis.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (e) Related Party Transactions

##### *Related parties*

Transactions between the Funds, the Responsible Entity and affiliates during the year are outlined in Note 8(f) and 8(g) below.

Transactions between the Funds and other registered Funds also managed by the Responsible Entity consisted of the sale of units in the Funds to related Managed Investment Schemes, purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

The amounts outstanding payable or receivable at 30 June 2008 and June 2007 represent the value of the units (financial liability of the Schemes) issued or held and any amount of interest expense payable or receivable.

##### *Terms and conditions of transactions with related parties*

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

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

#### (f) Investing Activities

The following Colonial First State Managed Investment Funds held units in managed investment schemes managed by Colonial First State Investments Limited. Distributions received are immediately reinvested into additional units.

Investment Name	Units Held at Year End	Value of Investment at Year End	Interest Held in Investment at Year End	Units Purchased During Year	Units Sold During Year	Distribution Reinvested
	No.('000)	\$'000	%	No.('000)	No.('000)	\$'000

#### **Colonial First State Conservative Fund**

Units held in Colonial First State Wholesale Conservative Fund

- 2008	141,584	150,277	10.74	12,939	36,726	12,294
- 2007	165,371	193,583	11.15	19,179	27,978	20,819

#### **Colonial First State Balanced Fund**

Units held in Colonial First State Wholesale Balanced Fund

- 2008	190,837	196,676	14.34	14,472	38,232	14,171
- 2007	214,597	256,958	14.34	24,106	35,394	25,165

#### **Colonial First State Diversified Fund**

Units held in Colonial First State Wholesale Diversified Fund

- 2008	309,241	408,569	13.38	31,305	60,225	42,957
- 2007	338,161	578,322	13.33	34,533	60,141	55,656

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**8. RELATED PARTIES DISCLOSURES (continued)**

**(f) Investing Activities (continued)**

Investment Name	Units Held at Year End	Value of Investment at Year End	Interest Held in Investment at Year End	Units Purchased During Year	Units Sold During Year	Distribution Reinvested
	No.('000)	\$'000	%	No.('000)	No.('000)	\$'000

**Colonial First State High  
Growth Fund**

Units held in Colonial First State  
Wholesale High Growth Fund

- 2008	69,086	67,794	19.08	12,311	10,720	11,530
- 2007	67,495	96,639	20.13	11,071	7,659	13,557

**Colonial First State Geared  
Share Fund**

Units held in Colonial First State  
Wholesale Geared Share Fund

- 2008	104,000	405,186	16.87	30,936	15,715	147,017
- 2007	88,779	708,488	18.64	4,932	7,240	18,481

**Colonial First State Global  
Share Fund**

Units held in Colonial First State  
Wholesale Global Share Fund

- 2008	53,412	66,915	7.06	1,581	13,802	59
- 2007	65,633	99,375	8.02	2,177	15,864	294

**Colonial First State Global  
Resources Fund**

Units held in Colonial First State  
Wholesale Global Resources  
Fund

- 2008	113,531	288,381	9.71	20,608	11,552	40,419
- 2007	104,475	254,239	11.99	14,230	12,849	22,532

**Colonial First State  
Geared Global Share  
Fund**

Units held in Colonial First State  
Wholesale Geared Global Share  
Fund

- 2008	77,171	45,948	41.59	2,759	19,334	-
- 2007	93,746	78,221	44.47	3,101	24,215	-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**8. RELATED PARTIES DISCLOSURES (continued)**

**(f) Investing Activities (continued)**

Investment Name	Units Held at Year End	Value of Investment at Year End	Interest Held in Investment at Year End	Units Purchased During Year	Units Sold During Year	Distribution Reinvested
	No.('000)	\$'000	%	No.('000)	No.('000)	\$'000

**Colonial First State Property  
Securities Fund**

Units held in Colonial First State  
Wholesale Property Securities  
Fund

- 2008	149,563	144,583	7.83	21,891	48,175	25,272
- 2007	175,847	349,831	10.07	21,235	15,284	36,948

**Colonial First State Cash Fund**

Units held in Colonial First State  
Wholesale Cash Fund

- 2008	38,139	38,409	0.71	22,766	19,995	2,575
- 2007	35,368	35,658	0.72	12,519	21,187	2,225

**Colonial First State Conservative  
Fund - Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Conservative Fund

- 2008	42,522	45,133	3.22	3,448	13,990	3,807
- 2007	53,064	62,117	3.58	5,912	11,854	6,744

**Colonial First State Balanced Fund  
- Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Balanced Fund

- 2008	25,058	25,825	1.88	2,151	7,300	1,926
- 2007	30,207	36,170	2.02	3,564	6,453	3,574

**Colonial First State Diversified Fund  
- Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Diversified Fund

- 2008	15,218	20,106	0.66	1,680	3,258	2,126
- 2007	16,796	28,725	0.66	1,793	3,132	2,756

**Colonial First State Imputation Fund  
- Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Imputation Fund

- 2008	17,765	38,828	1.11	2,063	2,942	4,191
- 2007	18,644	53,167	1.05	3,917	2,884	10,268

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**8. RELATED PARTIES DISCLOSURES (continued)**

**(f) Investing Activities (continued)**

Investment Name	Units Held at Year End	Value of Investment at Year End	Interest Held in Investment at Year End	Units Purchased During Year	Units Sold During Year	Distribution Reinvested
	No.('000)	\$'000	%	No.('000)	No.('000)	\$'000

**Colonial First State Geared Share  
Fund - Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Geared Share Fund

- 2008	3,393	13,220	0.55	3,719	3,587	5,222
- 2007	3,261	26,020	0.68	855	1,358	693

**Colonial First State Property  
Securities Fund - Nil Entry Fee  
Option**

Units held in Colonial First State  
Wholesale Property Securities  
Fund

- 2008	9,329	9,018	0.49	1,410	3,574	1,579
- 2007	11,493	22,864	0.66	1,682	2,076	2,438

**Colonial First State Mortgage Income  
Fund - Nil Entry Fee Option**

Units held in Colonial First State  
Wholesale Mortgage Backed  
Securities Fund

- 2008	28,767	28,197	7.64	67,651	87,436	3,412
- 2007	48,552	48,261	8.20	52,611	99,507	4,711

Units held in Colonial First State  
Wholesale Pooled Mortgage  
Fund

- 2008	129,146	130,747	6.31	58,444	76,767	9,277
- 2007	147,469	148,383	6.32	52,657	55,087	10,484

**Colonial First State Mortgage Income  
Fund - Entry Fee Option**

Units held in Colonial First State  
Wholesale Mortgage Backed  
Securities Fund

- 2008	166,622	163,323	44.27	415,999	541,707	20,410
- 2007	292,330	290,577	49.38	304,310	606,572	29,020

Units held in Colonial First State  
Wholesale Pooled Mortgage  
Fund

- 2008	772,833	782,416	37.75	322,044	436,667	55,676
- 2007	887,456	892,958	38.03	276,661	310,021	64,422

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 8. RELATED PARTIES DISCLOSURES (continued)

#### (f) Investing Activities (continued)

The following Funds held shares in the Bank.

Securities name	Shares/ Units Held at Year End  No.('000)	Value of Investment at Year End  \$'000	Interest held in Investment at Year End  %	Shares/ Units acquired During Year No.('000)	Shares/ Units disposed of During Year No.('000)	Dividend/ Distribution received  \$'000
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#### Colonial First State Australian Share Fund

Shares in Commonwealth Bank  
of Australia

- 2008	201	8,059	0.02	36	101	601
- 2007	266	14,647	0.02	157	41	597

#### Colonial First State Imputation Fund

Shares in Commonwealth Bank  
of Australia

- 2008	3,468	139,232	0.27	549	1,402	10,073
- 2007	4,321	237,657	0.34	2,027	744	9,821

#### (g) Related party investments of the Funds

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

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

	2008 Number of Units No.'000	2007 Number of Units No.'000
Colonial First State Imputation Fund	-	35
Colonial First State Future Leaders Fund	51,709	47,150
Colonial First State Developing Companies Fund	25,752	24,338
Colonial First State Geared Share Fund	84	55

### 9. SEGMENT INFORMATION

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 10. FINANCIAL RISK MANAGEMENT

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

The Funds' overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement or 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.

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

The table in Note 10(b) summarises the impact of an increase/decrease of the Australian and global Indexes on the Funds' net assets attributable to unitholders at 30 June 2008 and 30 June 2007. The analysis is based on the assumptions that the indexes increased or decreased as tabled below 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. The impact mainly arises from the reasonable possibly change in the fair value of the underlying investment.

Investments options	30/06/2008		30/06/2007	
	Decrease	Increase	Decrease	Increase
	%	%	%	%
Australian and Global Shares Options	(15)	30	(15)	30
Multi- Sectors options	(8)	15	(8)	15

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

##### (ii) Interest rate risk

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

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

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

	Colonial First State Conservative Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	824	-	-	824
Receivables	-	-	110	110
Financial assets held for trading	-	-	150,277	150,277
<b>Financial liabilities</b>				
Payables	-	-	(512)	(512)
	824	-	149,875	150,699
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	824	-	149,875	150,699

	Colonial First State Conservative Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,210	-	-	2,210
Receivables	-	-	154	154
Financial assets held for trading	-	-	193,583	193,583
<b>Financial liabilities</b>				
Payables	-	-	(3,493)	(3,493)
	2,210	-	190,244	192,454
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	2,210	-	190,244	192,454

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Balanced Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,621	-	-	1,621
Receivables	-	-	339	339
Financial assets held for trading	-	-	196,676	196,676
<b>Financial liabilities</b>				
Payables	-	-	(1,289)	(1,289)
Financial liabilities held for trading	-	-	-	-
	1,621	-	195,726	197,347
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	1,621	-	195,726	197,347

	Colonial First State Balanced Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,277	-	-	2,277
Receivables	-	-	82	82
Financial assets held for trading	-	-	256,958	256,958
<b>Financial liabilities</b>				
Payables	-	-	(2,953)	(2,953)
	2,277	-	254,087	256,364
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	2,277	-	254,087	256,364

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Diversified Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5,237	-	-	5,237
Receivables	-	-	664	664
Financial assets held for trading	-	-	408,569	408,569
<b>Financial liabilities</b>				
Payables	-	-	(4,795)	(4,795)
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	5,237	-	404,438	409,675
	-	-	-	-
Net exposure	5,237	-	404,438	409,675

	Colonial First State Diversified Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	7,555	-	-	7,555
Receivables	-	-	253	253
Financial assets held for trading	-	-	578,322	578,322
<b>Financial liabilities</b>				
Payables	-	-	(8,915)	(8,915)
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	7,555	-	569,660	577,215
	-	-	-	-
Net exposure	7,555	-	569,660	577,215

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State High Growth Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	647	-	-	647
Receivables	-	-	32	32
Financial assets held for trading	-	-	67,794	67,794
<b>Financial liabilities</b>				
Payables	-	-	(512)	(512)
	647	-	67,314	67,961
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	647	-	67,314	67,961

	Colonial First State High Growth Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	649	-	-	649
Receivables	-	-	68	68
Financial assets held for trading	-	-	96,639	96,639
<b>Financial liabilities</b>				
Payables	-	-	(824)	(824)
	649	-	95,883	96,532
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	649	-	95,883	96,532

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	8,935	-	-	8,935
Receivables	-	-	1,781	1,781
Financial assets held for trading	-	-	160,287	160,287
<b>Financial liabilities</b>				
Payables	-	-	(2,055)	(2,055)
Financial liabilities held for trading	-	-	(446)	(446)
	8,935	-	159,567	168,502
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	8,935	-	159,567	168,502

	Colonial First State Australian Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,251	-	-	6,251
Receivables	-	-	4,301	4,301
Financial assets held for trading	-	-	223,284	223,284
<b>Financial liabilities</b>				
Payables	-	-	(6,430)	(6,430)
Financial liabilities held for trading	-	-	(27)	(27)
	6,251	-	221,128	227,379
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	6,251	-	221,128	227,379

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Imputation Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	63,220	-	-	63,220
Receivables	-	-	25,464	25,464
Financial assets held for trading	-	-	2,387,527	2,387,527
<b>Financial liabilities</b>				
Payables	-	-	(28,147)	(28,147)
Financial liabilities held for trading	-	-	(4,412)	(4,412)
	63,220	-	2,380,432	2,443,652
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	63,220	-	2,380,432	2,443,652

	Colonial First State Imputation Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	89,405	-	-	89,405
Receivables	-	-	64,098	64,098
Financial assets held for trading	-	-	3,298,140	3,298,140
<b>Financial liabilities</b>				
Payables	-	-	(95,744)	(95,744)
Financial liabilities held for trading	-	-	(552)	(552)
	89,405	-	3,265,942	3,355,347
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	89,405	-	3,265,942	3,355,347

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Future Leaders Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	141,393	-	-	141,393
Receivables	-	-	21,079	21,079
Financial assets held for trading	-	-	627,452	627,452
<b>Financial liabilities</b>				
Payables	-	-	(17,567)	(17,567)
Financial liabilities held for trading	-	-	(4,134)	(4,134)
	141,393	-	626,830	768,223
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	141,393	-	626,830	768,223

	Colonial First State Future Leaders Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	114,186	-	-	114,186
Receivables	-	-	29,628	29,628
Financial assets held for trading	-	-	1,004,531	1,004,531
<b>Financial liabilities</b>				
Payables	-	-	(66,126)	(66,126)
Financial liabilities held for trading	-	-	(755)	(755)
	114,186	-	967,278	1,081,464
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	114,186	-	967,278	1,081,464

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

Colonial First State Developing Companies Fund				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2008	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	50,153	-	-	50,153
Receivables	-	-	2,746	2,746
Financial assets held for trading	-	-	236,541	236,541
<b>Financial liabilities</b>				
Payables	-	-	(4,257)	(4,257)
Financial liabilities held for trading	-	-	(1,403)	(1,403)
	50,153	-	233,627	283,780
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	50,153	-	233,627	283,780

Colonial First State Developing Companies Fund				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2007	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	50,631	-	-	50,631
Receivables	-	-	9,308	9,308
Financial assets held for trading	-	-	414,779	414,779
<b>Financial liabilities</b>				
Payables	-	-	(17,942)	(17,942)
Financial liabilities held for trading	-	-	(378)	(378)
	50,631	-	405,767	456,398
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	50,631	-	405,767	456,398

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Geared Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	13,579	-	-	13,579
Receivables	-	-	502	502
Financial assets held for trading	-	-	405,186	405,186
<b>Financial liabilities</b>				
Payables	-	-	(13,841)	(13,841)
Financial liabilities held for trading	-	-	-	-
	13,579	-	391,847	405,426
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	13,579	-	391,847	405,426

	Colonial First State Geared Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	2,556	-	-	2,556
Receivables	-	-	538	538
Financial assets held for trading	-	-	708,488	708,488
<b>Financial liabilities</b>				
Payables	-	-	(7,621)	(7,621)
	2,556	-	701,405	703,961
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	2,556	-	701,405	703,961

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	153	-	-	153
Receivables	-	-	124	124
Financial assets held for trading	-	-	66,915	66,915
<b>Financial liabilities</b>				
Payables	-	-	(159)	(159)
	153	-	66,880	67,033
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	153	-	66,880	67,033

	Colonial First State Global Share Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	204	-	-	204
Receivables	-	-	81	81
Financial assets held for trading	-	-	99,375	99,375
<b>Financial liabilities</b>				
Payables	-	-	(255)	(255)
	204	-	99,201	99,405
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	204	-	99,201	99,405

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Global Resources Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	13,281	-	-	13,281
Receivables	-	-	499	499
Financial assets held for trading	-	-	288,381	288,381
<b>Financial liabilities</b>				
Payables	-	-	(13,376)	(13,376)
	13,281	-	275,504	288,785
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	13,281	-	275,504	288,785

	Colonial First State Global Resources Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6,794	-	-	6,794
Receivables	-	-	384	384
Financial assets held for trading	-	-	254,239	254,239
<b>Financial liabilities</b>				
Payables	-	-	(7,778)	(7,778)
	6,794	-	246,845	253,639
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	6,794	-	246,845	253,639

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

Colonial First State Geared Global Share Fund				
30/06/2008	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	85	-	-	85
Receivables	-	-	26	26
Financial assets held for trading	-	-	45,948	45,948
<b>Financial liabilities</b>				
Payables	-	-	(68)	(68)
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	85 -	- -	45,906 -	45,991 -
Net exposure	85	-	45,906	45,991

Colonial First State Geared Global Share Fund				
30/06/2007	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	77	-	-	77
Receivables	-	-	19	19
Financial assets held for trading	-	-	78,221	78,221
<b>Financial liabilities</b>				
Payables	-	-	(155)	(155)
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	77 -	- -	78,085 -	78,162 -
Net exposure	77	-	78,085	78,162

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	9,719	-	-	9,719
Receivables	-	-	298	298
Financial assets held for trading	-	-	144,583	144,583
<b>Financial liabilities</b>				
Payables	-	-	(9,432)	(9,432)
	9,719	-	135,449	145,168
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	9,719	-	135,449	145,168

	Colonial First State Property Securities Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	8,526	-	-	8,526
Receivables	-	-	270	270
Financial assets held for trading	-	-	349,831	349,831
<b>Financial liabilities</b>				
Payables	-	-	(11,447)	(11,447)
	8,526	-	338,654	347,180
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	8,526	-	338,654	347,180

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Cash Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	544	-	-	544
Receivables	-	-	62	62
Financial assets held for trading	-	-	38,409	38,409
<b>Financial liabilities</b>				
Payables	-	-	(199)	(199)
	544	-	38,272	38,816
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	544	-	38,272	38,816

	Colonial First State Cash Fund			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	233	-	-	233
Receivables	-	-	24	24
Financial assets held for trading	-	-	35,658	35,658
<b>Financial liabilities</b>				
Payables	-	-	(127)	(127)
	233	-	35,555	35,788
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	233	-	35,555	35,788

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Premier CMT			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	5,811	-	-	5,811
Receivables	-	-	49	49
Financial assets held for trading	-	177,665	-	177,665
<b>Financial liabilities</b>				
Payables	-	-	(1,402)	(1,402)
	5,811	177,665	(1,353)	182,123
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	5,811	177,665	(1,353)	182,123

	Colonial First State Premier CMT			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	12,140	-	-	12,140
Receivables	-	-	33	33
Financial assets held for trading	-	186,501	-	186,501
<b>Financial liabilities</b>				
Payables	-	-	(2,899)	(2,899)
	12,140	186,501	(2,866)	195,775
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	12,140	186,501	(2,866)	195,775

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Conservative Fund - Nil Entry Fee Option</b>				
<b>30/06/2008</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	333	-	-	333
Receivables	-	-	24	24
Financial assets held for trading	-	-	45,133	45,133
<b>Financial liabilities</b>				
Payables	-	-	(210)	(210)
	333	-	44,947	45,280
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	333	-	44,947	45,280

<b>Colonial First State Conservative Fund - Nil Entry Fee Option</b>				
<b>30/06/2007</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	832	-	-	832
Receivables	-	-	31	31
Financial assets held for trading	-	-	62,117	62,117
<b>Financial liabilities</b>				
Payables	-	-	(1,027)	(1,027)
	832	-	61,121	61,953
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	832	-	61,121	61,953

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Balanced Fund - Nil Entry Fee Option</b>				
<b>30/06/2008</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	184	-	-	184
Receivables	-	-	32	32
Financial assets held for trading	-	-	25,825	25,825
<b>Financial liabilities</b>				
Payables	-	-	(143)	(143)
	184	-	25,714	25,898
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	184	-	25,714	25,898

<b>Colonial First State Balanced Fund - Nil Entry Fee Option</b>				
<b>30/06/2007</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	270	-	-	270
Receivables	-	-	11	11
Financial assets held for trading	-	-	36,170	36,170
<b>Financial liabilities</b>				
Payables	-	-	(363)	(363)
	270	-	35,818	36,088
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	270	-	35,818	36,088

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Diversified Fund - Nil Entry Fee Option</b>				
<b>30/06/2008</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	221	-	-	221
Receivables	-	-	17	17
Financial assets held for trading	-	-	20,106	20,106
<b>Financial liabilities</b>				
Payables	-	-	(196)	(196)
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	221 -	- -	19,927 -	20,148 -
<b>Net exposure</b>	<b>221</b>	<b>-</b>	<b>19,927</b>	<b>20,148</b>

<b>Colonial First State Diversified Fund - Nil Entry Fee Option</b>				
<b>30/06/2007</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	296	-	-	296
Receivables	-	-	11	11
Financial assets held for trading	-	-	28,725	28,725
<b>Financial liabilities</b>				
Payables	-	-	(315)	(315)
Financial liabilities held at fair value				
Financial liabilities held for trading	-	-	-	-
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	296 -	- -	28,421 -	28,717 -
<b>Net exposure</b>	<b>296</b>	<b>-</b>	<b>28,421</b>	<b>28,717</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

Colonial First State Imputation Fund - Nil Entry Fee Option				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2008	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	397	-	-	397
Receivables	-	-	32	32
Financial assets held for trading	-	-	38,828	38,828
<b>Financial liabilities</b>				
Payables	-	-	(322)	(322)
	397	-	38,538	38,935
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	397	-	38,538	38,935

Colonial First State Imputation Fund - Nil Entry Fee Option				
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
30/06/2007	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
Cash and cash equivalents	954	-	-	954
Receivables	-	-	39	39
Financial assets held for trading	-	-	53,167	53,167
<b>Financial liabilities</b>				
Payables	-	-	(1,046)	(1,046)
	954	-	52,160	53,114
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	954	-	52,160	53,114

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Geared Share Fund - Nil Entry Fee Option</b>				
<b>30/06/2008</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	168	-	-	168
Receivables	-	-	6	6
Financial assets held for trading	-	-	13,220	13,220
<b>Financial liabilities</b>				
Payables	-	-	(156)	(156)
	168	-	13,070	13,238
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	168	-	13,070	13,238

<b>Colonial First State Geared Share Fund - Nil Entry Fee Option</b>				
<b>30/06/2007</b>	<b>Floating interest rate \$'000</b>	<b>Fixed interest rate \$'000</b>	<b>Non-interest bearing \$'000</b>	<b>Total \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	158	-	-	158
Receivables	-	-	25	25
Financial assets held for trading	-	-	26,020	26,020
<b>Financial liabilities</b>				
Payables	-	-	(326)	(326)
	158	-	25,719	25,877
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	158	-	25,719	25,877

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Property Securities Fund - Nil Entry Fee Option</b>				
	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>30/06/2008</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	351,785	-	-	351,785
Receivables	-	-	6,254	6,254
Financial assets held for trading	-	-	9,018,207	9,018,207
<b>Financial liabilities</b>				
Payables	-	-	(330,204)	(330,204)
	351,785	-	8,694,257	9,046,042
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	351,785	-	8,694,257	9,046,042

<b>Colonial First State Property Securities Fund - Nil Entry Fee Option</b>				
	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>30/06/2007</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	485,189	-	-	485,189
Receivables	-	-	59,473	59,473
Financial assets held for trading	-	-	22,863,883	22,863,883
<b>Financial liabilities</b>				
Payables	-	-	(621,267)	(621,267)
	485,189	-	22,302,089	22,787,278
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	485,189	-	22,302,089	22,787,278

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2008</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,262	-	-	1,262
Receivables	-	-	67	67
Financial assets held for trading	-	-	158,944	158,944
<b>Financial liabilities</b>				
Payables	-	-	(921)	(921)
	1,262	-	158,090	159,352
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	1,262	-	158,090	159,352

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000
<b>30/06/2007</b>				
<b>Financial assets</b>				
Cash and cash equivalents	756	-	-	756
Receivables	-	-	129	129
Financial assets held for trading	-	-	196,644	196,644
<b>Financial liabilities</b>				
Payables	-	-	(845)	(845)
	756	-	195,928	196,684
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	756	-	195,928	196,684

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Interest rate risk (continued)**

<b>Colonial First State Mortgage Income Fund - Entry Fee Option</b>				
<b>30/06/2008</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	5,088	-	-	5,088
Receivables	-	-	5,651	5,651
Financial assets held for trading	-	-	945,739	945,739
<b>Financial liabilities</b>				
Payables	-	-	(5,131)	(5,131)
	5,088	-	946,259	951,347
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	5,088	-	946,259	951,347

<b>Colonial First State Mortgage Income Fund - Entry Fee Option</b>				
<b>30/06/2007</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	4,714	-	-	4,714
Receivables	-	-	745	745
Financial assets held for trading	-	-	1,183,535	1,183,535
<b>Financial liabilities</b>				
Payables	-	-	(5,552)	(5,552)
	4,714	-	1,178,728	1,183,442
Net increase/(decrease) in exposure from interest rate swaps (notional principal)	-	-	-	-
Net exposure	4,714	-	1,178,728	1,183,442

An analysis of financial liabilities by maturities is provided in paragraph 10(d) below.

The table in Note 10(b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows.

The analysis is based on the assumption that interest rates changed by +/- 75 basis points (2007 - +/- 75 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### (b) Summarised Sensitivity Analysis

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

	<b>Colonial First State Conservative Fund</b>			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(6)	6	(12,022)	22,542
30/06/2007	(17)	17	(15,487)	29,037

	<b>Colonial First State Balanced Fund</b>			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(12)	12	(15,734)	29,501
30/06/2007	(17)	17	(20,557)	38,544

	<b>Colonial First State Diversified Fund</b>			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(39)	39	(32,686)	61,285
30/06/2007	(57)	57	(46,266)	86,748

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State High Growth Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(5)	5	(5,424)	10,169
30/06/2007	(5)	5	(7,731)	14,496

	Colonial First State Australian Share Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(67)	67	(23,976)	47,952
30/06/2007	(47)	47	(33,489)	66,977

	Colonial First State Imputation Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(474)	474	(357,467)	714,935
30/06/2007	(671)	671	(494,638)	989,276

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis**

	Colonial First State Future Leaders Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(1,060)	1,060	(93,498)	186,995
30/06/2007	(856)	856	(150,566)	301,133

	Colonial First State Developing Companies Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(376)	376	(35,271)	70,541
30/06/2007	(380)	380	(62,160)	124,320

	Colonial First State Geared Share Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(102)	102	(60,778)	121,556
30/06/2007	(19)	19	(106,273)	212,547

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State Global Share Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(1)	1	(10,037)	20,074
30/06/2007	(2)	2	(14,906)	29,812

	Colonial First State Global Resources Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(100)	100	(43,257)	86,514
30/06/2007	(51)	51	(38,136)	76,272

	Colonial First State Geared Global Share Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(1)	1	(6,892)	13,784
30/06/2007	(1)	1	(11,733)	23,466

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State Property Securities Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(73)	73	(21,687)	43,375
30/06/2007	(64)	64	(52,475)	104,949

	Colonial First State Cash Fund			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-0.75% \$'000	0.75% \$'000
30/06/2008	(4)	4	(288)	288
30/06/2007	(2)	2	(428)	464

	Colonial First State Premier CMT			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-0.75% \$'000	0.75% \$'000
30/06/2008	(1,376)	1,376	-	-
30/06/2007	(1,490)	1,490	-	-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State Conservative Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(2)	2	(3,611)	6,770
30/06/2007	(6)	6	(4,969)	9,318

	Colonial First State Balanced Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(1)	1	(2,066)	3,874
30/06/2007	(2)	2	(2,894)	5,425

	Colonial First State Diversified Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-8.00% \$'000	15.00% \$'000
30/06/2008	(2)	2	(1,609)	3,016
30/06/2007	(2)	2	(2,298)	4,309

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State Imputation Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(3)	3	(5,824)	11,648
30/06/2007	(7)	7	(7,975)	15,950

	Colonial First State Geared Share Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-15.00% \$'000	30.00% \$'000
30/06/2008	(1)	1	(1,983)	3,966
30/06/2007	(1)	1	(3,903)	7,806

	Colonial First State Property Securities Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$	75 basis points \$	-15.00% \$	30.00% \$
30/06/2008	(2,638)	2,638	(1,352,731)	2,705,462
30/06/2007	(3,639)	3,639	(3,429,582)	6,859,165

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-1.20% \$'000	1.30% \$'000
30/06/2008	(9)	9	(1,907)	2,066
30/06/2007	(6)	6	(2,360)	2,556

	Colonial First State Mortgage Income Fund - Entry Fee Option			
	Interest rate risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders			
	-75 basis points \$'000	75 basis points \$'000	-1.20% \$'000	1.30% \$'000
30/06/2008	(38)	38	(11,349)	12,295
30/06/2007	(35)	35	(14,202)	15,386

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(c) Credit risk**

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

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

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

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

	<b>Colonial First State Premier CMT</b>	
	<b>30/06/2008</b>	<b>30/06/2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Total debt securities	177,665	186,501
<b>Rating</b>		
AAA	139,130	153,360
AA+	38,535	33,141
Total	177,665	186,501

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Liquidity risk

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

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

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

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

#### (i) Financial liabilities

	Colonial First State Conservative 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
<b>30/06/2008</b>						
Payables	512	-	-	-	-	-
Net assets attributable to unitholders	150,699	-	-	-	-	-
<b>Total financial liabilities</b>	<b>151,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Conservative 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
<b>30/06/2007</b>						
Payables	3,493	-	-	-	-	-
Net assets attributable to unitholders	192,454	-	-	-	-	-
<b>Total financial liabilities</b>	<b>195,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Balanced 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
<b>30/06/2008</b>						
Payables	1,289	-	-	-	-	-
Net assets attributable to unitholders	197,347	-	-	-	-	-
<b>Total financial liabilities</b>	<b>198,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Balanced 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
<b>30/06/2007</b>						
Payables	2,953	-	-	-	-	-
Net assets attributable to unitholders	256,364	-	-	-	-	-
<b>Total financial liabilities</b>	<b>259,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Diversified 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
<b>30/06/2008</b>						
Payables	4,795	-	-	-	-	-
Net assets attributable to unitholders	409,675	-	-	-	-	-
<b>Total financial liabilities</b>	<b>414,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Diversified 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
<b>30/06/2007</b>						
Payables	8,915	-	-	-	-	-
Net assets attributable to unitholders	577,215	-	-	-	-	-
<b>Total financial liabilities</b>	<b>586,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State High Growth 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
<b>30/06/2008</b>						
Payables	512	-	-	-	-	-
Net assets attributable to unitholders	67,961	-	-	-	-	-
<b>Total financial liabilities</b>	<b>68,473</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State High Growth 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
<b>30/06/2007</b>						
Payables	824	-	-	-	-	-
Net assets attributable to unitholders	96,532	-	-	-	-	-
<b>Total financial liabilities</b>	<b>97,356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State 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
<b>30/06/2008</b>						
Financial liabilities held for trading						
Equity securities sold short	-	-	-	-	-	-
Net settled derivatives	49	397	-	-	-	-
Payables	2,056	-	-	-	-	-
Net assets attributable to unitholders	168,502	-	-	-	-	-
<b>Total financial liabilities</b>	<b>170,607</b>	<b>397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State 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
<b>30/06/2007</b>						
Financial liabilities held for trading						
Net settled derivatives	-	27	-	-	-	-
Payables	6,430	-	-	-	-	-
Net assets attributable to unitholders	227,379	-	-	-	-	-
<b>Total financial liabilities</b>	<b>233,809</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Imputation 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
<b>30/06/2008</b>						
Financial liabilities held for trading						
Net settled derivatives	709	3,703	-	-	-	-
Payables	28,147	-	-	-	-	-
Net assets attributable to unitholders	2,443,652	-	-	-	-	-
<b>Total financial liabilities</b>	<b>2,472,508</b>	<b>3,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Imputation 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
<b>30/06/2007</b>						
Financial liabilities held for trading						
Net settled derivatives	-	552	-	-	-	-
Payables	95,744	-	-	-	-	-
Net assets attributable to unitholders	3,355,346	-	-	-	-	-
<b>Total financial liabilities</b>	<b>3,451,090</b>	<b>552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Future Leaders 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
<b>30/06/2008</b>						
Financial liabilities held for trading						
Net settled derivatives	-	4,134	-	-	-	-
Payables	17,567	-	-	-	-	-
Net assets attributable to unitholders	768,223	-	-	-	-	-
<b>Total financial liabilities</b>	<b>785,790</b>	<b>4,134</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Future Leaders 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
<b>30/06/2007</b>						
Financial liabilities held for trading						
Net settled derivatives	-	755	-	-	-	-
Payables	66,126	-	-	-	-	-
Net assets attributable to unitholders	1,081,464	-	-	-	-	-
<b>Total financial liabilities</b>	<b>1,147,590</b>	<b>755</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Developing Companies 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
<b>30/06/2008</b>						
Financial liabilities held for trading						
Net settled derivatives	-	1,403	-	-	-	-
Payables	4,257	-	-	-	-	-
Net assets attributable to unitholders	283,780	-	-	-	-	-
<b>Total financial liabilities</b>	<b>288,037</b>	<b>1,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Developing Companies 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
<b>30/06/2007</b>						
Financial liabilities held for trading						
Net settled derivatives	-	378	-	-	-	-
Payables	17,942	-	-	-	-	-
Net assets attributable to unitholders	456,398	-	-	-	-	-
<b>Total financial liabilities</b>	<b>474,340</b>	<b>378</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Geared 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
<b>30/06/2008</b>						
Payables	13,842	-	-	-	-	-
Net assets attributable to unitholders	405,426	-	-	-	-	-
<b>Total financial liabilities</b>	<b>419,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Geared 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
<b>30/06/2007</b>						
Payables	7,621	-	-	-	-	-
Net assets attributable to unitholders	703,961	-	-	-	-	-
<b>Total financial liabilities</b>	<b>711,582</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2008</b>						
Payables	159	-	-	-	-	-
Net assets attributable to unitholders	67,033	-	-	-	-	-
<b>Total financial liabilities</b>	<b>67,192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2007</b>						
Payables	255	-	-	-	-	-
Net assets attributable to unitholders	99,405	-	-	-	-	-
<b>Total financial liabilities</b>	<b>99,660</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Global Resources 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
<b>30/06/2008</b>						
Payables	13,376	-	-	-	-	-
Net assets attributable to unitholders	288,785	-	-	-	-	-
<b>Total financial liabilities</b>	<b>302,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Global Resources 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
<b>30/06/2007</b>						
Payables	7,778	-	-	-	-	-
Net assets attributable to unitholders	253,639	-	-	-	-	-
<b>Total financial liabilities</b>	<b>261,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Geared Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2008</b>						
Payables	68	-	-	-	-	-
Net assets attributable to unitholders	45,991	-	-	-	-	-
<b>Total financial liabilities</b>	<b>46,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Geared Global Share Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2007</b>						
Payables	155	-	-	-	-	-
Net assets attributable to unitholders	78,162	-	-	-	-	-
<b>Total financial liabilities</b>	<b>78,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Property Securities Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2008</b>						
Payables	9,433	-	-	-	-	-
Net assets attributable to unitholders	145,168	-	-	-	-	-
<b>Total financial liabilities</b>	<b>154,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Property Securities Fund					
	Less than 1 month \$'000	1 - 3 months \$'000	3 - 12 months \$'000	1 - 2 years \$'000	2 - 3 years \$'000	More than 3 years \$'000
<b>30/06/2007</b>						
Payables	11,447	-	-	-	-	-
Net assets attributable to unitholders	347,180	-	-	-	-	-
<b>Total financial liabilities</b>	<b>358,627</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Cash 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
<b>30/06/2008</b>						
Payables	199	-	-	-	-	-
Net assets attributable to unitholders	38,816	-	-	-	-	-
<b>Total financial liabilities</b>	<b>39,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Cash 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
<b>30/06/2007</b>						
Payables	127	-	-	-	-	-
Net assets attributable to unitholders	35,788	-	-	-	-	-
<b>Total financial liabilities</b>	<b>35,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Premier CMT					
	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
<b>30/06/2008</b>						
Payables	1,402	-	-	-	-	-
Net assets attributable to unitholders	182,123	-	-	-	-	-
<b>Total financial liabilities</b>	<b>183,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Premier CMT					
	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
<b>30/06/2007</b>						
Payables	2,899	-	-	-	-	-
Net assets attributable to unitholders	195,775	-	-	-	-	-
<b>Total financial liabilities</b>	<b>198,674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Conservative Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	210	-	-	-	-	-
Net assets attributable to unitholders	45,280	-	-	-	-	-
<b>Total financial liabilities</b>	<b>45,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Conservative Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	1,027	-	-	-	-	-
Net assets attributable to unitholders	61,953	-	-	-	-	-
<b>Total financial liabilities</b>	<b>62,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Balanced Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	143	-	-	-	-	-
Net assets attributable to unitholders	25,898	-	-	-	-	-
<b>Total financial liabilities</b>	<b>26,041</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Balanced Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	363	-	-	-	-	-
Net assets attributable to unitholders	36,088	-	-	-	-	-
<b>Total financial liabilities</b>	<b>36,451</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Diversified Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	196	-	-	-	-	-
Net assets attributable to unitholders	20,148	-	-	-	-	-
<b>Total financial liabilities</b>	<b>20,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Diversified Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	315	-	-	-	-	-
Net assets attributable to unitholders	28,717	-	-	-	-	-
<b>Total financial liabilities</b>	<b>29,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Imputation Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	322	-	-	-	-	-
Net assets attributable to unitholders	38,935	-	-	-	-	-
<b>Total financial liabilities</b>	<b>39,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Imputation Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	1,046	-	-	-	-	-
Net assets attributable to unitholders	53,114	-	-	-	-	-
<b>Total financial liabilities</b>	<b>54,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Geared Share Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	156	-	-	-	-	-
Net assets attributable to unitholders	13,238	-	-	-	-	-
<b>Total financial liabilities</b>	<b>13,394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Geared Share Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	326	-	-	-	-	-
Net assets attributable to unitholders	25,877	-	-	-	-	-
<b>Total financial liabilities</b>	<b>26,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Property Securities Fund - Nil Entry Fee Option					
	Less than 1 month \$	1 - 3 months \$	3 - 12 months \$	1 - 2 years \$	2 - 3 years \$	More than 3 years \$
<b>30/06/2008</b>						
Payables	330,204	-	-	-	-	-
Net assets attributable to unitholders	9,046,042	-	-	-	-	-
<b>Total financial liabilities</b>	<b>9,376,246</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Property Securities Fund - Nil Entry Fee Option					
	Less than 1 month \$	1 - 3 months \$	3 - 12 months \$	1 - 2 years \$	2 - 3 years \$	More than 3 years \$
<b>30/06/2007</b>						
Borrowings	-	-	-	-	-	-
Payables	621,267	-	-	-	-	-
Net assets attributable to unitholders	22,787,278	-	-	-	-	-
<b>Total financial liabilities</b>	<b>23,408,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**10. FINANCIAL RISK MANAGEMENT (continued)**

**(d) Liquidity Risk (continued)**

**(i) Financial liabilities (continued)**

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	922	-	-	-	-	-
Net assets attributable to unitholders	159,352	-	-	-	-	-
<b>Total financial liabilities</b>	<b>160,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Mortgage Income Fund - Nil Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	845	-	-	-	-	-
Net assets attributable to unitholders	196,684	-	-	-	-	-
<b>Total financial liabilities</b>	<b>197,529</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Mortgage Income Fund - Entry Fee Option					
	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
<b>30/06/2008</b>						
Payables	5,132	-	-	-	-	-
Net assets attributable to unitholders	951,347	-	-	-	-	-
<b>Total financial liabilities</b>	<b>956,479</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Colonial First State Mortgage Income Fund - Entry Fee Option					
	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
<b>30/06/2007</b>						
Payables	5,552	-	-	-	-	-
Net assets attributable to unitholders	1,183,442	-	-	-	-	-
<b>Total financial liabilities</b>	<b>1,188,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### (e) Fair value estimation

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

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

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 11. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Derivative transactions include a wide assortment of instruments, such as forwards, futures and options. Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the 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 the 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 the Funds.

The Funds hold the following derivative instruments:

#### (a) Futures

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

#### (b) Options

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

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

	Colonial First State Australian Share Fund						
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values		
	\$'000	Assets	Liabilities	\$'000	Assets	Liabilities	
		30/06/2008			30/06/2007		
		\$'000	\$'000		\$'000	\$'000	
- Australian share price index futures	5,193	-	(157)	5,335	-	(27)	
- Exchange traded options	(2,086)	-	(289)	-	-	-	
	3,107	-	(446)	5,335	-	(27)	

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**11. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**

	Colonial First State Imputation Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	18,565	-	(291)	86,466	-	(552)
- Exchange traded options	(29,701)	-	(4,121)	-	-	-
	(11,136)	-	(4,412)	86,466	-	(552)

	Colonial First State Future Leaders Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	127,618	-	(4,134)	99,804	-	(755)
	127,618	-	(4,134)	99,804	-	(755)

	Colonial First State Developing Companies Fund					
	Contract/ Notional	Fair Values		Contract/ Notional	Fair Values	
		Assets	Liabilities		Assets	Liabilities
	\$'000	30/06/2008 \$'000	\$'000	\$'000	30/06/2007 \$'000	\$'000
- Australian share price index futures	45,309	-	(1,403)	47,234	-	(378)
	45,309	-	(1,403)	47,234	-	(378)

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 12. CONTINGENT LIABILITIES AND COMMITMENTS

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

### 13. EVENTS AFTER BALANCE SHEET DATE

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2008

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

In the opinion of the Directors:

- a) the financial statements and notes to the financial statements of the Colonial First State Managed Investment Funds ("the Funds") are in accordance with the Corporations Act 2001, including:
  - i) giving a true and fair view of the Funds' financial positions as at 30 June 2008 and of their performances for the year ended on that date; and
  - ii) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- 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

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



Bradley Brian Massey  
Director  
Sydney  
8 September 2008

## Independent auditor's report to the unitholders of Colonial First State Managed Investment Funds

### Report on the financial report

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

#### *Directors' responsibility for the financial report*

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

#### *Auditor's responsibility*

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

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

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

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

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

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

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

*Independence*

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

*Auditor's opinion on the financial report*

In our opinion:

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

*Matters relating to the electronic presentation of the audited financial report*

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



PricewaterhouseCoopers



AJ Wilson  
Partner

Sydney  
8 September 2008

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

Represented by:

Colonial First State Global Health & Biotechnology Fund  
Colonial First State Global Technology & Communications Fund

**ARSN**

092 203 668  
089 744 856

**Financial Report for the  
Year Ended 30 June 2008  
Responsible Entity of the Funds:**

**COLONIAL FIRST STATE INVESTMENTS LIMITED  
ABN 98 002 348 352**

Level 29, 52 Martin Place  
SYDNEY NSW 2000

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

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

### Change of Auditors

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

### Principal Activities

This financial report consists of two managed funds belonging to the family of Funds known as the Colonial First State Managed Investment Funds. Each of the two Funds have also produced consolidated financial statements which incorporate the Funds that they have controlled during the reporting period.

Colonial First State Global Health & Biotechnology Fund  
Colonial First State Global Technology & Communications Fund

The principal activities of the Funds are to invest in accordance with the investment objectives and guidelines as set out in the current Product Disclosure Statements and in accordance with the provisions of the Funds' Constitutions.

The Funds achieve their exposure to the investment markets through investments in registered schemes managed by the Responsible Entity.

### Principles of Consolidation

The Funds ("the Parent Entities") have produced consolidated financial reports incorporating the financial statements of their subsidiaries ("the Group"). The Parent Entities and their subsidiaries are referred to in the financial statements as the Consolidated Entities.

Subsidiaries are all those entities over which the Parent Entity has a control. Subsidiaries are consolidated from the date on which control is obtained and cease to be consolidated from the date that a loss of control can clearly be demonstrated. The financial statements of subsidiaries are prepared for the same reporting period as their Parent Entities, using consistent accounting policies.

The Parent Entities and their subsidiaries in this financial report are:

Parent Entity	Subsidiary
Colonial First State Global Health & Biotechnology Fund	Colonial First State Wholesale Global Health & Biotechnology Fund
Colonial First State Global Technology & Communications Fund	Colonial First State Wholesale Global Technology & Communications Fund

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Date of Constitution and Registration of Funds

The Funds in this financial report and the dates of their Constitution and registration with the Australian Securities and Investments Commission are as follows:

	Date of Constitution	Date of Registration
Colonial First State Global Health & Biotechnology Fund	22/03/2000	03/04/2000
Colonial First State Global Technology & Communications Fund	27/09/1999	07/10/1999

### Review of Operations

The results of the Funds for the year were as follows:

#### Income

The distributions per unit for each of the Funds for the years ended 30 June 2008 and 30 June 2007 are shown in Note 3 to these financial statements.

#### 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. Please refer to the current Product Disclosure Statements for the Colonial First State Managed Investment Funds for details of the current sell spreads for the Funds.

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

	2008 \$	2007 \$
Colonial First State Global Health & Biotechnology Fund	0.6521	0.7909
Colonial First State Global Technology & Communications Fund	0.5184	0.6538

### Management Costs and Indirect Cost Ratio (ICR)

Management costs include investment expenses, custody fees and management fees paid or payable as provided under the Constitution for a Fund. These costs are not paid directly by the unitholders of a Fund and do not include transactions costs and additional service fees.

The ICR of a Fund is expressed as a percentage of a Fund's management costs over the Fund's average net assets.

The ICR for the Funds for the year ended 30 June 2008 and comparatives 30 June 2007 are as follows:

	ICR 2008 %	ICR 2007 %
Colonial First State Global Health & Biotechnology Fund	2.05	2.02
Colonial First State Global Technology & Communications Fund	2.05	2.02

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Review of Operations (continued)

#### Performance

The performance figures below have been calculated on an exit price to exit price basis and do not take into account initial application fees. Distributions paid have been treated as being reinvested and have been recognised in the period of entitlement.

	Year ended June 2008 %	Year ended June 2007 %
Colonial First State Global Health & Biotechnology Fund	(17.52)	(0.63)
Colonial First State Global Technology & Communications Fund	(20.71)	12.18

#### Responsible Entity and Directors

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

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

Grahame Petersen  
Michael John Venter  
Brian Vincent Bissaker  
Paul Rayson  
Peter Robert Winney  
John Robert Dempsey  
Bradley Brian Massey

Resigned 15 January 2008  
Appointed 21 February 2008

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

#### Scheme Information

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

#### Significant Changes in the State of Affairs

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

#### Matters Subsequent to the End of the Financial Year

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Likely Developments and Expected Results of Operations

The Funds will continue to pursue their current investment policies in accordance with the objectives as set out in the current Product Disclosure Statements and the Funds' Constitutions.

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

### Indemnification and Insurance Premiums for Officers and auditors

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

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

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

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

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

### Interests in the Funds

The units issued and redeemed in the Funds during the year and the number of units on issue at the end of the financial year are set out in Note 5(a) to the financial statements. The value of the Funds' assets at the end of the financial year are set out in the Balance Sheets.

### Environmental Regulation

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

### Rounding of amounts to the nearest thousand dollars

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

### Single Financial Report

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2008

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 6.

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

A handwritten signature in black ink, appearing to read 'Bradley Massey', written in a cursive style.

Bradley Brian Massey  
Director  
Sydney  
8 September 2008

## Auditor's independence declaration

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

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

This declaration is in respect of Colonial First State Managed Investment Funds and the entities they controlled during the year.



AJ Wilson  
Partner  
PricewaterhouseCoopers

Sydney  
8 September 2008



**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
Notes		1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
<b>Investment income</b>					
		82	82	2	2
		650	685	-	-
		-	-	205	172
		(8,061)	6,366	(5,312)	3,981
		1	-	1	-
		(134)	(115)	-	-
<b>Total net investment (loss)/income</b>		(7,462)	7,018	(5,104)	4,155
<b>Expenses</b>					
	7(c)	643	869	218	297
		4	1	-	-
		35	54	-	-
<b>Total operating expenses</b>		682	924	218	297
<b>Operating (loss)/profit attributable to unitholders</b>		(8,144)	6,094	(5,322)	3,858
	3	-	-	-	-
		(112)	(90)	-	-
<b>Operating (loss)/profit attributable to unitholders after distributions</b>		(8,256)	6,004	(5,322)	3,858
		2,904	(2,100)	-	-
	5	5,352	(3,904)	5,322	(3,858)
<b>Profit/(Loss) for the year</b>		-	-	-	-

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
	Note	30/6/2008 \$'000	30/6/2007 \$'000	30/6/2008 \$'000	30/6/2007 \$'000
<b>Assets</b>					
Cash and cash equivalents		898	1,520	51	25
Trade and other receivables:					
- outstanding sales settlement		40	-	40	-
- application monies		29	1	-	-
- dividends		3	37	-	-
- interests		7	4	-	-
- others		15	25	4	6
Financial assets held for trading	4	28,074	41,851	16,300	25,590
<b>Total assets</b>		<b>29,066</b>	<b>43,438</b>	<b>16,395</b>	<b>25,621</b>
<b>Liabilities</b>					
Trade and other payables:					
- outstanding purchase settlements		-	14	-	-
- redemptions		95	29	44	29
Distribution payable		3	-	1	-
Fees due to Responsible Entity	7(c)	57	64	27	20
Minority Interest		12,588	17,759	-	-
<b>Total liabilities (excluding net assets attributable to unitholders of the parent entity)</b>		<b>12,743</b>	<b>17,866</b>	<b>72</b>	<b>49</b>
<b>Net assets attributable to unitholders of the parent entity</b>	5(a)	<b>16,323</b>	<b>25,572</b>	<b>16,323</b>	<b>25,572</b>

**Net assets attributable to unitholders of the parent entity is**

**Represented by:**

Fair value of outstanding units based on redemption value	16,323	25,571
Adjustments to year end and accruals	-	1
<b>Net assets attributable to unitholders of the parent entity</b>	<b>16,323</b>	<b>25,572</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
	Note	30/6/2008 \$'000	30/6/2007 \$'000	30/6/2008 \$'000	30/6/2007 \$'000
<b>Assets</b>					
Cash and cash equivalents		1,274	990	31	-
Trade and other receivables:					
- outstanding sales settlement		499	455	10	-
- application monies		12	1	-	-
- dividends		27	45	-	-
- interests		6	4	-	-
- others		17	28	6	7
Financial assets held for trading	4	28,222	44,343	19,155	29,766
<b>Total assets</b>		<b>30,057</b>	<b>45,866</b>	<b>19,202</b>	<b>29,773</b>
<b>Liabilities</b>					
Bank overdraft		-	14	-	14
Trade and other payables:					
- outstanding purchase settlements		337	266	-	-
- redemptions		45	21	18	21
Distribution payable		30	27	-	-
Fees due to Responsible Entity	7(c)	45	70	15	23
Minority Interest		10,431	15,753	-	-
<b>Total liabilities (excluding net assets attributable to unitholders of the parent entity)</b>		<b>10,888</b>	<b>16,151</b>	<b>33</b>	<b>58</b>
<b>Net assets attributable to unitholders of the parent entity</b>	5(a)	<b>19,169</b>	<b>29,715</b>	<b>19,169</b>	<b>29,715</b>

**Net assets attributable to unitholders of the parent entity is**

**Represented by:**

Fair value of outstanding units based on redemption value		19,169	29,719
Adjustments to year end and accruals		-	(4)
<b>Net assets attributable to unitholders of the parent entity</b>		<b>19,169</b>	<b>29,715</b>

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-
Profit or loss for the year	-	-	-	-
Net income/(expense) recognised directly in equity				
<b>Total recognised income and expenses for the year</b>	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
<b>Total equity at the beginning of the financial year</b>	-	-	-	-
Profit or loss for the year	-	-	-	-
Net income/(expense) recognised directly in equity				
<b>Total recognised income and expenses for the year</b>	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
<b>Total equity at the end of the financial year</b>	-	-	-	-

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

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

		Colonial First State Global Health & Biotechnology Fund			
		Consolidated		Parent	
	Note	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments held for trading		24,254	33,853	6,062	10,310
Payments for purchase of financial instruments held for trading		(16,816)	(18,623)	(380)	(180)
Interest received		76	76	2	3
Dividends received		384	472	-	-
Responsible Entity fee paid		(579)	(887)	(173)	(286)
Other expenses paid		-	-	(1)	-
Payment for brokerage costs		(15)	(25)	-	-
<b>Net cash from operating activities</b>	6(a)	7,304	14,866	5,510	9,847
<b>Cash flows from financing activities</b>					
Receipts from issue of units		2,235	1,929	749	1,335
Payment for redemption of units		(10,161)	(17,552)	(6,233)	(11,306)
<b>Net cash used in financing activities</b>		(7,926)	(15,623)	(5,484)	(9,971)
<b>Net movement in cash and cash equivalents</b>		(622)	(757)	26	(124)
Effects of exchange rate changes		-	8	-	-
Add opening cash and cash equivalents brought forward		1,520	2,269	25	149
<b>Closing cash and cash equivalents carried forward</b>		898	1,520	51	25

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

		Colonial First State Global Technology & Communications Fund			
		Consolidated		Parent	
	Note	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
<b>Cash flows from operating activities</b>					
Proceeds from sale of financial instruments held for trading		53,911	64,419	5,863	10,647
Payments for purchase of financial instruments held for trading		(45,932)	(49,865)	(369)	(370)
Interest received		80	86	2	3
Dividends received		669	668	-	-
Other income received		-	-	-	1
Responsible Entity fee paid		(659)	(872)	(224)	(301)
Other expenses paid		(5)	(1)	-	-
Payment for brokerage costs		(35)	(54)	-	-
<b>Net cash from operating activities</b>	6(a)	8,029	14,381	5,272	9,980
<b>Cash flows from financing activities</b>					
Receipts from issue of units		5,177	2,223	925	1,502
Payment for redemption of units		(12,881)	(16,968)	(6,152)	(11,603)
Distributions paid		(27)	-	-	-
<b>Net cash used in financing activities</b>		(7,731)	(14,745)	(5,227)	(10,101)
<b>Net movement in cash and cash equivalents</b>		298	(364)	45	(121)
Effects of exchange rate changes		-	7	-	-
Add opening cash and cash equivalents brought forward		976	1,333	(14)	107
<b>Closing cash and cash equivalents carried forward</b>		1,274	976	31	(14)

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

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

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

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

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

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

#### (b) Statement of Compliance

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

#### (c) Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Entities and their subsidiaries ("the Group").

Subsidiaries are all those entities over which the parent entity has control. The financial statements of subsidiaries are prepared for the same reporting period as their Parent Entities, using consistent accounting policies. Subsidiaries are consolidated from the date on which control is obtained and cease to be consolidated from the date that a loss of control can clearly be demonstrated.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Parent Entity. The purchase method measures the acquiree's assets and liabilities at their fair value at acquisition date.

All inter-fund balances and transactions, including unrealised profits arising from intra-group transactions have been eliminated in full.

Minority interest in the net profit and net assets of subsidiaries are shown separately in the Income Statements and Balance Sheets respectively.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Investments in Financial Assets Held for Trading

##### *Classification*

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

##### *Recognition/Derecognition*

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

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

##### *Measurement*

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

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

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

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

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

#### (e) Investment Income

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

##### *Dividend and Distribution income*

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

##### *Interest income*

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (f) Cash and Cash Equivalents

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

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

#### (g) Trade and Other Receivables

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

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

#### (h) Trade and Other Payables

Liabilities for creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds.

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

#### (i) Taxation

Under current legislation, the 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.

#### (j) Distributions

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable half-yearly. 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 held for trading. Unrealised gains and losses on financial assets held for trading that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any realised capital gains.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Foreign Currency

##### *Foreign Currency Transactions*

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

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

##### *Foreign Currency Translations*

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

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

#### (l) Unit Prices

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

#### (m) 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 MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (n) Net Assets Attributable to Unitholders

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

#### (o) 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 are classified as operating cash flows.

#### (p) Expense Recognition

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

#### (q) Use of estimates

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the current 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.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (r) New Application of Accounting Standards

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

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

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

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

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

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

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 2. AUDITOR'S REMUNERATION

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

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

### 3. DISTRIBUTIONS

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

The amounts distributed or proposed to be distributed to unitholders in cents per unit (cpu) and total dollar amounts for the Consolidated and Parent Entities during the year were:

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

	Colonial First State Global Health & Biotechnology Fund				Colonial First State Global Technology & Communications Fund			
	1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007		1/7/2007 - 30/06/2008		1/7/2006 - 30/06/2007	
Period ended:	cpu	\$'000	cpu	\$'000	cpu	\$'000	cpu	\$'000
- 30 June	0.02	5	-	-	-	-	-	-
		5		-		-		-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**4. INVESTMENTS IN FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING**

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Listed Equities</b>				
- International stock exchanges	28,074	41,851	-	-
<b>Total Listed Equities</b>	28,074	41,851	-	-
<b>Managed Investment Schemes</b>				
- Related Managed Investment Schemes	-	-	16,300	25,590
<b>Total Managed Investment Schemes</b>	-	-	16,300	25,590
<b>Total Investments in Financial Assets and Liabilities</b>	28,074	41,851	16,300	25,590

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	30/06/2008 \$'000	30/06/2007 \$'000	30/06/2008 \$'000	30/06/2007 \$'000
<b>Listed Equities</b>				
- International stock exchanges	28,222	44,343	-	-
<b>Total Listed Equities</b>	28,222	44,343	-	-
<b>Managed Investment Schemes</b>				
- Related Managed Investment Schemes	-	-	19,155	29,766
<b>Total Managed Investment Schemes</b>	-	-	19,155	29,766
<b>Total Investments in Financial Assets and Liabilities</b>	28,222	44,343	19,155	29,766

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**5. 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 Fund.

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

	<b>Colonial First State Global Health &amp; Biotechnology Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	32,333	25,572	44,475	35,393
Applications	1,007	749	1,625	1,336
Redemptions	(8,314)	(6,249)	(13,767)	(11,298)
Units issued upon reinvestment of distributions	6	4	-	-
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(3,753)	-	141
<b>Closing Balance</b>	<b>25,032</b>	<b>16,323</b>	<b>32,333</b>	<b>25,572</b>

	<b>Colonial First State Global Technology &amp; Communications Fund</b>			
	<b>1/7/2007 - 30/06/2008</b>		<b>1/7/2006 - 30/06/2007</b>	
	<b>No.'000</b>	<b>\$'000</b>	<b>No.'000</b>	<b>\$'000</b>
Opening balance	45,454	29,715	61,725	35,973
Applications	1,506	925	2,409	1,502
Redemptions	(9,985)	(6,149)	(18,680)	(11,618)
(Decrease)/Increase in net assets attributable to unitholders from operations	-	(5,322)	-	3,858
<b>Closing Balance</b>	<b>36,975</b>	<b>19,169</b>	<b>45,454</b>	<b>29,715</b>

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, listed equities and managed investment schemes.

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**6. CASH AND CASH EQUIVALENTS**

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

	Colonial First State Global Health & Biotechnology Fund			
	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Net (loss)/profit attributable to unitholders and minority interest	(6,460)	447	(3,748)	141
Distributions to unitholders	14	-	-	-
Proceeds from sale of financial instruments held for trading	24,294	33,796	6,102	10,310
Purchase of financial instruments held for trading	(16,802)	(18,637)	(380)	(180)
Changes in fair value of financial instruments held for trading	6,258	(853)	3,586	(425)
Dividend/Distribution income reinvested	(14)	-	(18)	-
Net foreign exchange loss	34	58	-	-
Changes in assets and liabilities:				
Outstanding sales settlements	(40)	57	(40)	-
Interest receivable	-	2	-	-
Other receivables	42	4	1	9
Outstanding purchase settlements	(14)	14	-	-
Responsible Entity fees	(8)	(22)	7	(8)
<b>Net Cash From Operating Activities</b>	<b>7,304</b>	<b>14,866</b>	<b>5,510</b>	<b>9,847</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**6. CASH AND CASH EQUIVALENTS (continued)**

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

	Colonial First State Global Technology & Communications Fund			
	Consolidated		Parent	
	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000	1/7/2007- 30/6/2008 \$'000	1/7/2006- 30/6/2007 \$'000
Net (loss)/profit attributable to unitholders and minority interest	(8,144)	6,094	(5,322)	3,858
Distributions to unitholders	205	172	-	-
Proceeds from sale of financial instruments held for trading	53,955	64,548	5,873	10,647
Purchase of financial instruments held for trading	(46,003)	(50,036)	(369)	(370)
Changes in fair value of financial instruments held for trading	8,061	(6,366)	5,312	(3,981)
Dividend/Distribution income reinvested	(205)	(172)	(205)	(172)
Net foreign exchange loss	134	115	-	-
Changes in assets and liabilities:				
Outstanding sales settlements	(44)	(128)	(10)	-
Interest receivable	3	1	-	-
Other receivables	20	(5)	1	3
Outstanding purchase settlements	71	171	-	-
Responsible Entity fees	(24)	(13)	(8)	(5)
<b>Net Cash From Operating Activities</b>	<b>8,029</b>	<b>14,381</b>	<b>5,272</b>	<b>9,980</b>

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

- Reinvestment of unitholders distributions as disclosed in Statements of Changes in Net Asset Attributable to Unitholders and Note 5(a) under "Units issued upon reinvestment of distribution".
- Participation in dividend reinvestment plans as disclosed in Note 6(a) under "Dividend income reinvested".

**(c) Terms and conditions on cash**

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 7. RELATED PARTIES DISCLOSURES

#### (a) Responsible Entity

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

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

#### (b) Details of Key Management Personnel

##### (i) Key Management Personnel

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

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

##### (ii) Compensation of key management personnel

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

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

#### (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.

Where monies are invested into other schemes managed by the Responsible Entity the management fees are calculated after rebating fees charged in the underlying schemes. As a consequence, the amounts shown in the Income Statements reflect only the amount of fees charged directly to the respective Funds. As at 30 June 2008 and 30 June 2007, the total amount owed to the Responsible Entity in relation to management fees is disclosed in the Balance Sheets.

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 7. RELATED PARTIES DISCLOSURES (continued)

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

The management fee rates for the Funds are as follows:

Name of Funds	2008 Management Fees %	2007 Management Fees %
Colonial First State Global Health & Biotechnology Fund	2.05	2.05
Colonial First State Global Technology & Communications Fund	2.05	2.05

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

Name of Funds	Year Ended 2008 \$	Year Ended 2007 \$
Colonial First State Global Health & Biotechnology Fund	182,846	286,219
Colonial First State Global Technology & Communications Fund	217,784	297,150

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

Name of Funds	2008 \$	2007 \$
Colonial First State Global Health & Biotechnology Fund	27,269	20,371
Colonial First State Global Technology & Communications Fund	15,019	23,282

#### (d) Bank and Deposit Accounts

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

#### (e) Related Party Transactions

##### *Related parties*

Transactions between the Funds and other registered Funds also managed by the Responsible Entity consisted of the sale of units in the Funds to related Managed Investment Schemes, purchases of units in related Managed Investment Schemes, and receipt and payment of distributions on normal commercial terms and conditions.

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 7. RELATED PARTIES DISCLOSURES (continued)

#### (e) Related Party Transactions (continued)

*Terms and conditions of transactions with related parties*

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

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

#### (f) Investing Activities

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

The following notes also outlines parent's investment in subsidiaries.

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

#### Colonial First State Global Health & Biotechnology Fund

Units held in Colonial First State  
Wholesale Global Health &  
Biotechnology Fund

- 2008	22,913	16,300	56.46	509	7,491	18
- 2007	29,895	25,590	59.06	203	11,641	-

#### Colonial First State Global Technology & Communications Fund

Units held in Colonial First State  
Wholesale Global Technology &  
Communications Fund

- 2008	33,477	19,155	64.78	913	8,578	205
- 2007	41,142	29,766	65.43	774	15,414	172

### 8. SEGMENT INFORMATION

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

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 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) and liquidity risk.

Certain Funds interfund into other Funds or unit trusts and therefore may not hold any other direct investments. These 'interfunded' funds are therefore only directly exposed to price risk but may still be indirectly exposed to some or all of the above risks.

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

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

#### (a) Market Risk

##### (i) Price risk

The Funds' financial assets are either directly or indirectly exposed to price risk. This arises from investments held by the Funds for which prices in the future are uncertain. They are classified on the balance sheet at fair value through profit or loss. All securities investments present a risk of loss of capital. 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 9(a)(ii) below sets out how this component of price risk is measured and managed.

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

The table in Note 9(b) summarises the impact of an increase/decrease of the Australian and global Indexes on the Funds' net assets attributable to unitholders at 30 June 2008 and 30 June 2007. The analysis is based on the assumptions that the indexes increased or decreased as tabled below 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. The impact mainly arises from the reasonably possible change in the fair value of the underlying investment.

Investments options	30/06/2008		30/06/2007	
	Decrease	Increase	Decrease	Increase
	%	%	%	%
Australian and Global Shares	(15)	30	(15)	30

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign exchange risk

Investments in global markets or securities which are denominated in foreign currencies gives rise to foreign currency exposure. This means that the value of these investments will vary depending on changes in the exchange rate. The risk is measured using sensitivity analysis.

Currency hedging may be used to manage foreign exchange risk and generally involves reducing or removing the impact of currency movements on the value of units in the Funds. Foreign currency forwards are typically used for the purpose of hedging currency exposure and are held in accordance with the investment guidelines, risk profiles and investment strategies of the Funds.

Funds which are managed externally may use differing currency risk management strategies depending on the Investment Manager, its objectives and any global exposure. In these instances, the Responsible Entity has reviewed the process for appropriateness and ensures the Funds are monitored for hedging. However, for accounting purposes, the 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 investment guidelines are regularly monitored by the relevant Investment Manager's Compliance department and in addition these controls may also be monitored by the Responsible Entity's Investment Compliance staff. Investment guideline breaches are reported to the Responsible Entity's Board, committees and relevant internal stakeholders.

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

	Colonial First State Global Health & Biotechnology Fund				
30/06/2008	United States Dollar	European Currency	Swiss Franc	Japanese Yen	Other
	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000	AUD \$'000
	<b>Consolidated</b>				
Cash and cash equivalents	345	-	-	-	-
Receivables	3	-	-	-	-
Financial instruments held for trading	23,206	1,268	356	3,000	244
	23,554	1,268	356	3,000	244
	<b>Parent</b>				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial instruments held for trading	-	-	-	-	-
	-	-	-	-	-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Foreign exchange risk (continued)**

<b>Colonial First State Global Health &amp; Biotechnology Fund</b>					
<b>30/06/2007</b>	<b>United States Dollar</b>	<b>European Currency</b>	<b>Danish Kroner</b>	<b>Japanese Yen</b>	<b>Other</b>
	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
	<b>Consolidated</b>				
Cash and cash equivalents	484	-	-	-	-
Financial instruments held for trading	35,443	1,502	265	4,448	223
Payables	( 14)	-	-	-	-
	<b>35,913</b>	<b>1,502</b>	<b>265</b>	<b>4,448</b>	<b>223</b>
	<b>Parent</b>				
Cash and cash equivalents	-	-	-	-	-
Financial instruments held for trading	-	-	-	-	-
Payables	-	-	-	-	-
	-	-	-	-	-

<b>Colonial First State Global Technology &amp; Communications Fund</b>					
<b>30/06/2008</b>	<b>United States Dollar</b>	<b>European Currency</b>	<b>Taiwan Dollar</b>	<b>Norwegian Kroner</b>	<b>Other</b>
	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
	<b>Consolidated</b>				
Cash and cash equivalents	728	-	56	-	-
Receivables	514	-	-	-	2
Financial instruments held for trading	23,182	1,160	711	623	2,546
Payables	( 337)	-	-	-	-
	<b>24,087</b>	<b>1,160</b>	<b>767</b>	<b>623</b>	<b>2,548</b>
	<b>Parent</b>				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial instruments held for trading	-	-	-	-	-
Payables	-	-	-	-	-
	-	-	-	-	-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market Risk (continued)**

**(ii) Foreign exchange risk (continued)**

<b>Colonial First State Global Technology &amp; Communications Fund</b>					
<b>30/06/2007</b>	<b>United States Dollar</b>	<b>European Currency</b>	<b>Taiwan Dollar</b>	<b>Korean Won</b>	<b>Other</b>
	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>	<b>AUD \$'000</b>
	<b>Consolidated</b>				
Cash and cash equivalents	924	-	5	-	14
Receivables	455	-	-	-	-
Financial instruments held for trading	37,360	1,952	1,197	698	3,188
Payables	( 187)	-	-	-	( 79)
	<b>38,552</b>	<b>1,952</b>	<b>1,202</b>	<b>698</b>	<b>3,123</b>
	<b>Parent</b>				
Cash and cash equivalents	-	-	-	-	-
Receivables	-	-	-	-	-
Financial instruments held for trading	-	-	-	-	-
Payables	-	-	-	-	-
	-	-	-	-	-

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market Risk (continued)

#### (ii) Foreign exchange risk (continued)

The table in Note 9(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 weakened/strengthened by 10.10% (2007 – 10.10%) against each of the other currencies to which the Funds' are exposed.

#### (iii) Interest rate risk

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

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

30/06/2008	Colonial First State Global Health & Biotechnology Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	<b>Consolidated</b>			
<b>Financial assets</b>				
Cash and cash equivalents	898	-	-	898
Receivables	-	-	94	94
Financial assets held for trading	-	-	28,074	28,074
<b>Financial liabilities</b>				
Payables	-	-	(155)	(155)
Minority Interest	-	-	(12,588)	(12,588)
<b>Net exposure</b>	<b>898</b>	<b>-</b>	<b>15,425</b>	<b>16,323</b>
	<b>Parent</b>			
<b>Financial assets</b>				
Cash and cash equivalents	51	-	-	51
Receivables	-	-	44	44
Financial assets held for trading	-	-	16,300	16,300
<b>Financial liabilities</b>				
Payables	-	-	(72)	(72)
<b>Net exposure</b>	<b>51</b>	<b>-</b>	<b>16,272</b>	<b>16,323</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market risk (continued)**

**(iii) Interest rate risk (continued)**

30/06/2007	Colonial First State Global Health & Biotechnology Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	<b>Consolidated</b>			
<b>Financial assets</b>				
Cash and cash equivalents	1,520	-	-	1,520
Receivables	-	-	67	67
Financial assets held for trading	-	-	41,851	41,851
<b>Financial liabilities</b>				
Payables	-	-	(107)	(107)
Minority Interest	-	-	(17,759)	(17,759)
Net exposure	1,520	-	24,052	25,572
	<b>Parent</b>			
<b>Financial assets</b>				
Cash and cash equivalents	25	-	-	25
Receivables	-	-	6	6
Financial assets held for trading	-	-	25,590	25,590
<b>Financial liabilities</b>				
Payables	-	-	(49)	(49)
Net exposure	25	-	25,547	25,572

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market risk (continued)**

**(iii) Interest rate risk (continued)**

30/06/2008	Colonial First State Global Technology & Communications Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	<b>Consolidated</b>			
<b>Financial assets</b>				
Cash and cash equivalents	1,274	-	-	1,274
Receivables	-	-	561	561
Financial assets held for trading	-	-	28,222	28,222
<b>Financial liabilities</b>				
Payables	-	-	(457)	(457)
Minority Interest	-	-	(10,431)	(10,431)
<b>Net exposure</b>	<b>1,274</b>	<b>-</b>	<b>17,895</b>	<b>19,169</b>
	<b>Parent</b>			
<b>Financial assets</b>				
Cash and cash equivalents	31	-	-	31
Receivables	-	-	16	16
Financial assets held for trading	-	-	19,155	19,155
<b>Financial liabilities</b>				
Payables	-	-	(33)	(33)
<b>Net exposure</b>	<b>31</b>	<b>-</b>	<b>19,138</b>	<b>19,169</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(a) Market risk (continued)**

**(iii) Interest rate risk (continued)**

30/06/2007	Colonial First State Global Technology & Communications Fund			
	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
	<b>Consolidated</b>			
<b>Financial assets</b>				
Cash and cash equivalents	990	-	-	990
Receivables	-	-	533	533
Financial assets held for trading	-	-	44,343	44,343
<b>Financial liabilities</b>				
Bank overdraft	(14)	-	-	(14)
Payables	-	-	(384)	(384)
Minority Interest	-	-	(15,753)	(15,753)
Net exposure	976	-	28,739	29,715
	<b>Parent</b>			
<b>Financial assets</b>				
Receivables	-	-	7	7
Financial assets held for trading	-	-	29,766	29,766
<b>Financial liabilities</b>				
Bank overdraft	(14)	-	-	(14)
Payables	-	-	(44)	(44)
Net exposure	(14)	-	29,729	29,715

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market risk (continued)

#### (iii) Interest rate risk (continued)

An analysis of financial liabilities by maturities is provided in paragraph 9(c) below.

The table in Note 9(b) summarises the impact of an increase/decrease of interest rates on the Funds' operating profit and net assets attributable to unitholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 75 basis points (2007 - +/- 75 basis points) from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of fixed interest securities.

#### (b) Summarised Sensitivity Analysis

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

	Colonial First State Global Health & Biotechnology Fund					
	Interest rate risk		Foreign exchange risk		Price Risk	
	Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders					
	-75 basis points \$'000	75 basis points \$'000	-10.10% \$'000	10.10% \$'000	-15.00% \$'000	30.00% \$'000
	Consolidated					
30/06/2008	(7)	7	(35)	35	(4,211)	8,422
30/06/2007	(11)	11	(47)	47	(6,278)	12,555
	Parent					
30/06/2008	-	-	-	-	(2,445)	4,890
30/06/2007	-	-	-	-	(3,838)	7,677

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(b) Summarised Sensitivity Analysis (continued)**

		<b>Colonial First State Global Technology &amp; Communications Fund</b>					
		<b>Interest rate risk</b>		<b>Foreign exchange risk</b>		<b>Price Risk</b>	
		<b>Impact on Operating Profit/(Loss) and Net Assets Attributable to Unitholders</b>					
		<b>-75 basis points \$'000</b>	<b>75 basis points \$'000</b>	<b>-10.10% \$'000</b>	<b>10.10% \$'000</b>	<b>-15.00% \$'000</b>	<b>30.00% \$'000</b>
		<b>Consolidated</b>					
<b>30/06/2008</b>		(10)	10	(97)	97	(4,233)	8,466
<b>30/06/2007</b>		(7)	7	(114)	114	(6,652)	13,303
		<b>Parent</b>					
<b>30/06/2008</b>		-	-	-	-	(2,873)	5,746
<b>30/06/2007</b>		-	-	-	-	(4,465)	8,930

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (c) Liquidity Risk

Liquidity risk refers to the difficulty in selling an asset for cash quickly without an adverse impact on the price received.

Funds are exposed to daily cash redemptions of redeemable units. They hold investments which may be traded in an active market and can be readily disposed.

Certain Funds may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, these Funds may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

The Responsible Entity manages liquidity risk by ensuring that there is adequate liquidity or short term interest bearing assets or where permitted by the Funds' investment strategies an overdraft facility, in order to meet all financial obligations such as margin calls.

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

#### (i) Financial Liabilities

30/06/2008	Colonial First State 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
	<b>Consolidated</b>					
Payables	155	-	-	-	-	-
Minority interest	12,588	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	16,323	-	-	-	-	-
<b>Total financial liabilities</b>	<b>29,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Parent</b>					
Payables	72	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	16,323	-	-	-	-	-
<b>Total financial liabilities</b>	<b>16,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(c) Liquidity Risk (continued)**

**(i) Financial Liabilities (continued)**

		<b>Colonial First State Global Health &amp; Biotechnology Fund</b>					
<b>30/06/2007</b>		<b>Less than 1 month \$'000</b>	<b>1 - 3 months \$'000</b>	<b>3 - 12 months \$'000</b>	<b>1 - 2 years \$'000</b>	<b>2 - 3 years \$'000</b>	<b>More than 3 years \$'000</b>
<b>Consolidated</b>							
Payables	107	-	-	-	-	-	-
Minority interest	17,759	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	25,572	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>43,438</b>	-	-	-	-	-	-
<b>Parent</b>							
Payables	49	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	25,572	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>25,621</b>	-	-	-	-	-	-

		<b>Colonial First State Global Technology &amp; Communications Fund</b>					
<b>30/06/2008</b>		<b>Less than 1 month \$'000</b>	<b>1 - 3 months \$'000</b>	<b>3 - 12 months \$'000</b>	<b>1 - 2 years \$'000</b>	<b>2 - 3 years \$'000</b>	<b>More than 3 years \$'000</b>
<b>Consolidated</b>							
Payables	457	-	-	-	-	-	-
Minority interest	10,431	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	19,169	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>30,057</b>	-	-	-	-	-	-
<b>Parent</b>							
Payables	33	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	19,169	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>19,202</b>	-	-	-	-	-	-

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

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

**9. FINANCIAL RISK MANAGEMENT (continued)**

**(c) Liquidity Risk (continued)**

**(i) Financial Liabilities (continued)**

30/06/2007	Colonial First State Global Technology & Communications 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
	<b>Consolidated</b>					
Bank overdraft	14	-	-	-	-	-
Payables	384	-	-	-	-	-
Minority interest	14,215	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	29,715	-	-	-	-	-
<b>Total financial liabilities</b>	<b>44,328</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Parent</b>					
Bank overdraft	14	-	-	-	-	-
Payables	44	-	-	-	-	-
Minority interest	-	-	-	-	-	-
Net assets attributable to unitholders of the parent entity	29,715	-	-	-	-	-
<b>Total financial liabilities</b>	<b>29,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS

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

### 9. FINANCIAL RISK MANAGEMENT (continued)

#### (d) Fair Value Estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and listed securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Funds is the current 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 (for example, over-the-counter derivatives and investments in unlisted securities) is determined using valuation techniques. These Funds use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of 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.

### 10. CONTINGENT LIABILITIES AND COMMITMENTS

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

### 11. EVENTS AFTER BALANCE SHEET DATE

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

**COLONIAL FIRST STATE MANAGED INVESTMENT FUNDS**

**DIRECTORS' DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2008**

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

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

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



Bradley Brian Massey  
Director  
Sydney  
8 September 2008

## Independent auditor's report to the unitholders of Colonial First State Managed Investment Funds

### Report on the financial report

We have audited the accompanying financial report of Colonial First State Managed Investment Funds (the Funds) and the entities they controlled during the year, which comprises the balance sheets as at 30 June 2008, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a summary of significant accounting policies, other explanatory notes of the consolidated entities, comprising the funds and the entities they controlled at the year's end or from time to time during the financial year and the directors' declaration for both the funds and the entities they controlled.

#### *Directors' responsibility for the financial report*

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

#### *Auditor's responsibility*

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

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

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

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

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

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

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

*Independence*

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

*Auditor's opinion on the financial report*

In our opinion:

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

*Matters relating to the electronic presentation of the audited financial report*

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



PricewaterhouseCoopers



AJ Wilson  
Partner

Sydney  
8 September 2008

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## Enquiries

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Email: **[contactus@colonialfirststate.com.au](mailto:contactus@colonialfirststate.com.au)**

12468/FS460/0808

The Colonial First State Managed Investment Funds Product Disclosure Statement was issued on 1 September 2008.  
The Colonial First State Premier CMT Product Disclosure Statement was issued on 1 September 2008.

We want what you want

**Colonial**  
**First State**